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## PROBLEMS IN THE IMPLEMENTATION OF DEVELOPMENT STRATEGIES IN THE CONTEXT OF TOURISM DEVELOPMENT: THE CASE STUDY OF CIBLA COUNTY

*This research analyses the development programmes of rural areas and their implementation in the context of tourism development as one of strategic directions defined in the strategic parts of these programmes. The aim of this paper is to study the counties' development strategies related to tourism development to reveal the potential problems at implementation, and to make proposals on successful strategy implementation. This research was performed on the example of one of the rural counties in Latgale—Cibla. The offered proposals for successful implementation of the strategic direction "Tourism development" were designed with the emphasis on the distinctive competencies identification.*

*Keywords:* regional development, rural economy, strategy implementation.

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## ПРОБЛЕМИ РЕАЛІЗАЦІЇ СТРАТЕГІЙ РОЗВИТКУ В КОНТЕКСТІ РОЗВИТКУ ТУРИЗМУ: ЗА ДАНИМИ ОКРУГУ КІБЛА

*У статті проаналізовано програми розвитку сільських територій в контексті розвитку туризму як одного з стратегічних напрямків у даних програмах. Вивчено стратегії розвитку сільських округів по відношенню до розвитку туризму для виявлення проблем при реалізації даних програм, розроблено рекомендації щодо їх успішної реалізації. Дослідження проведено на прикладі одного з сільських округів Латгалє—Кібла. Розроблені рекомендації щодо реалізації стратегії розвитку туризму враховують розвиток унікальних компетенцій регіону.*

*Ключові слова:* регіональний розвиток, сільська економіка, реалізація стратегії.

*Рис. 2. Табл. 2. Літ. 17.*

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## ПРОБЛЕМЫ ВНЕДРЕНИЯ СТРАТЕГИЙ РАЗВИТИЯ В КОНТЕКСТЕ РАЗВИТИЯ ТУРИЗМА: ПО ДАННЫМ ОКРУГА КИБЛА

*В статье проанализированы программы развития сельских территорий в контексте развития туризма как одного из стратегических направлений в данных программах. Изучены стратегии развития сельских округов по отношению к развитию туризма для выявления проблем при внедрении данных программ, даны рекомендации по их успешному внедрению. Исследование проведено на примере одного из сельских округов в Латгале-Кибла. Разработанные рекомендации по внедрению стратегии развития туризма учитывают развитие уникальных компетенций региона.*

*Ключевые слова:* региональное развитие, сельская экономика, внедрение стратегии.

### Introduction

The key issue raised in this research is how the rural development policy can stimulate economic growth in rural regions. Regional development strategies provide the framework for which policy and decisions should make the most feasible and sustainable economic development pattern. A sustainable economic pattern should promote a socially, environmentally and economic balanced approach to rural development. The strategy should be specific enough to provide a clear guidance for realising

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the vision defined in the strategy. The strategy is defined as the intention to do something, or as a project that tries to establish certain aims proceeding from economic interests and possibilities (Evans, 2010). It has also been defined as a document that consists of the things to achieve and the ways of implementing necessary actions to obtain desired results.

Implementation of a strategy is one of the most important parts in strategic management. The findings of W. Clark (Clark, 2012) confirmed that one of the largest difficulties in strategic management occurs when there is no follow up to the strategy implementation. When this happens, managers simply enact a strategy but fail to check if it has been successfully implemented. This makes implementation difficult, because there is no way to ensure that it has been successful.

If we consider the Latvia's strategic documents related to the regional policy and economics, we can notice that their implementation did not achieve the set objectives, defined in these documents (Silinevica, 2013).

The territory of Latvia is divided into 5 planning regions. One of them is Latgale, which is divided into 19 rural counties. Each of them is developing or has developed its development programme. The vision, objectives for achieving this vision, strategic directions, and priorities are defined in the strategical part (Strategy) of these programmes.

The aim of this research is to study the counties' development strategies related to tourism development to reveal potential implementation problems and to make proposals for the successful strategy implementation.

To accomplish the aim of this research, all approved Development Programmes of the counties of Latgale region were analysed. This study was performed on the example of one of the rural counties in Latgale region – the Cibla county because of similar problems in other ones.

To achieve this aim several objectives were defined:

- to interpret the theoretical aspects related to implementation of the Development Strategies;
- to carry out analyses on the implementation mechanism of the Cibla county Development Programme;
- to develop the proposals on successful implementation of the strategic direction "Tourism development".

The hypothesis of this research is the following: H1. It is possible to implement the strategy only by establishing an appropriate strategy implementation mechanism taking into account the major role of human resources development.

The research object is the Counties' Development Strategies of the Latgale region.

The research subject is the Factors influencing the implementation of the Strategy.

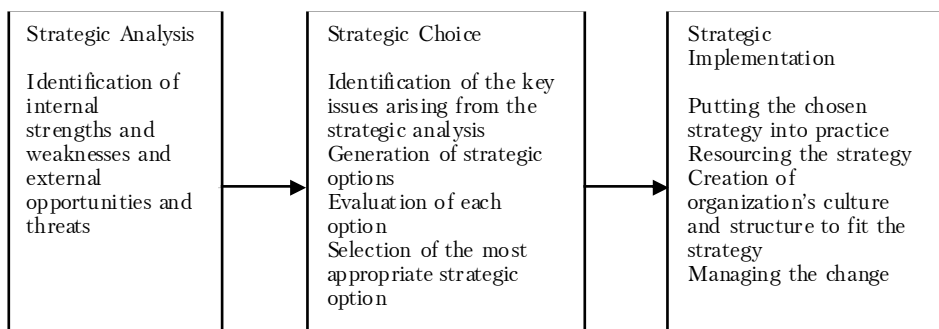
To accomplish the objectives of this research, the following research methods were used: content analysis, analysis and synthesis, logical and abstract constructive methods.

## **Results and Discussions**

### **Some theoretical aspects of the Development Strategies implementation**

Strategy is the mechanism used to align firms with their environments (Hitt, 1985). It is necessary to enable the use of available instruments that contribute to the strategy implementation. Successful strategy selection and implementation relies

upon the presupposition that the organization has carried out a meaningful strategic analysis and is consequently aware of its internal strengths and weaknesses, and its external opportunities and threats. The process leading to strategy implementation is reflected in Figure 1. The main parts of this process are: strategic analysis, strategic choice, and strategy's implementation.



Source: Evans, 2010.

Figure 1. Implementation and the Strategic Process

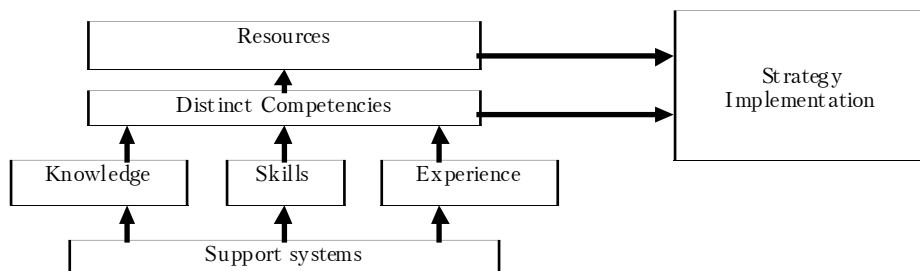
Strategy implementation refers to how a company creates, uses and combines organizational structure, control systems, and culture to pursue strategies that lead to a competitive advantage and superior performance (Charles, 2010). An important part of a strategy implementation is monitoring, that is taking a regular look at "how it's going".

Successful strategy's implementation depends on structuring of the organization's employees so they can most effectively use the tools and resources available to create quality products and services (Duggan, 2011). Before corporate leaders can implement new strategies, they need to ensure that all personnel in organizational structure possess necessary skills, knowledge and resources to accomplish the tasks. Work must flow from one function to another, so leaders should establish clear processes with policies and procedures that define the roles and responsibilities (Duggan, 2011). Strategic implementation requires personnel working together to achieve specific, measurable, attainable, relevant and time-constrained goals and objectives.

The implementation stage of strategic management is often considered to be the most difficult stage of strategic management. This does not have to be the cause, however. Understanding the causes of implementation difficulties will allow managers avoid them and successfully implement firm strategies (Wendel, 2012).

Implementation of a strategy depends on existing and accessible resources, management of a strategy and its supporting structures. In order to implement a strategy successfully, an organization need resources. Resources are the key inputs in implementation of any strategy. Human resources should have valuable distinctive competencies with the aim to create a competitive advantage and to ensure all the processes in strategic management. The major role in strategy implementation belongs to human resources. It means that successful implementation of a strategy depends on personnel knowledge, skills, and competencies. Organization should ensure the required level of personnel competencies by managing this process. It is necessary to

enable the use of available instruments and sources that contribute to strategy implementation. The strategy implementation model, offered by the author, is reflected in Figure 2.



Source: Developed by the authors.

Figure 1. **Strategy implementation model**

Support systems are related to the human resources engaged in processes/products development. The aim of support systems is to ensure certain competencies of people, who develop new processes/products.

Support systems should include the following:

- human resources development programme;
- partnership with scientific centres, research and education institutions;
- education and training programmes for providing required qualifications for specialists engaged in strategy implementation;
- improvement of research skills of the people engaged in strategy implementation.

Kamalanabhan (2003) had explored how human resource policies and practices impact the business performance of a firm. The development and use of distinctive competencies is linked to successful strategy implementation (Yavitz and Newman, 1982). Relationships between corporate distinctive competencies and firm performance has been researched by Hitt, M.A. and R.D. Ireland (1982). The findings of Bower, J.L. (1982) grounded the important links between corporate level strategies and performance.

#### **Some aspects of the Cibla county Development Strategy**

Latgale region owns a wide diversity of natural and other physical resources, which are important assets for the regional competitiveness. There are close links between environmental resources and the regional development, between the regional development strategy and the regional competitive advantage. At the Latgale regional development level environment resources play a major role in economic growth.

Strategic priorities defined in the Development Programme of Latgale region are the following:

1. Enhancement of the regional competitiveness.
2. Development of infrastructure.
3. Tourism development.
4. Increase of administration capacity.

One of the rural counties in Latgale region is the Cibla county. Its Development Programme 2012–2018 was approved in 2011. County's development vision, strate-

gic directions, priorities, action plan are defined in the strategic part of the Programme (further – Strategy). The Development Programme of the Cibla county 2012–2018 was developed in accordance with the National Plan of Latvia 2007–2013 and the Development Program of Latgale 2010–2017.

The Cibla county is embossed in scenic hills and lakes – 5% of the territory of the county is covered by water. Two rivers Ludza and Zilupe cross the county and the river Ritupe is located as a border river between the counties Cibla and Rezekne. There are 19 lakes and some sluice water bodies and 4 millponds.

The Vision is defined as "Cibla county is a bright county in the outskirts of Ludza town with well educated inhabitants who are opened to changes". Environment is defined as comfortable abode and rest for people in the biodiversity of landscape. The following specialisations of the county are defined in the Cibla county Development Strategy: animal production, forestry, cultivation of grain, and rural tourism. The specialisations of the county defined in county's Development Programme are justified by the SWOT analysis.

#### **Analyses of the Strategy implementation mechanism**

At the Latgale regional development level environment resources play a major role in economic growth. Natural resources and physical cultural resources are the important assets for the regional competitiveness. Robert Barro (1997) underlined that human capital is a relevant source of economic growth.

The strategic directions, long-term and middle-term priorities defined in the Cibla county Development Strategy are shown in Table 1. The steering directions (RV) are the complex of certain measures to accomplish the mid-term priorities. The activities (U) defined in the strategy are provided for the implementation of steering directions.

**Table 1. The strategic objectives, long- and mid-term priorities**

Strategic objectives (SM)	Long-term priorities (IP)	Mid-term priorities (VP)
SM1. Attractive habitat environment	IP1. Improvement of life quality	VP1. Creation of work places VP2. Improvement and development of infrastructure VP3. Improvement of medical service and social care
SM2. Sustainable economy and business	IP2. Formation of sustainable environment for business development	VP4. Development of economic sector based on the local nature resources VP5. Promotion of the county's accessibility and cooperation VP6. Tourism development
SM3. Arranged business environment	IP3. Development of sustainable environment	VP7. Maintenance of resources of cultural and natural heritage VP8. Sustainable exploitation of natural resources

*Source:* Developed by the authors.

The term "tourism" is involved only in the mid-term priority VP6. Other priorities include tourism development, for instance, the term "business" includes the tourism business as well. Mid-term priority VP2 includes the improvement and development of tourism infrastructure. VP4 priority includes the development of tourism enterprises (guest houses, transport services for tourists, food services, entertainment opportunities etc.). VP7 and VP8 priorities foresee the support for the devel-

opment of tourism products because the resources of cultural and natural heritage are the main resources for the development of rural tourism products. Long-term priority IP3 "Development of sustainable environment" provides the development of sustainable rural tourism as well.

Long-term and mid-term priorities, the steering directions and the activities, related to tourism development, defined in Cibla county Development Strategy are shown in Table 2.

**Table 2. Long-term priorities, mid-term priorities, steering directions, and activities included into the action plan**

Priorities	Steering directions (RV)	Activities (U)
VP6. Tourism Development	RV6.1. Development and improvement of tourism infrastructure	U6.1.1. Development of tourist trails U6.1.2. Development of tourism complex in Evers manor house
	RV6.2. Development of tourism products	U6.2.1. Promotion of ecotourism development U6.2.2. Promotion of cycle tourism development U6.2.3. Promotion of culture tourism development
VP7. Maintenance of cultural and natural heritage	RV7.1. Maintenance and development of the cultural heritage resources.	U7.1.1. To put in order the objects of historical culture U7.2.1 To implement the protected nature heritage objects management.
	RV7.2. Maintenance of natural resources	U7.2.2. To promote sustainable and environment-friendly buildings.

*Source:* Developed by the authors.

The analyses of the action plan shows that it contains the activities related to the development of tourism infrastructure and tourism products. Nevertheless, this plan does not cover any activity for ensuring human resources development in the tourism industry. Taking into account that distinctive competencies depend on people's knowledge, skills, and experience it is necessary to develop these factors. Creation and development of these factors build the basis for qualitative and sustainable development of tourism products and services.

### Discussion

The research on different strategic documents related to the regional policy and development strategies at the EU, state, regional or local levels demonstrates that their implementation has many problems. "One of the principal weaknesses of the Lisbon Strategy was the absence from the outset of a clear and targeted implementation mechanism with the result that, in the final analysis, only lip service was paid to many of its objectives' (Stavrakakis, 2010).

Economic growth rates differ among regions. How can the rural development policy stimulate economic growth in rural regions?

Strategy implementation depends on control, monitoring, motivation systems and their performance. The author established that the major factor for the strategy implementation is appropriate distinctive competencies. Here some questions arise that need to be answered. Does the counties' administrative capacity influence the strategy implementation and the creation of distinctive competencies? What about the responsibilities of appropriate authorities at different levels in the strategy implementation process? Does the strategy implementation mechanism depend on stake-

holders interests? Does the counties' strategy implementation depend on local inhabitants and their interests?

### Conclusions

Successful implementation of the county's Strategy requires well educated and highly skilled human resources involved in the implementation of the county's Development Strategy.

Counties' Development Strategies of the Latgale region do not include human resources development in accordance with the counties' specialisations.

Development Strategies focus mostly on socioeconomic development and growth in employment, quality of life and safety.

Development Strategies do not foresee the improvement of the counties' competitiveness by means of human resources management, related to people involved in tourism development.

Distinctive competencies serve as the main instrument to implement the Strategy.

Distinctive competencies depend on people's knowledge, skills, and experience. To develop these factors, the action plan should involve activities which provide them. Creation and development of these factors build the base for qualitative and sustainable development of tourism products and services.

The following specialisations of the county are defined in the Cibla county Development Strategy: animal production, forestry, cultivation of grain, and rural tourism.

The findings of the analysis of the Cibla county Development Strategy show that the action plan related to tourism does not foresee any activity related to ensuring human resources development for tourism.

Development Strategy does not foresee improvement of the county's competitiveness in part of human resources management, related to the people who involved in the Tourism Development programme.

It is necessary to manage the improvement of distinctive competencies. To carry out the management of the human resources development plan, their compliance with the specialisation of a county in each county should be developed. This plan should work as a part of the support system to implement the county's Development Strategy.

Education opportunities related to tourism specialization are not offered in the Cibla's county. Nevertheless, tourism education opportunities are offered in Rezeknes Augstskola (40 km from Cibla) both at the bachelor and master levels. Thus, it is necessary to strengthen the cooperation between both counties with the aim to prepare highly skilled specialists in the field of tourism to implement the Cibla county Development Strategy effectively.

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