



*The Academy of Management  
and Administration in Opole*

**MANAGEMENT  
AND ADMINISTRATION  
IN THE FIELD OF SERVICES :  
SELECTED EXAMPLES**

**Opole 2020**

The aim of the scientific research was to improve management activities aimed at effective decision making, obtaining administrative skills in various fields of activity. Scientific-based analysis of the problem of management and administration in the service sector (based on selected examples) can be used by scientists and practitioners of different areas and specialties in their work, for its optimization and efficiency.

*Yours sincerely,*

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# **Part 1. MANAGEMENT AND ADMINISTRATION IN THE PRIVATE SECTOR AS SERVICE PROVIDER**

## **1.1. Features of motivation of the tourist enterprise staff in the information economy**

The sources of information type of economic growth in the tourism industry are innovation and human capital. Just as the information economy is a logical consequence of the industrial one, so the role of a person in the new conditions logically becomes different – more capacious and significant, less dependent on circumstances and other people, and, consequently, more independent and creative. Thus, the place and role of person in the information economy, as well as the motives for his activities, inevitably transform in comparison with the industrial economy.

Despite the certain novelty of the problem of human activity in the information economy, there are deep theoretical, methodological and practical prerequisites for its development and solution in economic science. In the course of our research, we used scientific statements obtained by the following domestic and foreign scientists: R. Ayres, D. Bell, J. Kendrick, K. Marx, L. Mises, J. Mill, A. Smith, A. Tofler, R. Fischer, K. Arrow, V. S. Avtonomov, V. L. Inozemtsev, R. I. Kapelyushnikov, V. L. Tambovtsev, I. L. Tatomir and others.

The motives of labour activity characteristic of the industrial stage of development of society are based mainly on the social form of labour, the relations between people on their participation in social labour. As a result, the position of the worker in the labour process is divided into entrepreneurial labour and hired labour. Undoubtedly, the motives of economic activity of these types will differ significantly, both in content and in form. A large amount of literature is devoted to changes in the content of work under the influence of scientific and technological progress. In this literature, it is noted that such changes are: trends to reduce manual labour, increase

intellectualization, the leading role in the structure of productive forces of the human factor, changes in the quality of labour and in the forms of human participation in the management of production, goods and services. Based on this, it is necessary to consider how the motives of economic activity of the staff of a tourist enterprise differ in essence (content) and form (nature) in the structure of entrepreneurial and hired work.

As the analysis of tourism market trends in the most developed countries of the world shows, the development of the modern scientific and technological revolution creates a tendency to polarize the labour force into two large groups: a rather small group of intellectual owners and a group of workers with average qualifications, the demand for which is very satisfied. For the developed countries that represent the information society, the majority of employees of a tourist enterprise have a average qualification, relative economic independence mainly due to ownership of property in various forms (shares, accounts, etc.). There is also a third group – low-qualified workers who do not have either intellectual or material property [1, p. 42]. Let us consider the motives of economic activity of these groups.

The nature of the workers of the first group is a necessary condition for the reproduction of highly qualified labour force, as capacity for intellectual labour and the shaping of intellectual property, its enhancement and, therefore, increase the cost of labour. Thus, for this group, two motives are inherent: material (the source of the flow of welfare growth) and the realization of the need for self-actualization, interesting in the labour process itself.

The motives of the second group of workers who own a average qualifications labour force, based on the content of labour, are material in nature, as well as related to working conditions. Therefore, within the framework of the economic activity of a tourist enterprise, a system of incentives is necessary for the development of labour potential and professional development. The main motives for working in the third group are clearly material.

Regarding the motives of entrepreneurs, it should be noted that the main condition for motivation in this case is property, the need to preserve and increase it.

In the scientific literature, various approaches to assessing the motives of entrepreneurial activity are considered. J. Schumpeter identifies three groups of motives. "The first of them is called satisfaction of needs. But they do not completely coincide: the needs that will be met are not the needs of "just the owner", their satisfaction is not the meaning of economic activity" [2, p. 90]. In this case, we are talking about the implementation of the needs of power, influence, and social significance. The second group of motives is the desire for success, the will to win in competition. The third group is associated with the joy of creativity, with the content and nature of economic activity, where the main goal is not the result itself, but the process of achieving it. Thus, we can see the manifestation of the mechanism of motivation in terms of the transition of the goal of activity into a need. According to the experimental theory, all components of economic activity should be related to the results of activity. In this case, the most important motive for economic activity is to get a share of property and increase it by constantly increasing income.

We propose to consider the features of motivating the human capital of a tourist enterprise. In our opinion, human capital should be considered as the main economic entity in the information economy. Based on this, the motives of the tourist enterprise in the new conditions are also undergoing a significant change.

In our opinion, such changes have the following prerequisites. First, there is an intellectual form of ownership of a tourist product as the prevailing element of productive forces, when the owner of intellectual capital is increasingly employed.

Second, the scope of socialization of large private capital is expanding. We can say that a collective entrepreneur works not only for himself, but is controlled by other owners, including owners of intellectual capital.

Third, employees themselves own property, which appears in the form of human capital. In our opinion, human capital is not only acquired knowledge, skills, and abilities that, as a result of investment, affect the growth of a person's income. It also includes needs that, within the framework of motivational relationships, serve as a necessary condition for the reproduction and improvement of the quality of the labour force.

A comparative analysis of the characteristics of entrepreneurial and hired labour in the industrial society and the information society is presented in Tables 1, 2 [6].

*Table 1. Characteristics of entrepreneurial and hired labour in an industrial society*

Entrepreneurial labour	Hired labour
Content	
It is determined by the field of activity and the entrepreneur himself	Determined by the employer
It is regulated by itself and society through state institutions	Regulated by the employer and public institutions
Independence in decisions within the framework of their property	Independence is determined by the employer within the workplace
The creative nature of labour increases as ownership increases	The opportunity for creativity appears only when the employee's abilities coincide with the opportunities provided to him by the employer
Social form	
Work for yourself and for society	Work for the entrepreneur; for society; for yourself
Means of production – property of the entrepreneur	Means of production – property of the employer
The result of labour is the property of the entrepreneur	Does not dispose of the results of labour

*Table 2. Characteristics of entrepreneurial and hired labour in the information society*

Entrepreneurial labour	Hired labour
Content	
It is determined by the field of activity and the entrepreneur himself	Determined by the entrepreneur and the employee
It is regulated by itself and society through state institutions	Regulated by the employee
Independence in decisions within the framework of their property	Independence in decisions is determined by the employee himself within the framework of his official competence
The creative nature of labour increases as ownership increases	The creative nature of labour increases as property increases (intellectual property in the form of human capital).
Social form	
Work for yourself and for society	Work for yourself; for the entrepreneur; for society;
Means of production – property of the entrepreneur	The means of production partially belong to the employee
The result of labour is the property of the entrepreneur, but he disposes of it under the control of society through state and public institutions	It does not manage the results of labour, but it can influence their use through state and public institutions

A comparative analysis of the characteristics of entrepreneurial and hired labour in an industrial society and the information society shows that in both cases it is possible to bring together the interests of an entrepreneur and an employee of a tourist enterprise on the basis of property, that is, the employee's ownership of it in any form (intellectual, means of production of their own enterprises, shares and securities, etc.), as well as co-ownership of property within a specific tourist enterprise. Hence, we can conclude that human capital as an economic entity in the information economy involves a combination of different motives for both entrepreneurial labour and hired labour based on property relations.

Further, in our opinion, it is necessary to determine the features of the mechanism of motivation of economic entities of a tourist enterprise. The current stage of development of the tourism industry differs, in our opinion, from the previous one in what motives determine the activity of a person as an economic entity. In a traditional economic society, most people are motivated primarily by utilitarian motives and incentives that are based on meeting basic needs. In market conditions, motivation is largely determined by money.

In modern conditions, the situation changes under the influence of the following circumstances. Firstly, the growth of well-being provided a high standard of living for a significant part of the population of developed countries, so the desire to improve the abilities of the individual has become more and more prevalent in the system of values.

Secondly, the emergence of new forms of business processes that require the assimilation of more and more information, causes the necessary need to constantly improve the educational level and accumulate new knowledge. Thus, this interest turns into a self-supported type and has an independent value.

Thirdly, in a society that based on modern technologies, information ownership and the ability to produce new knowledge become an important source of social recognition and inclusion in the dominant social groups. In an industrial society, the basis for this recognition was the ownership of material wealth.

The first circumstance indicates that the increase in material well-being creates mainly potential prerequisites for the development of a new motivational system. By freeing a person from the need to constantly search for means to meet material needs, it creates the basis for a reorientation from traditional material values to human needs in all their diversity. But it does not cause the new system of values to dominate the whole society. And as noted in the economic literature, there is a certain inertia in the system of preferences and guidelines of a particular person, which is formed at the beginning of life and changes very little. However, an increasing part of the population is aware of interests not in terms of appropriation of material goods, but in terms of intellectual growth [3, p. 97].

The second condition for the formation of a new motivational system is no less important than the growth of well-being. In modern conditions, the volume and quality of knowledge that only a certain person has come out in the first place among the employee's preferences. The desire for autonomy that arises on this basis quickly becomes a central element of the entire social transformation and a means of negating the previous "materialistic" relations.

These circumstances are closely related to the third condition-the awareness of the possibility of asserting oneself in modern society through the possession of knowledge and the ability to use it. The latter becomes a source of freedom, which embodies the desire to satisfy higher needs. The growth of needs creates a prerequisite for creative activity, which serves as a means to meet this need. Motivation depends on the balance between the growing needs of economic entities, on the one hand, and the level and structure of consumption, on the other. Which in modern conditions depends on the ability, knowledge and possession of information.

Let us consider the main approaches to assessing the value of human capital. Modern economic research uses a standard model for assessing human capital, which includes the following variables: the rate of return on investment in human capital; the number of years of training (level of education); potential experience in the labour market; professional experience in this workplace. However, some researchers, when assessing the amount of accumulated human capital, use an approach that focuses on



the following points: the assessment of costs in the formation of human capital; the assessment of the total amount of discounted income from the use of human capital; the assessment of the degree of achievement of goals (problem solving) when using specific human capital; expert assessment. One of the most common approaches to measuring the cost of human resources is to analyze its costs by elements. Here and further, the concept of the cost of human resources will be understood not only the price of their acquisition (there are also such interpretations), but also their value for the organization or the ability to bring future benefits.

L. Turow and M. Blaug chose the postulates of the theory of marginal utility and marginal productivity, i.e. the methodological basis of the margin school, as the theoretical basis for determining the price of human capital. This tool is most fully described in the book "Investment in human capital" by L. Turow. In his opinion, labour should receive its marginal product. Only in this case, earnings reflect the productive abilities of a person and can be used to measure the investment of productive resources, and human capital can be used to explain the sources of economic growth. From the point of view of Turow, the initial basis for determining the value of "human capital" is the market price of its services multiplied by the number of these services. Since "human capital" can only sell its services (labour services), but cannot sell itself (its body, its personality), which would mean slavery, therefore, Turow argues, the value of "human capital" is measured indirectly, using the market price of its rent [2, p. 79].

This is how the most common measurement method is formed-the principle of capitalization of future income, based on the so-called advantage of goods over time. Its essence is as follows: people tend to value a certain amount of money or a set of goods at the present time higher than the same amount or set of goods in the future. Proponents of the theory of human capital determine the value of any capital not by the price of its production, but by the economic effect of its use. The discounted amount of future income received as a result of investments in human capital is the amount of applied human capital. Human capital is measured using monetary estimates.

Thus, we can conclude that the valuation of human capital is based on the capitalization of future earnings (income). Cost and income, their correlation and unity are the basis of the motivational mechanism, not only for the owner of human capital, but also for the employer. The cost mechanism assumes that the income received is adequate to the market assessment of labour costs. Distribution by value requires each subject of market relations not only to choose the sphere of application of their abilities, but also to constantly invest in their human capital. All other things being equal, this guarantees higher costs and adequate revenue growth.

The motivation for work is internally contradictory. This is because there is no direct relationship between the cost of labour and the newly created value. The cost of the labour product is determined before the production and sale process, the price of the tourist product-after. Only the employer is interested in the created value. The employee is not formally interested in the cost results of production, since the cost of the labour product must be paid. This contradiction between the employee's disinterest in the results of work and the cost mechanism of motivation is overcome by organizational and economic means. The employer creates a system of remuneration in which part of the salary is linked to the cost results of the entire team and individual employee. The formation of market relations and the appearance of various types of income created opportunities for existence along with the principle of distribution by labour, distribution by property. Let us consider the mechanism of motivation from the point of view of this approach in relation to the category of human capital.

In our opinion, the change in the motives of labour activity in the information economy is associated with a change in the position of the employee, taking into account changes in the ownership of the means of production. The basis of this process is intellectual property. The object of intellectual property ownership is the individual's intelligence, which is in demand by society in the form of new knowledge, talent, and the ability to produce information. By its nature, intellectual property is exclusively individual, since its bearer is an individual as an economic entity in market relations. Intellectual property is inseparable from its owner. Being

by nature a capacity for labour, which is, acting as an economic category in the form of labour, intellectual property differs from the latter in that from the moment of its origin it is simultaneously a means of production. In other words, being both a labour force and a means of production, intellectual property appears as capital. Not every ability to work is capital, but the ability to work, expressed in the form of intelligence, takes the form of capital [1, p. 75]. The owner of intellectual property, having it as the ability to work, differs from the owner of labour in that, working for hire, acts as the owner of the means of production. Thus, intellectual property is transformed into human capital, because this form of ownership is integral to its owner, and the conditions for the reproduction of labour are also conditions for the reproduction of intellectual property [1, p. 78]. The ability to work must have an additional consumer value for the employer to turn into capital for the owner of the labour force. This unique ability to act in the form of human capital belongs to intellectual property, because only it has an additional use value in the eyes of the entrepreneur. Thus, an employee is an equal participant in all business processes of a tourist enterprise, dictating the conditions for renting out their human capital. At the same time, the high cost of human capital is determined by the need to reproduce intellectual property, on the one hand, and on the other hand, by the need to get an appropriate return from using it in the production of goods or services. Based on the above, we can conclude that from a motivational point of view, human capital is embedded in the motivation mechanism: the need to preserve and increase intellectual property as human capital is the motive for high – performance work for the employee who owns this capital. In addition, we can note the coincidence of the interests of an employee of a tourist enterprise and an entrepreneur, both of whom are interested in the most profitable use of human capital: for one, this effect is manifested in the form of income, and for the other – in the form of profit.

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