

## **EU.EM.NET Project W.P 2**

### **Country report : Croatia**

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## Characterisation of the T&H sector in Croatia

The **key actors** of the T&H sectors in Croatia are:

- social partners:
  - o Ministry of tourism, Parliamentary Committee for Tourism
  - o Croatian Employers' Association – Association of Employers in Catering and Tourism Industry,
  - o Trade Unions – STUH (Trade Union of Tourism and Catering Industry of Croatia) and SIK (Trade Union of Istria and Kvarner)
- chambers:
  - o HGK – Croatian Chamber of Economy (CCE) – Tourism department (with numerous vocational groups/associations: nautics, health tourism, adventure tourism, cultural tourism ...)
  - o HOK – Croatian Chamber of Trades and Crafts (CCTC) - Guild of caterers together with their county guilds of caterers
- vocational associations:
  - o UHPA - Association of Croatian Travel Agencies
  - o UPUHH - Association of Employers in the Croatian Hotel industry,
  - o Croatian Camping Union
  - o OMH - Association of Family and Small Hotels
  - o Various vocational associations by professions - association of bartenders, waiters, chefs, ... Culinary Union
- Development agencies and alike –Istrian Tourism Development Agency etc.
- educational system
  - o VET schools (94 schools in 21 county implement 11 different educational programs (4, 3 and 2-year programs)
  - o Faculty of Tourism and Hospitality Management
  - o private colleges, business schools and faculties that provide programs for the industry

### Main figures

- VET Schools: (94 schools in 21 county implement 11 different educational programs (4, 3 and 2-year programs)
- Faculty of Tourism and Hospitality Management
- private colleges, business schools and faculties that provide programs for the industry 2008.

In total 17104 Business units engaged in T&H activities with:

- 3341 Business units of legal entities engaged in hotel and restaurant activity
- 13 763 Business units of tradesmen

## 2 196 HOTEL AND RESTAURANT ACTIVITIES – LEGAL ENTITIES:

- 2 190 Hotels and restaurants
- 482 Hotels
- 413 Camping sites and other provision of short-stay accommodation
- 16 Youth hostels and mountain refuges
- 61 Camping sites, including caravan sites
- 336 Other provision of lodging for tourists
- 447 Restaurants
- 788 Bars
- 60 Canteens and catering
- 6 Health institutions

## TRADESMEN IN HOTEL AND RESTAURANT ACTIVITY, ACCORDING TO PREVAILING NKD 2002. ACTIVITY, 2008

- 12 753 Hotels and restaurants
- 3 030 Restaurants
- 8 898 Bars
- 825 Other

In 2011 in the hospitality industry there was nearly 90,000 employees, which is 6,4 % of total employed in Croatia. If measuring according to the methodology of the EU and adding the number of employees in the jobs that involve tourism bookings, the number of directly employed in tourism is around 95,000, or 6,8% of total employed population.

### **General description of the sector:**

In Croatia there are 13 sector councils whose role is exactly to link the education system with the needs of employers and the labour market. Councils consist of representatives of the social partners - employers and trade unions, and representatives of the Government (Ministry of Science, Education and Sports, and Agency for Vocational Education and Training), and educational system (schools, colleges ..).

As the need to develop tools and mechanisms aimed at reducing the gap between education and the labour market is emphasized, and a major role in that process have data coming from the labour market, the Agency for Vocational Education and Training has developed tools for planning qualifications, i.e. 13 sector profiles.

It is a comprehensive analytical basis, that for the first time in Croatia in one place, by linking macroeconomic indicators (data of Croatian Employment Bureau, Croatian Institute for Statistics, Financial Agency, E-register, etc.) and data from the implemented survey on the necessary

competencies at employers, provides the basis for planning the development of the education system for the purpose of matching it with the needs of the labour market. These analyses will be available to the Ministry of Science, Education and Sports, the Agency, sector councils and other stakeholders in order to plan the development of vocational qualifications and vocational education according to the needs of the labour market.

Apart from that Croatian Employment Service (HZZ) implements Employers Survey on a yearly basis with the support of partners: Croatian Chamber of Economy, Croatian Chamber of Trades and Crafts and Croatian Employers' Association with the aim of achieving a more successful labour market and better matching of demand and supply of labour force. Employers report on skills shortages in their company; skills shortages in next 12 months and main areas of skills shortages and surpluses of workers.

Government is making yearly plans for issue sing working permits for employees from other countries, depending on the assumptions and plans. The plans are done together with the sector representatives and other influential bodies.

Even though tourism is generating a significant percentage of Croatian economy there is no common oriented educational program addressed to the wide public, which would increase and maintain high level of importance of tourism in the earliest age, like primary school, when the live goals or achievements are defined and established. Taking into a consideration that we are lacking the overall importance of tourism and its dependence on our economy the tourism jobs are viewed as low income, un-awarding etc.

## **Inform / Promote / attract**

### **Promotion and marketing of the T&H sector in Croatia**

Since the re-introduction of apprenticeships Croatian Chamber of Trades and Crafts and regional chambers of trades and crafts have been actively promoting crafts and trades professions (among other also T&H professions are being promoted) among final grade students in elementary schools in order to make them familiar with these professions and this model of education as well as to point to the benefits of education in these professions.

In 2003 the Department for Vocational Education of the Croatian Chamber of Trades and Crafts started the project „I Want to Be a Master Craftsman“. The key part of this project is presentation of trade and craft professions at the International Crafts Fair in Zagreb. Each of the chosen professions has its own exhibition space - a mini trade/craft workshop with equipment and tools. Apprentices and their trainers – master craftsmen and teachers from VET schools work in that workshops – they make certain products, train and show what they have learned to the public. When they visit the exhibition, primary school students can talk to apprentices and trainers, get information on different professions and try to

do something in the workshops. There are also many accompanying events, such as fashion shows, lectures, presentations of out-of-curricular activities and similar. The presentation at Zagreb International Crafts Fair was held in 2003-2006, 2008 and 2010.

According to the decision from 2009 the regional chambers of trades and crafts organise all promotional activities more systematically under the same recognisable name „I Want to Be a Master Craftsman“ with partners at regional level, particularly Employment Service, tradesmen/craftsmen and VET schools)

These activities include:

- promotional visits to primary schools, parental meetings
- promotional materials about enrolment for parents and students in primary schools
- organisation of trade fairs with presentation of trades and crafts' skills
- transport of students to exhibitions and fairs concerning trades and crafts, traditional trades and crafts, vocational fairs and similar.
- TV and radio advertising
- organisation of performances of trade and craft schools at regional trade fairs in which students show the skills they have acquired
- taking part at Open days of Employment Service
- organisation of visits to craft and trade businesses
- organisation of competitions for trade and crafts students

Croatian Chamber of Trades and Crafts initiated a campaign for licencing of trades and crafts in T&H sector among employers in 2011 because of shortage of licenced apprenticeship places for this sector. Croatian Chamber of Economy joined this campaign and invited their members to licence their companies and become apprenticeship training providers. Together with the Ministry of Tourism Croatian Chamber of Trades and Crafts also offers scholarships for students in JMO model of education for professions in T&H sector.

Croatian Employment Service at regional level regularly organises the so called Job Fairs.

There are certain national campaigns from the cooperation between the Agency for Vocational Education, Ministry of Tourism and Ministry of Science, Education and Sports (for example, encouragement of enrolment in occupations for waiter, chef, by providing scholarships, etc.), and the rest are individual initiatives dependent on enthusiasm and activity of certain school principals. Thus determined schools implement a number of activities, from visiting all primary schools with the aim to introduce occupations of the sector to pupils (e.g. they have a promotional film in Opatija), schools' open days are organized, different creative workshops, etc. ... everything with the aim of attracting as many new scholars. However, these activities have still not been systematically regulated providing as yet not regulated, they are neither compulsory nor equal for all vocational schools in this sector.

**Benefits of the T&H sector** are particularly put forward the Croatian Chamber of trades and crafts. Croatian Chamber of Trades and Crafts has a flyer for primary school students describing the benefits of trade/craft professions in general: self-managing work and free time, apprenticeship payment – own income during education and training, possibility of carrier advancement – master craftsman/tradesman exam.

Here is a non-exhaustive list of **marketing campaign** in Croatia targeting the T&H sector:

- Croatian Chamber of Trades and Crafts and regional chambers of trades and crafts „I Want to Be a Master Craftsman“. – as described under 4
- Croatian Chamber of Trades and Crafts - Trade Fair for Crafts Occupations in regions and promotion of scarce occupations <http://www.du-hok.net/clanak/promocija-deficitarnih-obrtnickih-zanimanja-198.html>
- Ministry of Tourism – Program „Encouragement of human resources education in catering and tourism in 2012 „SCHOLARSHIPS“ <http://www.mint.hr/UserDocsImages/121024-stipendije-P.pdf>
- Open Days – Catering schools – e.g. Labin Secondary School <http://www.ssmb.hr/59/odluka-oupisu-ucenika-u-prvi-razred-srednje-skole>
- <http://www.varazdinska-zupanija.hr/index.php/odaberi-svoju-skolu-novosti/4092-kampanja-odaberi-svoju-kolu-predstavljena-u-varadinskim-toplicama.html>
- The sixth campaign "Choose Your School" has just been announced by the Varazdin County. It is implemented together with partners - Croatian Chamber of Economy - County Chamber, the Chamber of Trades and Craft and Varazdin Croatian Employment Office – Regional Branch Office Varazdin.

These are mostly on-going activities that are repeated year after year, with certain innovations.

Promotion is also made via different contests such as:

- Preparation of menus
- Serving menus
- Preparation of cold salty exhibit
- Preparation of cold sweet exhibit
- The bar
- Hotel reception
- Travel Agency
- Presentation of tourist destinations

Finally, some individual school initiatives are proposed to primary schools - presentations of certain professions are organized by schools and practice teachers for the final year pupils of primary schools, as well as through the Open Door Days, fairs for occupations (possible scholarships, etc. ...) ..

## T&H jobs visibility in Croatia

In the school year 2010-2011, totally 94 schools in 21 counties were carrying out 11 different educational programs within the sector.

Program Name	Number of years of education
Hotel and Tourism Technician	4
Commercial Hotel and Tourism Commercialist	4
Chef	3
Chef JMO	3
Waiter JMO	3
Confectioner JMO	3
Assistant chef and confectioner	3
Assistant chef and confectioner TES	3
Assistant waiter TES	3
Assistant chef	2
Assistant waiter	2

Some of these jobs are described in terms of required competences, but not all of them.

There is one **Existing career path definition - master craftsman/tradesman exam**: Master craftsman/tradesman's exams are state recognized exams regulated by the Law on Trades and Crafts (Official Gazette NN 77/93, 90/96, 102/98, 64/01, 71/01, 68/07, 79/07) and the By-Law on Master Craftsman/Tradesman's Exams and Exams on vocational competence (Official Gazette NN 88/02). Master craftsman/tradesman's exams can be taken in professions from the list of associated crafts/trades, whose programs were passed by the minister of economy. There are 61 master qualifications in the Republic of Croatia. Among them there also T&H professions: cook, headwaiter and pastry cook.

Preconditions for accessing the exam:

- the appropriate secondary school qualification and at least two years of working experience in the profession, or
- the inappropriate secondary school qualification and at least three years of working experience in the profession
- lower vocational qualification (1 or 2 years) in the same occupational area in the same occupational field and at least ten years work experience in the profession

Relevance of level 5 qualifications for Croatia:

Persons who have successfully passed the Master Craftsman/Tradesman's Exam have the possibility to start and run a business in regulated activities – regulated by the afore mentioned By-Law. Master Craftsman/Tradesman's Exam also represents further improvement in the profession as well as



competence to provide training for young people. It is very important to mention that this exam is a way of recognizing informal and non-formal competences acquired through work experience.

The overall idea of the school system in Croatia consists on the education through the high school or college, depends on the level of education. After the school/college programs defined by the states, there are numerous courses provided by the numerous colleges, institutions that can give an extra training or competences depending on the level of job requirements or needs of certain employers.

### **New competences needs in Croatia:**

It is important to change the contents of vocational education and training and develop vocational qualifications so as to involve modern knowledge and skills (communication skills, computer knowledge, basic economic knowledge (profit-orientation) and organizational skills, business manners, work ethics ...), and to ensure their easy and rapid adaptation to new trends in the world tourism.

Develop cross-sectorial programs for more numerous "cross-sectorial professions" (area of health tourism, wellness, nutritionism ...)

In fact, many jobs and "new professions" in this trade are not covered by formal education, and some of them neither by informal education (e.g. animations, wellness activities, specific types of kitchen – specialist chefs, area of adventure tourism, health tourism ... there is a growing need for "cross-sectorial" professions).

## **Develop and Train Workforce**

### **Existing training and qualification levels in Croatia**

Any occupation belongs to one of the nine genera in the classification of occupations. The first genus gathers executives, legislators, principals, second genus gathers experts and scholars, the third engineers and technicians, the fourth officials, the fifth service and trade occupations, the sixth agricultural occupations, the seventh crafts occupations, the eighth machine and tool operators, and the ninth simple occupations. For each educational sector strategic objective in the knowledge economy should be to increase the share of occupations that have larger knowledge component and require more years of learning, as well as relevant work experience. Genera differ by the level of complexity, which is estimated by necessary years of schooling. Thus, for example, the level of complexity in the lowest, ninth genus, is very low, repetitive, and often do not require certain qualifications, whereas the level of complexity in the second and third genus is significantly higher.

The highest frequency of occupational groups in tourism and hospitality industry in the first, fifth and ninth genus, and in catering in the fifth and ninth genus. It is interesting that in the first genus, within the sub-sector of tourism and hospitality, 13% of working age population with relevant sub-sector

occupations are recorded, which is higher than the national average of 4.3%. Genus 5 that dominates in both sub-sectors is also higher than average, accounts for 16.6%, and implies working age population with professional occupations of an appropriate level. Occupations of the genus 9 are also in both sub-sectors above average, which amounts to 9.5%. Genus 9 involves occupations of the lowest level of complexity, and its large representation in the sub-sector of tourism and hotel industry shows that a large number of subsidiary staff and employees in simple occupations (chambermaids, dish cleaners, luggage porters, etc.).

Tourism in Croatia is one of the leading and most promising activities. Globally, an important generator of jobs of different profiles from the catering and hotel industry to the entertainment and animation. Seasonal labour share makes up to 40% of employees in tourism, while the share of highly educated staff called senior managers insufficient regarding the contemporary needs of tourism of the 21st century. The system of education for tourism does not produce the learning outcomes needed in the T&H sector. The system of education for tourism does not produce the learning outcomes needed in the T&H sector. On the other side the net earnings of employees in tourism, especially in the hotel industry and hospitality is among the lowest ones in Croatia. Taking into account the overall problem of employment in tourism and hospitality, we can conclude, what the text suggests that this area necessary requires an analysis of new legal solutions offered in the employment law that applies from this year. There is also the problem of seasonality in Croatian tourism – it is hard to attract workers when there is no whole year job offer.

Thanks to the ministries and trade associations as well as providers of education (faculties and private colleges) an emphasis is put on the need to develop management supervisory skills.

**The training needs** are being developed and done by the companies that require specific knowledge or competences. The smaller business like restaurants owners depend on the in-house training and the market-oriented courses like it was mentioned in some earlier questions/answers.

In the framework of sector councils' work as well as Employers' Survey (HZZ) it has been identified that employers are not satisfied with outcomes of learning and the acquired competences – based on that new qualifications are being developed.

A new Strategy on the Development of Tourism 2013-2020 is in development. As it was announced the plan of the government (Ministry of tourism) is that it will be adopted by the Croatian parliament by the end of June.

### Quality and certification in Croatia

The Law on the Croatian Qualifications Framework (CQF) has just been adopted, but the actual implementation still needs some time. It is somehow considered as too broad in concept and its implementation is too costly.

Some specific initiatives exist such as:

- co-operation between the Faculty of Tourism Management and the Association of Hoteliers, and similar initiatives, as well as preparing new high-education programs in collaboration with employers (F&B Manager, Management in gastronomy ...)
- Provide high school credits for tourism work experience/practicum
- review content of Tourism Essentials Certification for possible integration into curriculum
- Partnership with other countries regarding training and/or certification in the T&H sector

### **Training organisms and employer's link; development of curricula in Croatia**

Some collaboration initiatives can be put forward such as:

- Through the work of Sectorial Councils and by providing opportunities for professional practice by the employers, but methodologies of needs assessment and systematic setting of providing inputs from the labour market to the educational system are lacking.
- The development of JMO programs which include apprenticeship training was financed by the Ministry of Economy, Labour and Entrepreneurship, the Ministry of Science, Education and Sports and the Croatian Chamber of Trades and Crafts. The programs were developed by workgroups consisting of VET teachers and representatives of the economy, that is master tradesmen/craftsmen in the respective occupations. Regarding the secondary school level, students in the so-called classical or school model of education have also practical training during their education. The number of hours in this practical training is more than twice smaller than the number of hours in apprenticeship training (1.180 vs. 2.600). The competent Agency for the implementation of that model of education is Agency for VET and Adult Education.
- Apprenticeships last three years and take place during the entire time of education in the programs for trades and crafts occupations. Apprenticeships consist of a vocational-theoretical part and a practical part. The practical part of apprenticeships consists of training in school workshops and training in the workplace in craft/trade businesses or legal persons. Total number of hours in three-year education program for trades and crafts professions slightly differs from profession to profession, but the number of hours for the practical part of apprenticeship training is always the same: 2,600. A minimum of 70% of the practical part of apprenticeship has to be implemented in the workplace – in a trade/craft business. The school/work alliteration is a matter of agreement between VET schools and professional associations of tradesmen/craftsmen. The most common school/work alliteration is on a weekly basis – a week in school (general education and vocational theory) and then a week in the practical part of apprenticeship training (training in the workplace and partly in school workshops).

As previously mentioned in the report, the Chamber of Trades and Crafts and county chambers of trades and crafts implement a lot of activities with the goal of promoting trade and crafts professions as

well as that Croatian Chamber of Trades and Crafts initiated a campaign for licencing of trades and crafts in T&H sector among employers in 2011 because of shortage of licenced apprenticeship places for this sector. Croatian Chamber of Economy joined this campaign and invited their members to licence their companies and become apprenticeship training providers.

The emphasis is on the easier and more approachable way of obtaining the work positions. The tourism sector is an important industrial labour service generator in Croatia. From April till late October around at least some 30000 to 40000 jobs are being opened on the season level. The Croatian tourism on the national level is a seasonal one, because of its position on the coast that depends on the weather, better say sun and seas.

**Technology** as an overall positive impact on training in T&H sector and should be more and more used. However, the school programs are not so up-to date with the technology, for most of the software that are used in the hospitality sector such as Opera, Fidelio etc. Some school programs do have their basic functions in the educational cycles, but the most of the work and knowledge on such programs or technology is learned in real sector while doing apprenticeships or during the earlier stages of employment.

In order to **encouraged participation and investment of employers** in the apprenticeship and training, the Ministry of Entrepreneurship and Trades provides some funding for businesses which have an apprenticeship licence and provide apprenticeship training and there is also a possibility of getting a tax relief on the basis of Law on State Aid for Education and Training. In more detail:

- grants of the Ministry of Entrepreneurship and Trades under the project Further education and re-training in trades and crafts are awarded to cover 75% of expenses incurred in obtaining a licence for apprenticeship training
- grants of the Ministry of Entrepreneurship and Trades under the project Education in Trades and Crafts which are awarded to businesses providing apprenticeship training and paying to apprentices, maximal grant is 40.000 Kuna.
- state aid pursuant to the provisions of Law on State Aid for Education and Training according to which the basis for the calculation of profit tax and income tax for independent work can be reduced if payments to apprentices are substantiated:
  - o 5% if there are up to three apprentices in the apprenticeship training,
  - o 5% increased for one percentage point per every additional apprentice, if there are more than three apprentices, with the maximum of 15% of the basis for the calculation of profit tax and income tax for independent work, and maximum of the regulated annual non-taxable payments for apprentices during the apprenticeship training.

The request for state aid for education and training is submitted with tax return for the preceding calendar year.

## Retain workforce in the T&H sector in Croatia

### Mature workers encouragement

- offering part-time
- offering flexible work arrangements
- involving mature workers in mentoring and training
- legal possibilities for people that are retired to be employed and work in the T&H sector

We are now trying to enrol the older population to the job market. We are facing social issues in a sense that when a person is retired she or he is not allowed to work “legally” without giving up its pension. The country is now facing a situation that one worker is working for 1.3 person in retirement.

On the other hand we have a huge number of young people that are not able to find work in their own fields and are working part-time in the restaurant or catering business, without a clear idea what to do next in their lives and therefore do not spend time, energy or money in investing and improving their hospitality knowledge.

Current system of the lifelong learning focused for tourism purposes in Croatia does not cover the real need of the economy or tourist organizations, because it is not comprehensive or consistent.

Main limitations are:

- Current programs for professional development are mainly oriented toward the improvement of production and service and for the middle management (there are exceptions but in insufficient numbers)
- Current programs do not involve enough of the soft skills requirements such as communication, selling techniques, and operational competences needed for effective managing tourist organization of business

### Students' attraction

Students are given more opportunities to get course credits for work experience, Increase earnings exceptions for students receiving financial assistance

## Skills anticipation (forecasting) in the T&H sector in Croatia

The **key actors** in skills anticipation in Croatia are:

- Sectorial Councils,
- Agency for vocational education and training,
- chambers and employers' associations,
- Croatian Employment Service

Employers are involved in skills forecasting mainly through the work of Sectorial Councils and by direct counselling to the providers of educational services (private).

**Training needs in the coming years will be focus on** Communication skills, problem solving, innovation and flexibility - soft skills

Concerning the number of workers employed from outside of their country of origin, it can be assumed that by the entry of Croatia into the EU part of these workers will go to work to our neighbouring countries - Western Europe (Austria, Germany, Italy ..) and since we have seasonal tourism in Croatia – a lot of workers come from the neighbouring country - Bosnia and Herzegovina.

## Existing best practices in Croatia

### In the T&H sector

The work of the Sectorial Councils for 13 sectors is thought out and organized in an appropriate manner, and can be considered as appropriate and example of good practice.

What has been missing in this work so far is the lack of methodologies and quality analysis for assessment and planning of skills and needs of the market, but even bigger obstacle to the implementation of necessary changes is rigid educational system, and of course the financial capacity to address these barriers.

### Additional information

The current system of formal education for tourism in Croatia is not enough adapted to the actual needs of the tourism industry and tourism organizations, because it does not provide the quality staff that would be able after completing their education to actively and efficiently engage in work and management processes. This directly threatens the quality of tourism services and at the same time the competitiveness of Croatian tourism at international market, since that that most of the countries – Croatian competitors in tourism in Mediterranean developed systems of formal education adjusted to the needs of tourism sectors of their countries, ensuring in this way the adequacy of the labour market. The basic limits of the system for formal education for tourism in Croatia are the following:

The system of secondary school education for tourism is characterised by a large number of secondary schools which educate staff for tourism in Croatia and by diffusion of curricula in different schools which are generally not enough based on practical training. This results in lack of uniformity and suboptimal quality levels of staff entering the labour market in tourism sector;

The system of higher education in tourism in Croatia is structured in several universities, colleges and higher education providers, in which, with rare exceptions study programs are based primarily only on

the acquirement of theoretical knowledge without connection to practice or industry. Therefore, after completing higher education in tourism the staff entering the labour market is not adequately prepared for challenges and responsibilities of managing positions in economy and tourism in general.

One of the main limitations of the existing formal school system for the tourism purposes is the lack of so-called training centres, or hospitality objects where the high school students or college students would acquire needed practical knowledge's and skills necessary for the active involvement at the labour market. This would include equally executive and management positions, medium and high management.

One of the core limitations of the Croatian formal education is the insufficient number of private colleges or institutions of higher level of education, for the entire hospitality and tourist sector, which would offer programs that are highly specialized and with a sufficient number of practical work oriented toward the middle management in tourism.

The importance of accepting and solving these limitations is the outcome of the need from the significance of practical knowledge for middle management in order to effectively manage operations and workers.

In the Croatian formal education system with some exceptions there is insufficient collaboration between educational centres for excellence and real economy or tourist organizations, which would include exchange of knowledge, teaching methods, lectures from foreigner teachers or experts, and if possible implementing other international educational canthers in Croatia.

# APPENDIX