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AIMS AND SCOPE

Transition is the widely accepted term for the thorough going political, institutional, organizational, social, and technological changes and innovations as well as economy-wide and sector changes in societies, countries and businesses to establish and enhance a sustainable economic environment.

Managing Global Transitions is a social sciences' interdisciplinary research journal. The aim of this journal is to publish research articles which analyse all aspects of transitions and changes in societies, economies, cultures, networks, organizations, teams, and individuals, and the processes that are most effective in managing large scale transitions from dominant structures to more evolutionary, developmental forms, in a global environment. The journal seeks to offer researchers and professionals the opportunity to discuss the most demanding issues regarding managing of those transitions to establish and enhance a sustainable economic environment.

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- Globalisation, international economics
- Historical transitions, transition experiments, transition pathways and mechanisms, visions of the future
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- Microeconomics (theory and applications, industrial organisation, market structure, competition, innovation, . . .)
- Sociological, psychological and politological issues of transitions
- Sustainability issues, environmental business and economics
- Urban, rural, regional economics

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Sustainable Tourism Business: An Introduction to the Thematic Issue

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International journal *Managing Global Transitions* is striving to address and present key issues in international research, first of all from the area of business, economics and management. This thematic issue is following the *MIC 2015 International Conference Managing Sustainable Growth.* The selected papers are focusing on different determinants of tourism sector (including tourism firms and tourism destinations) performance, aiming to provide new knowledge and contribute to the research in tourism area. We decided for the topic of this special issue particularly because of the importance of tourism industry issues and concerns related to the national economies all over the world during the past years. The authors from worldwide locations such as Cuba, South Africa Poland, Montenegro and Slovenia contributed their views and discussions of the special issue. The articles included in this special issue present interesting research findings and offer to the audience theoretical and practical implications related to tourism industry.

The first contribution to the issue entitled 'Sustainable Tourism Development Frameworks and Best Practices: Implications for the Cuban Tourism Industry' is authored by Jukka Laitamaki, Lisandra Torres Hechavarría, Mariko Tada, Siying Liu, Natania Setyady, Nuntawan Vatcharasoontorn, and Feizhou Zheng. The objective of their research project was to identify best practices for the Cuban tourism industry in implementing a comprehensive sustainable tourism strategy. The study is aiming to solve the important and topical research problem of how to improve sustainable tourism development in this country. The authors provided some practical recommendations to the Cuban tourism industry on how to learn from the suggested best practices and how to implement them effectively. The article brings a comparative literature review regarding the sustainable tourism development best practices, moreover authors invite tourism stakeholders and policy makers to improve in all the areas of more integrated development approach.

The second paper is devoted to the tourism industry contribution to

economic growth. Andrew Phiri in his article entitled 'Tourism and Economic Growth in South Africa: Evidence from Linear and Nonlinear Cointegration Frameworks' set out that tourism has justifable being recognized as an essential factor of economic growth in South Africa. The aim of this study is to examine the causal effects between tourism and economic growth in South Africa, employing the annual data for the period between 1995 and 2014. Author decided for two empirical approaches; namely linear cointegration framework, and nonlinear cointegration framework. Furthermore, two sets of measures of tourism development were used in the empirical part of the study, namely; tourist receipts and number of international tourist arrivals. The results imply that South Africa can improve her economic growth performance also by strategically harness the contribution of the tourism industry towards such economic growth.

The subsequent paper by Zbigniew Zontek entitled 'The Role of Human Resources in Enhancing Innovation in Tourism Enterprises' is yet another contribution to the knowledge about how to enhance innovation in tourism firms. The paper presents a review of issues related to the influence and importance of human resources in the process of innovativeness in tourism businesses. The main purpose is to identify how the employees are involved and utilized in innovative activities of the researched tourism entities. Moreover, this article presents an overview of the chosen aspects related to innovation in tourism enterprises, located in in the South Sub-Region of Silesia (Poland). The results of the empirical part of the research indicate that the key factors of innovation are exogenous factors, and the impact of human resources on these processes is varied. The paper indicates the need to change the behaviour of managers of tourism firms, especially to include employees in the process of finding innovative solutions.

The fourth contribution draws the attention of the audience to the Granger Causality in Tourism Analysis for Slovenia and Montenegro. Sergej Gričar, Stefan Bojnec, Vesna Karadžić, and Svetlana Rakočević, authors of the paper entitled 'Comparative Analysis of Tourism Led-Growth in Slovenia and Montenegro' aimed to perform a comparative analysis of the tourism led-growth in the above mentioned countries between December 2007 and June 2015. The analysis focused towards gross domestic product, tourist arrivals and unemployment rates as endogenous variables. In addition, monthly time series of inflation rates were introduced as exogenous variables. Some interesting results are presented

in the study. The Granger Causalities differ between countries. The applied empirical Granger Causality approach has confirmed bi-directional causality in Montenegro, wherein the tourism sector causes the economic growth and economic growth causes tourism growth. In Slovenia, the causality is unidirectional as economic growth causes tourism growth.

Finally, Doris Gomezelj Omerzel in her paper 'The Impact of Entrepreneurial Characteristics and Organisational Culture on Innovativeness in Tourism Firms' aimed to outline some of key factors of the innovative capability of a company. In the research she tried to examine the influence of different elements of individual entrepreneurial orientation and organisational culture dimensions on firm innovativeness and on direct subsequent company growth. The measures for five dimensions of entrepreneurial orientation are proposed, namely risk taking, proactiveness, competitive aggressiveness, autonomy and customer orientation as also measures for three dimensions of organisational culture; namely power distance, uncertainty/avoidance and individualism/collectivism. A survey was performed on a sample of tourism companies in Slovenia. The data were analysed by employing univariate and multivariate data analyses techniques. The results suggest that entrepreneurial orientation and organisational culture dimensions positively influence innovativeness in tourism companies. Therefore, a company with more developed entrepreneurial characteristics and organisational culture have more possibilities to perform in innovative way.

We are pleased and proud to present to our readers this thematic issue of *Managing Global Transitions,* hoping that you will find the content up to time, relevant and insightful. We believe that by reading these papers you will recognize many interesting findings and results as also identify valuable ideas for further research.

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Sustainable Tourism Development Frameworks and Best Practices: Implications for the Cuban Tourism Industry

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The purpose of this study is to identify best practices that can help the Cuban tourism industry in implementing a comprehensive sustainable tourism strategy. The study addresses the important research problem of how to improve sustainable tourism development in a specific country. The objective of this study is to provide practical recommendations to the Cuban tourism industry on how to learn from the suggested best practices and how to implement them effectively. The study conducts a comparative literature review that contributes to the subject area by addressing sustainable tourism development best practices in the context of the Cuban tourism industry. The study concludes that although the Cuban tourism industry has addressed several sustainable tourism development areas, there is room for improvement in each of the areas based on a more integrated development approach. This paper addresses limitations of the study and suggests areas of future research including a comprehensive study of sustainable tourism development standards in Cuba and other Caribbean countries.

Key Words: best practices, Cuban tourism industry, sustainable tourism
JEL Classification: Q56, Z32

Introduction

The importance of sustainable development was recognized with the release of 'Our Common Future,' i.e., The Brundtland Report, in 1987 which defined sustainable development as 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs' (World Commission on Environment and Development 1987). This definition was the foundation for the United Nations Conference on Environment and Development in Rio in 1992, and for the World Summit on Sustainable Development in Johannesburg in 2002.

Tourism is a major economic driver and employment producer in Cuba where it accounted for 10.4 percent of GDP and 9.6 percent of employment in 2014 with expected significant growth through 2024 including a 4.6 percent increase in total contribution to GDP (World Travel and Tourism Council 2015). The Cuban government has implemented several sustainable tourism initiatives since 1992 by incorporating areas of the United Nations World Tourism Organization (UNWTO) and the Caribbean Sustainable Tourism Policy (CSTP) Frameworks into the Tourism Development Plan under the National Program of Environment and Development.

This study reviews the existing literature of sustainable tourism development with a focus on frameworks and best practices. The purpose of this research is to improve sustainable tourism development in Cuba by comparing its tourism industry initiatives with best practices found in the literature. The objective of this research is to identify the current state of sustainable tourism in Cuba and to provide recommendations for future development based on best practices.

The study concluded that the Caribbean Sustainable Tourism Policy (CSTP) Framework was the most appropriate for Cuba because (1) it is designed specifically for the 32 Caribbean member states, including Cuba, (2) it encompasses the principles outlined by UNWTO's policy framework, and (3) it is a product of collaborative research efforts that included three years of research, destination experimental implementation and Caribbean stakeholder consultation. This study contributes to the existing literature by suggesting that Cultural Heritage and Biosphere Reserves should be designated as a standalone policy theme based on their significant role in the sustainable future of several tourism nations, particularly Cuba, which has the most UNESCO World Heritage sites and biospheres in the Caribbean.

This research paper identifies limitations of the study as well as areas of future research that can contribute to sustainable tourism development in Cuba and in the Caribbean.

Research Methodology

This study addresses the important research problem of how to improve sustainable tourism development in a specific country. The study was based on analysis of sustainable tourism development literature on global frameworks and best practices with additional focus on the Caribbean and other island nations. The first objective of the literature review was to answer the following two research questions:

1. What sustainable tourism development frameworks are prevalent in the tourism industry literature? And, therefore,
2. Which sustainable tourism development framework is the most appropriate for Cuba and based on what criteria?

As stated in the introduction, this study concluded that the Caribbean Sustainable Tourism Policy (CSTP) Framework was the most appropriate for Cuba. After selecting this tourism development framework, researchers interviewed experts before conducting a detailed literature review of sustainable tourism development best practices based on the six CSTP Framework areas with the addition of cultural heritage and biospheres. Individuals were identified as experts based on their experience with sustainable tourism development frameworks and best practices, their affiliation to leading sustainable tourism councils, and their experience in the Cuban tourism industry. An interview with sustainable tourism expert Eric Ricaurte of Greenview Consulting served as a starting point to assess national tourism policies that are based on an integrated framework and measurable goals in sustainability. Dr. Edward Manning of Tourisk and Kathleen Pessolano of the Global Sustainable Tourism Council provided direction on sustainable tourism frameworks and indicator research. Danilo Bonilla of Mountain Travel Sobek and Juan Tamargo of The Center for Cuban Studies contributed to research on Cuba's tourism industry and current sustainable tourism practices. Co-researcher professor Lisandra Torres Hechavarría and her colleague professor Tony Diaz-Medina from the University of Havana Tourism Faculty provided expertise in sustainable tourism development in Cuba. Based on the expert interviews and the preliminary literature review, the following research questions were chosen to guide the com-

parative literature review of best practices in sustainable tourism development:

1. What countries exhibit integrated planning and governance of their tourism industry especially in the area of sustainable tourism development?
2. What countries have received recognition from the tourism industry by exhibiting best practices in the six CSTP framework areas as well as in cultural heritage and biospheres?

Literature Review

SUSTAINABLE TOURISM DEVELOPMENT IN THE CARIBBEAN AND OTHER ISLAND NATIONS

As mentioned in the introduction, sustainable development gained momentum with the release of 'Our Common Future,' after which the report's definition of sustainable development served as a foundation for landmark conferences on the subject. The World Tourism Organization (WTO) has summarized the philosophy and the principles of sustainable tourism as follows: 'Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability' (United Nations Environment Programme and World Tourism Organization 2005). At its core function, according to the United Nations Environment Programme and World Tourism Organization (2005), sustainable tourism considers the needs of visitors, the tourism industry, the environment and a destination's host communities while accounting for current and future economic, social and environmental impacts.

According to Buckley (2012), sustainable tourism research has evolved from the study of basic frameworks of tourism, economics and environmental management to a number of reconceptualizations and critiques. According to Bramwell and Lane (1993), who are among the first researchers in this field, sustainable tourism has moved away from being a reactive response to (negative) tourism issues to becoming a solution creating positive change.

Zolfani et al. (2015) conducted a comprehensive review of research in sustainable tourism, concluding that the literature can be divided into 14 application areas, some of which are: paradigm, sustainable tourism development, market research and economics, policy-making, and infras-

tructure. The authors also found 19 research studies published on sustainable tourism development between 1993 and 2013, most of which focused on Caribbean countries or other island nations and their respective development indicators and techniques. This study aims to contribute to sustainable tourism development with some implications to policy-making.

Harrison et al. (2003) addressed practical challenges of sustainable tourism development in the Caribbean, which has one of the highest percentages of employment and GDP derived from tourism. The authors found that more integrated planning was needed between tourism practitioners, government tourism officials and academics. Furthermore, a common vision and understanding is needed in terms of what tourism product a country wishes to promote and what type of tourists it aims to attract. Harrison et al. (2003) also suggested the need to evaluate best practices on a global level in order to tailor a sustainable plan relevant to the Caribbean.

Kennett-Hensel et al. (2010) assessed feedback from professional managers in Jamaica on the country's ten-year master plan of sustainable tourism development. This plan sought to diversify the nation's tourism product to promote cultural heritage and conserve biodiversity. The authors found that improvements in infrastructure were needed and that citizens were not incentivized to support the tourism industry. Kennett-Hensel et al. (2010) also found that a major challenge lies in the highly-centralized government structure that results in weakened local representation and a low level of community participation.

Nicholas and Thapa (2010) focused on visitor perspectives on sustainable tourism development as they related to the Pitons UNESCO World Heritage Site in St. Lucia. The authors found that visitors supported sustainable tourism development by buying local goods, hence, reducing leakages. They also posit that tourists are more inclined to donate to local conservation initiatives if they are educated about the area. Notably, visitors were largely unaware of the UNESCO status of the Piton Mountains.

Sinclair and Jayawardena (2003) researched sustainable tourism development in the Guianas, which were looking to expand on tourism given their rich inventory of biodiversity and cultural heritage. The authors found that a comprehensive legislative plan was needed in order to manage land use, local community participation and indicators to measure compliance. The authors also found that entrepreneurial capabilities must be assessed on a village-by-village basis in addition to researching carrying capacity.

In other island nations, Fortuny et al. (2008) addressed the technical aspects of sustainable tourism development in the Balearic Islands, a destination that had reached maturity and was facing the need to manage an abundance of mass tourism by diversifying its products. The study found that improving country inns using sustainable measures would be advantageous both environmentally and economically. The authors found that each enterprise would need to evaluate the areas of water management, energy and waste management in addition to, like the Guianas, determining rural carrying capacity.

Regarding sustainable tourism development indicators, Miller (2001) conducted a Delphi Survey of tourism researchers in order to gain insights on indicators used to measure sustainable tourism development. Participants agreed that industry must take the lead on developing a plan, specifically looking to national government for leadership and for initial guidance that involves all stakeholders. Miller suggests that, given the lack of a common definition on sustainable tourism, it is necessary to evaluate appropriate indicators on a location-specific basis while also assessing global examples common to tourism.

Zolfani et al. (2015) found a total of 13 sustainable tourism policy-making related studies including a study by Clayton (2003), which addressed policy coherence and sustainable tourism development in the Caribbean. The author discusses the importance of environmental and social interests when constructing long-term economic plans for a country. He found that fiscal policy plays a crucial role in the success or failure of a sustainable tourism plan, for example, the extent of state ownership, tax reform and subsidies. He also found that social inclusion is critical to a sustainable tourism product since it contributes to the overall health of society, reducing crime and social conflict. Ultimately, a flexible integrated plan that includes macro, sectoral and micro interests will allow for Caribbean nations to develop long-term economic strategies, not governed by short-term gains, that will also preserve resources, both natural and social.

In summary, the above literature raises several important issues that need further investigation including the need to evaluate global best practices of sustainable tourism development (Harrison et al. 2003). Due to the absence of a common theory, this study will focus on established sustainable tourism development frameworks for the purpose of selecting the most appropriate framework for benchmarking best practices and drawing implications for the Cuban tourism industry.

SUSTAINABLE TOURISM DEVELOPMENT FRAMEWORKS

Based on the literature review this study found the following three comprehensive sustainable tourism development frameworks: *Making Tourism More Sustainable: A Guide for Policy Makers* (United Nations Environment Programme and World Tourism Organization 2005), 'Action for a More Sustainable European Tourism' (The European Commission Tourism Sustainability Group 2007), and 'Caribbean Sustainable Tourism Policy Framework' (Caribbean Tourism Organization 2008). These frameworks exhibited logical and comprehensive structures organized into clear areas and policies from which a recommended framework could be drawn for Cuba. Notably, the frameworks from the European Commission and Caribbean Tourism Organization draw influence from the aims presented in the sustainable tourism goals endorsed by the UNWTO. The study concluded that the most appropriate sustainable tourism development framework for Cuba is the Caribbean Sustainable Tourism Policy (CSTP) Framework because (1) it is designed specifically for the 32 Caribbean member states including Cuba, (2) it encompasses the principles outlined by UNWTO's policy framework, and (3) it is a product of collaborative research efforts that included three years of research, destination experimental implementation and Caribbean stakeholder consultation. Given the position of Cuba as a CTO member state and the suggestion posited by CSTP that its policy framework was developed with the intention for Caribbean states to adapt themes based on their respective priorities, it was determined that these factors were best suited for the Cuban Ministry of Tourism (MINTUR) to consider when crafting a sustainable tourism framework for Cuba. The CSTP Framework is composed of one overarching vision, ten principles, six development goals and six corresponding integrated policy areas which are: (1) tourism management capacity, (2) marketing, (3) transportation, (4) environment, (5) linkages and (6) health, safety and security issues which are outlined in a following section. As previously mentioned, this study concluded that the suggested CSTP framework should be amended to seven policy themes, designating Cultural Heritage and Biospheres Reserves as a stand-alone policy rather than having previously been embedded in the environment section.

While projected Cuban tourism growth will provide increased opportunities for development, it also presents challenges in managing potentially negative cultural and environmental impacts, a scenario that will

require an integrated sustainable tourism strategy for the island nation. Sustainable tourism development in Cuba is driven by strong political will that is enforced by the Cuban Constitution, Environmental Laws and the National Program of Environment and Development. This program served as the foundation for the Ministry of Science, Technology and Environment (CITMA) and the Ministry of Tourism (MINTUR) when developing guidelines for sustainable tourism destination development in 2003, and subsequent revisions in 2008. However, the challenge with these guidelines is that they are not based on an integrated framework that considers global sustainable tourism frameworks and best practices that integrates key social, economic and environmental factors and stakeholders.

The next section of best practices consists of a literature review, expert interview findings and case studies organized by the amended seven CSTP policy areas. Each section begins with an introduction to a particular policy area followed by analysis of best practices and their implications for the Cuban tourism industry in the context of Cuba's current initiatives of sustainable tourism development.

Tourism Management Capacity: Costa Rica's Best Practices

The CSTP Framework's Tourism Management Capacity policy objectives are related to good governance, public awareness, human resource development, tourism research and development and Information Communication Technology (Caribbean Tourism Organization 2008).

Costa Rica is a popular destination for eco-tourists, recognized as one of the leading countries in conservation throughout the world (Stem et al. 2003; Calvo 2010). Tourism in Costa Rica is a leading example of integrating educational, economic and social sustainability aspects into the tourism industry by striving for conservation and community development, including rural areas (Stem et al. 2003). The Costa Rican government has invested in infrastructure for educational programs since the 1990s from which they established the Certification for Sustainable Tourism (CST) program (Blum 2008). The CST program consists of external auditor teams that assess hotel performance to ensure that a property meets the criteria of environmental management (Rivera and De Leon 2005). Costa Rica added the CST-TO for tour operations in 2005, which required tour operators to only use hotels that obtained the CST (Haaland and Aas 2010). With some programs regulated by law, such as educational programs in schools (Blum 2008), or by the government,

such as tour guides since 1976 (Calvo 2010), the ultimate goal was to protect the negative social, environmental and economic impact to the country (Stem et al. 2003). Due to a high level of concern in the government, Costa Rica implemented a plan toward sustainable environmental, cultural and economic interests to include local communities and protect biodiversity (Matarrita et al. 2010).

Implications for Cuban Tourism Management Capacity

Cuba is the second most popular destination in the Caribbean after the Dominican Republic with 3,016,655 tourist arrivals in 2014 (Perelló 2014). The Cuban tourism sector is driven by a centralized economy which has allowed the development of private sector participation in tourism since 1993. Due to this centralized economy, tourism policy strategies are top-down rather than case specific to local destinations. FORMATUR (Formación de Trabajadores para el Turismo – Education for the Tourism Industry Workers) oversees the training of professionals in the tourism sector while bachelor degree programs are available at universities. However, a gap remains between research and development in the Cuban tourism sector, especially in the areas of technology and management.

Cuban tourism policies encourage sustainable practices in the tourism sector. Although CITMA has an environmental certification program for tourism companies, participation is not highly encouraged. The Cuban Ministry of Education could incorporate sustainability in the curriculum from pre-school to the university level. The Certificate of Sustainability could also be implemented in the hotel and tour operator industries by MINTUR who should enforce participation. MINTUR could also develop a high-end sustainable tourism product focusing on premium tourist markets that generate more revenue with higher economic benefits and lower social and cultural negative impact.

Marketing: Costa Rica's Best Practices

The Caribbean Tourism Organization's goal for tourism marketing is to continuously improve the sustainability of the marketing mix in light of emerging global market trends and increasing competition (Caribbean Tourism Organization 2008). Key objectives outline the need to capture and analyze market intelligence data, provide an enabling environment for investment in the tourism product and ensure that international standards are achieved and maintained in all tourism sub-sectors (Caribbean

Tourism Organization 2008). Costa Rica's tourism marketing has followed similar objectives.

The phrase *Pura Vida* is synonymous with the spirit of Costa Rica itself; literally translated to 'Pure Life,' it is the unofficial motto of the country (see http://puravida.com/costa-rica-facts-inf/). Not only used many times throughout the day as a greeting (Mitchell 1999), it symbolizes both a way of life and a philosophy for the Ticos (Allen 2011; Goehl 1996), the colloquial term for the Costa Rican people (see http://puravida.com/costa-rica-facts-inf/). *Pura Vida* encapsulates the pervading ideology of living in peace; it is this entrenchment in the Costa Rican culture that represents its international message rather than solely serving as a traditional destination marketing campaign. It is the essence of Costa Rica as a country and its tourism brand that encapsulates the lifestyle and culture in a way that is easily understood by visitors.

Implications for Cuban Tourism Industry Marketing

Auténtica Cuba (Authentic Cuba) is the tagline for the Cuban tourism industry's umbrella marketing campaign that showcases different Cuban tourism products such as nature, culture, sea, sun and sand, among others. In addition, foreign hotel chains and tour operators carry out their own marketing campaigns for Cuban tourism products.

Cuba has many advantages that can attract visitors, from its environment and culture to its public safety, however, there is a need for a unified marketing message that showcases the country's competitive advantages over its Caribbean neighbors. The differing images presented in the seven international Cuban tourism board websites should be unified in their branding approach. Costa Rica was chosen as a best practice for its *Pura Vida* campaign as it successfully unifies the country's strengths and advantages into one cohesive brand identity. In order to emulate *Pura Vida,* rather than launching a new marketing campaign, *Auténtica Cuba* can be refined and re-launched to highlight Cuba's competitive advantages in its cultural heritage, biosphere reserves, and natural assets.

Transportation: New Zealand's Best Practices

The goal of the Caribbean Tourism Organization's transportation policy is to develop efficient and cost effective air, marine and ground transportation options to facilitate a sustainable level of destination accessibility. The two main themes that arise are a public transport network to and

from tourist attractions, and the means to reduce emissions emitted from motor vehicles (Caribbean Tourism Organization 2008).

The New Zealand government has prioritized NMT (Non-Motorized) transportation, specifically walking and cycling, into its national transportation plan (Ministry of Tourism, Tourism New Zealand, and Tourism Industry Association New Zealand 2015). Bicycle sharing programs were first launched in Amsterdam in 1965, and today, over 855 cities around the world now offer the option (Richter 2015). The benefits of bike-sharing are environmental, social and transportation-related, with the ultimate goal of bike-sharing being 'to expand and integrate cycling into transportation systems, so that it can more readily become a daily transportation mode' (Shaheen, Guzman, and Zhang 2010). Shaheen, Guzman, and Zhang (2010) outline several types of providers and business models for running a bicycle-sharing program, notably the option to create non-profit, government-owned, Public Transport-owned or for-profit set ups, such as New York City's Citi Bike program.

Implications for Cuban Transportation Sector

State owned public transportation in the Cuban tourism sector relies on more modern cars and buses than the private sector, which relies on retrofitted American cars from the 1940s and 1950s. Notwithstanding the popularity of these well-preserved and maintained cars as an attraction in destinations such as Havana, they are not a sustainable form of transportation given the pollution generated by emissions. Furthermore, Cuban airplanes are mainly Soviet manufactured planes from the 1980s with poor energy efficiency and unsustainable carbon footprint.

The Cuban government and MINTUR should explore more sustainable public and private sector transportation both on the ground and in the air. They could learn from New Zealand's NMT transportation best practices by adopting viable transportation alternatives for both tourists and residents. The Cuban government can also explore further steps in the implementation of a sustainable transportation plan to reduce emissions by incentivizing the use of NMT, as well as by upgrading existing transportation infrastructures to more energy-efficient standards.

Environment: Ecuador's and Aruba's Best Practices

According to the CSTP objectives, it is crucial to use an integrated approach for effective and efficient planning, management and monitoring of natural resources, involving stakeholders from tourism, conservation,

communities, NGOS and government (Caribbean Tourism Organization 2008). It is also vital for Caribbean destinations to implement mitigation strategies to reduce vulnerability to climate change (Caribbean Tourism Organization 2008).

Ecuador is one of the most popular nature tourism destinations in Latin America due to the Galapagos Islands, a UNESCO World Heritage site. While the Ministry of Tourism has embarked on a strategy to diversify Ecuador's tourism products and alleviate impacts on the Galapagos, the country has also promoted a strategy called *Buen Vivir,* or 'Good Living,' a social movement that promotes a holistic relationship between nature and people (Moya 2013; Gudynas, 2011).

Green Gateway Aruba, a vision of infrastructure investment, launched in 2009 to transform Aruba into a knowledge-based, entrepreneurial and environmentally sustainable economy. One pillar of the vision is to replace fossil fuels with renewable energy solutions, capitalizing on the island's favorable wind and solar resources. Another pillar is to increase capital for infrastructure by attracting international investors to own and operate wind farms, as well as the projected solar farm and waste-to-energy projects, through long term Purchased Power Agreements (PPAS). In 2012, the Government of Aruba, the Carbon War Room and the New America Foundation filed a commitment with the United Nations to transition the island to 100 percent renewable power supply by 2020 (*Caribbean News Now* 2013; Leisure and Travel 2013).

Implications for Cuban Tourism Industry Environment

The Cuban government has supported the preservation of the environment through several laws and regulations, however these parameters are not strongly enforced. However, since 2004, supported by the Energy Preservation Program of the Ministry of Education, the government has enforced a strong campaign to save electricity by changing dated equipment. The education curriculum includes environmental preservation from primary to university level.

MINTUR and CITMA could jointly establish a monitoring system with sanctions for the purpose of enforcing current environmental sustainability regulations. The monitoring system should involve government, local stakeholders and third party agencies. Sustainable tourism would not exist without focusing on local community benefits, and thus, local stakeholders can be engaged by creating incentive based policies. Partnering with the private sector will lessen the financial burden for MINTUR,

while non-profit partnerships may encourage more public participation.

Although Cuba has made progress in increasing energy use efficiency, the practices can improve by examining Aruba, and generating and selling energy locally by cooperative efforts. However, this process requires strong technological and financial support, which can be obtained from the private sector, joint ventures or international funding from NGOs.

Health, Safety, and Security Issues: Jordan's Best Practices

Health, safety and security issues are critical for the sustainability of tourism in the Caribbean. Key objectives in the CSTP framework are improving the health and safety of citizens and visitors to the Caribbean, reinforcing the reputation as a secure destination, reducing the vulnerability of the tourism sector to natural and man-made hazards and enhancing communication and coordination mechanisms (Caribbean Tourism Organization 2008).

The tourism development plan in Jordan has identified food handling and safety in the hospitality industry as a priority, training university students and professionals. The Jordan Tourism Development Project, which followed the codes of ethics in tourism endorsed by the UNWTO, launched a nationwide safe food handling and hygiene campaign that spread awareness and improved skills among chefs, caterers, restaurant owners and hospitality trainers (Jordan Economic and Commerce Bureau 2015). In the National Tourism Strategy, the Jordanian government has recognized the crucial importance of safety for its visitors, ensuring that tourists will continue to feel comfortable traveling to the region, will enjoy food and hygiene at international standards, and will have confidence in capable medical services (Jordan Ministry of Tourism and Antiquities 2015).

Implications for Cuban Health, Safety, and Security Issues

Cuba has a strong health system and low crime rates relative to other Caribbean nations. However, problems persist with the quality of drinking water, waste management and food safety, particularly with street vendors. Cuba has a National Defense Plan for addressing natural disasters such as severe storms and hurricanes. This plan is taught in schools starting at the primary level and every company has a plan to guarantee the safety of employees and tourists.

The Cuban government should continue monitoring and improving health, safety and security issues in addition to enforcing cleaner pro-

duction and better waste management. Partnering with the international private sector could provide updated technology or increased investment, allowing Cuba to manage air and water pollution issues more effectively. The Cuban government could also strengthen food safety regulations for restaurants and other food service outlets. Although there are general food regulation policies already in place in Cuba, it is important to focus specifically in the regulation of private restaurants and street vendors that can be difficult to monitor and enforce.

Linkages: The Sandals Group's Farmers Program Best Practices

The linkages policy focuses on the economic linkages of tourism to other economic sectors as well as to the local communities. The local communities can capture tourist spending through employment and by providing products and services, creating the 'multiplier effect.' The CSTP policy objectives are two-fold: to provide an enabling political and economic environment that promotes and maximizes inter-sectorial linkages, and to ensure that local communities are directly involved and are able to benefit from linkages to tourism. Some of the critical challenges and issues with respect to linkages include a weak institutional capacity, competition between import and export industries, linkages to communities, and leakages (Caribbean Tourism Organization 2008). For example, food purchases constitute a large part of hospitality industry expenditure, however, food is often not sourced locally for a variety of reasons including inadequate quality, reliability, volume of produce, exacerbated by poor transport and lack of communication and information between supplier and purchaser (Ashley, Goodwin, and Mcnab 2005a).

The Sandals Group, one of the largest employers in the Caribbean, is a large all-inclusive resort chain with properties in Jamaica, Bahamas, St. Lucia and Antigua. Sandals Resorts Farmer Program in Jamaica began in 1996 when the hotel forged a partnership with the state-run Rural Agricultural Development Authority (RADA) with the aim of developing good working relationships between farmers and hotels by improving the quality of produce, developing proper pricing arrangements, and improving communications between farmers and hotels (Ashley, Goodwin, and Mcnab 2005b). The Farmers Program by the Sandals Group is engaged in (1) channeling and creating demand for local products among its staff and customers, (2) supporting the supply side to deliver quality and quantity required, and (3) establishing transparent and workable communication structures between supply and demand. The benefits for the Sandals Group for investing in local linkages are: increased staff morale, market

reputation and brand marketing, local recognition, and consistent quality food supply from local farmers.

Implications for Cuban Tourism Industry Linkages

Although the majority of the tourism industry in Cuba is owned by the state, the role of the private sector is growing. While current policies encourage tourism companies to buy locally in order to develop the internal markets that benefit communities more directly, Cuban tourism suppliers need to improve the quality of their products to international standards. Cuba has joint ventures with international hotel chains and tour operators, which are beneficial for gaining expertise but create leakages for the tourism industry. It has been proven in many countries around the world that foreign direct investments (FDI) bring to the host nation many benefits including world-class management expertise, new technologies, international product and process standards, and sustained product innovation (Feinberg 2012). Former senior executive of Cuban Export-Import Corporation (CIMEX, the largest commercial corporation in Cuba), Emilio Morales, asserted the contribution of joint ventures cannot be underestimated; responsible for training personnel in accounting, finance, management, human resources, information technology, marketing and related fields. Some employees have been trained in Cuba and many have studied abroad (Feinberg 2012).

Cuba can upgrade its tourism product offerings and services and adopt new strategies that attract more environmentally and socially responsible markets in addition to the low-cost packaged mass tourism (Elliot and Neirotti 2008). Medical tourism has high utilization of local goods and services from other economic sectors and capitalizes on Cuba's comparative advantages and resources, including highly skilled medical professionals and quality hospitals. The Cuban government can explore joint venture opportunities similar to those with hotels to bring much needed capital investment to the healthcare industry and prioritize medical tourism as a strategic growth market. Other niche tourism products to explore are eco- and music tourism.

A sharing economy is a good example of an economic model that enforces linkages and reduced leakages. Sharing economy started in Cuba in 1993 when the government allowed entrepreneurs to operate bed and breakfasts (*casas particulares*) and private restaurants (*paladares*). It is recommended that the Cuban government promote the growth of these private enterprises in order to generate more economic benefits to local communities.

Cultural Heritage and Biosphere Reserves: The Azores' Best Practices

This study suggests adding a new policy theme of cultural heritage and biosphere reserves based on the significance of Cuba's cultural heritage assets, both tangible and intangible, and its UNESCO Biosphere Reserve inventory that collectively form the foundation of the country's sustainable tourism product. The objective is to adapt a more integrated planning process between cultural heritage sites and the biospheres, to include more local communities in a balanced plan encompassing the entire country, assessing and monitoring the world heritage inventory and fostering a more sustainable relationship between people and nature (Caribbean Tourism Organization 2008).

The Azores, the world's first platinum level sustainable tourism destination, is rich in cultural heritage and biospheres, including the UNESCO World Heritage Sites of the city of Angra, the wine landscapes of Pico Island and three UNESCO Biosphere Reserves (Carvalho 2015; Rokou 2014). With the support of the National Strategic Plan for Tourism driven by Portugal's national government, the Azores has implemented a successful sustainable tourism strategy that includes private enterprise development in urban and rural areas in addition to the improvement of rural infrastructure that minimizes environmental impact and preserves architectural heritage and local traditions (Luis and Norberto 2013; Carvalho 2015). The Azores has also leveraged biosphere geothermal landscapes to create sustainable tourism models like the GeoPark Project, recognized as one of the leading examples of best practices in sustainable tourism. Geotourism has raised awareness of the environmental richness of the islands while also promoting rural tourism and increasing socioeconomic benefits for remote communities (Carvahlo 2015).

The European Coastal and Marine Union (EUCC) has considered the Azores to be the greatest example of sustainable tourism in Europe, focusing on high quality local and regional products to promote and benefit cultural heritage (Carvalho 2015).

Implications for Cuban Cultural Heritage and Biosphere Reserves

Cuba has nine UNESCO World Heritage Sites, seven of which are cultural, and six Biosphere Reserves. Restoration of these sites has been driven by the reinvestment of tourism revenue in addition to foreign in-

vestment. The best examples are Las Terrazas and Old Havana. According to the experts interviewed, the use of UNESCO Cultural Heritage and Biosphere Reserve sites as tourist attractions has proved to be very beneficial for their preservation (Diaz-Medina 2015).

Cuban People to People tours offered to Americans since the early 1990s are a prime example of cultural heritage with a focus on educational experiences and appreciation of local customs and hospitality. MINTUR could examine communities that are rich in cultural heritage inventory, for example, food heritage, and that are also geographically located near the country's array of UNESCO Biosphere Reserves, with the goal of reproducing the models of Old Havana and Las Terrazas based on a comprehensive destination plan that benefits local communities. Discussions with Cuba tour operators highlighted the fact that current cultural heritage and biosphere tourism is heavily concentrated in the western areas of the island nearer to Havana. A long-term strategy, in tandem with infrastructure and transportation improvement, would encompass key UNESCO sites and biospheres in central and eastern Cuba, such as Camaguey, Baracoa and Santiago de Cuba, spreading the cultural heritage and natural resource tourism product to communities throughout the island and alleviating tourism impacts in the west.

Discussion

As seen in the summary of key findings regarding sustainable tourism development in the Caribbean and other island nations (see table 1), each country and local government implemented sustainable tourism development based on an integrated planning process involving relevant stakeholders while considering specific circumstances of the country or region regarding areas for improvement. In order to achieve a similar integrated approach in Cuba, the government should engage all stakeholders from local communities and government officials to academia. The Cuban government and MINTUR should also firmly enforce laws and regulations directed towards environmental and cultural preservation, and measure progress based on specific indicators. Cuba is in the position to leverage its uniquely preserved cultural heritage by developing a destination image that attracts visitors with social and environmental interests. Its rich inventory of UNESCO cultural and natural sites makes it possible for Cuba to raise international funds and expand conservation and preservation beyond current projects, such as Old Havana.

As seen from the summary of key findings regarding best practices

TABLE 1 Summary of Key Findings Regarding Sustainable Tourism Development in the Caribbean and Other Island Nations

Case Study	Findings	Implications for Cuba
Caribbean Sustainable Tourism Development (CSTP) Framework	Government, tourism and academic partnerships. Clear tourism message and evaluation of best practices	More integrated planning between stakeholders based on global best practices and with clear tourism message
Jamaica's 10-Year Master Plan	Top-down planning – needs more local participation	Foster local partnerships and entrepreneurship as part of an integrated planning process
Piton Management Area UNESCO World Heritage	Tourists support local businesses and heritage sites	Leverage UNESCO assets for cultivating tourist interest and conservation support
Sustainable tourism in the Guianas	Foster local entrepreneurship and assess carrying capacity	Evaluate new cultural heritage areas to develop and improve carrying capacity and training accordingly
Sustainable Tourism Development: Balearic Islands	Sustainable rural tourism is economically and environmentally viable	Diversify tourism products based on rural tourism and private enterprise development
Caribbean tourism indicators	Requires national leadership and enforcement	Develop indicators for Cuba and enforce them on national/local level
Policy coherence in the Caribbean	Long-term strategy must have environmental and social inclusion	Avoid short-term gains and plan for long-term development that results in societal improvements

of sustainable tourism development (see table 2), stakeholder involvement in the planning process and a dynamic private sector are critical in ensuring the success of sustainable tourism development initiatives. All seven sustainable tourism development areas are important for the Cuban tourism industry, however the priority should be given to preservation of cultural heritage and biospheres, tourism management capacity and improvement of linkages with local economies. Cuba can address these areas by increasing foreign investment, private sector initiatives and the use of local resources. While Cuba is already practicing commendable sustainable strategies e.g., the restoration of Old Havana and the develop-

TABLE 2 Summary of Key Findings Regarding Best Practices of Sustainable Tourism Development

CSTP Policy	Best Practices	Implications for Cuba
Tourism Management Capacity	Costa Rica – Government certification programs	Technology, management and tour operator certification
Marketing	Costa Rica – *Pura Vida* as a lifestyle	*Autentica Cuba* communication based on Cuba's unique cultural and natural heritage
Transportation	New Zealand – Non-Motorized Transportation NMT	Adapt NMT for popular tourist destinations such as Havana
Environment	Ecuador and Aruba – Mitigate environmental impact	Environmental impact management and renewable energy
Linkages	Sandals Group Farmers Program	Similar program with cooperatives and entrepreneurs, sharing economy
Health, Safety and Security	Jordan – Food safety training	Food safety training programs and enforcement
Cultural Heritage and Biospheres	Azores – Rural tourism and cultural heritage development	UNESCO Heritage and Biosphere site development and rural tourism

ment of rural tourism in western Cuba, there is still a need to create an integrated plan that encompasses sustainable tourism development for the country in its entirety with strong stakeholder participation at all levels. Cuba's tourism industry should assess key cultural heritage sites for development in order to improve carrying capacity and infrastructure, and to cultivate community entrepreneurship and reduce leakages. This study suggests that Cuba must first define what type of tourism and tourist they seek to attract, and subsequently target relevant markets with communication that differentiates Cuba from other destinations. This study concludes that Cuba's extensive and unique cultural and natural heritage can become the heart and soul of this communication.

Limitations and Future Research

Limitations of this study include the range of stakeholder interviews and access to information on MINTUR's current strategies and future goals.

In order to obtain a more specific account of Cuba's tourism strategies and current practices, research should include discussions with representatives from MINTUR and with stakeholders on government and local levels. Future research suggestions include reviews of current sustainable tourism development practices using MINTUR information, research into cultural heritage tourism opportunities and tourism product development, as well as the growth of the cruise industry and projected impacts on the island. Future research should closely assess Cuban tourism systems for the purpose of developing comprehensive and harmonized sustainable tourism development standards that Cuba and other Caribbean nations could implement.

Conclusion

The study concludes that the revised CSTP Framework provides the foundation on which Cuba can develop an effective and efficient sustainable tourism development plan that encourages relevant stakeholder participation. Cuba is a member of the Caribbean Tourism Organization (CTO) and thus, Cuban tourism officials are familiar with the CSTP Framework which can be further adapted to the Cuban tourism industry. Cuba has taken significant steps toward sustainable tourism development, however more can be done. While the sun, sea and sand tourism product currently dominates the industry, Cuba is in the position to formulate a sustainable tourism development strategy that presents and preserves the country's rich cultural and natural heritage, attracts visitors in search of meaningful experiences and creates a high-end tourism product that benefits local communities and conserves cultural and natural resources.

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Tourism and Economic Growth in South Africa: Evidence from Linear and Nonlinear Cointegration Frameworks

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Tourism is increasingly being recognized as an essential component of economic growth in South Africa. The purpose of this study is to examine cointegration and causal effects between tourism and economic growth in South Africa for annual data collected between 1995 and 2014. To this end, the paper contrasts two empirical approaches; (1) Engle and Granger (1987) linear cointegration framework, and (2) Enders and Granger (1998) nonlinear cointegration framework. Furthermore, two empirical measures of tourism development are used in the study, namely; tourist receipts and number of international tourist arrivals. The empirical results of the linear framework supports the tourism-led growth hypothesis when tourist receipts are used as a measure of tourism development. However, the nonlinear framework depicts bi-directional causality between tourist receipts and economic growth. Also, the linear framework supports the economic-growth-driven-tourism-hypothesis for tourist arrivals whereas the nonlinear framework depicts no causality between tourist arrivals and economic growth.

Key Words: tourism receipts, tourist arrivals, economic growth, South Africa
JEL Classification: C5, Z0

Introduction

Tourism development is increasingly being recognized as an important source of revenues as well as a crucial tool in promoting economic growth, alleviating poverty, advancing food security, environmental protection and multicultural peace and understanding across the glove, more especially in developing or emerging economies. According to the United Nations World Tourism Organization (UNWTO), the number of international tourists worldwide in 2014 grew 4.4 percent with an additional 48 million more visitors more than in 2013, to reach a new record of 1 135 million tourists worldwide which saw receipts from international tourism

reach an estimated US$ 1 245 billion which is 3.4 percent from its previous year. In fact, it is forecasted that the number of tourists worldwide will reach 1 602 million which will generate receipts of approximately US$2 trillion in revenue (World Tourism Organization 2015). Academically, the acclaimed benefits of tourism towards economic development are not difficult to pinpoint in the literature. For instance, Wang, Zhang, and Lee (2012) highlight that tourism consumption directly stimulates the development of traditional industries such as civil aviation, railway, highway, commerce, food, accommodation and further promotes the development of modern services such as international finance, logistics, information consultation, cultural originality, movie production, entertainment, conferences and exhibitions. Oh (2005) also cites that tourism creates job opportunities; promotes improvements in a country's infrastructure, transfers both new technological and managerial skills into an economy as well as produces foreign earnings that are not only essential to import consumer goods but also to capital and intermediate goods. Moreover, Khalil, Kakar, and Waliullah (2007) note that positive developments in the tourism sector can cause direct and indirect growth of households incomes and government revenues by means of multiplier effects, improving balance of payments and promoting tourism-based government policies. All-in-all, the there is an increasing and unanimously widely-held view that tourism is a fundamental factor of economic growth, even though this has not been concretely imbedded in the theoretical literature concerning growth theory.

South Africa has enjoyed close to 70 years of professional experience in the tourism industry, with prominent developments in the industry being traced back to 1947, when the South African Tourist Co-operation (SATOUR) was formed as a separate entity from the publicity arm of the South African Railways and Habours, which formerly dealt with tourist matters (Grundlingh 2006). However, the SATOUR was established in wake of the apartheid era, when the National Party (NP) become the ruling political party in South Africa in 1948 and implemented a legal system of political and social segregation of races. The tourism industry was greatly affected by the legacy of apartheid which rendered the tourism market a predominantly regional business, with the whites of neighbouring countries like Rhodesia and Mozambique forming a majority of tourists and long-distance visitors from overseas forming the remaining minority of tourists (Mkhize 1994). Despite experiencing further slumps in the tourism industry during these reigns of apartheid when the United Na-

tions organized a series of international events termed the World Conference Against Racism (WCAR) which discouraged tourist attractions in the country, the post-apartheid years have experienced a boost in the tourism industry and up-to-date, tourism continues to be an essential component in promoting economic development and sustainability within the country. Now, boasting a number of cultural, historical, archaeological and geological sites, post-apartheid South Africa is currently considered a premier tourist destination, not only within the African continent, but also on a competitive global platform. Adding on to this repertoire, the country has hosted a number major international sporting events; inclusive of the Rugby World cup in 1995, the World Cup of Athletics in 1998, the Cricket World Cup in 1998, the African Cup of Nations in 1996 and 2012, the A1 Grand Prix since 2006 and probably the biggest event of them all, the FIFA World Cup 2010. The FIFA World Cup by itself solely attracted more than 309 000 tourists which was a significant contributor to the 8.34 million international visitors to the country in that year. And even more encouraging, foreign arrivals in South Africa reached their highest levels in 2013 with 10 million tourists visiting the country in that year alone and overall, the growth rate of tourists has surpassed that of the world average for over the last decade or so (Saayman and Saayman 2010).

In light of the increasing importance which tourism contributes towards the overall economic development and welfare in South Africa, it is indeed quite surprising that there appears to be very little academic research which explicitly explores the impact which tourism exerts on economic growth within the country. So far the works of Akinboade and Braimoh (2009) and Balcilar, van Eyden, and Inglesi-Lotz (2014) are exceptional case studies and even so, these studies present conflicting empirical evidences. Besides the issues of differences in applied econometric modeling and differences in the time spans of collected data, a plausible reason for the lack of consensus in these studies is their use of linear empirical frameworks. As pointed out by Ridderstaat, Croes, and Nijkamp (2014), the tourism-growth relationship cannot be strictly linear because of the effects of tourism on economic growth adhere to the law of diminishing returns and hence the use of linear frameworks most likely oversimplifies the true underlying relationship among the variables. Taking into consideration the aforementioned, this current paper contributes to the academic literature by examining nonlinear cointegration and causality effects between tourism and economic growth in South Africa between the period of 1994 and 2014. Our choice of econometric modelling

TABLE 1 Summary of Literature Review on Tourism and Economic Growth – Single Country Studies

Author	Country	Year	Methodology	Causal rel.
Balaguer and Cantavella-Jorda (2002)	Spain	1975–1997	Johansen and Juselius (1990) cointegration procedure and Granger causality tests	TR→EG
Dubarry (2004)	Mauritius	1952–1999	Johansen and Juselius (1990) cointegration procedure and Granger causality tests	TR→EG
Oh (2005)	South Korea	1975–2001	Engle and Granger (1987) ECM and Granger causality tests	EG→TR
Khalil, Kakar, and Waliullah (2007)	Pakistan	1960–2005	Engle and Granger (1987) ECM and Granger causality tests	TR↔EG
Brida, Sanchez–Carrera, and Risso (2008)	Mexico	1980–2007	Johansen and Juselius (1990) cointegration procedure and Granger causality tests	TR→EG
Tang and Jang (2009), Akinboade and Braimoh (2009)	USA South Africa	1981–2005 1980–2005	Engle and Granger (1987) ECM, Johansen and Juselius (1990) cointegration procedure and Granger causality tests Granger causality tests	EG→TRTR →EG

Continued on the next page

is the momentum threshold autoregressive (MTAR) model of Enders and Silkos (2001) which is merely a nonlinear extension of Engle and Granger (1987) cointegration framework. The principle advantage with the MTAR model, is that unlike other nonlinear models commonly found in the literature, the MTAR model on account of being derived from Hansen's (1999) threshold autoregressive (TAR) framework can facilitate for nonlinear cointegration and nonlinear error correction modelling under a singular econometric framework.

Having laid the background to this study, the rest of the paper is arranged as follows. The following section of the paper presents the literature review of the study. The third section outlines the empirical framework used in the study whereas the fourth section of the paper introduces the empirical data and conducts the empirical research. The paper is then concluded in the fifth section of the paper in the form of policy implications of the empirical research and also suggests possible avenues for future research.

TABLE 1 *Continued from the previous page*

Author	Country	Year	Methodology	Causal rel.
Belloumi (2010)	Tunisia	1970–2007	Engle and Granger (1987) ECM, Johansen and Juselius (1990) cointegration procedure and Granger causality tests	TR→EG
Kreishan (2011)	Jordan	1970–2009	Johansen and Juselius (1990) cointegration procedure and Granger causality tests	TR→EG
Wang, Zhang, and Lee (2012)	China	1984–2009	Engle and Granger (1987) ECM, and Granger causality tests	TR↔EG
Ridderstaat, Croes, and Nijkamp (2014)	Aruba	1972–2011	Engle and Granger (1987) ECM, Johansen and Juselius (1990) cointegration procedure and Granger causality tests	EG→TR
Balcilar, van Eyden, and Inglesi-Lotz (2014)	South Africa	1960–2011	Vector error correction model (VECM) and time-varying VECM (TV-VECM)	TR≠GDP for VECM model TV-VECM

Tourism and Economic Growth: A Review of the Empirical Literature

Advances in the empirical investigation into the relationship between tourism and economic growth has been largely facilitated by advances in applied statistical estimation techniques. For simplicity sake, we categorize the available empirical literature into three strands of works. The first group of empirical studies are those which focused on single country analysis for both developing and developed economies. Belonging to this cluster of studies are the works of Balaguer and Cantavella-Jorda (2002) for Spain, Dubarry (2004) for Maurititus, Oh (2005) for South Korea, Khalil, Kakar, and Waliullah (2007) for Pakistan, Brida, Sanchez-Carrera, and Risso (2008) for Mexico, Tang and Jang (2008) for the US, Akinboade and Braimoh (2009) for South Africa, Belloumi (2010) for Tunisia, Kreishan (2011) for Jordan, Wang, Zhang, and Lee (2012) for China, Ridderstaat, Croes, and Nijkamp (2014) for Aruba and Balcilar, van Eyden, and Inglesi-Lotz (2014) for South Africa. Notably the aforementioned studies have produced a variety of conflicting empirical results, with the studies of Balaguer and Cantavella-Jorda (2002), Dubarry (2004), Brida, Sanchez-Carrera, and Risso (2008), Akinboade and Braimoh (2009), Belloumi (2010) and Kreishan (2011) finding causality running from tourism

TABLE 2 Summary of Literature Review on Tourism and Economic Growth – Panel Data Studies

Author	Countries	Year	Co-integration method	Results
Lanza, Templee, and Giovanni (2003)	13 OECD countries	1977–1992	Johansen and Juselius (1990) cointegration procedure and Granger causality tests	TR↔EG
Lee and Chang (2008)	OECD & non-OECD countries	1990–2002	Panel cointegration tests, Panel vector error correction model and panel causality tests	TR→EG for OECD countries; TR↔EG for non OECD countries
Seetanah (2011)	19 island economies	1990–2007	Generalized method of moments (GMM) method and panel causality tests	TR↔EG
Caglayan, Sak, and Karymshakov (2011)	30 American, 34 Asian, 37 European, 13 East Asian, 6 South Asian, 5 Central Asian, 7 Oceanian, 24 Sub-Saharan, and 28 Latin American & Caribbean countries	1995–2008	Pedroni (1999) panel co-integration method and panel causality tests.	EG→TR for American, Latin American and Carribean countries; TR→EG for East Asian, South Asian and Oceania countries; TR≠EG for Middle East, Asia, North Africa, Central Asia and Sub-Saharan countries

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to economic growth (i.e. tourism-led-growth-hypothesis or TLGH), and the studies of Oh (2005), Tang and Jang (2009) and Ridderstaat, Croes, and Nijkamp (2014) finding causality to run from economic growth to tourism (i.e. economic-growth-driven-tourism-hypothesis or EGDTH) and other studies like Khalil, Kakar, and Waliullah (2007), Wang, Zhang, and Lee (2012) and Balcilar, van Eyden, and Inglesi-Lotz (2014), advocating for bi-directional or feedback causality between the two variables (i.e. reciprocal hypothesis or RH).

The second strand of empirical studies are those which investigate the tourism-growth relationship for panels of countries and these studies can be further sub-divided into two sub-groups. The first sub-group

TABLE 2 *Continued from the previous page*

Author	Countries	Year	Co-integration method	Results
Samimi, Somaye, and Soraya (2011)	20 developing countries	1995–2008	Johansen and Juselius (1990) cointegration procedure and granger causality tests	TR↔EG
Dritsakis (2012)	7 Mediterranean countries	1980–2007	Panel cointegration panel granger causality tests.	EG→TR
Chiou (2013)	10 transition countries	1988–2011	Panel causality tests	TR≠EG for Bulgaria, Romania and Slovenia;TR→EG for Cyprus, Latvia and Slovakia;EG→TR for Czech Republic and Poland;TR↔EG for Estonia and Hungary
Aslan (2013)	10 Mediterranean countries	1995–2010	Panel granger causality tests	EG→TR for Spain, Italy, Tunisia, Cyprus, Croatia, Bulgaria & Greece;TR≠EG for Malta & Egypt

are those which individually apply single country analysis to a panel of countries. Inclusive of these studies are Chiou (2013) for Bulgria, Romania, Slovenia, Cyprus, Latvia, Slovakia, Czech Republic, Poland, Estonia and Hungary and also the study of Aslan (2013) for Spain, Italy, Tunisia, Cyprus, Croatia, Bulgaria, Greece, Malta and Egypt. The second sub-group of these studies are those which used panel data estimation techniques to evaluate the tourism-growth relationship amongst a panel of economies. Belonging to this group of studies are Lanza, Templee, and Giovanni (2003) for OECD countries, Lee and Chang (2008) for OECD and non-OECD countries, Seetanah (2011) for Island economies, Caglayan, Sak, and Karymshakov (2011) for American, Asian, European, South Asian, Central Asian, Oceania, sub-Saharan, Latin American and Caribbean countries, Samimi, Somaye, and Soraya (2011) for developing coutries and Dritsakis (2012) for Mediterranean countries. Apart from the issue of conflicting empirical results amongst the different authors,

TABLE 3 Summary of Literature Review on Tourism and Economic Growth – Nonlinear Studies

Author	Country/Countries	Year	Methodology	Results
Po and Huang (2008)	88 developed and developing countries	1995–2005	3-regime panel threshold autoregressive model of Hansen (1999)	When TR/EG ≤ 4.05% or TR/EG > 4.73% then TR and EG are positively related; When 4.05% < TR/EG ≤ 4.73%, then TR and EG are insignificantly related.
Adamou and Clerides (2009)	Cyprus	1960–2007	Quadratic spline regression estimates	When TR/EG ≤ 20%, then TR and EG are positively related; When TR/EG > 20%, then TR and EG are insignificantly related.
Chang, Khamkaew, and McAleer (2012)	131 East Asian, Pacific, European, Central Asian, Latin America, Caribbean, Middle East, North African, North American, South Asian and Sub-Saharan African countries	1991–2008	3-regime panel threshold autoregressive model of Hansen (1999)	When TR/EG ≤ 14.97% or 14.97 < TR/EG ≤ 17.5%, then then TR and EG are positively related; When TR/EG > 17.5%, then TR and EG are insignificantly related.
Wang (2012)	10 countries in the 2008 Country Brand Index	1996–2006	2-regime threshold autoregressive model of Hansen (1999)	When exchange rate depreciation > –6.59%, then there is positive relationship between TR and EG; When exchange rate depreciation > –6.59%, then there is a negative relationship between TR and EG.

Continued on the next page

these panel data studies are criticized for generalizing their results over entire populations with differing economic disparities. A conspicuous example of this can be observed for the case of China whereby the panel study of Caglayan, Sak, and Karymshakov (2011) reports causality running from tourism to economic growth for Asian countries whereas the single country case study of Wang, Zhang, and Lee (2012) finds causality running from economic growth to tourism.

The third strand of empirical studies are those which have hypothe-

TABLE 3 *Continued from the previous page*

Author	Country/Countries	Year	Methodology	Results
Brida, Lanzilotta, and Sebestian (2013)	MERCOSUR countries	1990–2011	Non-parametric cointegration and causality tests	TR→EG for Brazil, Paraguay and Uruguay TR↔EG for Uruguay and Argentina.
Hatemi-J et al. (2014)	G7 countries	1995–2012	Hatemi-J asymmetric panel causality tests	Asymmetric causality: TR→EG for Canada & Italy; EG→TR for France, Italy & Japan Symmetric causality: TR→EG for Germany; France & US; EG→TR for Canada & Germany.
Pan, Liu, and Wu (2014)	15 OECD countries	1995–2010	Panel smooth transition regression model	When lagged exchange rate > −2.629%, then positive effects of TR on EG are magnified; When two-period lagged inflation rate > 5.03%, then the positive effects of TR on EG are magnified.

sized on a nonlinear relationship between tourism and economic growth. As clarified in Wang (2012), it is quite possible that a linear framework oversimplifies the tourism-growth relationship and that the underlying relationship between the variables is indeed complex and nonlinear in nature. Empirically, the evidence in support of a nonlinear tourism-growth relationship is found in the works of Po and Huang (2008), Adamoou and Clerides (2009), Chang, Khamkaew, and McAleer (2012), Wang (2012), Brida, Lanzilotta, and Sebestian (2013), and Pan, Liu, and Wu (2014). And if this literature be narrowed down to empirical studies which exclusively attempt to model both nonlinear cointegration as well as nonlinear causal relations between the variables, then the study of Brida, Lanzilotta, and Sebestian (2013) solely satisfies this criteria. Therefore, we optimistically note the potential for growth in this particular field of empirical investigation when one considers the rapid expansion in the availability of statistical tools which can enable researchers to carry out such analysis. Having efficiently highlighted important empirical developments in the tourism-growth literature, we present a summary of a comprehensive portion of the literature in tables 1–3. For the sake of convenience,

we segregate the summarized empirical studies into single-country studies, panel-data studies and nonlinear studies.

Empirical Framework

ENGLE AND GRANGER (1987) LINEAR COINTEGRATION FRAMEWORK

We begin our empirical framework by specifying our baseline empirical model via the following two long run regression equations:

$$\text{GDP}_t = \alpha_{00} + \alpha_{10}\text{TR}_t + \varepsilon_{t1}, \tag{1}$$

$$\text{TR}_t = \alpha_{01} + \alpha_{11}\text{GDP}_t + \varepsilon_{t2}, \tag{2}$$

where GDP_t is the gross domestic product; TR_t is the measure of tourism which in our study is given by two measures (i) the first being international tourism receipts; and (ii) the second being the number of international tourist arrivals, and the term ε_{ti} is the long run regression error term. According to the Engle and Granger's (1987) cointegration theorem, long-run convergence along a steady state path can exist when two preliminary conditions are met. Firstly, there actual time series variables must be integrated of order $I(1)$. The second condition is that the error term from the long-run regression must be integrated of a lower order $I(0)$. Once these two conditions are satisfied, one can then proceed to model the long run regression error terms as the following error correction models (ECM):

$$\text{GDP}_{t-1} = \sum_{i=1}^{p} \alpha_{i1}\Delta\text{GDP}_{t-i} + \sum_{i=1}^{p} \beta_{i1}\Delta\text{TR}_{t-i} + \lambda_1\varepsilon_{t-1,1}, \tag{3}$$

$$\text{TR}_{t-1} = \sum_{i=1}^{p} \alpha_{i1}\delta\text{GDP}_{t-i} + \sum_{i=1}^{p} \beta_{i1}\Delta\text{TR} \sum_{t-i} + \lambda_1\varepsilon_{t-1,1}, \tag{4}$$

where Δ is a first difference operator and is that lagged error correction term which acts as an error correction mechanism in the ECMS. From the ECMS regressions (3) and (4), granger causality testing can be facilitated by examining whether the regression coefficients from the lagged variables from the TEC models (i.e. α_k for GDP and β_k for TOUR) are significantly different from zero. Four distinct theoretical hypotheses are thereafter examined from our causality analysis.

Under the first hypotheses, the regression coefficients of the tourism variable are found to be significantly different from zero, whereas the

coefficients of the economic growth variable are not significantly different from zero. This is known as the tourism-led-growth-hypothesis (TLGH). Under the second hypothesis, the regression coefficients of the economic growth variable are significantly different from zero, whereas the coefficients of the tourism variable are not significantly different from zero. This is known as the economic-growth-driven-tourism-hypothesis (EGDTH). Under the third hypothesis the regression coefficients of both the economic growth and tourism variables are both found to be significant different from zero and this is known as the reciprocal hypothesis (RH). Under the fourth hypothesis, the regression coefficients from both the tourism and economic growth variables are not significantly different from zero.

ENDERS AND GRANGER (1998) NONLINEAR COINTEGRATION FRAMEWORK

As a nonlinear extension to Engle and Granger's (1987) linear cointegration framework, Enders and Granger (1998) begin on the premise of assuming that error terms from the long-run regressions (1) and (2) should be modelled as the following nonlinear cointegration functions:

$$\varepsilon_{ti} = \rho_1 \varepsilon_{t-1}(\varepsilon_{t-1} < \tau) + \rho_2 \varepsilon_{t-1}(\varepsilon_{t-1} < \tau), \tag{5}$$

$$\varepsilon_{ti} = \rho_1 \varepsilon_{t-1}(\Delta\varepsilon_{t-1} < \tau) + \rho_2 \varepsilon_{t-1}(\Delta\varepsilon_{t-1} < \tau), \tag{6}$$

where τ is the threshold variable whose value is unknown a prior and ultimately governs the asymmetric behaviour among the error terms. Regressions (5) and (6) are known as threshold autoregressive (TAR) and momentum threshold autoregressive (MTAR) model specifications, respectively. Since the MTAR model relies on the first differences of the lagged residuals, $\Delta\varepsilon_{t-1}$, this specification effectively captures large and smooth changes in a series whereas the TAR model specification is designed to capture the depth of swings the equilibrium relationship. In each of the TAR and MTAR specifications, the threshold variable is modelled in two forms. Under the first form, the value of the threshold is zero whereas under the second form, the threshold value is determined through grid search method as illustrated in Hansen (1999). In the latter case, the threshold models are known as consistently-estimated threshold autoregressive (C-TAR) and consistently-estimated momentum threshold autoregressive (C-MTAR) model specifications. In testing for cointegration effects in regressions (5) and (6), Enders and Granger (1998) as well as Enders and Silkos (2001) suggest testing for (i) normal cointegration ef-

fects; and (ii) asymmetric cointegration effects. These cointegration tests are respectively implemented under the following null hypotheses:

$$\mathrm{H}_0^{(i)} : \rho_1 = \rho_2 = 0, \tag{7}$$

$$\mathrm{H}_0^{(ii)} : \rho_1 = \rho_2. \tag{8}$$

As is the case of the linear cointegration framework, once the aforementioned null hypotheses are rejected, then one can introduce a threshold error correction (TEC) framework, which for the TAR model assumes the following specification:

$$\begin{pmatrix} \Delta \mathrm{GDP}_t \\ \Delta \mathrm{TR}_t \end{pmatrix} = \begin{cases} \lambda^+ \varepsilon_{t-1} + \sum_{i=1}^{p} \alpha_k^+ \Delta \mathrm{GDP}_{t-k}^+ + \sum_{i=1}^{p} \beta_k^+ \Delta \mathrm{TR}_{t-k}^+, & \text{if } \varepsilon_{t-1} < \tau \\ \lambda^- \varepsilon_{t-1} + \sum_{i=1}^{p} \alpha_k^- \Delta \mathrm{GDP}_{t-k}^- + \sum_{i=1}^{p} \beta_k^- \Delta \mathrm{TR}_{t-k}^-, & \text{if } \varepsilon_{t-1} < \tau \end{cases}. \tag{9}$$

Whereas for the case of the MTAR model, the TEC framework assumes the following function:

$$\begin{pmatrix} \Delta \mathrm{GDP}_t \\ \Delta \mathrm{TR}_t \end{pmatrix} = \begin{cases} \lambda^+ \varepsilon_{t-1} + \sum_{i=1}^{p} \alpha_k^+ \Delta \mathrm{GDP}_{t-k}^+ + \sum_{i=1}^{p} \beta_k^+ \Delta \mathrm{TR}_{t-k}^+, & \text{if } \varepsilon_{t-1} < \Delta\tau \\ \lambda^- \varepsilon_{t-1} + \sum_{i=1}^{p} \alpha_k^- \Delta \mathrm{GDP}_{t-k}^- + \sum_{i=1}^{p} \beta_k^- \Delta \mathrm{TR}_{t-k}^-, & \text{if } \varepsilon_{t-1} < \Delta\tau \end{cases}. \tag{10}$$

From the above TAR-TEC and MTAR-TEC model specifications, the presence of asymmetric error correction effects as opposed to linear error correction effects can be tested through the following null hypothesis:

$$\mathrm{H}_0^{(iii)} : \lambda^+ \xi_{t-1}^+ = \lambda^- \xi_{t-1}^-. \tag{11}$$

Similar to the case for the linear cointegration framework, granger causality is facilitated in the TEC model by determining whether the regression coefficients from the lagged time series variables significantly differ from zero. The hypotheses tested from the causality analysis under the nonlinear models are similar to the ones discussed under the linear empirical framework.

Data and Empirical Analysis

EMPIRICAL DATA

In examining linear and nonlinear cointegration trends between tourism and economic growth the for case of South Africa, this study employs three time series for empirical use, namely; the international tourist receipts in US$ (TR(R)), the number of international tourist arrivals (TR(A)) and the gross domestic product (GDP) given in US$ at a constant base of 2005. As inferred by Ridderstaat, Croes, and Nijkamp (2014), tourism receipts suffer more during times of crisis as tourists tend to trade down

TABLE 4 Unit Root Test Results

Time series	Unit root tests	
	ADF	PP
TR(R)	0.91 (−2.29)**	−0.99 (−3.16)**
TR(A)	1.55 (−2.74)***	−0.76 (−5.28)***
GDP	0.14 (−2.83)***	0.43 (−3.06)**

NOTES Unit root tests results on first differences of the time series are reported in parentheses. *p*-values reported in parentheses. *, **, and *** denote significance levels of 10, 5 and 1 percent, respectively. All unit root tests are performed with a constant and no trend.

and travel of shorter periods of time whereas international tourist arrivals are only slightly distorted during these periods. Therefore, given these slight differences in measures of tourism, our study opts to simultaneously use both of these measures of tourism to ensure a more robust empirical analysis. In further trying to ensure consistency, all data has been collected from the World Tourism Organization yearbook of tourism statistics and has been collected on a yearly basis for the periods of 1994 and 2014. However, given the relatively small sample size of this data collection, we further interpolate the data into quarterly data in order to increase the sample size from 20 to 80 observational units.

UNIT ROOT TESTS

As a preliminary step towards examining linear and nonlinear cointegration trends between tourist arrivals and economic growth, on one hand, and between tourist arrivals and economic growth, on the other hand, one must examine the integration properties of the aforementioned time series variables. To this end, we employ the augment Dickey-Fuller (ADF) and the Phillips-Perron (PP) unit root tests to the data and report our findings below in table 4. Regardless of whether the ADF or PP unit root tests are used, all the time series variables are found to be first difference stationary variables (i.e. integrated of order 1(1)). As should be noted, this result satisfies a previously-discussed condition of the Engle-Granger (1987) cointegration theorem, thus permitting us to proceed with a more formal cointegration analysis of the time series data.

LINEAR COINTEGRATION ANALYSIS

Having confirmed first difference stationarity of the time series variables, we proceed to examine linear cointegration effects between TR(A) and GDP, on one hand, and between TR(B) and GDP, on the other hand. We

TABLE 5 Maximum Eigen and Trace Test Results for Cointegration

Cointegration	H_0	H_1	Eigen	90% CV	Trace	90% CV
TR(A) & GDP	$r \geq 1$	$r = 1\ (r \geq 2)$	3.78	10.49	2.65	6.50
	$r \leq 0$	$r = 0\ (r \geq 1)$	17.52*	16.85	18.37	15.66
TR(B) & GDP	$r \leq 1$	$r = 1\ (r \geq 2)$	6.01	6.50	5.62	6.50
	$r \leq 0$	$r = 0\ (r \geq 1)$	13.09*	12.91	18.66	15.66

NOTES * denotes a 10% significance level. The alternative hypotheses of the trace tests are stated in parentheses.

begin our linear cointegration analysis by subjecting the two sets of time series variables to the Johansen and Juselius (1990) Eigen and Trace tests for cointegration rank.

As is evident by the results of the Eigen and Trace tests statistics for cointegration as reported in table 5, both the Eigen and Trace test statistics reject the null hypothesis of cointegration effects for both sets of time series variables up to a cointegration rank of 1 at a 10 percent level of significance. In light of these encouraging or optimistic results, we proceed to estimate long run ordinary least squares (OLS) regressions; the associated error correction models (ECMS) and further perform granger causal tests based on the ECMS. The results of the aforementioned analysis are collectively reported in table 6.

In referring to the empirical results reported in table 6, we firstly take note of a significantly positive relationship between tourism and economic growth for both measures of tourism. The respective elasticities of 0.14 for TR(A) and 0.27 for TR(R), indicates that a 1 percentage increase in the number of tourist arrivals results in a 0.14 percent increase in economic growth whereas a 1 percentage increase in the dollar value of tourist receipts results in 0.27 percent increase in the levels of economic growth. Secondly, from our ECMS we find a significant and negative error correction (EC) term for both sets of regressions whereas the difference lagged variables are, for a majority of cases, insignificant. This result points to significant long run relations between tourism and economic growth, whereby such relations are deficient in the short-run. Lastly, our causality tests for the two sets of regressions, as reported in table 7, point unidirectional causality running from tourism receipts to economic growth and also from economic growth to number of international tourists. These causality result is in accordance with those obtained by Balaguer and Cantavella-Jorda (2002) for Spain, Dubarry (2004) for

TABLE 6 OLS Long-Run Regression and Error Correction Model Estimates

Long-run	TR(R)	GDP	TR(A)	GDP
α_{oi}	−9.68 (0.00)***	1.56 (0.00)***	−1.44 (0.03)*	0.62 (0.00)***
α_{1i}	6.52 (0.00)***	0.14 (0.00)***	3.37 (0.00)***	0.27 (0.00)***
Error correction	ΔTR(R)	ΔGDP	ΔTR(A)	ΔGDP
ε_{t-1}	−0.74 (0.39)	−0.04 (0.01)*	−1.41 (0.77)	−0.12 (0.03)*
ΔTR_{t-1}	0.64 (0.44)	0.05 (0.01)**	0.01 (0.75)	0.02 (0.03)
ΔTR_{t-2}	0.50 (0.49)	0.03 (0.02)	0.43 (0.53)	0.05 (0.02)*
ΔTR_{t-3}	0.25 (0.48)	0.04 (0.02)*	−0.40 (0.61)	−0.01 (0.03)
ΔTR_{t-4}	0.30 (0.50)	0.03 (0.02)	0.12 (0.43)	0.01 (0.02)
ΔGDP_{t-1}	−7.90 (9.26)	−0.08 (0.35)	10.29 (8.46)	0.97 (0.04)*
ΔGDP_{t-2}	−0.77 (8.62)	−0.19 (0.32)	−7.41 (8.80)	−0.54 (0.39)
ΔGDP_{t-3}	−1.24 (9.12)	0.04 (0.02)*	11.34 (10.13)	0.83 (0.45)
ΔGDP_{t-4}	3.94 (6.95)	0.18 (0.26)	−9.86 (7.77)	−0.23 (0.35)

NOTES *p*-values reported in parentheses. *, **, and *** denote significance levels of 10, 5 and 1 percent, respectively.

TABLE 7 Linear ECM-Based Causality Tests

Item	GDP	TR(R)	Item	GDP	TR(A)
GDP	–	3.08 (0.07)*	GDP	–	1.98 (0.16)
TR(R)	0.49 (0.62)	–	TR(A)	3.58 (0.05)*	–

Mauritius, Brida, Sanchez-Carrera, and Risso (2008) for Mexico, Akinboade and Braimoh (2009) for South Africa, Belloumi (2010) for Tunisia, Kreishan (2011) for Jordan, Lee and Chang (2008) for OECD countries, Caglayan, Sak, and Karymshakov (2011) for Asian countries and Chiou (2013) for Czech Republic and Poland. Notably, the obtained results contradict those obtained by Balcilar, van Eyden, and Inglesi-Lotz (2014) for South Africa who establish no causality between tourism using a linear VECM model.

NONLINEAR COINTEGRATION ANALYSIS

Having investigated linear cointegration effects between the time series variables, we now divert our attention towards examining possible nonlinear cointegration and causal relations among the same sets of variables. As should be remembered, we carry out the nonlinear cointegration analysis under 4 forms of threshold models, namely; TAR, C-TAR, MTAR and

TABLE 8 Threshold Cointegration and Threshold Error Correction Tests

x	y	TAR-TEC			C-TAR-TEC		
		H_o^i	H_o^{ii}	H_o^{iii}	H_o^i	H_o^{ii}	H_o^{iii}
TR(R)	GDP	4.13	0.20	1.88	4.15	0.23	0.24
		(0.04)*	(0.66)	(0.20)	(0.04)*	(0.64)	(0.64)
GDP	TR(R)	3.34	0.79	4.59	4.51	2.53	3.41
		(0.06)*	(0.39)	(0.05)*	(0.03)*	(0.13)	(0.09)*
TR(A)	GDP	3.14	0.45	2.66	4.13	1.91	1.49
		(0.07)*	(0.51)	(0.13)	(0.04)*	(0.19)	(0.10)
GDP	TR(R)	2.77	0.42	2.68	3.97	2.25	2.60
		(0.09)*	(0.52)	(0.12)*	(0.04)*	(0.15)	(0.12)*
		MTAR-TEC			C-MTAR-TEC		
		H_o^i	H_o^{ii}	H_o^{iii}	H_o^i	H_o^{ii}	H_o^{iii}
TR(R)	GDP	4.05	0.10	0.74	8.07	5.46	4.09
		(0.04)*	(0.76)	(0.41)	(0.00)***	(0.03)*	(0.07)*
GDP	TR(R)	2.81	0.01	3.76	3.32	0.76	3.76
		(0.09)*	(0.95)	(0.08)*	(0.06)*	(0.40)	(0.08)*
TR(A)	GDP	2.84	0.01	2.82	5.51	4.53	5.48
		(0.08)*	(0.98)	(0.10)*	(0.01)*	(0.04)*	(0.04)**
GDP	TR(A)	3.12	0.95	0.08	5.50	4.59	2.39
		(0.07)*	(0.34)	(0.79)	(0.02)*	(0.05)*	(0.11)*

NOTES p-values reported in parentheses. *, **, and *** denote significance levels of 10, 5 and 1 percent, respectively. y represents the dependent variable and x represents the independent variable.

C-MTAR. Hereafter, the methodology is carried out in four consecutive steps/processes. Firstly, we test for significant nonlinear cointegration and error correction effects. To recall, we employ three main testing hypotheses namely, (i) testing for cointegration, (ii) testing for nonlinear cointegration, and (iii) testing for nonlinear error correction effects. Secondly, we estimate the threshold error terms derived from the long-run regression equations. Thirdly, we estimate the associated threshold error correction models (TECM). And lastly, we carry out causality tests under the TECM frameworks.

In referring to the tests for cointegration as reported in table 8, we firstly note that all of the threshold cointegration regressions reject the null hypothesis of cointegration. This result clearly indicates that there must be some sort of meaningful relationship which exists between the two time series variables. However, in subjecting the threshold regres-

TABLE 9 C-MTAR-TEC Regression Estimates and Causality Test Results

Item	TR(R)	GDP	TR(A)	GDP	GDP	TR(A)
$\rho_1\varepsilon_{t-1}$	−0.85		−0.12		−0.44	
	(0.00)***		(0.08)		(0.26)	
$\rho_2\varepsilon_{t-1}$	−0.06		−1.13		−0.89	
	(0.84)		(0.00)***		(0.03)*	
τ	−0.197		0.203		−0.043	
$\alpha_k^+\Delta\text{GDP}_{t-k}^+$	0.51	6.57	0.67	6.75	0.01	0.01
	(0.11)*	(0.32)	(0.06)*	(0.17)	(0.99)	(0.71)
$\alpha_k^-\Delta\text{GDP}_{t-k}^-$	−1.97	−6.45	0.13	4.27	−4.22	−0.24
	(0.07)*	(0.04)*	(0.70)	(0.62)	(0.67)	(0.69)
$\beta_k^+\Delta\text{GDP}_{t-k}^+$	0.01	0.60	0.02	0.17	4.27	0.59
	(0.55)	(0.07)*	(0.60)	(0.74)	(0.47)	(0.11)
$\beta_k^-\Delta\text{GDP}_{t-k}^-$	0.08	0.66	−0.22	−3.73	4.29	1.94
	(0.03)**	(0.37)	(0.70)	(0.64)	(0.70)	(0.72)
$\lambda^+\varepsilon_{t-1}$	−0.01	−1.05	0.02	0.16	0.78	1.45
	(0.04)*	(0.01)*	(0.72)	(0.80)	(0.32)	(0.26)
$\lambda^-\varepsilon_{t-1}$	−0.01	−0.08	−0.05	−1.47	−0.04	−0.08
	(0.69)	(0.85)	(0.08)*	(0.00)***	(0.03)*	(0.06)*
Causality tests						
$H_0: y \to x$	2.57 (0.11)*		1.18 (0.34)		2.19 (0.16)	
$H_0: x \to y$	2.71 (0.11)*		0.14 (0.87)		0.18 (0.84)	
Diagnostic tests						
DW	1.93		1.96		1.91	
p-value	0.50		0.49		0.41	
LB	0.98		0.99		0.99	
JB	4.61		4.49		4.35	

NOTES p-values reported in parentheses. *, **, and *** denote significance levels of 10, 5 and 1 percent, respectively. y represents the dependent variable and x represents the independent variable.

sions under our second and third hypotheses concerning threshold cointegration effects and threshold error correction effects, our results become less optimistic as we find that only three threshold cointegration regressions manage to simultaneously reject the null hypothesis of no threshold cointegration effects and of no threshold error correction effects. These three threshold regressions are all C-MTAR-TEC specifications in which (i) GDP is regressed on TR(A), (ii) TR(A) is regressed on GDP, and (iii) GDP is regressed on TR(R). In light of these results, we pro-

ceed to estimate the three C-MTAR-TEC regressions as plausible asymmetric specifications which can depict the nonlinear cointegration in the tourism-growth correlation.

Table 9 presents the estimation and causality analysis of the three C-MTAR-TEC models. We note that the all three estimated threshold models satisfy the asymmetric convergence condition of the threshold error terms $\rho_1, \rho_2 < 0$ and $(1 - \rho_1)(1 - \rho_2) < 1$. As mentioned by Enders and Siklos (2001) this condition ensures the stationarity of the threshold error terms hence validating the notion of asymmetric cointegration between the sets of time series data. We also note that when GDP is regressed on TR(A)and also when TR(A) is regressed on GDP, then $\rho_1 > \rho_2$, hence indicating that positive deviations from equilibrium are eradicated quicker than negative ones. However, when TR(R) is regressed on GDP, then $\rho_1 < \rho_2$ thus negative deviations from equilibrium are eradicated faster than positive ones. Furthermore, and more encouraging, we observe that all threshold error correction terms from the three estimated regressions manage to produce at least one significantly negative error correction coefficient, a result which further validates the notion of long-run asymmetric equilibrium convergence amongst the variables. In lastly turning to our causality analysis, as reported at the bottom of table 9, we observe bi-directional causality between tourist receipts and economic growth. Encouragingly, these results concur with those obtained from the TV-VECM model used in the study of Balcilar, van Eyden, and Inglesi-Lotz (2014) for South Africa as well as in the study of Brida, Lanzilotta, and Sebestian (2013) for the case of Uruguay and Argentina using non-parametric causality tests. However, we find no causal effects between tourist arrivals and economic growth.

Conclusion

Primarily motivated by the absence of academic evidence depicting the empirical relationship between tourism and economic growth in South Africa, our study endeavoured into investigating both linear and threshold cointegration and causality effects between the variables for interpolated quarterly data constructed from yearly data collected between 1994 and 2014. As a further methodological extension of our analysis, we use two empirical measures of tourism, namely; the dollar value of tourism expenditure receipts and the number of international tourist arrivals into the country. As a by-product, our overall empirical strategy offers a singular approach to exploring both linear and nonlinear cointegration re-

lations between tourist receipts and economic growth, on one hand, and between tourist arrivals and economic growth, on the other hand. The three principal findings of our empirical analysis can be summarized as follows. Firstly, we observe a common finding of significant cointegration relations between tourism and economic growth regardless of whether a linear or nonlinear framework is used or regardless of whether tourist receipts or number of tourist arrivals is used a measure of tourism. Secondly, the linear framework indicates a unidirectional causality running from tourism receipts to economic growth whereas there is a unidirectional causal flow from economic growth to tourist arrivals. In effect, the aforementioned results offer support in favour of tourism-led-growth-hypothesis between tourist receipts and economic growth whilst the economic-growth-driven-tourism-hypothesis is supported between tourist arrivals and economic growth. Notably the result of tourism-led-growth-hypothesis between tourist receipts and economic growth is similar to that obtained in the study of Akinboade and Braimoh (2009) for South Africa. Thirdly, the nonlinear framework indicates bi-direction causality between tourist receipts and economic growth as well as no causal relations between tourist arrivals and economic growth. Accordingly, this supports the reciprocal hypothesis and no causality effects, respectively. Again, the finding of the reciprocal hypothesis between tourist receipts and economic growth concurs with that obtained by Balcilar, van Eyden, and Inglesi-Lotz (2014) for South Africa.

In deriving the key policy implications derived from our empirical analysis, we rationalize our results as follows. The finding of causality from tourist receipts to economic growth under the linear framework is expected since most African countries still use their income to improve the level of tourism infrastructure and sites that are available in these countries in order to win tourist to their destination so that there will be an increase in the level of economic activities in the sector, which will thereby accelerate long-run economic growth (Kareem 2013). For instance, a key driver of economic growth has been the recent liberalisation of South African airspace, which has seen an increasing number of international airlines carrying out more weekly flights between South Africa and other countries. Moreover, the finding of bi-directional causality between tourist receipts and economic growth under the nonlinear framework is not irrational since this implies that whilst tourism receipts improves economic growth, such improvements in economic growth are the used to improve infrastructure which, in turn attracts tourists back into

the country. This result has also been re-iterated by the department of Environmental Affairs and Tourism, which claims that 40 percent of business visitors returned to the country within a few years of their first visit, while 18 percent of business tourists went on leisure trips prior to their business activities and 22 percent of them did the same afterwards. Incidentally, this further rationalizes the finding of uni-directional causality running from economic growth to the number of international tourist seeing that tourist infrastructure attracts the number of international tourists into the country who then spend their expenditure when they arrive in the country, which, in turn contributes to improved economic growth.

Overall, our study implies that South Africa can improve her economic growth performance, not only by investing in the traditional sources of growth such as investment in physical and human capital as well as through technological advancements but can also strategically harness the contribution of the tourism industry towards such economic growth. Therefore, it is recommended that special emphasis be paid to the domestic tourism industry as means of fostering higher economic growth and policymakers can consider integrating tourism development programs into major economic development plans such as the highly popularized Millennium Development Goals (MDG). In particular, sustainable developments within the local tourism sector can assist in addressing the MDG's global challenges such as poverty, hunger and unemployment through the direct contribution which the tourism adds to economic growth. Therefore, by generating wealth, the South African tourism sector can play a significant role in the achievement of MDG goals by creating opportunities for entrepreneurship, opportunities for employment and, via its multiplier effects, generate income from the primary sector of the economy inclusive of trade, manufacturing, construction and agriculture.

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The Role of Human Resources in Enhancing Innovation in Tourism Enterprises

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This paper presents an overview of issues related to the role of human resources in creating innovation in tourism businesses. The main purpose is to identify the level of utilization of personnel in innovative activities of the researched tourism entities. It attempts to verify the research hypothesis: Tourism enterprises, and other entities in this market, don't perceive the human resources key role in creating innovation. This paper presents an overview of the chosen aspects related to innovation in tourism enterprises, located in Poland, in the South Sub-region of Silesia. The presented results indicate that the main drivers of innovation are exogenous factors, and the impact of human resources on these processes is varied. The paper points to the need to change the approach of managers of tourism enterprises, to include roles attributed to employees in finding innovative solutions. For this purpose, companies should develop these resources in terms of their quantity and quality.

Key Words: tourism, innovation, human resources
JEL Classification: L83, O31, M51

Introduction

The growing economic importance of innovation is stressed in the literature and in economic and social practice. Broadly speaking the term 'innovation' comes from a Latin root, where the word 'innovatio' means the creation of something new. Innovation is the process by which a perceived opportunity becomes a new idea, and then finds widespread practical application (Tidd and Bessant 2013, 19). Innovations are created through the process of introducing new ideas to the enterprise, which result in increased performance (Rogers 1998).

There are numerous studies which make use of the definition, and refer to the methodology of European statistics, in the Oslo Manual. As the minimum requirement to treat something as an innovation, this publication states, requires the introduction of sth. At least new to the firm or providing a significant improvement in its activity. In a wider perspective,

innovations must contain a degree of novelty that is not only at the enterprise level. There are three concepts for the novelty of innovations: new to the firm, new to the market, and new to the world (OECD 2005, 57.) The core of successful innovation is putting the novelty into practice, which comes down to the offering of a new product or service on the market. Or, in relation to a new process, organization or marketing methods, to their usage in the current activity of a business (OECD 2005, 59–60). The innovation can be a result of one's own empiric development of a business, co-operation with other businesspeople or institutions, or a result of the purchase of new knowledge (OECD 2005, 66–8).

The literature emphasises that innovation can be regarded both in a broad and narrow sense (Bruhn and Ahlers 2013, 145; Unsworth and Luksyte 2015, 280; Souto 2015). So, taking the broad view first, Porter (1990, 45) uses the concept of innovation broadly, and he includes in innovation: technological improvements, better methods and ways to do the things, changing processes, new marketing efforts and new forms of distribution. Kotler (1991, 342–3) also treats innovation in that way and came to the essence of innovation from the position of marketing. Thus innovation referred to any goods, services and ideas, which is perceived by someone as new. Secondly, the narrow approach of innovation is, according to Freeman (1982, 7) that innovation is the first commercial introduction of a new product, process or system. It implies that not every novelty can be considered as an innovation.

Innovation is an important subject of research in tourism. Hjalager (2010, 2) notes that 'innovation studies in tourism still rely on explorative and qualitative cases where the phenomenon is investigated and explained from a number of angles and where rigid definitions are less prevalent.' The diversity of tourism innovation definitions can be attributed to the different purposes authors have used for examining this phenomenon. Novelty or newness is one of the main interpretations of innovation, when studied in tourism (Kvam and Stræte 2010). Souto (2015) in his tourism innovation research distinguishes between the degrees of innovation novelty, dividing them into incremental and radical innovation. Innovation can take many forms and be classified in different ways. Initially innovations have been identified as mainly based around procedural change and product change, these have been the engine of technological development. Currently, service innovations are becoming the subject of growing interest. Service innovations extend beyond their own sector to affect activities in other areas (Miles 2005, 433). Innovation

implies a possible new solution to problems in tourism services and issues, which involve a change of actual state, and has an important part to play in the development of some fields of the tourism economy, for example: technology, organization, marketing, management, logistics, ecology or cultural, or psychological character (Hjalager 2010). An important field of development in tourism regions is institutional innovations, with such factors as: new directions of public-legal partnership, new forms of support for tourism companies, creation of new organizational solutions, such as co-operative models, like network centers, clusters (Novelli, Schmitz, and Spencer 2006).

Another aspect of tourism innovation research is the newness level, the area where the solution is an innovation. Krizaj, Brodnik, and Bukovec (2014) propose to measure tourism innovation on several levels: firm, region, country, group of countries (e.g. EU), continent and world. Another area of innovation measurement uses subdivided criteria: tourism segments (e.g. accommodation sector), size, age and type of enterprise.

An important aspect of innovation research is to analyse the key sources of innovation, and classify them as exogenous and endogenous (Cassiman and Veugelers 2006; Skibiński and Sipa 2015). Hidalgo and D'Alvano (2014, 702) state that 'managers should seek an appropriate balance between the development of internal and external innovation activities,' but on the other side, although managers are faced with many opportunities for improving innovativeness, they cannot involve them in their enterprises, because of limited resources for their implementing (Oke, Walumbwa, and Myers 2012, 273). The results of Nieves, Quintana, and Osorio (2014) research show that one of the important resources needed in innovation processes in tourism enterprises, is human capital. According to the authors human resources are important in achieving product innovation, especially in the tourism sector. A high level of intensive inter-action between employees and clients is conducive to the implementation of the innovative ideas created in this type of interaction.

The results presented in this paper are taken from research conducted between November 2012 and March 2013 in Poland. The research was undertaken, in part because of the clear impact of tourism on Poland. According to the WTTC report, the contribution of travel and tourism to GDP in Poland in 2014 amounted to: a direct contribution of 1.7% and a total contribution of 4.4% (World Travel and Tourism Council 2015, 3). The direct tourism and travel sector generated 1.7% of total employment,

but overall this sector generated 4.3% of total employment (World Travel and Tourism Council 2015, 4).

According to the European Innovation Scoreboard, Poland belongs to the group of 'moderate innovators,' and in 2015 it's position in the rank has improved, but less than others, thus it is still below the EU average, and now Poland is 5th position from the bottom among EU countries (European Commission 2015, 5), and performing relatively badly. Poland has many problems to resolve in this field, it must improve its innovativeness in almost all the areas analysed in this index, except the few listed here: non R&D innovation expenditures, community design, youth upper secondary level education, population with completed tertiary education and employment fast – growing firms innovative sectors. In these areas results were over the EU average (European Commission 2015, 65).

Regarding the Travel and Tourism Competitiveness Index (TTCI) for 2013, the World Economic Forum ranked Poland 47th of 140 countries, but before, in 2011 it was worse, in 49th place (World Economic Forum 2013, 10). When analysed via the different subindexes, there are wide variations, Poland has a relatively high rank (32th place) in 'T&T human, cultural and natural resources' (World Economic Forum 2013, 31), but analysing the dimensions (in this report called pillars) which underly this sub-index, Poland was rated relatively high (18th place) in the dimension of 'cultural resources' (World Economic Forum 2013, 40). However, it holds lower places in other sub-indexes, for example: 'business environment and infrastructure' (58th place) and 49th place in 'T&T regulatory framework' (World Economic Forum 2013, 31).

A team of researchers from Jagiellonian University in Krakow, under the leadership of Professor Bednarczyk completed a study 'Management Innovative Regional Tourism Chains' in 2012 in South Poland, which is related to the issues covered in this paper. The results of this study indicate that 'the evaluation of knowledge transfer and knowledge management factors in tourism enterprises, as only average is a signal to the urgent need for strengthening them. [. . .] This suggests the need to improve governance' (Bednarczyk 2014, 225).

In sum, this study has several objectives. First to review the literature that analysed the role of human resources in the development of innovation. Second to examine the level of utilization of internal sources, in particular of personnel in innovative activities, of the researched tourism entities. Third to identify the direction of developing innovations in tourism enterprises, with discussion and proposals for future research.

Importance of Human Resources in the Development of Innovation

Endogenous sources of creativity and innovation in services can be observed in a combination of main factors of management. The most important is ability to develop new products – relative to competitors. The key predictors of firm innovativeness drivers indicate Gomezelj Omerzel and Smolčić Jurdana (2015): entrepreneurial characteristics, networks, technological development and the company external business environment. Several researchers have focused on two important management aspects of improving innovation performance: strategy of innovation and innovation-focused human resources management (Oke, Walumbwa, and Myers 2012; Beugelsdijk 2008). Oke, Walumbwa, and Myers (2012, 274) define innovation strategy execution, as the way, in which innovation become a priority in an enterprise and selection of 'the specific actions or plans taken by the firm to promote innovation.' They also introduces the concept 'innovation-focused HR policy,' defined as the specific way of adoption 'people-focused policies,' which include: recruitment and selection of creative employees, involving proinnovative methods of evaluation and motivation systems. All this elements should foster the development of innovation.

Analysis of the literature points to many important sources of innovation related to human resource management and its role in innovation activity. Amongst those the most prominent are: consistency of leadership (Mumford et al. 2002), allocation of resources (Nohria 1996), use of knowledge (Zahra and George 2002; He and Wong 2004), market orientation (Lee and Tsai 2005; Laforet 2008) and an ability to co-operate (Hardy, Phillips, and Lawrence 2003).

Consistency of leadership should result from the style used by the management leader, and consequently the way they behaves towards the employees. Leaders who are innovative in their actions, as well as properly communicating their vision for the organization, can gain credibility among employees and count on their support in the implementation of changes. An important requirement of this process is the consistency of communication and activities within the organizational culture – and its consequent acceptance by the employees (Cha and Edmondson 2006). Consistency of leadership within the 'model of creative practice' leads to greater creativity amongst the company's staff (Jung, Chow, and Wu 2003).

Strategies of innovative enterprises should allow rapid resource allocation. Complying with this requirement often involves leaving 'loose resources' in the company. 'Loose resources' are a pool of 'spare' resources that exceed the minimum necessary requirements to ensure the organization of the output at the required level (Damanpour 1991). Leaving these extra free resources – human, material, financial, organizational – is conducive to creating innovative solutions by enabling experimentation and knowledge transfer, as well as financing new and costly innovative processes.

One of the key enterprise' resources is knowledge, and its skilful use becomes an important direction of innovation development. An important aspect of knowledge management is to minimize the gap between implicit and explicit knowledge (Hildreth and Kimble 2002). Companies can minimize the differences between the acquired and utilised knowledge through encouraging employees to share knowledge.

Finally, innovative enterprises must be market oriented, increasing their knowledge about consumers, their needs and desires, as well as environmental trends (economic, social). The opening of a company to market forces, requires closer co-operation between employees of the company and its environment. The result of such co-operation could be 'open innovation' (Chesbrough 2006).

Another specific aspect of innovation internal policies is a procreative environment at work, a positive climate in the organization. Ekvall (1993) noticed that climate is a determinant of success in business, for an innovation. He identified the factors which are friendly for innovations in organizations, such as: the right of free determination about the way of carrying out work, time needed to think about an activity, building confidence and receptiveness amongst workers, frequent meetings, and debates on the problem undertaken, as well as taking risk.

Tidd and Bessant (2013, 115) emphasize the need to build organizational structures conducive to the emergence of innovative ideas. The structures must be suitable for the required tasks. Especially, the less planned and imprecise tasks (typical of the early stages of creating innovation) should be accompanied by a greater degree of flexibility of the organizational structure. Innovation should be generated in all organizational units, and not limited to the R&D departments. This is much easier to implement in the case of open, flexible organizational structures.

Employees are a key resource of the enterprise, but employees should not only be effectively trained to provide services at a high level, but also

should be fully involved in the innovation process. This task is not easy to implement, because it requires the complex processes stimulating creativity to operate. According to Amabile (1998) the creativity which exists in every organization is a function of three elements: expertise, creative thinking and motivation. The sources of knowledge can be diversified: ranging from open knowledge, gained in the cycle of formal education, to implicit knowledge sources that arise from experience (e.g. interaction with other professionals using creative thinking in the work place). Motivation is the integrative, causative element, so a worker must be eager to use his knowledge and creative thinking.

The key sources of motivation should not only be material instruments. Workers can be motivated by the sense of fulfilment, respect for their superiors, colleagues and partners, and frequent communication amongst leaders and workers. This 'internal' motivation of creative workers may be much more successful than explicit processes. Organizations can support creativity through building an environment, with conditions to use and carry out all three of the above-mentioned factors, arranging training sessions (e.g. techniques such as: brain storms, problem solution, lateral thinking), or the mobility of workers – leading to an increase in worker experience.

It is vital that the proper 'climate' in enterprise builds employees motivation, resulting in the easy approval of innovative changes. In other words 'breaking resistance,' through making staff believe that a change will lead to an advantage, and encouraging activation of many participants in creating innovation, both in planning and implementation. The key components of the innovation climate are also: encouraging the creation of innovative ideas, facilitation of mutual relationships in organizations, toleration of failure, establishing clear goals and guaranteeing freedom in achieving them. Finally, respecting effort.

In the service sector, especially in tourism services, human resources are the source of values for innovation. However, one ought to bear in mind, that employees not only have to be successfully trained in new services, but also they have to understand, support and be fully engaged in new innovative services. Weidenfeld, Williams, and Butler (2009) emphasize that the absorptive capacity of tourism organisations is influenced by organisational structure, human capital and management practices. Nieves, Quintana, and Osorio (2014) suggest that enterprise developing innovation need at least three important knowledge-based resources: (1) employee knowledge, skills and abilities, (2) organizational collective

knowledge and (3) ability of managers to build external social relationships in order to obtain external knowledge. Souto (2015) states that 'human resources play a prominent role in knowledge generation, assimilation, and application.' That's why employees with a high level of education and inter-organisational training program create an environment, which stimulates innovation.

The growing role of employees in the growth of innovative enterprises is identified, in The Global Innovation Index (Cornell University, INSEAD, and WIPO 2014). This report was dedicated to the human factor in innovation, in 2014. The report's authors define human resources, as 'new sources of growth' (Cornell University, INSEAD, and WIPO 2014, 3) and in their opinion 'it is particularly important that the traditional technology and product-oriented perspective on innovation, evolves into a more holistic one in which the key role of people and their working conditions is acknowledged' (Cornell University, INSEAD, and WIPO 2014, 6).

The above aspects of human resources management are not easy to embed in tourism enterprises. Thus, it requires the implementation of the whole process of learning and creativity. Hjalager (2010, 5) emphasis that knowledge is a critical factor of innovation and 'human relations and inter-organisational structures are considered particularly important.' Internal sources of knowledge are important because innovations based on external sources might be easily and quickly imitated (Souto 2015).

Research conducted by Ottenbacher (2005) among 184 German hotel managers, identify the factors, including the elements of innovation, which result in the success of a hotel. The research showed that these are not innovations generally understood as the 'technological' ones, but modern, successful methods of management of human resources and training of employees, that are the essential element of the hotel's success. Following the respondents, the success of a hotel depends mainly on the involvement of workers. The respondents pointed out that, that it is obvious for innovations to be a distinguishing element on the target market, but the success of enterprise in hotel services also relies on efficient marketing communication and public relations, which should support the success of innovation.

However, on the other hand involving employees in innovation processes in tourism enterprises is not easy. Two things impact on this situation: the character of the job in tourism enterprises and the outlook and attitude of the leader or tourism entrepreneur, especially in small enterprises. Hjalager (2002) give three reasons for difficulties in applying hu-

man resources effectively in innovative activity: (1) employees in tourism enterprises don't receive or receive only minimal industry-relevant training, (2) there is a high personnel turnover in tourism, because of seasonal fluctuations, (3) a career in the tourism enterprises is often very different to a career in other industries. Najda-Janoszka and Kopera (2014) confirm that 'also in Polish enterprises to the key innovation barriers belong human resources issues, particularly: insufficient skills, competencies and low formal qualifications, as well as motivation to engage in innovation processes.'

In connection with the considerations above the following hypothesis is formulated: Tourism enterprises, and other entities in this market, don't perceive the human resources key role in creating innovation.

Methodology and Data Collection

The research area was a mountainous region in Poland, situated within the administrative boundaries of the Silesia province. The area has also been called the Southern Sub-region of the Silesia Province. Although average tourism rates in Poland are not high, in this area, there are many tourism opportunities, and high concentrations of firms and other organizations which provide tourism services. These factors had an impact on the choice of the region researched.

The aim of the study was to identify the level and methods of utilization of people working in innovative activities within the researched tourism enterprises. Also to consider people working in other entities which support the development of tourism. The results presented in this paper are taken from a broader study, which included the conditions required for innovation management in tourism. The paper thus presents the results of the author's own empirical research. Both quantitative and qualitative research methods were used in the studies.

The first research technique applied a diagnostic survey method, using questionnaire techniques. The study was conducted on a random sample of tourism enterprises and related entities, taken from tele – address lists, from which units were randomly selected for the research. The population unit list was based on Internet databases.

The study itself was conducted using diverse techniques. Firstly the author sent questionnaires by postal mail, then used e-mail and finally direct research at the premises of some of the researched entities. The study subjects included: hotel facilities and other enterprises providing accommodation services, catering companies, travel agencies, tourist transport

companies, entities managing tourism attractions, and organizations that support the development of tourism, such as: promotion offices, tourist information offices, associations and groups undertaking initiatives of public-private partnerships.

191 tourism companies and other related entities, that support the development of tourism in the region were chosen for the survey, which represented 29.4% of the population. 121 correctly completed questionnaires were received, which was 63.4% of the original research sample.

Amongst the respondents, tourism businesses accounted for the vast majority of private tourism enterprises (89.3%), whilst public institutions supporting the tourism sector, accounted for 9.1%, and the remaining 1.7% represented the initiatives of public-private partnerships. Among the respondents 62.8% had implemented innovations in the period of 3 years before this research study. According to the methodology of the Oslo Manual, these subjects can be referred to as innovative.

In the second step the author applied a qualitative research technique, using narrative enquiry and partially structured interviews. 10 interviews were undertaken, covering innovations implemented over the past three years, and experience in managing tourism business.

In Summary: For the purpose of this paper and verification of its hypothesis, the author analysed these aspects of the research: The sources of implemented innovations, and their effects, the influence of components of the internal environment, on the innovation of surveyed tourism enterprises, the factors affecting the success of the researched entities, as well as proposed directions for their further innovative actions.

Results

Analysis of the sources of innovative activities, shows that the majority of respondents indicated that the suggestions of customers were the main source of innovative activities undertaken (86.8%). The readiness for usage of external sources of financing (68.4%) was a major inspiration for undertaking innovative solutions. European Union programmes, in which 59.5% of respondents declared their participation, gave rise to this increase of innovative interest.

The research results emphasize that in the vast majority of cases, the sources of innovation come from outside the business – only 31.6% of respondents recognized the efficient management of human resources, as the internal source of implemented innovations.

However, the implemented innovative changes did not influence the

TABLE 1 The Influence of the Internal Environment Components on the Innovation of Surveyed Tourism Enterprises

Specification	(1)	(2)	(3)	(4)
An appropriate atmosphere for innovation (encouragement, acceptance, tolerance of failure)	9.21	35.53	47.37	7.89
Pro-innovative motivation system	6.58	34.21	48.68	10.53
Sharing of responsibilities	13.16	28.95	40.79	17.11
Clear, transparent communication	3.95	22.37	53.95	19.74
The ability to use knowledge, skills and personal qualities of employees	3.95	22.37	52.63	21.05
Building good relationships at work	0.00	26.32	44.74	28.95
Knowledge of employees	0.00	19.74	44.74	35.53
Honesty, keeping of promises	3.95	23.68	35.53	36.84
Respect for alterity /acceptance of new ideas	1.32	15.79	46.05	36.84
Creative employees, willing to change	0.00	17.11	39.47	43.42
An adequate level of human resources, measures and information	1.32	5.26	42.11	51.32

NOTES Column headings are as follows: (1) not relevant, (2) less important, (3) important, (4) very important. In percent.

motivation of staff – the involvement of employees increased only in a third of tourism firms. This tendency is also noticeable in the answers to the question referring to the impact of particular components of human resource management on innovation (table 1).

The distribution of answers shows that the surveyed companies focus more heavily on attention to the proper level of human resources, means and information (51.3%), also creativity (43.4%) and the knowledge of workers (35.5%, while they perceive sources of innovation in their systems of managing these resources as significantly less important. Only a medium level of importance in the development of innovation, was attributed to pro-innovative, motivational systems and internal climates – in both answers only 48%. The answers show that the subject companies pay more attention to the quality of human resources, than to the systems of their management. This may, in the longer term, impair the transfer of knowledge inside the internal structures of the surveyed entities. The analysis of answers to this question indicates that very little attention is paid to knowledge, its codification and diffusion, in the project companies.

TABLE 2 The Influence of the Success Factors on Surveyed Tourism Enterprises

Specification	(1)	(2)	(3)	(4)
Location	46.3	34.7	18.2	0.8
Raising the standard and quality of services	39.7	30.6	13.2	16.5
Prices adequate to the quality	36.4	51.2	8.3	4.1
Diverse, but constant offer	35.5	41.3	19.0	4.1
The uniqueness of the environment, natural resources, anthropogenic	32.2	43.0	22.3	2.5
Innovations in services	28.9	32.2	20.7	18.2
Innovations in the sphere of marketing	28.1	34.7	20.7	16.5
Technological innovations – associated with using the Internet to distribute and promote the services	24.8	25.6	37.2	13.2
Purchase of new appliances, equipment, technology	18.2	53.7	24.0	4.1
Cooperation with other organizers of tourists stay	16.5	36.4	24.8	21.5
The ability to acquire information	13.2	43.8	19.8	23.1
Organizational innovation – introducing the new management methods	10.7	22.3	40.5	24.8
efficient system of human resources management	9.1	29.8	41.3	19.8
Using the knowledge of external institutions (universities, associations, experts)	1.7	12.4	49.6	36.4

NOTES Column headings are as follows: (1) key importance, (2) average importance, (3) little importance, (4) not relevant.

Application of these important factors of knowledge transfer techniques could be better achieved by the sharing of responsibilities, or the formation of clear, transparent communication techniques and processes. Respondents recognized both of these factors only as moderately significant, suggesting that they are not fully utilized in innovative processes. Meanwhile the simultaneous usage of both sources of innovative ideas – internal and external – should significantly raise the innovation levels of tourism enterprises.

Respondents, when asked about the factors that affect the success of tourism enterprises (table 2), pointed primarily to aspects related to location. For 46.3% of them the location of the activity in this area was a key influence on the prosperity of their businesses. In particular, much attention was given to parameters such as tourism services, raising the standard of services (39.7%) and the setting of prices appropriate to their quality (36.4%). Amongst the various types of innovation, respondents

TABLE 3 Directions of the Future Development of Innovation

Specification	(1)	(2)	(3)
In environmental efforts	47.11	42.15	10.74
In the internal management processes	37.19	47.11	15.70
Cooperation with other participants of the market (cooperation chains, clusters)	27.27	50.41	21.49
In the field of human resources	25.62	49.59	22.31
Building relationships with customers	19.83	38.84	40.50
In the area of service offer	19.83	27.27	52.89
In the area of infeastructure	8.26	33.88	53.72
In the marketing activity	7.44	31.40	61.16

NOTES Column headings are as follows: (1) less important, (2) secondary importance, (3) most preferred fields.

most often pointed to innovation in services (29% of respondents said this was of key importance). Ranked lower, were innovations in the sphere of marketing (28.1%), followed by technological innovations – these were associated with using the Internet to distribute and promote their services (24.8%).

Against the background of this data, a small percentage of respondents attributed the highest importance to the efficient system of human resource management (9.1%), and less than 30% of respondents indicated that these resources have only a secondary importance in achieving success of tourism entities.

It is essential to understand in which fields, one could conduct and expand studies in innovative activities, in order to properly estimate the levels of innovative efforts of projected enterprises and organizations (table 3). Knowledge of the issue is the key to understanding present and future results of these activities. Service offers were one of the most popular fields for expansion of innovation for the respondents – for 52.9% of subjects it had a top ranking. A high percentage of respondents (53.7%) would like to improve the situation of their companies through infra-structural innovations.

Amongst recommendations of important directions for innovative development of subject companies, one should point to innovations in the field of marketing activity, and building relationships with customers (40.5%). Implementation of innovation in the area of human resource development, for the majority of the respondents, was of secondary im-

portance (49.6% of subjects), while up to 25.6% of the respondents did not think it mattered. Less respondents perceived the need for development of innovation in the area of internal management processes – for up to 37.2% of the respondents it was of negligible importance as a direction for innovation. This indicates a probable under-utilization of internal pro-innovative resources in the future.

Similar trends were observed by analysing the results of interviews conducted in the first quarter of 2013, in selected tourism businesses. The perceived importance of staff participation in innovation actions, and the impact of the changes on employees in these units, was varied. In answer to the question about whether respondents see a source of competitive advantage in human resources, as well as in the value of main asset creating innovations, representatives of the surveyed enterprises do not confirm this valuation.

The important exception was the statement by the tourist office's owner. He saw a market advantage in employees knowledge about tourism destinations and customers, as well as the diffusion of knowledge amongst them. It is clearly evident from his comment: 'I always send inexperienced tour guides out with the best ones, to teach them well and to ensure that the client was not disappointed with the level of services.'

The diffusion of knowledge within the company also occurs amongst entrepreneurs and employees. An interviewee stated that he thought about 'who will take over the reins of the company in the future,' and to this end he intends to change the legal form of the enterprise to a limited company and transfer shares to key employees.

In the case of other tourism enterprises, evaluating the contribution of human resources on innovation processes is not straightforward. The representative of the sanatorium stated that the 'guaranteed package provided to workers during the privatization, prevents the implementation of a motivation system.'

In the case of a big hotel, the manager assigned a significant role to the professionalism of staff, but it is reflected mainly on improving the quality of its services. In the case of small accommodation facilities the owner clearly assumes the role of innovators, and employees are hired to direct services for tourists, because the number of employees is subject to large seasonal fluctuations.

The respondents' answers show that a large part of small tourism enterprises did not attribute significant attention to the stability of employment, but valuing this could contribute to the growth of innovation.

Recommendations and Limitations

The activities of entities that are engaged in the creation of innovations in tourism can be shaped into three sectors: the private, public, and the sector of institutions which support the development of tourism in the region. Although the creation of innovation in the field of tourism is a goal for many, tourism companies play the most important role. It is assumed that the development of innovation should be based upon human resources, co-operation and research activity, access to capital, and also the infrastructure for innovation. These suggested directions of actions inter-penetrate, each having a direct influence on the innovative process which aimed at the success of tourism in the region. The cycle of actions, thus, has an influence on enterprises and their environment.

In the area of human resources, the subject of this study, it should be noted that HR is a field of management which has a significant influence on innovation. On one hand it can be treated as a factor of the innovation 'formation,' and on the other hand, as a factor of knowledge popularisation. Every employee whose creative abilities are accepted, and who is motivated to creativity, contributes to the development of the business through innovations. This assumption is based on the fact that human capital cannot be treated as only 'collecting' knowledge, as innovations also result from the creation, spreading and acceptance of new values.

The transformation of public awareness, especially amongst entrepreneurs preparing employees to function in a knowledge-based economy, is important. Therefore, entrepreneurs should pay special attention to the education and skills of staff, both at the stage of recruitment as well as once in employment. It is essential a system of continuous improvement of knowledge and skills for staff. So, it is important to undertake development activities such as training, seminars or competitions for the most creative employees. Other areas in need of support are personal training, organising the exchange of personnel between enterprises and the R&D sector (especially within tourism clusters), joint creation of training programs and the promotion of creativity.

The research developed in this paper has some limitations. One of these is the generalisation of the results and conclusions. The research was undertaken in one sub-region, therefore there is danger in making generalisations for the whole region or country. Secondly, the presented results are part of a broader study, therefore here not all aspects of HR management in innovation development are represented. There are only limited

results related to tourism enterprises innovation in Poland and consequently in the researched region, which makes it impossible to make full, direct comparisons of presented results.

The implications for future research of the foregoing analysis are twofold. Firstly, a greater representation of the issues concerned with the internal sources of innovation and role of human resources, in the development of innovation, should be involved in the undertaken research. Secondly, such studies should be conducted in all of the country and possibly internationally. International studies will allow make comparison of Polish tourism enterprise innovation with other countries, including more developed countries.

Conclusions

The changes occurring in modern tourism economies have a powerful impact on functioning for both regions and tourism enterprises located in their area. In modern society, oriented to the development of new information techniques, innovations have more and more meaning in creating preferences in the tourism market. Therefore, one should undertake activities which aim at the successful implementation of innovations. The possibility of creating innovation in tourism is dependent both on external and internal factors. The results show that in the vast majority of cases, sources of innovation in the researched entities come from the outside.

This study analyses the role of human resources in innovation activities of tourism enterprises. Analysis of the available literature indicates that the impact of human resources on innovation activity in tourism enterprises should be high. The results show that in most researched enterprises, human resources are not treated responsibly, in terms of innovation processes. Respondents mainly perceive employees through the lens only of their operational activity. They have paid significant attention to the quality of human resources and personal characteristics conducive to innovation. However, less important for them is taking actions to boost pro-innovative skills of human resources, such as creating an internal climate for innovation, and pro-innovative motivational systems.

The hypothesis established in the introduction is confirmed, subject to the limitations described, which are connected to, and limited by the scope of the research. Although human resources are one of the important source of creating innovations, tourism enterprises, and other entities in this market, don't perceive the human resources key role in creating innovation.

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Comparative Analysis of Tourism-Led Growth in Slovenia and Montenegro

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This article introduces 'Granger Causality in Tourism Analysis for Slovenia and Montenegro.' Included within are comparisons of the tourism led-growth in these countries between December 2007–June 2015. The focus of the analysis is directed towards gross domestic product and tourist arrivals as endogenous variables, as well as unemployment rates. In addition, monthly time series of inflation rates are introduced as exogenous variables. The Granger Causalities differ between countries. The latter indicates uni-directional causal relationships of three relations between the economic growths, tourism growth and unemployment rates for Slovenia and Montenegro. Finally, causality from tourism growth to economic growth and vice-versa is found in Montenegro.

Key Words: Slovenia, Montenegro, causality, tourism, economic growth
JEL Classification: E31, L83

Introduction

This paper applies the Granger causality approach to investigate the relation between economic and tourism growth in Slovenia and Montenegro. To the best of our knowledge, there have only been a few similar researches conducted within the Western Balkan region: for Croatia (Payne and Mervar 2010) and Serbia (Milanović and Stamenković 2012). However, none have been conducted for Slovenia or Montenegro. The latter omission has served as a key motivation for our research. The Granger

causal relationship between certain variables is one of the most important issues in modern economics (Łukasz 2010).

From a broad economic perspective, the number of tourist arrivals (Oh 2005; Gökovali and Bahar 2006; Kim, Chen, and Jang 2006) drives the importance of tourism in an economy (Valek and Wu 2013). Tourism expenditures, such as: shopping, accommodation, food services, transport, visitor attractions and entertainment, all contribute substantially to gross domestic product (GDP). These factors create employment and provide socio-economic development opportunities (Oh 2005; Gökovali and Bahar 2006; Wu, Li, and Song 2012; Inchausti-Sintes 2015). A fundamental reason for governments to promote the worldwide development of tourism is that like other economic activities, tourism has a positive impact on economic growth and development. Tourism has thus helped to reduce the imbalance of payment deficits in several countries. Moreover, tourism is perceived as an important source of foreign exchange that is used for financing economic growth (Tugcu 2014).

According to the World Tourism Organization (see http://www2.unwto.org), tourism plays an important economic role in Montenegro and Slovenia. In 2010, Slovenian tourism created 117,300 jobs (13.6% of Slovenian employment) (Planinc, Bojnec, and Planinc 2013) and in 2014 (World Travel and Tourism Council 2014) contributed 13% to Slovenia's GDP and 3,438,297 of tourist arrivals. According to the World Travel and Tourism Council (2015), the total contribution of tourism to employment in the Montenegrin economy was 32,000 jobs in 2014 (18.5% of total employment). These figures are predicted to rise by 6.9% in 2015 to 34,000 jobs (19.4% of total employment), followed by 55,000 jobs (29.6% of total employment) in 2015. This represents an increase of 4.9% over the given period (World Travel and Tourism Council 2015). In 2011, Montenegrin tourism contributed to 17% of GDP and 8% of its employment (Đuranović and Radunović 2011). In 2013, the direct impact of tourism to Montenegrin GDP was 9.8% (348.7 million euros) (World Travel and Tourism Council 2014).

Vitic and Ringer (2008) highlighted that the observed countries share common history from the former Yugoslavia. Slovenia declared its independence in 1991. In 2004 it subsequently became a member of the European Union (EU). In 2006, Montenegro's parliament declared independence from the State Union of Serbia and Montenegro (Vitic and Ringer 2008). In 2008, Montenegro applied for EU membership.

Montenegro seeks its future economic growth, measuring in percent-

age of GDP, in tourism. Montenegro's tourism is mostly limited to the coastal hot-spots, such as: Kotor, Budva and Ulcinj. In 2007, Montenegro was considered the fastest growing tourism market worldwide. It has suffered a slight decrease in the last six years, but tourism is still seen as a crucial factor for Montenegro's future economic development. This latter point is due to its natural potential with its beneficial position on the Adriatic coastline. It has also gained experience of tourism development since the 1970s (Bickert, Göler, and Lehmeier 2011). Whilst tourism development can be considered progressive and dynamic, it is strongly affected by multiple polarizations and divergent trends. For example, there is need for infrastructural upgrades in the mass tourism sector, which is predominantly for a low budget market with difficult future perspectives. Simultaneously, there are small but growing numbers of exclusive offers, often seen as the vanguard of Montenegro's future as an upper class tourist destination. The economic bias towards coastal tourism includes the risk of increase in spatial disparities. Consequentially, this would mean neglecting mountainous hinterland whilst leaving behind a shrinking economy and population (Bickert, Göler, and Lehmeier 2011).

Trošt and Bojnec (2015) suggest that Slovenia has avoided large scale destruction through war in the former Yugoslavia and entered into closer institutional and economic relations with EU countries. As the most developed former Yugoslav republic, Slovenia has experienced GDP growth and the economic development gap between Slovenia and other parts of former Yugoslavia.

According to World Travel and Tourism Council (2014), the Slovenian mountains, seaside and health resorts are the most important features of the country's tourism. The average length of time that tourists spend in Slovenia is 2.7 days, whereas foreign tourists represent 63% of all tourists. Most of Slovenia's foreign tourists are Italian, Austrian, German, Russian or Dutch. Most overnight tourism during 2014 was made in the health resorts (WTTO 2014). The second most popular places were mountain resorts, followed by seaside resorts and the Slovenian capital.

The time varying parameter plays a crucial role in tourism demands and the cross-country price competition (Gričar and Bojnec 2014) investigated in the present study. Despite the tourism industry playing an important role in the global economy, there has been less attention to the empirical investigation of tourism-led economic growth (Gökovali and Bahar 2006). This study focuses on tourism-led growth in Slovenia and Montenegro. A time series data approach has been applied.

The remainder of this paper is organized as follows: Section 2 provides a brief overview of previous empirical research and develops the main research hypotheses. Section 3 provides details of the methodology and data used. Section 4 explains the empirical results. Section 5 serves as the paper's conclusion.

Overview of the Current Empirical Research

Stochastic properties of the tourism time series for Montenegro and Slovenia have not yet been fully examined. Like other post-socialist countries, they have aimed to restructure their economies towards a market-based economy (Güney, Telatar, and Hasanov 2015). Under socialist regime, prices differed from world prices with limited roles in resource allocation. However, during the transition period, these countries have aimed to liberalise their economies, establish market institutions and integrate with the world tourism economy. In addition, it is argued that some special features of these transition countries, such as: catching up in growth rates or higher inflation rates and variable risk premiums, affect real interest rates (Greenspan 2004; Svensson 2003). Therefore, examination of stochastic properties of macroeconomic variables in these countries may improve our understanding of dynamic causalities between economic growth and tourism growth (Feltenstein 1994). Furthermore, tourism can play a crucial role for market oriented economies (see http://www2.unwto.org). Our main aim in this article is to contribute to empirical literature by examining the stochastic properties between economic growth and tourism growth in Montenegro and Slovenia. Güney, Telatar, and Hasanov (2015) find that real interest rate variables within macroeconomics follow a stationary process in the time series approach.

A body of empirical research examines cyclical patterns in the development of: GDP, tourist arrivals, inflation and unemployment rates. Phiri (2014) proves that unemployment causes economic growth in the long term, a result which may account for the jobless-growth phenomenon experienced by South Africa. In their empirical research, Gökovali and Bahar (2006), built the statistical model, including: a gross fixed capital formation as a percentage of GDP, tourism receipts as a percentage of exports and the growth of the labour force as explanatory variables for the growth rate of GDP. Oh (2005) investigated the causal relations between tourism growth and economic expansion for the Korean economy by using the Engle and Granger two-stage approach and a bivariate

Vector Autoregression (VAR) model. The hypothesis of tourism-led economic growth is not held by the Korean economy.

Recent surges of tourism and its leading place in the world economy are the gradual consequence of an increase in leisure time and money in societies. This sudden increase is also attributed to a greater availability of goods and services that were previously considered a luxury. Tourism demand used to be limited to the rich, who by implication could afford the free time from work. Tourism demands have become a way of life, a consumption habit for many tourists in developed or developing countries, including Slovenia and Montenegro. Tourism has been regarded as a leading economic sector for the twenty-first century (Giles and Perry 1998). In 2015, tourism experienced significant shares (30% exports in international services) in the global economy; according to the UNWTO (http://www2.unwto.org), tourism is the largest sector in the global economy in terms of generating income and employment (Lundberg, Krishnamoorthy, and Stavenga 1995).

We have developed four hypotheses regarding tourism led growth (Oh 2005): tourism-led economic growth, economic growth driven by tourism growth, bi-directional causal relationship and no relationship between tourism growth and economic growth (Lean, Chong, and Hooy 2014).

H1 *The first causal hypothesis for Slovenia and Montenegro indicates a one-way relationship from tourism-led growth to economic growth. When this is not rejected, greater attention to tourism development can increase income levels.*

H2 *The reverse causality exhibits a causal nexus from economic growth to tourism expansion. The economic expansion may enhance tourism growth and revenues.*

H3 *The two way causal relationship exists in the reciprocal hypothesis. The latter benefits both tourism expansion and economic growth by exerting a dynamic interaction in both areas (Chen and Chiou-Wei 2009) for the analysed countries.*

H4 *There is no relationship between tourism growth and economic growth in either Slovenia or Montenegro. Tourism growth and economic growth under special conditions do not have significant consequences on each other. In this case, tourism growth or aggressive economic expansion may not bring anticipated outcomes.*

Empirical studies have found mixed results regarding the nexus be-

tween tourism and economic growth. These empirical studies are reported, first, by Schubert, Brida, and Risso (2011), and Tang and Tan (2015) regarding the findings of tourism-led economic growth. Secondly, economic growth-driven tourism growth were reported by Oh (2005). The third empirical findings suggest two-way causal relationship (Tugcu 2014), and the fourth referred to no relationship between tourism and economic growth (Tugcu 2014).

Balaguer and Cantavella-Jordá (2002) supported the tourism-led economic growth hypothesis in Spain. On the contrary, Oh (2005) found that causality is changing from economic growth to tourism expansion in Korea. However, Kim, Chen, and Jang (2006) investigated the feedback of causal relationships between economic growth and tourist arrivals in Taiwan. Katircioglu (2009) included a real exchange rate as part of the model. However, the results demonstrate that no long-term relationship exists between international tourism growth and the Turkish economy. Generally, studies of the tourism-growth nexus can be categorized into two groups. Firstly, those based on cross country data. Secondly, those based on time series data.

Time series data is used on a wider scale to investigate trends (Durbarry 2004; Croes and Vanegas 2008; Kaplan and Celik 2008; Lee and Chien 2008; Akinboade and Leshoro 2009) supported by the most recent of studies (Belloumi 2010; Brida and Risso 2010; Schubert, Brida, and Risso 2011; Inchausti-Sintes 2015). The panel data is introduced by specific empirical studies (Tugcu 2014; Webster and Ivanov 2014; Lee and Brahmasrene 2013) to investigate the stochastic trends in tourism growth.

In terms of methodology, the Johansen's co-integration (1988) and Granger causality tests (Granger 1988) have been widely applied in empirical studies (Dritsakis 2004; Brida and Risso 2010; Łukasz 2010; Samimi, Sadeghi, and Sadeghi 2011; Trošt and Bojnec 2015). Gunduz and Hatemi-J (2005) propose that bootstrapping (Łukasz 2010) is a favourable method providing the sample size is small. This also applies if the autoregressive conditional heteroscedasticity (ARCH) effect exists and the assumption of normality is invalid. Alternatively, Chen and Chiou (2009) proposed the use of Exponential Generalized Autoregressive Conditional Heteroskedasticity in Mean (EGARCH-M) model to include the negative impact of shock.

In previous literature, GDP growth has perpetually been seen as an indicator of a country's economic growth. Two of the most common variables for tourism activity pointers are the total number of tourist arrivals

(Samimi, Sadeghi, and Sadeghi 2011) and tourist receipts (Lean, Chong, and Hooy 2014) or earnings (Oh 2005). The selection of proxy subjects depend on the reliability and availability of the data source. Regarding time series data, there is need to omit technical problems of the proposed statistical VAR model, such as serial correlation or multicollinearity (Gunduz and Hatemi-J 2005). Nanthakumar, Ibrahim, and Harun (2008) included a consumer price index (CPI) in order to study the relationship between tourist arrivals and real GDP growth (Lean, Chong, and Hooy 2014). Bonham, Gangnes, and Zhou (2009) stipulated that CPI should be treated as an exogenous variable. Nanthakumar, Ibrahim, and Harun (2008) examined the hypothesis of economic growth-driven tourism growth in Malaysia. The examination was conducted using a tri-variate model with real GDP growth, tourist arrivals and CPI. The findings demonstrated a bi-directional relationship between CPI and tourist arrivals. In addition, they indicated similar relations between CPI and real GDP growth, whilst suggested economic growth factors drive Malaysia's tourism sector. Inchausti-Sintes (2015) highlighted that tourism growth promotes economic growth and reduces unemployment.

The importance of international trade on tourism has recently been disclosed by Tugcu (2014) and Inchausti-Sintes (2015). Inchausti-Sintes (2015) highlighted that tourism promotes economic growth and reduces unemployment. Employment is also a proxy of economic growth, as proposed by Akkemik (2012). Tugcu (2014) found bi-directional causality for tourism receipts and economic growth in Europe, as well as bi-directional causality for tourism expenditures and economic growth in Asia. However, there was no causality between tourism and economic growth in Africa. Lee and Brahmasrene (2013) indicated that tourism and direct foreign investments have highly positive effects on economic growth in the EU. Kuledran and Wilson (2000) indicated a unidirectional causal relationship concurrent between total trade and total travel in the United States of America and United Kingdom. In addition, Kadir and Jusoff (2010) found a unidirectional causality running from total trade to tourism receipts in Malaysia. However, results from Kartircioglu (2009) indicate a one-way causation from international tourist arrivals to international trade in Cyprus.

Data and Methodology

For the analysis we used time series data obtained from: the Statistical Office of the Republic of Slovenia (http://pxweb.stat.si), Statistical Office

of Montenegro (http://monstat.org), Central Bank of Montenegro (Đuranović and Radunović 2011) and from the Montenegrin Ministry of Sustainable Development and Tourism (http://www.mrt.gov.me). The data vector ranges from December 2007 until June 2015.

The frequency of time series data varies. Certain macro variables are reported only on a quarterly basis, such as GDP and Montenegrin unemployment rates. Whereas other macroeconomic aggregates are only available on a monthly basis. Time series studies should use the lowest frequency of the included variables. In order to do this effectively, we convert the data from quarterly to monthly to match the frequency of monthly data. To convert quarterly data to monthly, a linear trend is applied using Eviews software (http://www.eviews.com).

The Granger Causality test is applied to the analysed time series variables. To test the causality between the variables, we specify a VAR time vector of related time series variables. As part of this process, CPI is introduced as an exogenous (ex) variable as proposed in the empirical literature (Bonham, Gangnes, and Zhou 2009) for Slovenia:

$$\underset{N}{\sim I(1)}[\mathrm{CPI}_{ex}][\mathrm{UNR\ TA\ GDP_Q}]_{\mathrm{SI}}^{\mathrm{T}(\sum_{i=1}^{j=0} x_{t-1})t\to\infty}. \tag{1}$$

The abbreviations of the variables are: N is the number of observations (after the unit root test implied), $I(1)$ are the theoretical assumption variables that are integrated at most of first order; UNR represents 'unemployment rate,' CPI is 'consumer price index,' TA is 'tourist arrivals,' GDP signifying 'gross domestic product'; Q indicates 'quarterly data,' $\sum_{i=o}^{j=o} x_{t-1}$ represents time series in stochastic process, SI is the abbreviation used for 'Slovenia,' and T represents 'time dependent approach,' where $t = 1, \ldots,$ T, and for Montenegro:

$$\underset{N}{\sim I(1)}[\mathrm{CPI}_{ex}][\mathrm{UNR_Q\ TA\ GDP_Q}]_{\mathrm{ME}}^{\mathrm{T}(\sum_{i=1}^{j=0} x_{t-1})t\to\infty}. \tag{2}$$

ME is the abbreviation used for 'Montenegro.'

UNIT ROOT TEST

The results of the empirical studies may vary substantially depending on various factors. These may include the sample period, the number of variables included in the model and the statistical techniques used in testing for causality. In the VAR framework, the test used on the Granger Causality method may have non-standard asymptotic properties if the variables considered in the VAR model are integrated or co-integrated.

The proposed solution is performed on the coefficients of co-integrated VAR (CVAR) processes with variables if at least one coefficient matrix is unrestricted under the null hypothesis.

One of the assumptions based on the use of the Granger Causality test in the analysis is the stationarity of a VAR time series representation. In order to mitigate or eliminate non-stationarity problems, it is possible to use several methodological approaches. A unit root test, for example, is a formal method used for testing the stationarity in time-series data. Alternatively, it is possible to apply what is known as the Augmented Dickey-Fuller (ADF) test. With help from Tau (τ) statistics, the ADF test can determine the validity of the null hypothesis of non-stationarity (Trošt and Bojnec 2015).

CO-INTEGRATION TEST

In the eventuality of testing the null hypothesis of non-stationarity, the Johansson's (1988) Trace Test is applied to detect long-term relationships between the analysed variables in the data. The two-step procedure, formed by Engle and Granger (1987), assumes the existence of only one co-integrating relationship. The general procedure proposed by Johansen (1988) has the advantage of testing all the possible co-integrating relationships. Engle and Granger (1987) and Granger (1988) noted that if two time-series variables are co-integrated, then at least one directional Granger-causation exists. The existence of a stable and long-running relationship (co-integrating relationship) between economic growth and tourist arrivals implies that two variables are causally related in at least one direction. The Granger Causality tests were performed in order to answer the question regarding the direction of causation.

GRANGER CAUSALITY TEST

The causality tests are applied to identify whether a one time series set causes another time series set, or whether the series are mutually determined by the each other. The most widely used causality test is the Granger Causality test (Lütkepohl and Krätzig 2004). The Granger (1969) Causality test is applied to study whether one variable precedes the other variable, or whether they are contemporaneous. The Granger causality question is whether $x_{t,n}$ causes y_t, to see to what extent the current value of the second variables can be explained by the past values of the first variable. The null hypothesis is constructed so that the time series $x_{t,n}$ does not cause the Granger causality y_t, where n is a number of time se-

ries included in the analyses. The Granger Causality Test can be written in equation as follows, where y_{1t} represents GDP_{t-1}:

$$y_{1,t+h|\Omega_t} = y_{1,t+h|\Omega_t \setminus \{y_{2,s}|s \leq t\}},\ h = 1, 2, \ldots \tag{3}$$

The time series with t variables indicate important information in the Ω area with designate space $y_{1,t+h|\Omega_t}$, where $h = i - j, t \to \infty$. We can assume that y_{2t} represents Granger non-causality for y_{1t}. Non-causality is assumed only when the results of equation (3) are satisfied with the same conditions of h. In our example, y_{2t} shows observation of TA_{t-1}. Regardless of the fact that the choice of the time lags is a matter of a judgment, the investigation usually starts with a large number of time lags and with the same number of time lags for both time series. The number of time lags become smaller by omitting those lags which are not relevant (Lütkepohl and Krätzig 2004).

EViews run bi-variate regressions for all possible pairs of series in the group. The reported F-statistics are the Wald statistics for the joint hypothesis:

$$\beta_1 = \beta_2 = \cdots = \beta_l = 0, \tag{4}$$

for each equation. The null hypothesis is that variable x does not Granger-cause time series y in the first regression. Secondly, it suggests that y does not Granger-cause x in the second regression:

$$y_t = \alpha_0 + \alpha_1 \cdot y_{t-1} + \cdots + \alpha_1 \cdot y_{t-1} + \beta_1 \cdot x_{t-1} + \cdots + \beta_l \cdot x_{-l} + \varepsilon_t, \tag{5}$$

$$y_t = \alpha_0 + \alpha_1 \cdot x_{t-1} + \cdots + \alpha_1 \cdot x_{t-1} + \beta_1 \cdot y_{t-1} + \cdots + \beta_l \cdot y_{-l} + u_t. \tag{6}$$

We illustrate Granger causalities using a data vector for testing the tourism-led growth hypotheses for Slovenia and Montenegro.

Results and Discussion

UNIT ROOT TEST

The ADF tests were applied to find the presence of the unit root in the analysed time series. Table 1 demonstrates that all analysed variables for UNR, CPI, TA and GDP for Montenegro and Slovenia, were not stationary in their levels, except for TA_{ME}. In conclusion, there is a presence of the unit root in the variables at levels in the raw data. Therefore, all the variables were analysed in the first difference. The ADF test reveals that each analysed variable was stationary in the first difference, or integrated within the order one, i.e. $I(1)$.

TABLE 1 ADF Unit Root Test

Country	Variable	Level	1st difference
Montenegro	UNR_t	−0.11	−7.40***
	CPI_t	−0.18	−7.98***
	TA_t	−1.99**	−5.63***
	GDP_t	−0.78	−5.50***
Slovenia	UNR_t	−0.02	−5.51***
	CPI_t	−0.21	−8.28***
	TA_t	−0.69	−7.20***
	GDP_t	−0.02	−9.36***

NOTES *** and ** denote significance levels of 1% and 5%, respectively, UNR – unemployment rate, CPI – consumer price index, TA – tourist arrivals, GDP – gross domestic product, *t* – time series.

TABLE 2 Co-Integration Rank Test

Country	Rank	Trace statistic
Montenegro	None	143.84***
	At most 1	72.90***
	At most 2	29.35***
Slovenia	None	190.23***
	At most 1	62.21***
	At most 2	13.87***

NOTES *** denote significance level of 1%.

CO-INTEGRATION RANK TEST

The hypothesis of the co-integration rank was investigated by the Johansen trace test in table 2.

In order to identify co-integration between variables, the constant is incorporated in the model. The test was made using EViews software.

The co-integrated vector, beta, is normalized on TA with exogenous variable CPI for Montenegro:

$$TA_t = -0.64 + 1.45 \cdot GDP_{t-1} - 21.67 \cdot UNR_{t-1},$$

TA generates a positive impact on GDP growth and a huge negative impact on UNR, and for Slovenia:

$$TA_t = -3.70 - 26.98 \cdot GDP_{t-1} - 61.75 \cdot UNR_{t-1},$$

TA has a negative impact on GDP growth. However, there is no statistically unilateral relation from TA to GDP growth. Contrary to this, along with Montenegro, there is also a significantly negative impact for Slovenian TA growth to unemployment rate. This confirms that tourism growth creates jobs and reduces unemployment rates.

Finally, only one co-integrated vector has been presented as part of our empirical study. For each country there are two more vectors.

GRANGER CAUSALITY TEST

Since the association between analysed variables were established, the Granger Causality Test was applied to test the tourism-led growth hypothesis. Although, we checked whether there was a causal relationship between the first difference variables for UNR, TA and GDP. GDP is introduced in current prices where an implicit price deflator for Montenegro and for Slovenia is used. Table 3 presents the results for Montenegro and Slovenia.

The results for Montenegro indicate:

1. The tourism-led growth hypothesis (H1) is rejected. However, we cannot reject the reciprocal bi-directional causal relationship hypothesis (H3). The TA does Granger cause GDP growth and GDP growth does Granger cause TA. Therefore, the Granger causality runs bi-directional from GDP growth to TA, as well as from TA to GDP growth.
2. The hypothesis that UNR does Granger cause TA cannot be rejected. Whereas, the hypothesis that TA does Granger cause UNR is rejected. Therefore, the Granger causality runs uni-directional from UNR to TA, but not the opposite way.
3. The hypothesis that UNR does Granger cause GDP growth is rejected. Additionally, the hypothesis suggests that GDP growth does Granger cause UNR is also rejected. Therefore, there is no Granger causality between GDP and UNR.

The results for Slovenia indicate:

1. The tourism-led growth hypothesis (H1) is rejected. However, we cannot reject uni-directional hypothesis (H2) on the economic growth-driven tourism growth. The hypothesis that TA does Granger cause GDP growth is rejected, but the hypothesis that GDP growth does Granger cause TA cannot be rejected. Therefore, the

TABLE 3 Granger Causality Test

Montenegro	dTA_t does Granger cause $dGDP^r_t$	25.16***
	$dGDP^r_t$ does Granger cause dTA_t	12.25***
	$dUNR_t$ does Granger cause dTA_t	4.60***
	dTA_t does Granger cause $dUNR_t$	1.27
	$dUNR_t$ does Granger cause $dGDP_t$	0.07
	$dGDP^r_t$ does Granger cause $dUNR_t$	0.01
Slovenia	dTA_t does Granger cause $dGDP^r_t$	0.91
	$dGDP^r_t$does Granger cause dTA_t	3,66**
	$dUNR_t$ does Granger cause dTA_t	1.19
	dTA_t does Granger cause $dUNR_t$	7.48***
	$dUNR_t$ does Granger cause $dGDP^r_t$	11.85***
	$dGDP^r_t$ does Granger cause $dUNR_t$	0.56

NOTES *** and ** denote significance levels of 1% and 5%, respectively, *d* – at least *I*(0), UNR – unemployment rate, TA – tourist arrivals, and GDP – gross domestic product, *t* – time series, and *r* – GDP in current prices deflated by CPI.

Granger causality runs uni-directional from GDP growth to TA and no other way.

2. The hypothesis that UNR does Granger cause TA is rejected, but the hypothesis that TA does Granger cause UNR cannot be rejected. The Granger causality runs uni-directional from TA to UNR and not the other way. This is consistent with contemporary literature (Inchausti-Sintes 2015), where only a few empirical studies introduce unemployment rates in tourism-led growth hypothesis.
3. The hypothesis that UNR does Granger cause GDP growth cannot be rejected, but the hypothesis that GDP growth does Granger cause UNR is rejected. Therefore, the Granger causality runs uni-directional from UNR to GDP growth and not the opposite way. These findings are also consistent with recent literature (Akkemik 2012; Phiri 2014; Inchausti-Sintes 2015).

In conclusion, the Granger Causality Test results reject the H1 on the uni-directional tourism-led growth. Contrary to this, the H2, H3 and H4 cannot be rejected. The uni-directional economic growth causes tourism growth (H2) regarding Slovenia. The bi-directional causality (H3) between tourism led and economic growth cannot be rejected for Montenegro. In addition, unemployment as a proxy variable for economic growth

is applied for tourism led-growth. The Granger Causality Test rejected the validity of causality between unemployment rates and economic growth for Montenegro, which is concurrent with the set H4.

The implications of our study are for tourism development on the national (Slovenian and Montenegrin) economy level. It does so by observing its causalities with unemployment and GDP. The results are mixed with two different findings for each country. This can be linked to the relative role of tourism involved in the national GDP, which for Slovenia is 13% and Montenegro 17% in a wider sense. In Montenegro, there is a strong reciprocal bi-directional causality between tourism and economic growth. In Slovenia however, economic growth alone drives tourism growth, which is measured by GDP growth.

Conclusion

This study contributes to the investigation of four tourism-led growth hypotheses in Montenegro and Slovenia where the tourism sector plays an important role in the economies. The applied empirical Granger Causality approach has confirmed bi-directional causality in Montenegro, wherein the tourism sector causes the economic growth and economic growth causes tourism growth. In Slovenia, the causality is uni-directional as economic growth causes tourism growth.

More specifically, three uni-directional causality relations cannot be rejected for Slovenia. Firstly, economic growth generates tourism growth. Secondly, tourism-led growth causes employment growth. Thirdly, employment stimulates economic growth. Finally, there is a uni-directional causality for Montenegro, meaning that employment stimulates tourism-led growth.

While this study includes a time series for unemployment and inflation rates to the tourism-led growth hypotheses, amongst other issues for further research, is to test additional explanatory variables and their relations.

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The Impact of Entrepreneurial Characteristics and Organisational Culture on Innovativeness in Tourism Firms

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Entrepreneurial characteristics and organisational culture have an impact on the innovative capability of a company. Therefore, our research tries to examine the influence of different individual entrepreneurial characteristics and organisational culture dimensions on corporate innovativeness and any direct subsequent company growth. This paper proposes the classification and measurement of five dimensions of entrepreneurial orientation; risk taking, proactiveness, competitive aggressiveness, autonomy and customer orientation and 3 dimensions of organisational culture; power distance, uncertainty/avoidance and individualism/collectivism with the objective of explaining service innovation performance. Specifically, we try to show the differences between the importance of different entrepreneurial characteristic and each organisational culture dimension on a product/service innovation. To this end, a survey was performed on a sample of tourism companies in Slovenia. The data was analysed by employing univariate and multivariate data analyses techniques. Data gathered from the survey suggests that entrepreneurial orientation and organisational culture dimensions positively influence innovativeness in tourism companies. Empirical evidence supports the view that a company with more developed entrepreneurial characteristics and organisational culture will be more innovative. This paper is one of the first to find empirical support for the role of entrepreneurial characteristics and organisational culture in tourism companies in Slovenia. Despite a number of limitations, it offers a picture of how these dimensions should be developed in order to enhance innovation. It also presents managerial implications, as managers are responsible for the forming of these dimensions.

Key Words: tourism, innovativeness, organisational culture, entrepreneurial orientation
JEL Classification: M14, L80, Z32

Introduction

The innovation capabilities of a company can reasonably be considered a key factor of company performance. This paper seeks to focus on two

determinants of tourism companies' innovativeness: entrepreneurial orientation and organisational culture dimensions. It highlights the importance of these determinants in the tourism sector. The role of the entrepreneurial orientation of the firm and the correlation with innovation capacities is the research topic of several authors (Avlonitis and Salavou 2007; Ahlin, Drnovšek, and Hisrich 2014). From the most commonly used dimensions of entrepreneurial orientation, we decided to focus on (1) proactiveness, (2) risk-taking, (3) competitive aggressiveness, (4) autonomy and (5) customer orientation. In studies dealing with the topic of organisational culture and its associated factors, the researchers took into account different typologies. For the aim of our research, the Hofstede (2001) typology was employed, addressing three dimensions of organisational culture, namely (1) power distance, (2) uncertainty/avoidance, and (3) individualism/collectivism. The main purpose of our paper is to identify the key dimensions of entrepreneurial orientation and of organisational culture that have a greater influence on innovativeness and thus to offer a better understanding of how to foster the innovation process. This paper begins with the review of previous studies in the area of innovativeness in tourism moreover different constructs and measures of entrepreneurial orientation and organisational culture are compared. More empirical studies are needed in exploring this relationship

Theoretical Framework

ENTREPRENEURIAL ORIENTATION OF THE FIRM

There is a large volume of published studies describing the role of entrepreneurs. In 1755, a seminal work in the field of entrepreneurship was published by Richard Cantillon (1959), which tried to explain the differences between landowner, entrepreneur and employees. Cantillon defined the entrepreneur as an individual engaged in making profit; however in doing this he faces uncertainty. Schumpeter (1934) provided new insights about the entrepreneur and the entrepreneurial process with economic theory. He linked entrepreneurship with the innovation process as the key factor for the development of enterprises and the national economy. Schumpeter was interested in the entrepreneur phenomena primarily in terms of economic development. He defined the entrepreneur as a key figure in the development of entrepreneurship – the hero who has a vision. Later Kirchoff (1994) emphasises the role of small business in developing economies, and particularly in new job creation. He defined en-

trepreneurship as the process of creating new value for the national economy mainly due to the emergence of new businesses and their growth.

Entrepreneurship is not only the creation of an organisation, it embraces the recognition of an opportunity (Kirzner 1999), risk taking (Stevenson and Jarillo 1990) and other processes including innovation. Innovation is an essential element of entrepreneurship (Hornaday 1992). Nasution et al. (2011) defined entrepreneurship as a process of growth through being creative and innovative in the identification and explorations of opportunities. This process demands such entrepreneurial characteristics as risk taking, autonomy and proactiveness.

Entrepreneurial orientation was measured by Aktan and Bulut (2008). They focused on risk taking (what is the tendency to take risks when confronting competitors, how willing are employees to take risks, the support of the organisation of small and experimental projects although they may fail, how do managers favour aggressive posture aiming to maximise the exploitation of the company potential, is the term 'risk taker' seen positively, are employees encouraged to take risks and test new ideas), proactiveness (does the organisation initiate actions before competitors, does the company have a tendency to introduce novel ideas and products before competitors, is the company shaping the environment by introducing new products, technologies and processes or does the company merely react to competitors actions), competitive aggressiveness (the organisation makes use of bold, varying actions to achieve good performance, the company adopts very competitive behaviour, the firm has a strong will to increase the market share, also by reducing the competitors), and innovation (the organisation is creative and often tries new ideas, it frequently seeks out new ways to perform, employees are developing new products, the organisation is investing in new product development and in proprietary technologies). Proactiveness and risk taking were also studied by Avlonitis and Salavou (2007). In their study Kyrgidou and Spyropoulou (2013) analysed entrepreneurial skills, i.e. entrepreneurial capabilities (seeking new market opportunities, identifying goods and services that people want, exploiting high quality market opportunities, having special sensitivity toward market opportunities, identifying market opportunities that are better than others) and managerial capabilities (achieving results by organising and motivating people, organising resources and coordinating tasks, being able to delegate effectively, being able to supervise, influencing and leading people). In his study Littunen (2000) measured the need for achievement (work ethic,

pursuit of excellence, mastery, dominance) and locus of control (chance, internal, powerful others). A lot of authors (Bucik, Boben, and Hruševar-Bobek 1995; John, Naumann, and Soto 2008) focused on the big five personality traits; agreeableness (good rapport with peers, harmonious relationships with peers, believing in a trusting working relationship, the importance of agreement with peers), extroversion (aiming to attain the highest position in an organisation someday, looking for opportunities to start new projects, setting challenging goals, wishing to win, even if the activity is not very important, having the energy to keep going, finding change exciting), neuroticism (being confident, optimistic and able to make decisions wisely), openness (working best in an environment that allows for creativity, being innovative, open minded and always trying to complete tasks) and conscientiousness (being a responsible person, motivated to meet targets in jobs, working effectively so the most important things get done first and conducting business according to a strict set of ethical principles). Tajeddini (2010) analysed entrepreneurial orientation (relative to the competitors, the company has a higher propensity to take risks, a higher tendency to engage in strategic planning activities, a higher ability to identify customer needs and wants, a higher level of innovation, a higher ability to persevere in making our vision of the business a reality and a higher ability to identify new opportunities) and customer orientation (having regular measures of customer service, all the development is based on good market and customer information, knowing the competitors well, having a good sense of how customers value products and services, being more customer focused than the competitors, putting the customer's interest first and believing that their business exists primarily to serve customers). Chen (2011) examined the importance of a proactive personality (always looking for new ways to improve life, being excited when seeing the ideas turn into reality, wishing to be a champion for the ideas, even against others' opposition, being able to identify opportunities, always looking for better ways to do things, believing that no obstacle can prevent something from happening) in the hotel industry. Chang and Hughes (2012) investigated the leadership adaptability and risk-taking tolerance (willing to take financial risks and encourage the development of innovative marketing strategies, the employees are told that the company survival depends on it adapting to market trends, to be sensitive to the activities of the competitors and to meet customers' needs).

Having reviewed the literature, we decided to include the five charac-

teristics associated with a company's entrepreneurial orientation in our research, namely risk taking, proactiveness, competitive aggressiveness, autonomy and customer orientation. This selection of variables was also discussed with the focus group (10 participants), performed after the first draft of the questionnaire and the participant argued, that this was an appropriate set of variables for our study.

ORGANISATIONAL CULTURE

Although the concept of culture refers mainly to the ideas, customs, skills, and arts of an individual, many scholars have realised that this concept can also be applied to organisations – organisational culture. Aiming to foster the organisation development and efficiency, managers are making attempts to earn employee loyalty. They want employees to grasp the norms, values and objectives of the company, as these are important factors influencing their understanding of the organisational culture. Managers are responsible for introducing the organisational culture to employees and should always try to keep a learning environment in their organisation. If employees understand the importance and power of the organisational culture, this should lead to their increased loyalty towards the organisation and subsequently towards their performance improvement (Shahzad et al. 2012). Companies have recognised that in order to achieve a long-term performance, they have to develop an appropriate organisational culture. This task should be one of the strategically relevant and employees should be aware of what is important. Organisational culture influences many dimensions of company life. It is a key factor for how decisions are made, who takes them, who is promoted and rewarded, how employees feel, how they are treated, how the company collaborates with the environment, and so on. Employee attitudes and how they perform at work are influenced by organisational culture. Moreover, as in many studies the relationship between an organisation's culture and its performance has been proved, the survival and success of any company is indeed leaning on its culture (Ng'ang'a and Nyongesa 2012). We found it interesting to verify the applicability of Hofstede's measures of culture in tourism companies. We did so by following the Pratt, Mohrweis, and Beaulieu (1993) suggestions that future research should be performed using the measure of organisational culture developed by Hofstede et al. (1990). In their study Kim, Lee, and Yu (2004) mentioned the problems with inconsistent results regarding the link between organisational culture and company performance.

In the relevant literature different models of organisational culture can be found. Schein (1992) divided the dimensions of culture into three levels, namely (a) the most visible level, including artefacts and creations, (b) the next level down, including values that drive behaviours, and (c) the third level, including basic assumptions, which help us with the solutions to problems. Similarly in their study Kotter and Heskett (1992) determined two levels of culture. The first level is the deeper and embraces the values that are shared by the people in a group and persist as characteristics of the group (also if members of the group are changing). The second level is more visible and refers to the behaviour customs of an organisation (new employees are expected to follow these customs). Hofstede et al. (1990) classified four categories, namely symbols (are words, gestures, pictures or objects) heroes (persons with highly prized characteristics), rituals (collective activities) and values (the core of culture). Cameron and Quinn (1999) developed a famous organisational culture framework, based on four (clan, adhocracy, market, and hierarchy) culture types. We are concluding this review with Hofstede (1980; 1991), who related culture first to nations, but later also to organisations. Hofstede identified four dimensions of culture, namely (1) *power distance* (the power inside the organisation can be divided in unequal mode. Managers may try to maintain the power distance or even enlarge it. a low score of power distance means that employees have equal rights. Power distance measures how the relationships between superior and subordinate are distant), (2) *uncertainty avoidance* (it is about how employees attempts to deal with uncertainty and ambiguity), (3) *individualism vs. collectivism* (this dimension measures the disharmony between employees orientation towards self-interest and orientation towards the interests of a group) and (4) *masculinity vs. femininity* (reflects the extent to which success is defined in terms of whether a certain organisation is predominantly male or female in terms of cultural values). Later, the fifth dimension, i.e. *long- versus short-term orientation* was added.

Denison (1990) linked the organisational culture, management practices, performance and effectiveness. He defined four cultural traits, namely involvement (both, managers and employees are committed to their work and feel that their work is important for the achievement of the company goals), consistency (all the activities are well coordinated, and managers as also all the employees are willing to reach agreements even when they share different opinions), adaptability (managers and employees are flexible and skilled at changing the system when adapting

to their customers' needs), and mission (a clear sense of how the organisation will look in the future should define organisational goals).

Schwartz (1994) developed a model with two dimensions, namely conservatism versus autonomy (affective and intellectual) and self-enhancement (hierarchy and mastery) versus self-transcendence (egalitarian commitment and harmony). Trompenaars' (1993) model included seven dimensions. Five of them refer to the relationships with people (universalism versus particularism, individualism versus communitarians, neutral versus emotional, specific versus diffuse and achievement versus ascription). The sixth dimension is about attitudes to time and the seventh dimension is about attitudes to the environment. In more contemporary research performed by Kumar (2001) and Robbins (2006), seven characteristics are suggested to determine organisational culture. These are (1) innovation and risk taking, (2) attention to detail, (3) outcome orientation, (4) people orientation, (5) team orientation, (6) aggressiveness and (7) stability.

According to Charles Handy's (1976) model, four types of organisational culture exist. These are (1) power culture (only few people are in possession of power, they take decisions, enjoy special privileges at the workplace, and delegate responsibilities to other employees; other employees are not authorised to express their ideas; in organisations with this culture, power is concentrated among only a few employees, this type of culture need few rules), (2) task culture (teams are formed, aiming to solve problems and all team members contribute in accomplishing tasks), (3) person culture (individuals feel that they are more important than the organisation, they just come to work to earn their salary and are not attached to the organisation, they are not loyal towards their leaders), and (4) role culture (each employee has his own roles and responsibilities, usually according to their knowledge, skills, and educational qualifications, such employees do their work to the best of their abilities and are willing to accept new projects).

Deal and Kennedy (1982) defined 4 types of culture, namely (1) macho culture (marked by individualists who are willing to risk, also called entrepreneurs, it lacks cooperation among employees), (2) play hard culture (employees are encouraged to perform low risk activities, it is associated with good team workers), (3) bet-your-company culture (employees have to be patient, in the company years may pass before employees realise the results of their decisions), and (4) process culture (it is important what is done and not how it is done, it is a bureaucratic culture).

Parry and Proctor-Thomson (2003) based their typology on change. They defined transformational culture (supporting innovation and open discussion of ideas), and transactional culture (focusing on explicit and implicit relationships, strong individualism and low commitment).

A lot of authors followed the Hofstede typology in their studies. Su, Xie, and Li (2011) measured organisational culture with two dimensions (power distance and individualism/collectivism). Çakar and Ertürk (2010) employed four dimensions (power distance, uncertainty avoidance, individualism/collectivism and masculinity/femininity). They also included the dimension empowerment, i.e. the measure about the level of the authority of individuals, their initiative and ability to manage their own work. Likewise, Tajeddini and Trueman (2012) focused on individualism, power distance and long term orientation.

Having reviewed the literature, we decided to include three dimensions of organisational culture in our research, namely power distance, uncertainty avoidance and individualism/collectivism. This selection of variables was also discussed with the focus group (10 participants), performed after the first draft of the questionnaire and the participant argued, that this was an appropriate set of variables for our study.

Entrepreneurial Orientation, Organisational Culture and Innovativeness

The work of Koellinger (2008) begins with the question of why some entrepreneurs are more innovative than others. He assumed that it is because entrepreneurs differ in terms of their characteristics and in terms of the level of novelty they are able to introduce to the economy. Also a lot of other researchers focused on the impact of entrepreneurial traits on innovativeness (Baron 2006; Khan and Sokoloff 1993; Marcati, Guido, and Peluso 2008). Beside the entrepreneurial orientation of the company, organisational culture is without a doubt one of the critical factors in the performance of any organisation. A positive organisational culture may foster the capacity to absorb innovation (Tushman and O'Reilly 1997) and influence the extent of encouragement, support and implementation of innovative solutions. Only organisations with a developed organisational culture can find creative and innovative solutions (Lock and Kirkpatrick 1995). Researchers have argued that organisational culture supports innovation. Moreover, a supportive culture may motivate and help the complex process of social networks necessary for successful innovation. As not all organisational cultures facilitate the innovation process, managers

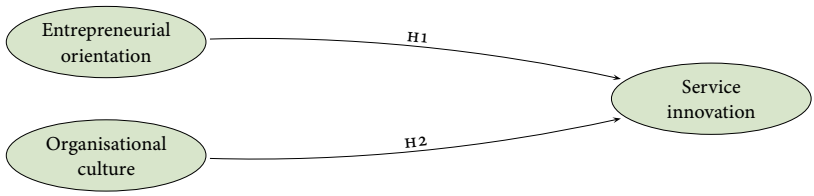

FIGURE 1 The Schematic Presentation of the Model

are advised to be careful in keeping the right mix of cultural traits (Olori and John Mark 2013). A lot of studies were conducted, aiming to analyse the impact of organisational culture on innovativeness (Kenny and Reedy 2006; Martins and Terblanche 2003; Roberts, Watson, and Oliver 1989; Russell 1989).

According to the literature we propose a research model which is depicted in figure 1 and the two hypotheses.

H1 *Entrepreneurial orientation is positively related to service innovation.*

H2 *Organisational culture is positively related to service innovation.*

Methodology

The questionnaire was developed following previous studies. All constructs were measured using existing scales, and all items were measured on a five-point Likert-type scale (1 = strongly disagree; 5 = strongly agree).

Entrepreneurial orientation dimensions were measured with 20 items (risk taking = four items; proactiveness = five items; competitive aggressiveness = three items; autonomy = three items and customer orientation = five items)

Organisational culture was measured with 14 items (power distance = six items; individualism/collectivism = four items; uncertainty avoidance = four items). Hereinafter, the empirical part of the study, including data collection and analysis, is presented. A conceptual model was developed and empirically tested based on Slovenian tourism SMEs. Data was collected using an email survey sent to CEOs representing SMEs in the tourism sector. Exploratory FA was performed; afterwards, hypotheses were tested using structural equation modelling.

The structured questionnaire in the form of an anonymous e-mail survey was sent to 2,800 companies in the tourism sector. A cover letter was added aiming to explain the purpose of the survey. Anonymity was as-

sured. Of 2,800 emails sent, 220 returned questionnaires were considered for further research (7.85% response rate).

SAMPLE DESCRIPTION

In Slovenia the majority of companies, 80 or 36.9%, operated in the restaurant industry, followed by companies in the accommodation sector with 57 or 26.5% respondents, 31 of them (15.1%) were tourist agencies or tour operators, 18 (8.2%) were from the transport sector, 14 (6.4%) of them from amusement activities, and 17 of them (7.8%) performed other activities in the area of tourism. The majority (71 or 32.7%) were more than 20 years old, followed by those from 10 to 20 years old (63 or 29.0%) and by those from 5 to 10 years old (37 or 17.1%). Other companies were younger than 5 years. The majority (158 or 71.8%) of companies have less than 10 employees, 46 (21.2%) of them between 11 and 50 employees, others have more than 51 employees. The majority of the companies (75 or 34.1%) signed that their total amount of sales in the last year was between 200,000 and 1 mil EUR, 63 or 29% of them earned less than 50,000 Euros, 46 of them (20.9%) earned between 50,000 and 200,000 euro, other companies earned more.

RESULTS

First, the mean was calculated for all the variables. Next, with the aim of composing new variables, a factor analysis was performed. As our measures were selected based on existing theory and all of them were already tested in previous studies, we employed the principal component technique. This technique was used for each dimension separately (based on one factor). All the communalities were adequate, and all the factor loadings were high enough as well. Thus, we decided to retain all the variables for the continuation of the analysis. Bartlett's test, which checks the statistical correlations between variables, showed that the correlation matrix was appropriate (sig. = 0.000 for all variables).

In table 1 the results for the entrepreneurial orientation are presented. KMO measures were relevant as well. Also, Cronbach's coefficient α is sufficiently high in all cases. It is also true that each dimension is adequately clarified by one factor. The factor loadings are relatively high. They are between 0.732 and 0.821 for risk taking variables, from 0.677 to 0.820 for Proactiveness, from 0.703 to 0.854 for competitive aggressiveness, from 0.660 to 0.830 for autonomy and from 0.605 to 0800 for customer orientation variables. The KMO value for each dimension is between 0.60 and

TABLE 1 Entrepreneurial Orientation, Results for Five Dimensions

Variable	(1)	(2)	(3)	(4)	(5)
Risk Taking 1	2.91	0.733	57.11	0.75	0.75
Risk Taking 2	2.97	0.734			
Risk Taking 3	2.81	0.821			
Risk Taking 4	3.52	0.732			
Proactiveness 1	3.67	0.677	59.31	0.82	0.72
Proactiveness 2	3.34	0.784			
Proactiveness 3	4.33	0.820			
Proactiveness 4	4.22	0.771			
Proactiveness 5	3.27	0.790			
Competitive aggressiveness 1	3.66	0.703	59.64	0.65	0.60
Competitive aggressiveness 2	3.17	0.854			
Competitive aggressiveness 3	2.21	0.752			
Autonomy 1	3.73	0.803	58.99	0.64	0.60*
Autonomy 2	3.88	0.660			
Autonomy 3	4.03	0.830			
Customer orientation 1	3.76	0.605	52.34	0.77	0.74
Customer orientation 2	3.84	0.735			
Customer orientation 3	4.42	0.800			
Customer orientation 4	4.01	0.709			
Customer orientation 5	4.22	0.754			

NOTES Column headings are as follows: (1) mean, (2) factor loadings, (3) total variance explained (%), (4) Cronbach alpha coefficient, (5) KMO and Bartlett's test (sig. = 0.000).

0.75; therefore, all values are above the acceptable minimum level. The results of Bartlett's test for each dimension are 0.000 ($p < 0.001$). The reliability of the constructs is measured with the Cronbach Alpha coefficient, where values range from 0.64 to 0.82. Therefore, all dimensions have good reliability. The total variance explained by one singular factor for each dimension is satisfactory (between 52.34% and 58.99%).

In table 2 the results for the organisational culture orientation are presented. The organisational culture variables factor loadings are also relatively high. They are between 0.454 and 0.759 for power distance variables, between 0.491 and 0.855 for uncertainty avoidance, and from 0.724 to 0.874 for customer individualism/collectivism variables. The KMO value for each dimension is between 0.70 and 0.75; therefore, all

TABLE 2 Organisational Culture, Results for Three Dimensions

Variable	(1)	(2)	(3)	(4)	(5)
Power distance 1	2.42	0.697	41.83	0.71	0.70
Power distance 2	2.69	0.724			
Power distance 3	2.00	0.759			
Power distance 4	1.72	0.547			
Power distance 5	2.80	0.647			
Power distance 6	2.91	0.454			
Uncertainty avoidance 1	3.68	0.761	55.97	0.72	0.70
Uncertainty avoidance 2	3.73	0.855			
Uncertainty avoidance 3	3.53	0.828			
Uncertainty avoidance 4	2.51	0.491			
Individualism collectivism 1	3.59	0.793	66.90	0.83	0.75
Individualism collectivism 2	3.76	0.871			
Individualism collectivism 3	3.89	0.874			
Individualism collectivism 4	3.64	0.724			

NOTES Column headings are as follows: (1) mean, (2) factor loadings, (3) total variance explained (%), (4) Cronbach alpha coefficient, (5) KMO and Bartlett's test (sig. = 0.000).

TABLE 3 Service Innovation, Results for One Dimension

Variable	(1)	(2)	(3)	(4)	(5)
Service innovation 1	2.91	0.834	68.93	0.89	0.84
Service innovation 2	3.38	0.832			
Service innovation 3	3.62	0.842			
Service innovation 4	3.25	0.864			
Service innovation 5	2.89	0.777			

NOTES Column headings are as follows: (1) mean, (2) factor loadings, (3) total variance explained (%), (4) Cronbach alpha coefficient, (5) KMO and Bartlett's test (sig. = 0.000).

values are above the acceptable minimum level. The results of Bartlett's test for each dimension are 0.000 ($p < 0.001$). The reliability of the constructs is measured with the Cronbach Alpha coefficient, where values range from 0.71 to 0.83. Therefore, all dimensions have good reliability. The total variance explained by one singular factor for each dimension is satisfactory (between 41.83% and 66.90%).

In table 3 the results for the service innovations are presented. The factor loadings are very high; they are between 0.777 and 0.864. The KMO

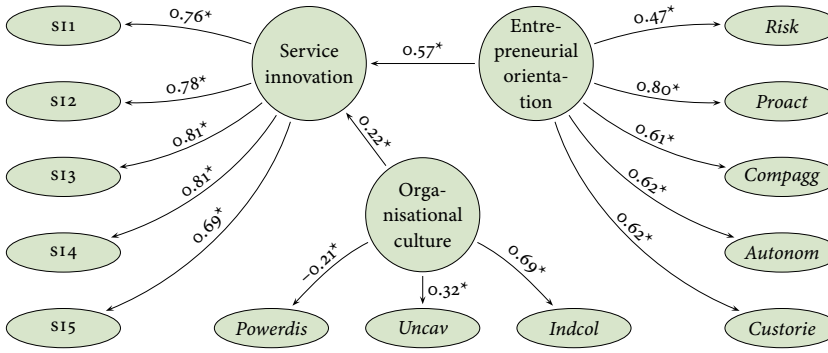

FIGURE 2 The Model, Linking Entrepreneurial Orientation, Organisational Culture and Service Innovation (CFI = 0.92, NNFI = 0.90, RMSEA = 0.10, RMR = 0.11)

value is 0.84; therefore, it is above the acceptable minimum level. The results of Bartlett's test is 0.000 ($p < 0.001$). The reliability of the construct is measured with the Cronbach Alpha coefficient, with a value of 0.89. Therefore, this dimension has good reliability. The total variance explained by one singular factor is satisfactory (68.93%).

Finally, EQS Multivariate Software version 6.1 was utilized for confirmatory factor analysis and for testing the proposed model. No non-normality was found for our data, thus the ERLS (Elliptical Reweighted Least Square) estimation method was used. The fit of the model was assessed with multiple indices: NNFI (the non-normed fit index), CFI (the comparative fit index), RMR (root mean-square residual), and RMSEA (the root mean square error of approximation).

The analysis of the data gathered from the survey, shows that entrepreneurial orientation and organisational culture dimensions positively influence service innovation in tourism companies. A company with more developed entrepreneurial characteristics and organisational culture will be more innovative. Thus, aiming to increase innovativeness, tourism companies should be encouraged to introduce more entrepreneurial activities and develop organisational culture. On this basis, greater innovativeness and subsequently greater competitiveness can be reached.

The results of our analysis demonstrate that both, organisational culture and entrepreneurial orientation positively affect service innovation. Entrepreneurial orientation is found to be positively related to service in-

novation; moreover all the five entrepreneurial orientation dimensions, namely risk taking, proactiveness, competitive aggressiveness, autonomy and customer orientation are positively related to service innovation.

Two dimensions of organisational culture, namely uncertainty avoidance and individualism/collectivism are positively related to organisational culture, while power distance is negatively related. This implies that the more employees tend to avoid uncertainty and the more they are oriented toward collectivism the more creative and able they are to develop new ideas. Collectivism and team work amongst employees increases innovation capability. In contrast, the relationship between power distance and service innovation is negative; therefore we can conclude that power distance does not help employees to innovate effectively.

Conclusion

This paper is one of the first to find empirical support for the role of entrepreneurial characteristics and organisational culture in tourism companies in Slovenia. Despite a number of limitations, the work offers a picture of how these dimensions should be developed in order to enhance innovation.

The primary objective of this study was to identify entrepreneurial orientation and organisational culture effects on service innovation in companies. To achieve this objective, SEM analysis was applied to a sample of Slovenian tourism companies in order to empirically test and analyse the effects. The findings of this study provide information about how to enhance service innovation.

Regarding to the literature review there are many dimensions that influence service innovation in tourism firms. The existing studies in the field of innovation suggest that entrepreneurial orientation and organizational culture affect the willing and the possibilities of an organization to be innovative. Both, entrepreneurial characteristics and organizational culture stimulate creativity and affects the extent to which innovative ideas are developed and implemented. Different researchers also argued that entrepreneurial characteristics and organizational culture are key organization's resources needed in the process of adopting innovations. Not all types of entrepreneurial characteristics and organizational cultures facilitate the innovation process, Therefore management is responsible for the development of these two dimensions. Managers should be extremely able to keep the right culture in the organization as also to develop appropriate entrepreneurial traits.

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Razvojni okviri in najboljše prakse trajnostnega turizma: posledice v kubanski turistični industriji
Jukka Laitamaki, Lisandra Torres Hechavarría, Mariko Tada, Siying Liu, Natania Setyady, Nuntawan Vatcharasoontorn in Feizhou Zheng

Namen te študije je opredeliti najboljše prakse, ki lahko pomagajo kubanski turistični industriji pri izvajanju celovite strategije trajnostnega turizma. Študija obravnava pomemben raziskovalni problem, kako izboljšati trajnostni razvoj turizma v določeni državi. Cilj raziskave je priprava kubanski turistični industriji namenjenih praktičnih priporočil, kako se učiti iz predlaganih najboljših praks in kako jih učinkovito izvajati. Študija obsega primerjalni pregled literature s področja trajnostnega razvoja turizma in razvoja najboljših praks v okviru kubanske turistične industrije. Najpomembnejša ugotovitev v študiji je, da kljub prizadevanjem kubanske turistične industrije na več področjih trajnostnega turizma še vedno obstaja možnost za izboljšave na vsakem izmed teh področij, pod pogojem da je pristop k razvoju bolj integriran. Članek obravnava omejitve študije in predlaga področja za prihodnje raziskave, vključno s celovito študijo standardov trajnostnega razvoja turizma na Kubi in v drugih karibskih državah.

Ključne besede: najboljše prakse, kubanska turistična industrija, trajnostni razvoj turizma
Klasifikacija JEL: Q56, Z32
Managing Global Transitions 14 (1): 7–29

Turizem in gospodarska rast v Južni Afriki: dokazi iz linearnih in nelinearnih kointegracijskih okvirov
Andrew Phiri

Turizem postaja vedno bolj priznana ključna sestavina gospodarske rasti v Južni Afriki. Namen te študije je preučiti kointegracijo in vzročne učinke med turizmom in gospodarsko rastjo v Južni Afriki glede na podatke, zbrane med letoma 1995 in 2014. V ta namen raziskava primerja dva empirična pristopa; (1) Engle in Granger (1987) Okvir linearne kointegracije in (2) Enders in Granger (1998) Okvir nelinearne kointegracije. Poleg tega sta v študiji uporabljeni dve empirični merili turističnega razvoja: turistični prihodki in število prihodov tujih turistov. Empirični

rezultati linearnega okvirja podpirajo hipotezo rasti, temelječe na turizmu, kadar se prihodki iz turizma uporabljajo kot merilo razvoja. Nelinearni okvir pa prikazuje dvosmerno vzročnost med prihodki iz turizma in gospodarsko rastjo. Linearni okvir podpira hipotezo z gospodarsko rastjo podprtega turizma, nelinearni okvir pa ne izkazuje nobene vzročne povezave med prihodom turistov in gospodarsko rastjo.

Ključne besede: prihodki iz turizma, prihodi turistov, gospodarska rast, Južna Afrika
Klasifikacija JEL: C5, Z0
Managing Global Transitions 14 (1): 31–53

Vloga človeških virov pri spodbujanju inovacij v turističnih podjetjih

Zbigniew Zontek

Članek predstavlja pregled vprašanj, povezanih z vlogo človeških virov pri vzpodbujanju inovativnosti v turističnih podjetjih. Glavni namen je ugotoviti stopnjo izkoriščenosti kadrov v inovativnih dejavnostih raziskovanih turističnih subjektov. Poskuša preveriti raziskovalno hipotezo: turistična podjetja in drugi subjekti s tega tržišča ne zaznavajo ključne vloge človeških virov pri ustvarjanju inovacij. Članek predstavlja tudi pregled izbranih, z inovacijami povezanih vidikov v turističnih podjetij, ki se nahajajo na Poljskem, v južni podregiji Šleziji. Predstavljeni rezultati kažejo, da so glavna gonilna sila inovacij zunanji dejavniki, vplivi človeških virov na te procese pa so zelo raznoliki. V članku je poudarjeno, da je treba spremeniti pristop vodstev turističnih podjetij in vključiti vloge, dodeljene zaposlenim, v iskanje inovativnih rešitev. V ta namen morajo podjetja te vire razvijati, seveda glede na njihovo količino in kakovost.

Ključne besede: turizem, inovacije, človeški viri
Klasifikacija JEL: L83, O31, M51
Managing Global Transitions 14 (1): 55–73

Primerjalna analiza s pomočjo turizma vzpodbujene gospodarske rasti v Sloveniji in Črni gori

Sergej Gričar, Stefan Bojnec, Vesna Karadžić in Svetlana Rakočević

Članek predstavlja Grangerjevo analizo vzročnosti v turizmu za Slovenijo in Črno goro. Vključene so primerjave s turizmom vzpodbujene gospodarske rasti v teh dveh državah med decembrom 2007 in junijem 2015. Poudarek analize je usmerjen k bruto domačem proizvodu in turističnim prihodom kot endogenima spremenljivkama, kot tudi k stopnji

brezposelnosti. Poleg tega so kot eksogene spremenljivke predstavljene mesečne časovne serije stopenj inflacije. Grangerjeve vzročnosti se med državama razlikujejo. To kaže na enosmernost vzročnih razmerij odnosov med gospodarsko rastjo, rastjo turizma in stopnje brezposelnosti v Sloveniji in Črni gori. Vzročna povezanost med rastjo turizma in gospodarsko rastjo in obratno v Črni gori dokazano obstaja.

Ključne besede: Slovenija, Črna gora, turizem, gospodarska rast
Klasifikacija JEL: E31, L83
Managing Global Transitions 14 (1): 75–92

Vpliv podjetniških lastnosti in organizacijske kulture na inovativnost v turističnih podjetjih

Doris Gomezelj

Podjetniške lastnosti in organizacijska kultura vplivajo na inovativno sposobnost družbe. Naša raziskava zato poskuša preučiti vpliv različnih posameznih podjetniških lastnosti in dimenzij organizacijske kulture na korporativno inovativnost in morebitno posledično poznejšo rast podjetja. Ta članek predlaga klasifikacijo in način merjenja petih dimenzij podjetniške naravnanosti; eksperimentiranja, tveganja, proaktivnosti, konkurenčne agresivnosti, neodvisnosti in naravnanosti k uporabnikom in treh dimenzij organizacijske kulture; razdalje moči, negotovosti/izogibanja in individualizma/kolektivizma z namenom razumevanje uspešnosti inovacijskih storitev. Poskušali smo konkretno prikazati razlike med pomembnostjo različnih podjetniških značilnosti in vseh razsežnosti organizacijske kulture glede na inovacije izdelkov/storitev. V ta namen je bila raziskava izvedena na vzorcu turističnih podjetij v Sloveniji. Podatke smo analizirali z uporabo univariatne in multivariatne tehnike za analizo podatkov (faktorska analiza in strukturno modeliranje enačb). V raziskavi zbrani podatki kažejo, da podjetniška usmerjenost in razsežnosti organizacijske kulture pozitivno vplivajo na inovativnost v turističnih podjetjih. Empirični dokazi podpirajo stališče, da bo podjetje z bolj razvitimi podjetniškimi lastnostmi in organizacijsko kulturo tudi bolj inovativno. Naš članek je eden izmed prvih, ki predstavlja empirično podporo vlogi, ki jo imajo podjetniške lastnosti in organizacijska kultura v turističnih podjetjih v Sloveniji. Kljub številnim omejitvam kaže, kako bi bilo te dimenzije potrebno razvijati, da bi se povečala inovativnost. Prav tako predstavlja posledice odločitev vodstva podjetja, saj je vodstveni kader odgovoren za oblikovanje teh dimenzij.

Ključne besede: turizem, inovativnost, organizacijska kultura, podjetniška usmerjenost
Klasifikacija JEL: M14, L80, Z32
Managing Global Transitions 14 (1): 93–110