Potential of Virtual Organizing of Tourism Business System Actors

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The process of economic, political and social globalization changes business environment and conditions the structural changes of national and industrial business systems. It induces tourism business system actors to create national, regional, and place networks of business companies. The new organizational and management paradigms in the context of tourism industry and destinations change the attitude towards the nature of organizations’ relationships.

Agile competition and fast development of information and communication technologies have the capacity to modify the traditional time-space interaction and form different modern organizational structures of business systems. The analysis of scientific literature shows that actors of business system integrate into different partnership networks as clusters, networks, virtual organization and others. Virtual organizing of tourism business system actors could be defined as a dynamic collaborative network of tourism stakeholders (private and public organizations) able to combine their own capabilities and resources that could be proposed as integrated value-added services to satisfy consumer needs in tourism destination.

The scientific problem of this research is to ascertain what structure of relationships among tourism business system actors guarantees their successful use of virtual organizing potential of tourism business system increasing the competitiveness of network partners and enabling the exploration of new market opportunities. The aim of the paper: to evaluate the potential of virtual organizing of tourism business system actors. Methods of the research: reviewing, evaluation and systematic analysis of scientific literature; mixed method research design, panel expert interview; Klüver’s Wheel of Virtual Organizing model.

Various aspects of business system and explanation of virtual organizing features of business system are discussed. According to the empirical research, the virtual organizing of tourism business system actors appears, but it is not sufficient for distinguishing the features of virtual business system. Closer collaboration and the utilization of ICTs would enable tourism business system actors to expand their supply and to enhance their competitiveness.

Keywords: tourism business system, virtual organizing potential, organizational virtualness, cooperative relationships, tour operators and travel agencies.

Introduction

Volatile business environment determines changes of companies’ activity organization, structure and management. Therefore hierarchical structures are changed into flexible ones. This makes preconditions for companies to combine competencies and resources, to exchange knowledge and information (Hopeniene et al., 2009). A central feature of these challenges is the recognition by most scholars and business executives that building relationships with other companies is essential to compete effectively in the turbulent and rapidly changing competitive era confronting developed world economies (Cravens, Piercy, 1994; Grundey, 2008).

Tourism industry faces hard competition, that obligates tour operators and travel agencies to create new and improve offered value-added services, composed of components supplied by a number of different organizations, to maximally adjust them to individual consumer needs and specific interests. Buhalís (2000) argued that tourism enterprises formed networks to become more competitive vis-à-vis other networks of enterprises. It could be emphasized, that the creation and delivery of tourism products is based on the partnerships between a range of organizations, including: transportation, catering, accommodation, entertainment and cultural heritage. Thus, companies strengthen their partnership in order to maintain the market. The growing influence of information and communication technologies (ICTs) and global competition require understanding of the complexities of interactions with multiple stakeholders along global tourism supply and distribution chain (Walker et al., 1999, Afsarmanesh, Camarinha-Matos, 2000; Davidaviciene, 2008). According to Snieska (2008), the use of information technologies in business processes is conditioned not only by difference in transactions among organizations, but by difference in functions executed by intermediaries as well. These causes condition the variety of forms of intermediation services (appearance of new intermediation services as well) necessary to minimize transaction costs. Business system actors can either integrate their resources with others, form networks to exploit market opportunities, or link their organizational systems in partnerships with other local and international tourism companies. ICTs empower networking throughout the industry and also improve the interactivity between tourism production and distribution partners, supporting a closer cooperation towards the provision of wide ranging products (Buhalís, O’Connor, 2005; Grundey, 2008). Taking advantage of the characteristics of virtual reality, organizations will be forced to adapt their product constantly to satisfy tourism demand, use information extensively, develop partnerships, and outsource a significant amount of functions in order to achieve economies of scope (Buhalís, O’Connor, 2005). Malhotra (2000), Camarinha-Matos, Afsarmanesh (2002), Grundey (2008), Malhotra (2000), Camarinha-Matos, Afsarmanesh (2002),
Braun (2005) state that the dominating form of business system becomes a virtual organization in the twenty-first century.

It is important to highlight that a virtual organization is the partnership network, which is the background of today’s dynamic environment. Small and medium enterprises (SMEs) in particular are increasingly forced to adopt new organizational forms in order to stay competitive in the local and global markets. The virtualization of the value chain through increasingly intensive, extensive and flexible interorganizational cooperation is seen as being central to their strategic response (Goldman et al., 1995; Sieber, Franke, 1998; Suter, 1999; Savrina et al., 2008). Moreover, the transition from industrial to knowledge based competition is increasingly shaping the way in which companies act (Suter, 1999).

The novelty of the study. The appearance and existence of business systems is mostly analyzed in national and industry context as clusters, networks, and other forms of partnership. But there is lack of scientific researches in service industry, especially in tourism. The authors of the study propose that the evaluation of virtual organizing of tourism business system actors allows emphasizing the opportunities of tourism business system actors to expand their supply and enhance their competitiveness.

Thus the scientific problem of this paper is to ascertain what structure of relationships among tourism business system actors guarantees their successful use of virtual organizing potential of tourism business system actors increasing the competitiveness of network partners and enabling the exploration of new market opportunities.

The aim of paper: to evaluate the potential of virtual organizing of tourism business system actors.

Methods of the research are as follows: reviewing, evaluation and systematic analysis of scientific literature; research employing the panel expert interview; synthesis of findings from theoretical literature and empirical research, explained with Klüber’s Wheel of Virtual Organizing model. On the theoretical level this paper starts with a review and analysis of scientific literature on various aspects of business system and explanation of virtual organization as one of the business system’s organizational forms. Mixed method research design helped to identify the potential of virtual organizing of tourism business system actors in Lithuania.

The new paradigms in the context of tourism business system

Literature on business networks, clusters and other forms of partnership attempts to explain the organization and functioning of industry using broad theoretical approach of the business system. According to Perry (1999), Morgan (2007), the competitiveness of firms, an industry or a region depends on a national business system. The national business system approach begins from the idea that different forms of capitalism institutionalize particular economic rules of the game that shape the strategies, structures and competitiveness of firms (Morgan, 2007). Organizations built their strategies and structures through engaging with these rules of the game that were common in the particular society. This gave them particular capabilities; some of which were capable of being leverage to good effect in international competition.

Perry (1999) states that the case for networking is a strategy for economic success and it has been customary to think of entrepreneurship as an individual endeavor, but business performance is increasingly dependent on collective, rather than individual action. It can be stated that there are two main approaches to a business system. Tamasevicius (1999) and Jefremov (2001) paid their particular attention to a business system at the enterprise level; Perry (1999), Whitley (1999), Morgan (2007), Jucevicius (2007), Valiuikyte, Parkkonen (2006, 2008) – at national level. These two approaches are complementary and useful for understanding business system concept. Business systems are particular forms of economic organization that have become established and reproduced in certain institutional and cultural contexts. A business system consists of actors (or elements of the system): (1) firms (private and public, big and small, etc.), (2) organizations (labor unions, industrial associations), (3) public authorities (regulation, departments), which are collaborating or competing within, and interacting with different institutions in national and cultural environment. Businesses are formed and operate in a specific environment where a wide variety of institutions interact.

When analysing enterprises’ integration into international business systems, Jefremov (2001) and Tamasevicius (2000) noted, that development of enterprises depends on industry, local/global markets or macroenvironment conditions. When assessing the competitiveness of tourism industry or region where tourism is being developed, the competitiveness factors analyzed by Rondomanskaite (2004), Navickas, Malakauskaite (2009) and regional competitiveness index discussed by Snieska, Bruneckaite (2009) are important. Regional competitiveness index and tourism industry competitiveness factors measurement enables to evaluate the tourist destination competitiveness and make appropriate decisions for contemporary tourism business system development and creation of preconditions for its competitiveness in the global economy.

Kubrák et al., (2007) state that the old models of designing organizational structures do not correspond the situation in organizations ready for restructuring, reorganization and even reconceptualization, because they have been designed for the traditional business environment that greatly differs from the modern one. The flexibility and speed that result from business system can be very important in building a competitive advantage. Companies’ integration into a business system and development of network relationships contribute to the reduction of transactions costs, to avoidance or diminishing dependence on resources, to acquisition of experience and knowledge, to implementing an innovation strategy and assumption of different organizational forms: clusters, strategic alliances, joint ventures, long-term buyer-supplier partnerships, virtual organisations and similarly networks of collaborative relationships (Bagdoniene, Hopeniene, 2006).

Realisation of tourism aims depends on cooperation and partnership in tourism business system, which is the subsystem of national business systems. Owning to the complexity of the tourism product most private and public
organizations in a tourism destination are interdependent. Being competitors they also have to work together on creating the overall quality of the total tourism product (Grängsjö, 2003; Savrina et al., 2008). Analysing cooperation among competitors, Lydka and Adomavicius (2007) stressed that creating successful alliances or other forms of collaboration, in part, can be attributed to differences between three strategic viewpoints that dominate in the world of business strategy: competitive paradigm, cooperative paradigm, syncretic paradigm. According to the authors, managers subscribing to cooperative or syncretic paradigms could benefit from cooperation altogether.

In a tourism industry it is usually difficult to separate cooperation from competition, because they both work to achieve optimal exploitation of public and private resources, safeguarding environment and developing human resources, spreading information for consumers (Bagdoniene, Hopeniene, 2006). The relationships with various tourism stakeholders, diffusion of the system of information technologies which travel services are supplied with result in a new business system’s organizational form, called a virtual organization.

According to Ndou and Petti (2006) dynamic-complex approaches to management of tourism organizations need to create new thinking, that sees the whole as much more than the sum of parts, as a product of its interactions. Virtual organizing of tourism business system building is not only a major new source of competitive advantage for any tourism enterprises, but a crucial asset for tourism business survival and an essential global and, indeed, regional management requirement (Braun, 2005). It is well known that tourism is composed of complex products, including different syndicated parts offered by very heterogeneous actors. Ndou and Petti (2006) state, that a tourism system’s competitiveness depends on how its constituting parts interact, interrelate to deliver the best value for money for its tourists. The new organizational and management paradigms in the context of a tourism business system have increasingly focused on integration and cooperation between different entrepreneurs and organizations as groups of organizations cluster together to leverage for development of innovations and competitiveness advantages for an individual enterprise as well as for a state.

The features of a virtual organizing of tourism business system

Due to dynamic environment, small and medium tourism enterprises are increasingly forced to adopt new organizational forms in order to stay competitive (Suter, 1999). The emergence of virtual organizing of business systems through increasingly intensive, extensive and flexible interorganizational cooperation is seen as a central strategic response for small and medium tourism enterprises (Goldman et al., 1995; Suter, 1999).

Collaboration among autonomous and geographically disperse enterprises is a process that is clearly facilitated by the advances in computer networks and related technologies (Hoppeni et al., 2009). According to Afsarmanesh and Camarinha-Matos (2000), Damaskopoulos et al. (2008) innovative uses of ICT enables a ‘de-spatialization’ of economic activity, and at the same time, offer new opportunities for codifying information, which may enhance learning and innovative activity.

A growing number of collaboration networks, including the virtual factory as agile manufacturing system (Jain et al., 2001), virtual company (Goldman et al., 1995), imaginary organization (Gummersson, 1999), entrepreneurial networks (Buhalis, Molinaroli, 2003), organizations anywhere at any time, the structure of which is net type or virtual (Kubrak et al., 2007), cluster forms as extended and dynamic clustering (Damaskopoulos et al., 2008) as well as other organizational forms, are emerging. All new organizational forms of business systems are possible because information and communication technologies have the capacity to modify the traditional time-space interaction.

The concept of the virtual organization as the business system’s organizational form is still relatively new organizational and management paradigms. The virtual organization has been variously defined as “a temporary network or coalition of independent companies” (Black, Edwards, 2006; Dimitrakos et al., 2004), “an opportunistic alliance of core competencies” (Goldman et al., 1995), “an alliance of separate firms” (Shekhar, 2006), dynamic cooperation network (Mendes, 2008), smart organizations (Afsarmanesh, Camarinha-Matos, 2000) and so on. Kubrak et al., (2007) state, that a modern organizational structure is the amalgamation of several business units, where people and work processes are closely related in order to reach common results and mutual advantage.

The concept of a virtual organization is explained from network structure position and, according to Goldman et al. (1995), a virtual organization tends to be non-hierarchical and decentralized. A set of common characterizing elements can be found in various definitions. Katzy (1998) argued that virtual organizations are frequently restructured, sustained to capture the value of a market opportunity and dissolved again to give way for the creation of a next virtual operation from the network of independent partners. The main reason for integration to a virtual organization is the core competencies, which are the most tangible, value-added activities that distinguish one company from its competitors and provide access to a variety of markets and opportunities. Jägers et al. (1998) noted that participants of a virtual organization are geographically dispersed and dependent on electronic communication (and ICTs infrastructure) for the coordination of their activities. It creates a unit where organization boundaries are blurred. The virtual organizational structure is enabled by an information infrastructure made up of continually improving information and communication technology. Many different information technologies can be integrated to form an information infrastructure that can support the management of virtual organizations (Stradera et al., 1998).

Different authors and researchers have identified and described various characteristics of a virtual organization on the ground of two views (Table 1).

The institutional view represents the features of organizations that differentiate virtual organizations from other organizational forms: temporary network of independent companies linked by information technologies to share skills, costs and market success (Jägers et al., 1998; Keinänen, Oinas-Kukkonen, 2001).
The network has no or a very flat temporary hierarchy focusing on functionality along the value chain. Cooperation is based on trust and on the aim that each company contributes only what it regards as its core operation is based on trust and on the aim that each company contributes only what it regards as its core competencies (Sieber, 1998, Keinänen, Oinas-Kukkonen, 2001). The functional view of virtual organization is based on two fundamental assertions that virtualness is a strategic characteristic and can be achieved by making incremental improvements to the existing business logic; using information technology enables effective virtual organizing (Keinänen, Oinas-Kukkonen, 2001).

The entities in the universe of such networks share some broad characteristics, e.g. belonging to the same economy or market sector, and their participation in the network indicates disposition to work together taking the advantages from the future market opportunities (Figure 1). According to Camarinha-Matos, Afsarmanesh (2002), formation of a dynamic virtual business system requires an appropriate “breeding” or “nesting” environment (e.g., regional tourism industry cluster) in order to guarantee basic requirements such as: (1) trust building, (2) common infrastructure and agreed upon business practice, (3) a sense of community and some sense of stability. Virtual business system’s actors can provide services and thus participate as a single entity in the creation of recursive structures with multiple layers of “virtual” value-added service providers. Actorship and structure of virtual business systems may evolve over time to accommodate changes in requirements or to adapt to new opportunities in the business environment (Dimitrakos et al., 2004. Actors of virtual business system collaborate towards a common objective, share competencies, ICTs infrastructure and capabilities of different independent partners. It could be stated that all actors of virtual business system have their own (partly overlapping, partly conflicting) interests. If their own objectives no longer align with the goal of the system, they can resolve to go out of this network. A specific kind of a dynamic virtual business system is the capability to unite when the business opportunity is emerging. A virtual business system may be embedded in a larger network of corporations, from which certain actors are recruited to deliver the required performances.

Virtual tourism business system could be defined as a dynamic collaborative network of tourism stakeholders (private and public organizations) able to combine own capabilities and resources that could be proposed as integrated value-added services to satisfy consumer needs in tourism destination. At the regional or national level the tourism business system is the nexus between the state tourism organizations, the regional tourism organizations, and the local council and tourism operators. In order to ensure the successful collaboration among tourism business system stakeholders, according Susniene and Vanagas (2007), it is very important to keep in mind the interest harmonization, satisfying stakeholders’ expectations and needs, because people and organizations are apt to keep relationships when the latter correspond to their interests.

Actors of a tourism business system having virtual organizing potential are able to rapidly form functionally and technologically diversified but interdependent tourism organizations and adapt to changing conditions, provide good intuitive approaches to face the challenges of turbulent markets. The formation of any collaborative coalition depends on its actors sharing some common (or compatible) goals, possessing some level of mutual trust, having established common (interoperable) IT infrastructures, and having agreed on some common (business) practices and values. According to Afsarmanesh and Camarinha-Matos (2005), achieving of these conditions is a prerequisite for agility and integratability in a virtual business system as a collaborative network. Collaboration of tourism business system’s actors provides access to innovation, new markets and technologies, and connects different competencies into a consistent product.

**Table 1**

<table>
<thead>
<tr>
<th>Institutional view</th>
<th>Functional view</th>
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<tbody>
<tr>
<td>Network of legally independent units</td>
<td>Learning and adaptive orientation</td>
</tr>
<tr>
<td>Geographical dispersion</td>
<td>Value-adding business processes</td>
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<tr>
<td>Flat hierarchies</td>
<td>Common business purpose</td>
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<tr>
<td>Blurred boundaries/boundary crossing</td>
<td>Virtualness as a strategic characteristic of organization</td>
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<tr>
<td>Less formal relations</td>
<td>Flexibility and temporality</td>
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<tr>
<td>Shared risks, resources, knowledge</td>
<td>Changing partnering</td>
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<td>Information Technology</td>
<td>Participant equality</td>
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<td>Based on trust</td>
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**Figure 1.** Formation of dynamic virtual business systems

*Source: the authors, according to Saabeel et al., 2002; Camarinha-Matos, Afsarmanesh, 2002*

Saabeel et al. (2002), Dimitrakos et al. (2004) stress that the parties forming a virtual organization are typically a part of a larger enterprise network of which a selection of partners is made. This phenomenon is known as “network activation” in virtual organization modelling theory (see Saabeel et al., 2002).

The Research methodology

Tourism distributors as the main actors of a tourism business system combine the supply of primary services companies belonging to this system and present the
collection (combination) of tourism services as total tourism experience to customers. In order to accomplish this, tourism distributors contract and keep different (collaborative and competitive) relationships not only among themselves, but also with other actors of tourism business system.

This research focuses on the evaluation of relationship among the tour operators and travel agencies as collaborators and competitors to identify their potential of virtual organizing. In order to research the potential of virtual organizing of tourism business system actors the mixed method research design was applied. It encompasses the qualitative and quantitative research methods, their application technique and data. The priority is given to qualitative aspects of the research, but the results are disclosed in qualitative and quantitative manner in interpretation stage.

Interorganizational relationships of tourism business system actors changes according to business environment, customers preferences etc. Relationships of tourism business system actors are at homeostasis – relationships are fixed at a certain time, but they change at the same time as new organizations striving to integrate into the system emerge. Therefore the panel expert interview is one of the most suitable methods of research as it allows to disclose the evolution of attitudes and opinions of certain experts (Tidikis, 2003). This method is combined with expert valuation method, which according to Tidikis (2003) allows to evaluate both qualitative and quantitative parameters of state or process of research object.

Respondent selection is one of the key criteria determining validity of the research. The experts were chosen according to three criteria: 1) the experience in the area of outgoing tourism – professionals having not less than 10 years of the experience of the work in the area of outgoing tourism were chosen to participate in the survey; 2) competence of expert that is witnessed by hierarchical position in an organisation; according to this requirement, the top-level managers were chosen; 3) self-evaluation of an expert. Having explained the aim of the research, potential experts themselves evaluated their possibilities to provide the research with valuable information.

The research object is Lithuanian tour operators and travel agencies as travel distribution sector in tourism industry. Most of the company owners surveyed were from Kaunas and Vilnius. Necessary information about potential experts was collected by means of a telephone survey. The research was made twice. In first case there were 37 (in the second – 29) respondents who corresponded given criteria and 24 (in second – 20) of them refused to participate in the research because of the lack of time as well as confidentiality of any information about relationships of tour operators and travel agencies.

Systematized qualitative research data allowed to calculate the congruity index $s_j$ for congruence of different opinions of group experts (Beseliov, Gurvic, 1980).

$$ s_j = 1 - \frac{k}{k-1} \frac{\left( \sum f_{ij} \right)^2 - \sum f_{ij}^2}{\left( \sum f_{ij} \right)^2} $$  (1)

Evaluation scale of investigative attribute $k$ is not less than 3. The nearer the index to 1, the more experts’ opinions coincide ($0 \leq s_j \leq 1$). Evaluation scale of investigative attributes was measured on 45 items as the criteria of the virtual organizing of business systems.

The adapted Klüber’s (1998) “wheel of virtual organizing” model was used to identify the virtualness of tour operators and travel agencies as one of the major actors of tourism business system. According to Klüber (1998), this criteria specific model is used to describe the current situation of virtual organizing. It should also represent possible development paths along the dimensions, which could be used to identify new objectives, strategies, and actions. If these already exist, then identifying any deviation from the profile can help to prioritize the necessary actions to reduce this. Furthermore, the model should provide some foundation for an analysis of the consistency of the current situation – or the future status – and to help better understand interdependencies between the different dimensions. The basic structure of analysis consists of four areas, which are organized as quadrants of a circle. The analysis can be conducted as a consistency check of the status quo and a desirable future state as well as a comparison between both (Klüber, 1998). Figure 2 gives an overview of the view of the model, which was adapted by the authors of this paper referring to Klüber (1998).

The basic structure of the analysis consists of four areas, which are organized as quadrants of a circle:

- Quadrant 1 – human resources and information & communication technologies potentials;
- Quadrant 2 – focus on strategy;
- Quadrant 3 – intensity of co-operation;
- Quadrant 4 – form of co-ordination.

The quadrants’ criteria and their evaluation demonstrate the existing status quo of tourism business system actors. Relative meaning of quadrant’s vectors is obtained by calculating media of experts’ opinions, and the final result of the vector measurement is obtained by using the programme SPSS.

The final results of the vectors are pointed on Exploitation of HR & ICTs Potentials, Cooperation & Virtual organization (VO) potential, Co-operation Intensity, Non-hierarchical Co-ordination axes respectively. The analysis of the status quo is complete when the current position in the wheel is determined. To aid the visualization of the results the area from the center to the positions of the vectors is filled with grey.

Depending on the (weighted) average of the positions of the vectors, the position of the black first level vector is determined and the four points of the black vectors are connected and filled with transparent grey (see Figure 2). A possible further step would be an analysis of any planned future development plans, inconsistencies and major deviations. This could lead to the identification and implementation of new action paths.

**Research and evaluation of virtual organizing potential of tourism business system actors**

Following the brief overview of respondents’ demographical data, all of the respondents were working in tourism industry at least for 10 years. Some have been working for over 15 years. An average among respondents is 12 years. It is safe to say that all the respondents have tremendous
industry understanding and practical experience. The results are analyzed from first case (1st) and second case (2nd) surveys.

The basic structure of the analysis consists of four areas which are organized as quadrants of a circle. Referring to the methodology of the Klüber’s model of a virtual organizing, average values of experts’ opinions revealing common meaning of the criteria within each quadrant were measured (see Figure 3).

Common average value of the axes of the first quadrant Human resources and information and communication technologies potentials is 4.11 and 4.12 out of 5 possible points. The experts agree that, in order to integrate into a virtual business system, unique and exclusive competencies as well as resources, which would grant a competitive advantage for its members, have to be at disposal (1st s=0.38; 2nd s=0.52). It is necessary to point out that human resources as well as information and communication technologies are one of the main media in participating within a virtual business system because the functioning of the system is impossible without these factors. As the experts state, information provision is an essential condition to provide a qualitative service, and provision with ICTs – to keep relationships with foreign and Lithuanian partners. The experts of both groups assume that in this respect Lithuanian tour operators keep pace with colleagues of Western countries (1st s=0.65; 2nd II s=0.43). Every day tour operators of Lithuania together with travel agencies exchange renewed information about flights, vacant places at hotels, trip routes, etc. Thus, the organizations creating a tourism product have all necessary information about services offered by their partners, changes of services, special offers, etc. The experts assume that the Internet access to their data makes 4.32 and 4.11 points (Figure 3). Valuations of second potential of human resources (1st average value 3.4 point; 2nd – 4.28). The lack of core competencies decreases the potential of a virtual organization (1st average value 4.55 points; 2nd – 4.28). The lack of core competencies decreases the potential of human resources (1st average value 3.4 point; 2nd – 4.3); that conditions the lack of motivation for cooperation (Figure 3).

The second quadrant of the criteria of a virtual business system – Co-operation & VO Potential – discloses the strategical position in respect of cooperation with partners and the ability to work virtually by employing core competencies of partners within virtual teams.

The evaluation of the criteria of this quadrant reveals whether the direction of the activity of the participants belonging to a tourism business system correspond the principles of a virtual business system activity.

The common average value of quadrant’s criteria defining the strategy of the activity of business system participants and the potential of a virtual organization makes 4.32 and 4.11 points (Figure 3). Valuations of second

Figure 2. The wheel for virtual organizing of business system
Source: the authors, according to Klüber, 1998
The participants of a tourism business system should change their viewpoint to maintenance of cooperation relations. The third quadrant of the criteria of a virtual business system – intensity of co-operation – shows the ability of the participants of a tourism business system, who were assessed, to cooperate into new organizational structures. Thus, common average value of all criteria of the third quadrant is 3.36 and 3.28 points. This discloses rather low need of the surveyed enterprises-participants of a tourism business system to cooperate and form new organizational structures.

The group of the criteria of the cooperation structure quadrant also presents the results that are rather far from the features of a virtual business system. This determines that the actors of a tourism business system give the priority to long-term cooperation but not to the implementation of short-term projects. The experts point out that, in order to guarantee stability and the warranty that the quality of services will not change and it will be high when rendering services for customers, constant cooperation with partners as well as consolidation of the relations is necessary. One of the most important features enabling to treat the actors of a tourism business system as having the potential of organizational virtualness is participation in short-term projects and wide geographical distribution; the surveyed enterprises evaluated this low enough – slightly higher than 3 points in both cases. When evaluating power distribution among the participants of a tourism business system, it is possible to state that the amount of power in relationships is rarely symmetrical, meaning that each member has the same power. The experts’ opinions coincided in considering that in Lithuania the power in the cooperation of tour operators and travel agencies depended more on the reputation of a partner (1st \( s = 0.53 \); 2nd \( s = 0.54 \)). The experts did not come to one opinion whether the influence and power of foreign partners determined
what decisions were taken for common activity (1st s=0.15; 2nd s=0.13). During the interview, the experts mentioned that partners not always informed about their intentions clearly and openly; they could be indifferent to the needs of other partners; in order to defend their interests they threaten by breaking a contract and the like. This witnesses that disbalance of influence and power is inevitable in cooperating. The experts pointed out, however, that no Lithuanian tour operator had yet broken their activity due to unsuccessful cooperation with foreign partners. It is possible to draw a conclusion that possibilities of the participants of a tourism business system to integrate and organize virtually their activities are rather limited.

The evaluation results of the criteria of the fourth quadrant of a virtual business system – form of co-ordination – show the ability of the surveyed actors of a tourism business system and their partners to inter-coordinate the actions that are necessary for the attainment of the aims of the common activity. And this discloses one of more important features of virtual organizing. The common average value of all axes in the fourth quadrant is 3.8 and 3.83 points. This shows that slightly higher than moderate non-hierarchical co-ordination prevails among the actors of a tourism business system and their partners. Dissemination of timely information as well as common decision-making at the surveyed enterprises increases the mean of coordination; but distribution of resources as well as inter-dependence decreases it. The possibility to obtain missing resources is frequently indicated as one of the most important reasons of cooperation. This means that partners share their own resources. According to the opinion of the experts, Lithuanian tour operators while cooperating first of all obtain financial (Grade 1), technical (Grade 2) and human (Grade 3) resources, and provide mostly technical (Grade 1), then human (Grade 2) and financial (Grade 3) resources. Exchange of information and material resources is equivalent (in cases of receiving and providing resources the experts indicate Grade 4 and 5 correspondingly). The features of virtual organizing in light of resource sharing should first be addressed to informational and human resources as this would disclose that actors have the unique competences.

The experts stated, that the actors of a tourism business system and their partners are on the average able to inter-coordinate the aims of their common activity, i.e. they disseminate the information among themselves rather easily and fast, and are able to make decisions appropriate for them, but they exchange only the financial and material resources most frequently and are dependent on correspondent partners. According to the authors, the moderate potential of co-ordination is characteristic for a tourism business system.

As presented in Figure 3, the area filled with grey is unevenly distributed in respect of different quadrants in both cases, and it is rather far both from the borders of an ideal virtual organization, and from a geometric ideal of the figure – the square. When evaluating the possibilities of the surveyed tourism business system actors to organize their activities virtually, it is possible to state that the actors have high enough potential of human resources as well as information and communication technologies and that their strategy does not contradict the principles of virtual organizing. However, the actors of a tourism business system distinguish in low potential of co-operation structure and non-hierarchical co-ordination. It is possible to state that tour operators and travel agencies represented by the experts develop unevenly: under tourism services being marketable enough and dynamic tourism market, organizations hardly use possibilities to implement new organizational forms.

Conclusions and future research

The analysis of scientific literature of tourism business system features, organizational structures, and peculiarities of virtual organizing was made and research findings describing the potential of virtual organizing of tourism business system actors were disclosed.

The tourism business system presents exciting new challenges for tourism industry managers and academic researchers. The integration and cooperation between the different entrepreneurs and networking are in focus. Cooperation and partnership in business system could help independent organizations to develop their capabilities, to reduce risks, to enhance opportunities and to get the competitive advantage. The intensive competitive situation determines that for one organization it is difficult to possess all skills and resources needed to gain and sustain competitive advantage. Successful partnership and cooperation of tourism business system actors strengthen the competitive advantage of tourism organisations. In order to create a tourism product that meets the needs of a customer, tourism enterprises integration to a business system as well as the business relationships realizing it are necessary.

A virtual organizing of tourism business system actors as the formation of a network of independent companies is established to share competencies, resources and provide opportunities to acquire contracts, which would be too complex, large or of too great a spatial extent for any small company or a micro firm. Tourism business system actors organizing their activities virtually are engaged in the joint production of a service product and competence to meet specific tourists’ needs and interests. Integration to business system allows firms to find a balance between cooperation and competition, leading to a reduction of competitive uncertainty without stifling the incentives to innovate and invest in common tourism assets. Some key characteristics of virtual organizing, like concentration of core competencies, strong customer orientation, creation of value-adding products and temporary, dynamic networks of independent companies based on information and communication technology were presented.

The qualitative research performed is the first attempt to assess the potential of virtual organizing in tourism industry. The experts chosen for the survey represent the leading companies. However the research results do not reflect the situation of all Lithuanian tour operators and travel agencies.

The emergence of a virtual organizing of business system actors has been driven by information and communication technologies and the Internet development, that blurs geographical boundaries, promotes dynamic networks, and favours customer-centric offerings. The results of experts’ survey and interview witness that permanent partnership changes episodic relationships of Lithuanian
tour operators and travel agencies cooperation with their partners. Consequently, it is possible to confirm that contemporaneous cooperative and competitive relationships are characteristic for cooperation of Lithuanian tour operators and travel agencies. Except usual partnership, the experts see greater possibilities to integrate to business system and form a virtual organization. Such possibilities are strengthened by high potential of the application of human resources as well as information and communication technologies. The surveyed actors possess the following feature characteristics of virtual organizing: trust in partners, self-confidence, and cooperation with partners in virtual environment, understanding the profit provided by cooperation as well as the high level of information dissemination. The strategies of the activity of tour operators and travel agencies represented by the experts partly correspond with principles of virtual organizing, but the lack of core competencies, disable to cooperate in short-term projects as well as the lack of the experience of human and information resources exchange decreases the level of cooperation intensity and coordination. Hence the virtual organizing of tourism business system actors is not sufficient for distinguishing the features of virtual organization.

Another drawback of the research is evident in the application of the model of a virtual organizing as a tool. This modified Klüber’s (1998) model is more like an effort to identify quantitative conditions as well as to compare subjective qualitative data and possessed information to the ideal being striven for.

During the nearest decade the competition would be greater and tour operators and travel agencies will cooperate with more partners, and relationships will be more various and intensive. We think that virtual organizing of tourism business system actors is useful to co-produce the tourism products which increase the competitiveness of tourism destinations. Closer collaboration and the utilization of information and communication technology would enable tourism business system actors to expand their supply and to enhance their competitiveness of both individual tourism firms and destinations as a total. The development of virtual organizing of tourism business system actors is useful for improving Lithuanian tourism destinations competitiveness in particular.

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Turizmo verslo sistemos dalvių virtualaus organizavimosi potencialas

Santrauka

Šiuolaikinė verslo aplinka sąlygoja radikalų verslo įmonių veiklos, struktūros ir valdymo pokyčius, o spartus technologijų, žinių ir ekonomikos vystymasis turi įtakos savitų bendradarbiavimo tarp įvairių ekonominių veiklos formų atsidarimui. Nykstant įmonių hierarchinėms struktūroms, kurių hibridiniai ir lankstūs verslo tinklai, kurie įvardijami kaip organizacijos be sienų, virtualios organizacijos, antreprenoriaus ir tinklai. Siekiant susiprinėti konkurencines pozicijas rinkoje, efektyviai panaudoti turimus išteklius, užtikrinti yvokmonės veikla, investavo į virtualūs procesų įrangos ir jų įrengimą, tinkamą atsako veiklos įrangą, veikiant įranga ir tiesioginių partnerių su tiesiogių partnerių turimais ištekliais. Idea: turizmo organizacijos jungiasi į verslo
į žemę tirių turizmo verslo sistemos dalyvių veiklos strategiją yra orientuota į virtualios organizacijos ir išteklių, keičiasi žinomos ir informacijos, lengviau integruojasi į naujas rinkas.


Mokslininkai nagrinėja naujų verslo sistemų formavimą, formas, funkcionavimą, bendradarbiavimą, atrodo geriausiai įgūdžių ir išnaudoti virtualaus organizavimo potencialą. Aukštesnė kriterijų pozicijų sistemams, siekdamos didesnės padėtis turizmo verslo sistemos dalyvių turimą teikė apibūdinimą. Vertinant turizmo verslo sistemos dalyvius turėtų būti požiūrių į bendradarbiavimo ryši virtualaus ryšių palaikymą. Tiksliai paaiškinama, kaip turizmo verslo sistemos dalyviai dažnai kuo labiau apibūdina susidarytus rinkos sąnaudas, išvengti arba sumažinti privalomumą į išteklių, įgyti patirtis ir žinias, išdėstytą inovacijas.
