FROM THE CONCEPT OF ORGANIZATIONAL ADAPTATION TO STRATEGIES OF ADAPTATION OF TOURISM BUSINESSES

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Abstract
Due to increasing competition and rapid developments in terms of technology, an organization must adapt to the changing environment in order to survive, grow and develop. The purpose of this paper is to analyze the relationships between organizational adaptation in tourism firms and strategies of adaptation to the external factors of tourism firms. In order to accomplish our research objective, we reviewed the literature on organizational adaptation regarding the adjustments over the lifespan of an organization, its strategies and focus as the venture and the marketplace evolves. Adaptation is defined as the capacity of an organization to adapt and is related to how it adapts and what strategies it uses to adapt. A conceptual model and hypotheses are proposed. Results from a survey of small business founders/owners from Suceava region are used to test multiple hypotheses.

Key words: adaptation, business adaptation, strategies, tourism, business strategy, strategic management.

JEL Classification: D21, D22, L20

I. INTRODUCTION

Factors such as rapid technological change, convergence of consumers’ tastes, and increasing competition worldwide determine companies to adapt and create new strategies in order to successfully compete on a global market (Nistoreanu, 2006).

For companies, the opportunities are created by factors such as: knowledge and innovation, demographic changes, new financing sources and changes in sector structures (Drucker, 1985).

However, understanding how to search and identify business strategies and how to generate a sustainable competitive advantage becomes more and more complicated in a growing sector and on a global market, like the tourism market (Corfu, Laranja et al., 2003).

The purpose of this research is to examine the concept of adaptation of a tourism business to an everchanging market in the context of a successful organization and to study the relation between the concept of organizational adaptation and the adaptation strategies of a tourism business.

As a result, a descriptive and explanatory research is used regarding the concepts identified through a rigorous analysis of the scientific literature in the field. Moreover, this approach is based on the identification of the main areas of operation in which a tourism business has to adapt its strategy in order to increase its competitiveness. In this regard, research objectives were formulated, as following:

(A) The identification in the technical literature and in practice of the main concepts and ideas which are relevant in defining the concept of business adaptation and adaptation strategy.

(B) Identification of the different types of strategies needed in the process of adaptation of tourism businesses to the demands of the market.

(C) Proposing a conceptual model to make the connection between concepts such as tourism business adaptation and adaptation strategies of tourism businesses.

(D) Verifying the relationship at the level of perception between the concept of business adaptation to increase business competitiveness and adaptation strategies.

In tourism enterprises, competitiveness is determined mainly by the communication skills, learning capacity, human resources, technical information and technology. Companies in this field are increasingly confronted with increasing global competition and the rapid development of new technologies considering that the customers’ expectations and demands are everchanging (Butnaru, 2013).

In this context, business adaptation is a necessary condition for the survival of the organization. The world appreciates much more now knowledge, skills, motivation and innovative spirit than in the past.
The success of the modern organization may depend on the efficient use of people and modern technologies (Bordeianu, Hapenciu et al., 2014). This research on the concepts of "business adaptation” and "tourism business adaptation strategies” can be structured in two major parts. This study focuses mainly on studying the technical literature. We consider that the scientific papers with this approach are relatively few. Therefore, this paper has also a practical part in which the managers’ perception relating to the term "business adaptation” is tested by checking the correlation among different variables. The results of a questionnaire applied to the owners and managers of small tourist enterprises in the area of Suceava county are used to test the different hypotheses that were formulated.

II. LITERATURE REVIEW

According to Scott (1998), each organization exists in a specific physical, technological, cultural and social environment to which it must adapt. Recognizing the complexity, importance and interdependence between organizations and their environment, the author argues that no organization can be understood in isolation from the environment in which they operate.

Business adaptation is primarily a process and, as such, is continuous, and there is a correspondence between business adaptation and competitiveness (Ferreira, Li et al., 2008).

According to Kanter (1997), the success of firms is partly due to the environment that surrounds them and the range of potential behaviour is modified as a result of their environment, which means that adaptation is the result of learning (Wilpert, 1995). This learning-adaptation relationship can be expanded to include organizational adaptation, by describing how organizational practices and structures adapt to the requirements of a given environment. Therefore, an organization's ability to adapt is a direct result of its ability to learn collectively about the environmental factors that influence that organization.

2.1. Changes in the contemporary business environment

Creative thinking, innovation, high productivity are the basic elements that ensure the future development of human society. This level of radical transformation based on knowledge in the future society is defined as the knowledge society. In the economy of the knowledge society, companies in the tourism sector will not be able to increase their market share or enter new global markets if they do not invest in technology, if they do not apply a creative management, a creative strategy, a new method of creative management of resources (Butnaru, 2013).

In today's intensely competitive environment, an enterprise that wants to establish itself on a particular market does not have to meet sector standards alone. It must participate and try to change the sector. Yun (2000), studying the global strategies of the South Korean hotel chains, concluded that a tourism business must propose and implement strategies in the following areas: 1. globalization and global competition; 2. CEO’s qualification, vision and profile; 3. strategy for human resources; 4. brand identity; 5. strategic alliances; 6. technology; 7. organization and organizational culture.

In addition, in the literature there is a very important element in the strategies of adaptation of the tourism businesses, namely the adaptation of the tourism businesses to climate change.

Climate change will remain a major challenge for industry (Njoroge, 2014). Therefore, a tourism business must implement strategies that minimize the potential losses that climate change can bring to the sector.

<table>
<thead>
<tr>
<th>Table 1. The area of implementation of adaptation strategies</th>
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<tbody>
<tr>
<td>The area of implementation</td>
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<tr>
<td>globalization and global competition</td>
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<tr>
<td>CEO’s qualifications, vision and profile</td>
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<td>the strategy for human resources</td>
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<td>brand identity</td>
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<td>strategic alliances</td>
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<tr>
<td>technology</td>
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<tr>
<td>the organization and organizational culture</td>
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<tr>
<td>climate change</td>
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</tbody>
</table>

Source: adapted after Yun (2000), Njoroge (2014)

However, being aware of changes in the external domain of the enterprise, the opportunities and threats from the environment in which the company operates will depend on the entrepreneur's training and personality. Many researchers have studied the entrepreneurs and their personality (Lanyon and Goldstein, 1982). It was concluded that there is not a single set of features that characterize the entrepreneur, but rather an entire set of characteristics and many personality types (Kao, 1991).

Given the relevance of changes in the contemporary business environment, this study proposes testing the following hypotheses:

**H1 - There is a positive correlation between the perception that the changes in the sector of activity of the company are rapid and the perception of the importance of formulating and implementing adaptation strategies.**

2.2. Different approaches in defining and discussing strategies for business adaptation

Strategies are actions or activities designed and implemented to meet certain goals, either in the short
term or in the long term (Thompson, Martin, 2010, p. 6).

In selecting strategies that aim to adapt to market trends and consumers' demands and to business globalization, tourism companies used different growth strategies and methods (Čerović, 2006). Therefore, Porter (1985) determined three major types of generic business strategies: cost leadership strategy, differentiation strategy, and focus strategy. The main idea behind the cost leadership strategy is the ability of companies to produce or deliver a product/service at a lower cost compared to their competitors. The basis on which companies can produce lower cost products/services may vary according to the industry and the capabilities of the company itself. From this point of view, the use of scale economies, the access to raw materials at a lower cost, the technology are some of the factors that can allow the company to implement this strategy (Aziri and Nedelea, 2013). The strategies proposed by Porter (1985) represent a model that can be applied by tourism companies.

In designing the most efficient strategies, it is necessary for the companies to carry out a detailed and realistic analysis of their distinctive elements, the competitive strategies at the business level aim to differentiate the position of the company in relation to the competitors (Porter, 1985).

Certainly, it should be noted that the strategies, no matter how well formulated, will not automatically lead to positive results, unless they are successfully implemented, and if the chosen strategy was correct. The strategic implementation process is just as important as the strategy formulation process and the strategic management is regarded as a continuous interactive process, as it consists of several phases: 1. Environmental analysis; 2. Focus of the organization (mission and objectives); 3. Strategy formulation; 4. Strategy implementation; 5. Strategic control (Čerović, 2009, Vukosav and Ćuricic, 2014).

In order to be able to identify the strategies that cannot be easily copied by the competitors, it is necessary to identify the capabilities and competences of the company. Lynch (2002) identified the following types of strategies that lead to a competitive advantage over the competitors, regardless of the field of activity or size of the enterprise: 1. Differentiation from the competitors' products or services; 2. Cost reduction; 3. The focus on a niche; 4. Development of advanced technologies; 5. Synergy; 6. Organizational culture, style and leadership. Firms operating in services such as tourism companies can use as a source of competitive advantage the reputation associated with the services offered, as well as the quality of these services. At the same time, the field of services imposes a strong orientation towards the customers and the constant identification of new methods to satisfy their needs as efficiently as possible, adapting very quickly to their new requirements. Finally, the name of the company or the provision of personalized services can be viable sources of competitive advantage, which is why cultivating a brand which communicates the values and mission of the company is an important step (Vele, 2014).

Table 2. Sources for competitive advantage in different areas

<table>
<thead>
<tr>
<th>Advanced technologies</th>
<th>Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technical excellence</strong></td>
<td>Reputation for the quality of the services offered</td>
</tr>
<tr>
<td><strong>Reputation for quality services offered to customers</strong></td>
<td>Quality of human resources</td>
</tr>
<tr>
<td><strong>Financial resources</strong></td>
<td>Services offered to customers</td>
</tr>
<tr>
<td><strong>Low-cost production</strong></td>
<td>Well-known brand</td>
</tr>
<tr>
<td><strong>Orientation towards customers</strong></td>
<td>Reputation for the quality of the services offered</td>
</tr>
</tbody>
</table>

Source: Lynch (2002)

Starting from this discussion, the following hypothesis was proposed:

**H2** - There is a positive correlation between the perception of the importance of adaptation for a tourism business and the perception of the importance of formulating and implementing adaptation strategies.

2.3. Innovation as a strategy for adaptation

Innovation has been recognized for a long time as one of the critical forces that can lead to the increase of social welfare and, at the same time, it is mandatory for the growth and survival of enterprises on a competitive market (Cozzarin, 2017).

The concept of innovation has a long history in the economy and is gaining a growing importance as global market competitiveness increases. Tajeddini and Trueman (2012) showed that there was a positive relationship between the orientation towards innovation and competitiveness in the tourism industry.

Joseph Schumpeter is considered the founder of the innovation concept as it relates to economics and management. Schumpeter (1939) recognizes for the first time the unexpected effects of innovation on the economic entities from a capitalist market. The innovations contribute to the cleaning of the market by economic entities from a capitalist market. The innovations contribute to the cleaning of the market by the old companies, which do not adapt to changes, being quickly eliminated by the innovators. Schumpeter (1939) defines innovation as a new combination of factors of production or the putting into operation of a new production function.

Increased global competition has transformed the ability of companies to retain certain competitive advantages as one of the hardest but most valuable targets to achieve, as different types of knowledge as well as organizational practices are now easier to copy than before (Burciu and Kicsi, 2015).

The adaptation process is not regarded as an uncontrolled phenomenon, but rather as a result of the interaction of changes in the external environment and the internal environment of the company (Hult, Hurley et al., 2004).
Therefore, it is not surprising that this concept of the learning organization has recently received more attention. Bierly, Kessler et al., (2000) synthesizes that the literature addresses various topics highlighting the unprecedented need for an organization and Ghosh (2004) notes that there is a broad consensus in the literature on organizational learning and that can help to achieve a sustainable competitive advantage.

Therefore, Farago and Skymre (1995) suggest a model structure of four-level learning methods, as follows: 1. learning the objective reality of processes and procedures; 2. learning new skills; 3. learning to adapt; 4. learning to learn.

Some of the factors that seem to determine an organization's ability to adapt to changing environments include leadership, values and business tradition (Burack, Burack et al., 1994). The role of a leader in this context was described as facilitating the adoption of a long-term vision (Kobrak, 1993).

Regarding entrepreneurial organizations in particular, recent work suggests that individuals will react differently to the need to adapt to their environment due to psychological factors (Starr and Fondas, 1992). Several motivational bases were identified for entrepreneurial adaptation, among which the most important is the entrepreneur's personality. Such personality traits as the need for control can affect the ability or willingness to adapt to an environment (Starr and Fondas, 1992). However, in the literature there is very scarce reference to the effect that the education of the entrepreneur or of the manager have on the enterprise and the way in which it is run.

Therefore, the following hypothesis was proposed:

**H3** - Managers with a higher level of education will find it more important to formulate and implement adaptation strategies for the success of their company than those with a lower level of education.

**III. THE METHODOLOGY**

The research is organized in an explanatory approach whose purpose is to analyze the concept of "business adaptation" as it is found in the technical literature. We consider a scientific research at a conceptual level. We referred to the multitude and variety of conceptual and theoretical approaches regarding the modalities of enunciating and defining the strategies of adapting the tourism business to its environment.

The empirical pre-test research considers testing the relationship among the variables included in the study, the investigation being conducted based on of 3 research hypotheses.

Thus, a questionnaire was proposed for the active managers and founders of tourism business organizations. The research area includes managers and founders of small and medium-sized tourism enterprises (SMEs) in Suceava County. The questionnaire was applied between October 1st and 20th of March 2020, at the headquarters of the companies and through email, obtaining 41 valid questionnaires, these being sufficient for a pre-test type research. The value of the pre-test was considered critical for the valid measurement of phenomena through the survey methodology (Alaimo, Olson et al, 1999). Also, pretesting is considered a very important part of the research, and a good way to determine if the initial results can be used as a basis for successful research (Presser, Couper et al., 2004).

Data analysis and interpretation was performed using the STATA program. In this respect, the statistical analysis was based on the following statistical operations:

1) Correlation analysis to illustrate a possible correlation between:
   (a) the perception of the speed of change of the business environment and the importance given to the formulation and implementation of adaptation strategies. 
   (b) the perception of the importance of adaptation for a tourism business and the perception of the importance of formulating and implementing adaptation strategies for the success of a tourism business.

2) Ordinal logistic regression to describe the relationship between the variables:
   (a) the level of education and importance attached to the formulation and implementation of adaptation strategies.

**3.1. Defining the variables**

The variable *impstr* (perception of the importance given to the formulation and implementation of adaptation strategies by the managers and founders of the companies analysed). The score for the variable *impstr* was determined with the help of the answers provided by the subjects questioned "How important is the formulation and implementation of strategies that will prepare your business for an uncertain environment?". The answers were organized using a Likert scale, with variants between 1 and 10, with 1 signifying a very low importance and 10 a very high importance.

The variable *impada* (perception of the importance of "business adaptation" concept, determined by the question "How important is the adaptation of a tourism business to the environmental challenges it is a part of?"). The answers were organized using a Likert scale, with variants from 1 to 10, 1 indicating a very low importance attached to adaptation, and 10 indicating a very high importance.

The variable *impcha* (perception of changes in the business environment of the company and speed of changes), determined by the question "On a scale from 1 to 10, how fast is the change in the field of activity of your company? (1- there is no change, 10- very fast).
The education variable (the level of education of the respondents, organized as a dummy variable, taking the value 0 when the subject has a degree and the value 1 when the subject has a master's degree).

Age, a variable representing the respondents’ age.

Gender, a variable which takes the value 0 when the respondent’s gender is masculine and the value 1 when it is feminine.

IV. THE RESULTS OF THE EMPIRICAL RESEARCH

The sample structure includes 41.46% respondents between the ages of 25 and 35, no respondents between the ages of 18 and 25, 26.84% respondents between the ages of 35 and 45, 56.10% of the managers and founders who answered our questionnaire were men, and the remaining 43.90% were women. The managers included in the analysis, although running small and medium-sized companies, have a relatively high level of education. 63.41% of the respondents have a bachelor's degree, while 36.59% have a master's degree. The 41 companies are SMEs, 9 of them based in the urban area and 32 being from the rural area. The descriptive statistics are presented in table no. 3.

The perception of the importance of formulating and implementing adaptation strategies are true.

### Table 4. Correlations among variables

<table>
<thead>
<tr>
<th></th>
<th>impstr</th>
<th>impada</th>
<th>impcha</th>
<th>education</th>
</tr>
</thead>
<tbody>
<tr>
<td>impstr</td>
<td>1.0000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>impada</td>
<td>0.6913*</td>
<td>1.0000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>impcha</td>
<td>0.6373*</td>
<td>0.5913*</td>
<td>1.0000</td>
<td></td>
</tr>
<tr>
<td>education</td>
<td>0.3422*</td>
<td>0.4207*</td>
<td>0.1338</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

Note: * indicates that p<0.05.

Source: our own calculations using the statistical analysis program STATA.

Table 5 presents the results of the ordinal logistic regression. The only significant explanatory variable is the variable education. The odds ratio for the variable is 4.13, meaning that the respondents with a masters degree are 4.13 times more likely to implement strategies for adaptation of their tourism businesses.

### Table 5. Logistic regression results

<table>
<thead>
<tr>
<th>Variable</th>
<th>β</th>
<th>Exp(β)</th>
<th>Z</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>1.420*</td>
<td>4.13*</td>
<td>2.14</td>
</tr>
<tr>
<td>Gender</td>
<td>.94</td>
<td>2.61</td>
<td>2.31</td>
</tr>
<tr>
<td>Age</td>
<td>.007</td>
<td>1.007</td>
<td>0.26</td>
</tr>
<tr>
<td>Cut 1</td>
<td>-1.459</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cut 2</td>
<td>-0.043</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cut 3</td>
<td>1.083</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: * indicate that the p<0.05. Dependent variable: impstr

Source: our own calculations using the statistical analysis program STATA.

Table 5 presents the goodness-of-fit statistics such as: omnibus test, LR chi² (3), pseudo $R^2$. The Omnibus tests of model coefficients are significant (p < 0.05), confirming the causal relationship of the proposed logit models and acceptance of the hypothesis that β coefficients are different from zero. The chi-square probability ratio is 11.93 with a p-value of 0.0076, which shows that our overall model is significantly better than a model without predictors.

The model used in this study has a pseudo $R^2$ of 0.1167, which means that the model presented in this study accounts for 11.67% of the variance of the dependent variable that is explained by the model.

### Table 6. Goodness of fit statistics

<table>
<thead>
<tr>
<th>Omnibus test (significance level)</th>
<th>Omnibus Test (significance level)</th>
<th>LR chi² (3)</th>
<th>Prob &gt; chi²</th>
<th>Pseudo $R^2$</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>11.93</td>
<td>0.0076</td>
<td>0.1167</td>
</tr>
</tbody>
</table>

Source: our own calculations using the statistical analysis program STATA.

Considering that for the present study three hypotheses were formulated regarding the intentions of tourism business managers to develop and implement strategies for adaptation of their businesses to the current demands of the market. The hypothesis were formulated as following:
H1 - There is a positive correlation between the perception that the changes in the sector of activity of the company are rapid and the perception of the importance of formulating and implementing adaptation strategies.

The correlation analysis suggests that there is a significant positive correlation between the two variables of 0.6373. This suggests that managers who perceive that the changes in the sector of activity of the company they run are rapid will also perceive that it is important to formulate and implement adaptation strategies. Therefore, H1 is accepted.

H2 - There is a positive correlation between the perception of the importance of adaptation for a tourism business and the perception of the importance of formulating and implementing adaptation strategies.

The correlation analysis suggests that there is a significant positive correlation between the two variables of 0.6373. This suggests that managers who perceive the importance of adaptation more strongly will also perceive more strongly that it is important to formulate and implement adaptation strategies. Therefore, H2 is accepted.

H3 - Managers with a higher level of education will find it more important to formulate and implement adaptation strategies for the success of their company than those with a lower level of education.

The ordinal logistic regression analysis shows that there is a significant positive relationship between the two variables (r = 1.420*, p = 0.032) and an odds ratio of 4.13. That means that a manager who has a master’s degree is 4.13 times more likely to agree that implementing adaptation strategies for the business they run is appropriate. Therefore, it could be said that managers who have a higher education level will develop and implement adaptation strategies for their business at a higher rate than managers with a lower education level. Therefore, H3 is accepted.

V. CONCLUSIONS

The theory of organizational adaptation states that businesses will change the way they operate to keep up with changing market conditions or changing environmental factors. This fact could be due to the legislative change, but also to the emergence of new laws affecting the industry, as well as the modification of the consumers’ demands.

Regarding the need for the companies to adapt in time, our conclusions are as follows:

a) the adaptation in time of the tourism enterprise is a concept known by most of the managers of the business organizations;

b) there is a positive correlation between the perception that the changes in the sector of activity of the company are rapid and the perception of the importance of formulating and implementing adaptation strategies.

c) there is a connection between the perception of the importance of adapting a tourism business and the perception of the importance of formulating and implementing adaptation strategies for the success of a tourism business;

d) managers with a higher level of education will consider it is more important to formulate and implement adaptation strategies for the success of their company than those with a lower level of education;

e) there is quite a high interest for the managers of the companies in Suceava County to adapt their companies to the environment they belong to in order to obtain superior performances;

f) most managers consider that the companies that will embrace the new technologies will be able to achieve superior performances.

Future limits and directions of the research

Based on this exploration of the concept of adaptation, a number of important directions for future research can be identified. To propose an adaptation measure, a much more in-depth study of theoretical and practical research is needed to develop and validate this measure. Further studies should be considered. Adaptation may be influenced by the managers’ age, also by their experience in a particular industry. In this regard, more research is needed to observe the impact of studies on the formulation and implementation of adaptation initiatives. Progress in this area will help to better establish the role of adaptation in entrepreneurial success and will provide a basis for determining the types of adaptation that are most appropriate in different circumstances. A more complex questionnaire and a larger number of respondents are needed to conduct a study regarding the managers’ perceptions related to the concept of business adaptation and implementation of adaptation strategies. The results of this pre-test research are promising and useful for future research.
VI. REFERENCES


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