A FRAMEWORK FOR OPERATIONAL AND STRATEGIC MANAGEMENT TO IMPROVE TOUR AGENCY PERFORMANCE IN HOSPITALITY CONTEXTS

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Abstract. *In this article we will discuss operational and strategic management frameworks for tour company performance enhancements in the hospitality sphere. Travel agencies are facing severe pressure from the side of digitization and increase in the consumer satisfaction levels to highlight company's efficiency and long term market positing. These components will be directed towards on optimizing routine processes including booking automation, supply chain cooperation with local suppliers, and service quality control to ensure timely consumer satisfaction. At the same time strategic plan stresses market segmentation, resource-based advantages, and the integration of sustainable practices to foster brand loyalty and longevity.*

Combining these two management frames makes an open road for enhancement in delivery services, increase in revenue, ensuring a long-term competitive edges. As a result, it is crucial to keep the balance between operational requirements and strategic plan to successfully control the challenges in the global market.

Keywords: *strategic planning, tourism and hospitality, tour agencies, operational management, performance tracking.*

INTRODUCTION

Strategic management in the tourism industry is the ongoing process of setting clear, long-term goals and guiding a business or destination towards them with purpose and direction. It involves identifying where the organization wants to be in the future and building practical strategies to get there. These strategies shape everything, from marketing and operations to staffing and customer experience. It is not just about scribbling thoughts on paper but constantly planning, reviewing, adjusting and aligning decisions to stay competitive in a fast-changing industry. The tourism industry has become increasingly volatile and complex. Economic fluctuations, shifting customer expectations and unexpected global events, like the COVID-19 pandemic, have exposed the sector's vulnerability. These challenges have made it essential for tourism businesses to look beyond their day-to-day operations. Strategic management is now a must for navigating uncertainty, building resilience and staying relevant in a rapidly changing landscape. It transforms how businesses think, plan and act, turning challenges into opportunities for sustainable growth.

Strategic Management for Hospitality and Tourism is a vital text for all those studying cutting-edge theories and views on strategic management. Unlike other textbooks in this area, it goes further than merely contextualizing strategic management for hospitality and tourism, and avoids using a prescriptive or descriptive approach. It looks instead, at the latest in strategic thinking and theories, and provides critical and analytical discussion as to how and if these models and theories can be applied to the industry, within specific contexts such as culture, profit and non-profit organizations (Okumus, et el. 2010).

Strategic management is a method for running a company with the goal of reaching long-term goals by using resources wisely to improve performance and success. It involves ongoing planning, monitoring, and reviewing how the company uses its resources to meet its objectives. The process typically includes looking at the current situation, creating action plans, carrying out those plans, and reviewing the results to make necessary changes. The main idea behind strategic management is to use a company's resources effectively to achieve its goals. It sets a clear direction by creating policies and strategies and then using resources to make sure the plans work. This involves understanding the business environment, setting goals, making strategies, and reviewing results to make adjustments. Strategic management helps businesses clearly define their purpose, future goals, and values, which guides their decisions. It also helps companies stay ahead of competitors, grow their market share, and plan for the future. A common tool in strategic management is SWOT analysis, which looks at a company's strengths, weaknesses, opportunities, and threats. This tool helps businesses understand where they stand and find areas to improve.

In the tourism and hospitality industry, strategic management is especially important because the industry changes constantly. Businesses must keep up with changes in the economy, trends, and outside factors like natural disasters or pandemics. Using strategic management helps businesses stay competitive by providing a clear plan to gain an edge in a very competitive industry. Strategic management also helps businesses reach their goals by setting clear targets and figuring out the steps needed to achieve them. It ensures resources are used efficiently, whether for staff, marketing, or other areas, to help the business run smoothly.

LITERATURE REVIEW

Strategic management as a domain of study has evolved over the past 50 years. In the 1960s, strategic management was viewed from a general management perspective, with emphasis on the role of the leader. As a result, the focus was on leadership, interpersonal relationships, and the systems, processes, and structures in an organization. Firms used the top-down approach, with top management at the core of the decision-making process. The strategic management process was not formalized and explicit during this phase; instead, it was more implicit and informal. During the late 1960s, in the 1970s, and the early 1980s, firms adopted the strategic planning approach with analysis and formalized planning, with special teams assigned to develop plans. The domain evolved during this period as typologies and concepts related to business and corporate strategies were introduced, with strategy formulation at the core of such conceptualizations (Chathoth, et el. 2020).

Almost all undergraduate and graduate programs in the tourism and hospitality management field now offer a capstone subject typically entitled as 'business policy', 'strategy analysis', 'strategic management' or 'corporate strategy'. Offering this subject is particularly important at the university-level tourism and hospitality education since the aim is to prepare and train future middle and senior managers of tourism and hospitality organizations to develop a holistic management point of view. In other words, the main rationale for offering this subject is to help students integrate previously learned concepts pertaining to operation management, human resources, marketing, economics, information technology and accounting, and to view strategic issues from a holistic perspective. In the past it was often assumed that only senior managers and executives would be involved in strategy analysis, strategy formulation and decision-making. However, currently, a wide variety of people from the lower levels to the highest level of an organization participate and play key roles in the strategy process. Therefore, as future managers, students studying tourism and hospitality should not only have a sound and working understanding of the strategic management

field but should also be able to use and employ appropriate strategy models, concepts and frameworks in order to make and implement strategic decisions (Wong, et el. 2005).

Understanding the business environment is pivotal to the formulation, development and maintenance of successful management strategy The new business environment is constantly in flux and the rapid pace of change is accelerating prompted and amplified by variety of interrelated factors including cations technological and the rise innovations and competition consumer. Moreover, although the recent economic downturn coupled with regional uncertainties has impacted consumer spending on tourism products, the world's economic and social climate is generally predicted to produce a strong increase in tourism over the next 10 years. New markets will emerge due to changing economic conditions, modified consumer behavior, and new technologies. The composition of the tourist population will alter, with increasing proportions of senior citizens, for example. There will be a greater emphasis on individual and self-determined holidays and on educational and active recreational pursuits. On the one hand, increasing environmental awareness will affect planning policies and tourist demand. On the other hand, nature, which is the critical resource of tourism, will become more scarce and fragile. An ecologic and more sustainable long-term approach to tourism planning is postulated. This chapter provides a rationale for appropriate works to better understand this complex and challenging arena (Moutinho, et el, 2018).

Tourism companies seek to reach superior performance either proactive or reactive strategies according to the chosen strategic orientation. External and internal environment analysis play great role to develop planned strategy and the strategic objectives. On the other hand, managers of these establishments know that they are in a very dynamic industry which requires monitoring the changes in customer needs and wants, and the reaction of rivals to these changes. To be competitive in the market and to be successful for short and long term basis, they are supposed to build comprehensive and integrated management systems. The characteristics of tourism industry push the companies to be more dynamic in their operations. The main characteristic of tourism companies is having seasonality problem, i.e. the demand curve is highly skewed. This make, for instance, the resource planning and demand forecasts hard issues to handle. Another characteristic is the perishable nature of the tourism product that affects both operation and marketing. The differences of the tourism products from manufacturing product obligate to develop new or adopted management models and frameworks for better managed tourism companies (Yilmaz, 2014).

RESEARCH METHODOLOGY

One of the most important and intriguing academic subjects is the connection between a company's strategy and its success. Since certain strategic elements, such the hotel's size and style, category, and competitive advantage, also have an impact, the performance of tourism businesses hotels in this case is impacted by their strategic behaviors. Considering the context in which a firm operates, choosing and successfully implementing appropriate strategies should inevitably lead to higher performance when compared to an alternative. As a result, the environment of a tourism enterprise is an important factor that should be examined from a strategic management perspective. A tourist business's performance is influenced by a number of variables, such as the industry it operates in, the size of the company, and the strategy chosen. However, there are various ways to assess and quantify business performance, making it a multifaceted phenomenon. A tourism company's performance can be measured to see how well and efficiently its strategic planning is working. Traditionally, businesses use financial data to assess and measure their performance and overall strategy. In recent years, however, given the technological changes that have occurred,

businesses have been searching for more efficient assessment systems. Several researchers have placed emphasis on non-financial factors, such as the attainment of goals and their culture (Varales, et el. 2020).

Performance is examined from the viewpoint of tourism enterprises, specifically hotels, where the use of strategic management was empirically investigated using field study that included a questionnaire. In order to ensure sustainable growth in a highly competitive environment, the research sought to assess the efficacy of strategic management and the degree to which it influences the performance of tourism businesses. An attempt was made to apply a comprehensive and improved approach to the strategy's research branch from the wider perspective of strategic management as a core value of hotel enterprises, which managers aim to achieve and which provides a competitive advantage by improving performance. This study's primary goal was to assess the efficacy of strategic management in tourism enterprises. The most interesting part of this research is that it was conducted in the middle of a financial crisis in Greece; as a result, we obtained conclusions on how hotel companies perceived their strategy during such a crisis. Through research, an attempt was made to extract data, such as how effectively hospitality businesses use strategic management during a period of crisis.

Moreover, particular 12- item questionnaire was set up to determine the agencies' practices and work experiences from the perspective of strategic and operational management. An online Likert scale questionnaire type was developed, intended and applied for a particular 100 tour agencies' managers and tour operatours. Responding agencies were asked to select their level of agreement from a five-point Likert scale (from 1-strongly disagree to 5- strongly agree). Further, the collected data exemplifies the importance of strategic management, operational management, and tour agency performance in the hospitality contexts.

Table 1. Assessment items for Strategic, Operational, and Performance dimensions

Dimension	Item code	Questionnaire item
Strategic Management	SM1	Our agency has a clearly defined long-term strategy.
Strategic Management	SM2	Strategic goals are clearly communicated to employees.
Strategic Management	SM3	We actively build partnerships with hotels and hospitality providers.
Strategic Management	SM4	Innovation is an important part of our business strategy.
Operational Management	OM1	Daily operations in our agency are well organized.
Operational Management	OM2	Employees understand their operational roles and responsibilities.

Operational Management	OM3	Technology (booking systems and CRM) supports our daily operations.
Operational Management	OM4	Staff receive adequate training to perform their tasks effectively.
Performance	P1	Our agency's sales performance has improved in recent years.
Performance	P2	Customer satisfaction with our services is high.
Performance	P3	Our agency performance is better than key competitors
Performance	P4	Our overall business performance is satisfactory

The table 1 illustrates dimensions and their questionnaire items used to evaluate strategic management, operational management, and tour agency performance. For ensuring clarity of information and enhancing analytical efficiency, each question reported using a distinct codes. Strategic management questionnaire items are coded as SM1- SM4, further operational management questionnaire items are coded as OM1- OM4, and finally tour agency performance questionnaire items are coded as P1- P4. Overall, 12 questionnaire items are involved in the survey and each rated on a five point Likert scale as mentioned earlier.

ANALYSIS RESULTS

The synthesis of current academic perspectives and industry practice reveals that strategic management has transitioned from a supportive administrative function to a fundamental necessity for survival within the global tourism and hospitality landscape. The findings indicate that the primary value of a strategic framework lies in its ability to bridge the gap between long-term visionary goals and the immediate allocation of finite resources. In an era defined by extreme volatility—ranging from economic shifts to unprecedented global health crises—the results suggest that organizations adopting a proactive, analytical posture are significantly better equipped to maintain resilience than those relying solely on operational reactivity. Central to this strategic efficacy is the rigorous application of diagnostic tools, most notably the SWOT analysis. This mechanism allows businesses to deconstruct complex environmental factors into actionable insights, facilitating a clear understanding of internal capabilities versus external threats. By systematically evaluating strengths and weaknesses alongside market opportunities, tourism entities can cultivate a distinct competitive advantage. This process goes beyond mere planning; it establishes a continuous loop of monitoring and adjustment, ensuring that organizational policies remain aligned with shifting consumer expectations and emerging digital trends (Ledi, et el. 2024).

Furthermore, the research highlights that strategic management in this sector is uniquely influenced by contextual variables such as organizational culture and the specific demands of both profit and non-profit models. The evidence suggests that successful implementation requires a move away from prescriptive, "one-size-fits-all" formulas toward a more critical, contextualized approach. Ultimately, the results demonstrate that when strategic management is integrated into the core organizational identity, it serves as a navigational compass. It provides the clarity of purpose

needed to optimize staffing, marketing, and operational efficiency, thereby transforming external disruptions into manageable catalysts for sustainable growth and long-term market relevance.

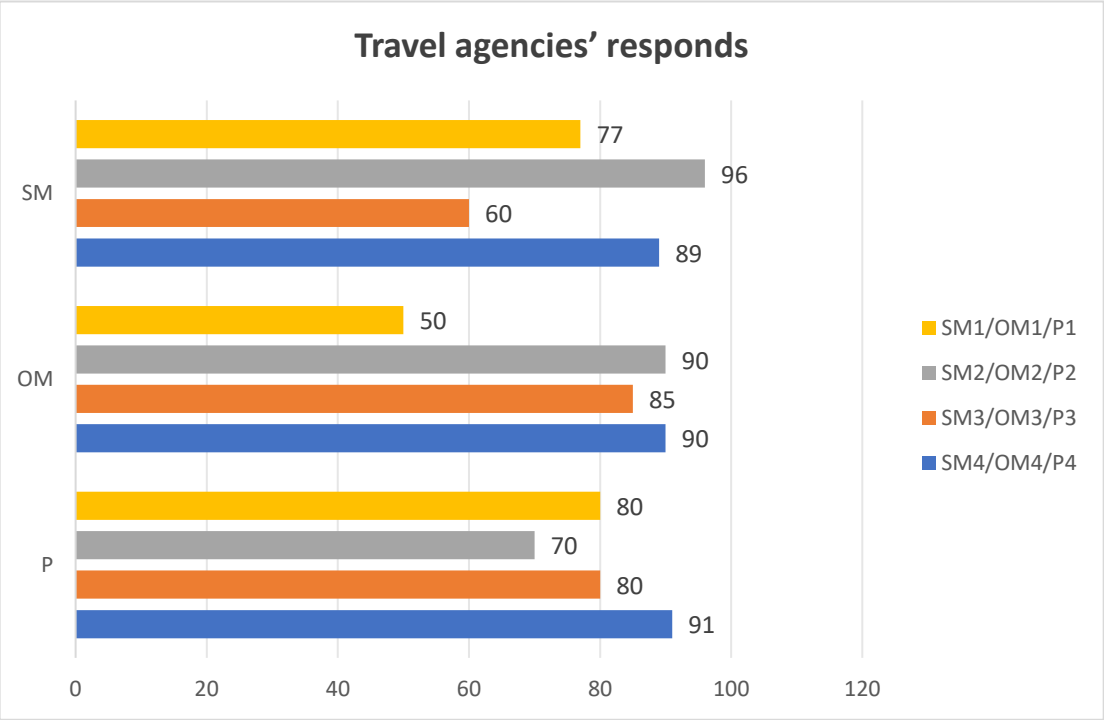

Figure 1. Results of the strategic, operational, and performance assessment

The findings provide an overview of respondents' perceptions across the strategic, operational, and performance dimensions, highlighting variations in emphasis among the three areas. A great number of tour companies (96) have strongly agreed that the strategic goals have clearly communicated with their employees. while, only 50 tour agencies' managers and staff have agreed that their daily operations are well organized. The figure 1 shows 91 travel companies strongly confirmed that their overall business performance is satisfactory. Further, 85 tour enterprises out of 100 agreed that technology supports their daily operations. This means the use of advanced technological tools has been indicating widespread adoption across the travel agencies, which is quite positive.

CONCLUSION AND RECOMMENDATIONS

As shown by this paper, the new environment in which tourism businesses have to operate greatly stresses the importance of strategic management. The management bodies of tourism businesses need to adopt a well-defined vision and mission, as well as specified values, in order to understand both the tourism product they offer and that offered by competitors in order to keep up-to-date with changes in the external environment at all times, which could have a significant impact on them, and should become better acquainted with their clients' and would-be clients' characteristics. A sustainable competitive advantage can only be gained through a client-oriented approach and through the emphasis placed on clients by the business itself. Through systematic knowledge, such businesses will manage to coordinate different skills and integrate multiple flows of innovation and technology, which will be useful for making requisite decisions, ensuring secure and sustainable growth, and being able to utilize suitable analysis and revise their specified directions at regular intervals as appropriate. Through target setting in accordance with the above guidance, tourism businesses will strengthen their strategic position in the industry's value chain,

but only by making clients a priority and quality a dominant goal to be attained through the constant pursuit of innovation.

Furthermore, the survey that includes 12 item questions has applied to 100 tour agencies' managers and tour operators. The overall research results prove that, 91% of companies' general business performance is satisfactory. 85% of travel agencies use technological tools actively, despite this the use of technological tools has not been reached its' peak. However, the research found that, travel agencies task orientation angle needs to be improved.

Recommendations.

According to the research findings, there are some relevant recommendations:

- Highly recommended to increase the clarity of information among workers, so that every member of the team gets his or her task and responsibility clearly.

- Increase customer satisfaction by boosting the quality of tour packages (forms of segmentation based on the tourism life cycle should be organized professionally, this means traveller pre-trip "planing" , during trip "experience", and post-trip "feedback" should be done perfectly).

- Actively strengthening partnerships with international travel agencies and hotels, which leads to an increase in vertical integration in tourism businesses.

- Training should be organized not only theoretically but also practically.

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