

SOCIO-ECONOMIC AND INNOVATIVE PERSPECTIVES OF THE HOSPITALITY INDUSTRY IN ROMANIA UNDER THE INCIDENCE OF GLOBAL CHALLENGES AND RISKS

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Abstract:

The hospitality industry in Romania is faced with a number of factors that unbalance the sustainable prospects of this industry, mentioning: the incidence of the pandemic context, the increase in inflation, the general increase in prices, the increase in electricity and heat tariffs, as well as the increase in the salary level of employees integrated in the activity the hospitality industry. Starting from 2020, tourist operators face the decrease in the number of tourists, as well as the exponential increase in costs resulting from the provision of tourist activity. Looking from this perspective, organizations operating in the hospitality industry are exposed to global socio-economic risks, limiting the innovative perspectives necessary for the development of this industry. Through the article, the incidence of negative socio-economic perspectives on the hospitality industry is measured, identifying the main

factors that determined the decrease in the activity and profitability of economic organizations. The content of the article focuses on the innovative perspectives of the hospitality industry, presenting rural tourism and psychotherapeutic tourism as a pillar of tourism recovery and resilience identified in the national context.

Keywords: *hospitality industry, innovation, rural tourism, psychotherapeutic tourism, recovery and resilience*

JEL Classification: L83, Z32

Introduction

Like the entire economy, starting from 2020, the year of the outbreak of the COVID pandemic, the hospitality industry in Romania faced a number of factors that condemned it to an unpredictable decline, a decline amplified by the inflationary phenomenon, the general increase in electricity and thermal energy tariffs, such as and the decrease in the purchasing power of the entire population. The imposition of government restrictions to limit the incidence of the coronavirus has determined the temporary inactivity of HoReCa operators, who are recording irrecoverable financial losses, being one step closer to the imminence of insolvency and bankruptcy. The pandemic context has considerably limited the potential for development and innovation highlighted in the hospitality industry, forcing organizations to focus all their efforts towards the recovery of economic activity.

The end of 2021 coincided with the relatively optimistic prospects for the development of HoReCa activities in the absence of government constraints, establishing the premises for the recovery of the hospitality industry. Starting from 2022, the harsh reality condemned the HoReCa operators to concentrate their resources in the fight against the inflationary phenomenon, a phenomenon reflected in the exponential increase in conventional energy tariffs. The vicious circle of challenges and risks highlighted at the national level strongly unbalanced the foundation of the hospitality industry, establishing the premises attached to the decline of the only industry that provides Romanians with a moment of relaxation, contributing directly and decisively to the restoration of psychological balance.

The importance attached to the socio-economic and innovative perspectives of the Romanian hospitality industry under the influence of global challenges and risks derives from the need to quickly identify the factors that directly impact the

sustainability of the HoReCa industry, formulating viable proposals for the attribution of resilience. The hospitality industry is defined as an industry that decisively supports the formation of Romania's gross domestic product, and its decline coincides with the diminished prospects attached to economic growth analyzed from a national perspective.

The article aims to outline the challenges and risks attached to the hospitality industry, as well as to state the innovative perspectives highlighted in some bibliographic references, as well as through personal experience. In the literature study we focused on identifying the impact of negative socio-economic perspectives on the sustainability of the hospitality industry.

Literature review on the topic addressed

The hospitality industry has concentrated all its resources to confront the socio-economic reality denoted by the phenomena identified globally (Livandovschi, 2022, 121-124).

Factors-which endangered the sustainable development and the performance of the activities provided in the hospitality industry in optimal conditions derives from the imposition of government restrictions regarding the limitation of the incidence of the coronavirus, which coincided with the limitation of the activity of HoReCa operators, 75% of them reducing their ability to honor customers by up to 50% but also from the general increase in the level of inflation, which determined the decrease in the purchasing power of customers, they concentrating their financial resources to satisfy basic needs, causing the considerable decrease in the number of tourists (Armăsar, 2022, 179-184);

On the other hand, the exponential increase in electricity and heat costs boosted the level of expenses of HoReCa operators, considerably diminishing the ability of organizations to achieve the performance objectives attached to the profit and loss account (Fernandez et al, 2022, 174);

The general economic context limited the prospects for innovation and diversification of the tourism product;

The increase in the wage level caused the global increase in the expenses of the organizations identified in the hospitality industry, causing the decrease in the profitability margin

The following perspectives are mentioned as proposals regarding the recovery and resilience of the hospitality industry identified at the national level (Miao et al., 2022, 95):

- tilting the efforts of HoReCa operators in the development of organizational strategies that grant the attribute of sustainability to the activity under the influence of a turbulent environment, aiming at the establishment of the financial reserves necessary to ensure the continuity of the activity in risky conditions;
- access to European funds for the digitization of organizational activity, as well as for the implementation of innovative technologies in the field of renewable resources. This strategic opportunity eliminates the incidence of conventional energy consumption expenses, maximizing the indicator attached to the net profit of HoReCa enterprises (Bano et al., 2022, 431-442);
- adjusting tourist tariffs in accordance with the inflationary level, ensuring sustainability in the context of generalized price increases.

Tourism innovation has an imperative character. Global trends have substantiated the premises of psychotherapeutic tourism, presenting undeniable beneficial effects. International specialized studies have revealed an alarming aspect: 3 out of 4 employees, respectively 76.5% of the total number of people analyzed, mentioned the fact that they faced burnout syndrome during the last 5 years of professional performance (Buckley et al., 2022, 19-20)

The devastating effects of the burnout syndrome lead to psychological and emotional imbalances that are difficult to manage and eliminate, the human resource trained in entrepreneurial performance facing recurring states of anxiety, chronic stress, the temporary loss of cognitive abilities, and in extreme situations the burnout syndrome shows suicidal tendencies and even death. The harmful effects of the burnout syndrome also spread to the entrepreneurial performance of human resources, with organizations facing (Buckley et al., 2022, 19-20):

- deterioration of the yield and productivity of the human resource;
- increasing the number of medical leaves;
- diminishing the quality of the products made or the services provided;
- increase in the number of errors highlighted in the performance of tasks and assignments outlined through the job description.

We appreciate that the intensity and repercussions of the burnout syndrome are treated superficially by the human resource trained in entrepreneurial performance, which categorically refuses to contact a specialist in the field of psychotherapy. Aiming to eliminate the stereotypes attributed to psychotherapeutic counseling sessions and identifying the employees' openness to team-building activities, we highlighted the opportunity to integrate psychotherapeutic tourism into the entrepreneurial performance of the hospitality industry, outlining the premises of

an innovative hotel, focused on reducing the intensity of the burnout syndrome and harmonizing personal and professional balance of human resources.

The training in tourism performance of specialists in psychotherapy, neuroscience, neurolinguistic programming and coaching, specialized in leadership and the effective management of human resource potential, aims to re-approach conventional tourism, offering a new innovative perspective in the hospitality industry: psychotherapeutic tourism.

Rural tourism and agritourism showed a sustained growth under the pandemic context, the attraction of tourists towards panoramic guesthouses being emphasized. In Romania, this concept is promoted by the Green Hill Panoramic accommodation structure in Poiana Mărului. This unique accommodation structure offers tourists a perfect visual experience, identifying itself as an oasis of peace and relaxation (Armăsar, 2022, 179-184).

Research methodology

The empirical approach of this article was substantiated by deepening the specialized literature, identifying the national and international bibliographic references that faithfully reproduce the challenges and risks of the hospitality industry under the influence of the global impact of the analyzed variables.

The innovation of the hotel industry is revolutionizing the performances highlighted at the national level, requiring sustained interest in identifying tourists' perceptions of tourism innovation.

The research on the identification of citizens' opinions, attitudes and perceptions regarding innovation in the tourism industry was carried out by means of a questionnaire distributed in the digital environment, facilitating the quick and efficient collection of research results.

The method of data collection required for marketing research analysis—assumed non-random sampling, the questionnaire being distributed predominantly through social networks, especially within tourist interest groups in Romania. Participation in the research was voluntary and aimed at identifying the opinions, attitudes and perceptions of the respondents regarding the innovation of the tourism industry.

The awarding of the veracity attribute is based on the collection of 105 responses from the active participants of the research, which allowed the interpretation of the valences of the innovation of the tourism activity in Romania.

The analysis and interpretation of the data collected through the questionnaire was carried out objectively, through statistical processing mediated by SPSS:

Question number 1: To what extent do you consider that there are four operators in Romania who have approached innovation in the hotel industry? (1 - to a very small extent and 5 - to a very large extent).

Table no. 1. The extent to which respondents consider that there are four operators in Romania who have approached innovation in the hotel industry

		Frequency	Percent	Valid Percent	Cumulative Percent
validity	To a very small extent	8	7.6	7.6	7.6
	To a small extent	13	12.4	12.4	20.0
	Average measure	40	38.1	38.1	58.1
	Largely	33	31.4	31.4	89.5
	To a very large extent	11	10.5	10.5	100.0
	Total	105	100.0	100.0	

Source: SPSS processing

According to the statistical information presented through the previous table, it is highlighted that 8 respondents, aggregating 7.6 percent, believe that in Romania the tourist operators who have approached innovation in the hotel industry exist to a very small extent. The small measure attached to the analyzed variable is supported by the perception of 13 research participants, resulting in 12.4% of the total recorded responses. The medium measure was indicated by 40 respondents, accumulating 38.1 percent, while the large measure was supported by 33 research participants, appearing as 31.4% of the total responses recorded. The 11 respondents who signaled a very high measure of the analyzed variable are represented by the 10.5 percent.

Question number 2: Which of the following hotel structures do you consider to be in the right of innovation?

Table no. 2. The weight attached to hotel structures considered innovative					
		Frequency	Percent	Valid Percent	Cumulative Percent
validity	Panoramic rural tourism	15	14.3	14.3	14.3
	Virtual tourism experience made through VR glasses	30	28.6	28.6	42.9
	Psychotherapeutic hotel	55	52.3	52.3	95.2
	Entrepreneurial hotel	5	4.8	4.8	100.0
	Total	105	100.0	100.0	

Source: SPSS processing

According to the information presented previously, it is highlighted that panoramic rural tourism was mentioned by 15 respondents, accumulating 14.3 percent. The virtual tourism experience achieved through VR glasses was supported by 30 respondents, equal to 28.6 percent. The psychotherapeutic hotel presents 52.3% of the total responses recorded, while the entrepreneurial hotel ticks 4.8 percent.

Question number 3: What do you consider to be the main benefits reported in the innovation of the tourism industry in Romania?

Table no. 3. The weight attached to the benefits presented by innovative hotel structures

		Frequency	Percent	Valid Percent	Cumulative Percent
validity	Increasing the level of employment	40	38.1	38.1	38.1
	Increase in turnover	17	16.2	16.2	54.3
	Increasing the interest of foreign tourists	2	1.9	1.9	56.2
	Increasing visibility and notoriety	8	7.6	7.6	63.8
	Driving competition	38	36.2	36.2	100.0
	Total	105	100.0	100.0	

Source: SPSS processing

According to the information presented previously, it is highlighted that 40 respondents, aggregating 38.1 percent, mentioned the increase in the level of occupancy as the main benefit attached to innovative hotel structures. The increase in turnover was supported by 17 research participants, equaling the percentage of 16.2%. The increase in foreign tourists' interest in innovative hotel structures marks the answers given by 2 respondents, representing 1.9 percent. Increasing visibility and notoriety was reported by 7.6% of all respondents, while boosting competition was reported by 36.2% of research participants.

Question number 4: What do you consider to be the main impediments reported in the innovation of the tourism industry in Romania?

Table no. 4. The weight attached to the reported impediments in the innovation of the tourism industry in Romania

		Frequency	Percent	Valid Percent	Cumulative Percent
validity	The limited nature of financial resources	27	25.7	25.7	25.7
	Reluctance of tourists to non-conventional methods of providing tourist and restaurant services	52	49.6	49.6	75.3
	Tourists' difficulty in operating digital applications	12	11.4	11.4	86.7
	Lack of interest in innovation	2	1.9	1.9	88.6
	The limited competencies of innovation specialists	12	11.4	11.4	100.0
	Total	105	100.0	100.0	

Source: SPSS processing

According to the information presented in the previous table, it is highlighted that 27 respondents, aggregating 25.7 percent, indicated the limited nature of financial resources as the main existing impediment in the innovation of the tourism industry at the national level. Tourists' reluctance to unconventional methods of providing tourist and restaurant services highlights 49.6% of the total responses recorded, while the difficulty of tourists in operating digital applications and the limited skills of innovation specialists assigned 11.4 percent each. Lack of interest in innovation is mentioned by 2 respondents.

Conclusions

The main conclusions drawn from this research emphasize the negative incidence of the pandemic context and the inflationary phenomenon on the sustainability of the hospitality industry. The exponential increase in the price of consumer goods has led to a general decrease in the purchasing power of customers, a scenario in which the population directs its financial resources towards satisfying basic needs and less on the products and services offered by HoReCa operators.

The previously mentioned harmful factors led to the limitation of the activity of the hospitality industry, a situation which resulted in an increase in the number of enterprises that reached the scenario of insolvency or bankruptcy. The stated negative premises contributed directly and decisively to the decrease of the opportunity attached to the sustainable growth of the turnover and the indicator registered in the right of the net profit, removing the prospects of development and innovation of the hospitality industry.

The recovery and resilience of the hospitality industry can be achieved by accessing European funds that support the digitalization and innovation of HoReCa organizations, offering the strategic opportunity to align with international trends.

Psychotherapeutic tourism and panoramic rural tourism stand out as two of the innovative tourism perspectives highlighted at the national level, offering a perfect experience. The main conclusions drawn from the research present the following aspects:

- 40 respondents, aggregating 38.1 percent, believe that in Romania the tourist operators who have approached innovation in the hotel industry exist to an average extent;
- the need for innovation in tourism through the creation and development of a psychotherapeutic hotel presents 52.3% of the total responses recorded, representing the tourism innovation predominantly mentioned by the research participants;
- 40 respondents, aggregating 38.1 percent, mentioned the increase in occupancy as the main benefit attached to innovative hotel structures;
- 27 respondents, aggregating 25.7 percent, indicated the limited nature of financial resources as the main existing impediment in the innovation of the tourism industry at the national level. The reluctance of tourists to non-conventional methods of providing tourist and restaurant services highlights 49.6% of the total responses recorded, while the difficulty of tourists in operating digital applications and the limited skills of specialists in virtual reality assigned 11.4 percent each.

The future research directions outline the development of a research aimed at identifying the perceptions of HoReCa operators related to the current socio-economic perspectives, analyzing the real incidence of the negative factors that unbalance the activity of the organizations identified at the level of the hospitality industry.

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