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CHANGES IN SPA ENTERPRISES FUNCTIONING IN POLISH SPA RESORTS

Досліджено функціонування підприємств на польських SPA-курортах. Виділено основні зміни в їхній діяльності; проаналізовано процес приватизації SPA-підприємств та зміни в управлінні й наданні ними послуг; представлено основні бар'єри, що перешкоджають процесам приватизації.

The article is dedicated to the spa enterprises functioning in polish spa resorts. The author identifies the main changes in spa enterprises functioning which have been occurring in spa resort as tourism destinations in Poland. The paper also analyzes the process of privatization of spa enterprises and changes of product and management in spa enterprises in Poland. The main barriers delaying privatization processes are presented.

English literature emphasizes the fact that health oriented tourism is practiced in spa resorts and therefore the spectrum of tourism forms, possible to experience in a spa resort, becomes more and more extensive (in the sense of new perception of health)¹. World Health Organization joined the stream of the broad definition of health and advocates referring to health as an overall physical, mental and social wellness of a human being². Wellness represents the result of combining individual's physical health with the feeling of happiness, life quality and life satisfaction³.

The objective of the paper is to identify changes in spa enterprises functioning which have been occurring in spa resort as tourism destinations in Poland.

The paper is based on Polish and foreign literature analysis, as well as the author's individual observations, which allowed for performing the synthesis of changes in spa resorts as tourism destinations in Poland.

Spa resorts have a specific position among tourism destinations owing to the following factors⁴: they constitute a nationwide wealth, they perform an important function in health protection system, they have natural treatment resources at their disposition and take advantage of them, spa resort product includes, apart from typical subsistence services, also cultural oriented ones as well as a treatment care package, individuals taking advantage of the offered services represent patients – rehabilitees who come to spa resorts for the purposes of health treatment and to receive medical care, all entities functioning in a spa resort participate in creating the spa product, however, its provision is possible only if all these entities cooperate, including local authorities.

Awarding a group of communes with a spa resort status is neither an easy nor transparent task in terms of the obtained results. The resource criterion, referring to deposits of brine, therapeutic or thermal waters, as well as other therapeutic minerals, is met by 70 Polish locations and 50 communes⁵.

Holiday taking in spa resorts has a very long history and their definition was subject to numerous changes. A spa resort, depending on the stage of its development may be defined in terms of three aspects⁶:

¹ W. Bacon. *Economic systems and their impact on tourist resort development: the case of the Spa in Europe* / W. Bacon // *Tourism Economics*. – 1998. – No 4. – P. 21–22.

² R. Hughes. *What is health? Stretch the medical model* / R. Hughes // *Foundation News and Commentary*. – 1997. – No 4. – P. 18.

³ D. Gilbet, J. Abdullah. *Holiday taking and the sense of well-being* / D. Gilbet, J. Abdullah // *Annals of Tourism Research*. – 2004. – Vol.1. – P. 105.

⁴ A. Kornak, A. Rapacz: *Zarządzanie turystyką i jej podmiotami w miejscowości i regionie* [Managing tourism and its entities in a location and a region]. AE Publishing House. – Wrocław, 2001. – P. 118.

⁵ They are listed in the Regulation by the Board of Ministers dated 14.02.2006 on underground water deposits specified as brine, therapeutic or thermal waters, as well as other therapeutic mineral deposits, and also on including common minerals from defined deposits or geological units into basic minerals (*Journal of Laws of 2006, No. 32, item 220 with later amendments*).

⁶ www.spaassociation.org.uk (downloaded on 20.04.2002).

1. Historical – as the place for mineral water from natural springs, drinking which brings relief and treats different ailments.

2. Traditional – as the treatment and rehabilitation centre based on hydrotherapy and other treatment methods which take advantage of physical properties characteristic for therapeutic minerals, climate and performed under medical supervision. Recreation, relaxation and entertainment are of secondary significance in this case and, apart from their basic functions, play an encouraging role by stimulating tourists to visit and take advantage of spa resorts.

3. Contemporary – as facilities based on using therapeutic waters and other natural therapeutic resources aimed at improving patient's physical and emotional condition. A spa resort takes advantage of nature as basic factor for therapeutic or preventive treatment. Natural therapeutic resources are used to bring relief in suffering from different illnesses, in rehabilitation and treating ailments by means of the whole spectrum of integrated and complementary medical care, as well as other services focused on relieving stress and resulting in overall relaxation, rejuvenation, more attractive looks and even spoiling clients. Spa resorts create a unique environment which has to respect its natural assets.

Changes occurring in the development of spa resorts and spa enterprises in Poland result from the impact of certain factors. Among them the dominating role is played by the following ones:

1. More efficient management of spa communes resources, including marketing (the task for public authorities and economic entities, as well as social organizations).

2. The intensification of cooperation between entities representing different sectors functioning in spa communes – cooperation of these entities in the area of particular spa communes is at present evaluated as insufficient, however, quite significant activity of numerous Polish nationwide organizations gathering spa communes or enterprises seems to be improving, but their activities are quite dispersed.

3. Changes of a spa commune function – it refers to transforming the traditional treatment function of a spa resort into a tourism-health oriented function, including the establishment of health, tourism, recreation, sport and culture centres.

4. Privatization of spa enterprises in Poland – the process commenced in 2001 by the privatization of Nałęczów Zdrój.

5. Competition intensification – the effect of Polish participation in the EU structures and the freedom at the uniform European market, as well as Schengen Agreement, which manifests itself in the establishment of new tourism entities in spa resorts (growing interest of investors in Polish spa resorts, which have become attractive places for capital investment) and free tourist traffic.

6. The decreasing level of financing from public means – privatization will result in government subsidies limitations which are accompanied by the tendency towards ongoing expenditure reduction for spa resort services financed from health insurance contributions. National Health Fund (in Polish NFZ) represents the main institution financing access to health care system in Poland. NFZ is gradually increasing outlays on spa treatments; in 2004 it was 324,232 mln PLN, in 2005 – 340,403 mln PLN, in 2006 – 346,363 mln PLN, in 2007 – 375,324 mln PLN, in 2008 – 475,407 mln PLN, in 2009 – 636,473 mln PLN in 2010 – 536,614 mln PLN, in 2011 – 560,888 mln PLN, and in 2012 – 601,553 mln PLN. NFZ financial plan draft for 2013 provides for 634,034 mln PLN.¹

7. The diversity of product financing sources – the means coming from the EU funds, from social and health insurance, PFRON (State Fund for Rehabilitation of the Disabled), free decision funds of potential acquirers, earmarked funds, budgetary means, means at the disposition of enterprises or social organizations.

8. Social-cultural trends – facilitate changes in the attitude towards health, which results in higher life quality.

9. Greater attention focused on broadly understood environment – natural, social and economic – sustainable development principles should be applied in spa communes.

Currently the most important problems related to the development of spa resorts as tourism destinations in Poland are the following: privatization of spa companies as well as product and enterprise management changes in a spa resort.

The privatization of spa enterprises in Poland intensified in the period of 2009–2010 resulting in the privatization of operators in the following spa resorts: Ustka, Swoszowice (Kraków) and Bochnia. The

¹ E.g.: Świnoujście spa resort hosts annually, on average, about 75% NFZ patients, the rest are private visits.

following companies are at the stage of finalizing their privatization processes: Cieplice Zdrój (Jelenia Góra), Kłodzko Spa Resorts Complex, Szczawnica (in 2005 it returned to the successors of the pre-war owner within the framework of reprivatization processes), Połczyn Zdrój, Świeradów – Czerniawa Zdrój and Inowrocław. In 2011 the subsequent State Treasury companies were privatized, among others: Iwonicz Zdrój, Wieniec Zdrój and Kamień Pomorski.

The process of spa companies privatization in Poland takes a slow course and even owing to the absence of interest in purchasing them by private investors part of them was communalized. In 2012 the State Treasury shares in Ładek – Długopole and Szczawno – Jedlina spa enterprises were transferred free of charge to the regional self-government unit. At the beginning of 2013 regional parliament initiated the formal merger of two Lower Silesian spa companies.

The main barriers delaying privatization processes are listed below: habits and concerns of workers, Trade Union members and the government; over-excessive employment in spa companies; underinvested spa facilities and locations (even though investments in Polish spa resorts' external – tourist, leisure and municipal infrastructure have recently amounted to 1 billion PLN); strong Trade Unions.

State management resulted in the establishment of spa treatment classical model. Spa resorts used to be observed as mono-functional entities, i.e. centres for senior citizens treatment, for sick people, or kids. They left no space for a middle aged generation taking care of broadly understood health care and physical fitness. In recent years this situation has changed. The domination of two types of products, offered by spa resorts in Poland, has been observed – the spa therapeutic product and spa health-tourism product. For main differences between therapeutic and health-tourism product of a spa resort – see table 1.

Table 1

Differences between a therapeutic and health-tourism product

Criterion	Spa therapeutic product	Spa health-tourism product
Main infrastructure of the product	Spa resort hospital, sanatorium, physiotherapy treatment institution, spa resort outpatients' clinic, spa resort parks, spring water pump-rooms, twig towers, etc.	Collective accommodation facility, physiotherapy treatment institution, spa resort outpatients' clinic, spa resort parks, spring water pump-rooms, twig towers, etc.
Additional infrastructure	Swimming-pools for therapeutic purposes, rejuvenation facilities, pharmacies, restaurants, relaxation facilities	Casino, sport and recreation facilities e.g. aqua park, restaurants, leisure and entertainment centres
Basic services	Therapeutic and spa treatment services	Tourist and spa treatment services (health care)

Source: M. Januszewska, E. Nawrocka. Changes in tourism product offered by a spa resort // Scientific Journal. – No. 658 ; Economic Problems of Tourism. – Vol. 1. – 2012. – S. 33.

The implementation of modern management concepts presents an extensive problem for Polish spa enterprises. Knowledge management represents one of the crucial concepts as the result of knowledge-based economy establishment. The research conducted by the author¹ illustrates that the significant part of knowledge resources originates from external sources, among which the most important are: informal relations between employees representing different companies, participation in fairs and exhibition

¹ K. Perechuda, E. Nawrocka. The methodology of knowledge flows identification and analysis in a spa enterprise, [in:] Kardas J. S., Jasinska M. (edit.), The social dimension of an organization sustainable development, Studio Emka Publishing House, Warsaw 2010, pp. 187–198; M. Januszewska, E. Nawrocka, S. Oparcka, Spa tourism, tourism in spa resorts: definition problems, [in:] Szromek A.R. (edit.), Spa resorts and their significance in tourism economy, Proksenia Publishers, Cracow 2010, pp. 91–114, M. Januszewska, E. Nawrocka, The impact of knowledge on spa enterprises innovation, [in:] Innovative directions of spa tourism and spa treatment facilities development, The Congress of Polish Health Resorts, Muszyna 2009, pp. 175–187.

events, trainings and conferences focused on spa tourism sector, the Internet, as well as membership in different types of organizations. Insufficient attention is paid, in spa enterprises, to creating new knowledge or extending the current one by adequate employees, or by means of creating new knowledge through client relations establishment. Incomplete access to client knowledge can be observed in spa enterprises and presents a significant problem owing to the specific nature of spa enterprises and the type of service they provide (services require direct contact with clients, services are of professional nature and in order to be performed properly due employees have to present high competencies).

The changes occurring in Polish spa resorts are of evolutionary nature. Their main direction is focused on preparing such product which meets their visitors' needs regarding broadly understood health issues. Such changes offer more extensive opportunities for the establishment of a strong market position and meeting the expectations of both domestic and foreign guests. On the other hand there are problems in spa enterprises management owing to the poor scope of modern management concepts implementation.