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## Study on Approaches of Constructing Travel Agencies' Sustained Competitive Advantage by Knowledge Management

### ÉTUDE SUR LES APPROCHES DE LA CONSTRUCTION DE L'AVANTAGE COMPÉTITIF DURABLE DES AGENCES DE VOYAGE PAR LA GESTION DU SAVOIR-FAIRE

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**Abstract:** Knowledge Management (KM) is an emerging concept in the field of management and widely adopted in organizations of the developed countries for enhancing organizational performance. Nowadays, the competition among the travel agencies has been incandesced, and all of them are struggling to find methods to improve their comprehensive competitive power. Moreover, under the situation that “knowledge management” has turned out to be the global management upsurge and only the best knowledge management can make them keep up with the step of the time and get victories ceaselessly in the fierce market competition. To each travel agency, employees are not only the knowledge’s creators and users but also the actual participants of the knowledge movement. The successful actualization of the knowledge management system can make the travel enterprise improve the staff’s knowledge level with less cost, as well as establish a sufficient reserve team of capable people, so as to enhance the enterprise’s knowledge and economy level and competitive power. By studying on knowledge management theories, this paper focuses on the research of knowledge management’s appliance and actualization methods in travel agencies. Based on this, this paper puts forward some useful approaches that can be used by the travel enterprises to build effective knowledge management system, thereby to construct and improve their sustained competitive advantages.

**Key words:** Knowledge Management; Travel agencies; Sustained Competitive advantage

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**Résumé:** La gestion du savoir-faire est un concept émergent dans le domaine du management qui est généralement adopté par les organisations dans les pays développés pour améliorer la performance organisationnelle. Aujourd'hui, la concurrence entre les agences de voyage est en incandescence, et tous d'entre elles peinent à trouver des méthodes pour améliorer leur compétitivité globale. En outre, dans une situation où la «gestion du savoir-faire» s'est révélée être la recrudescence de la gestion globale, seule la meilleure gestion du savoir-faire peut faire suivre les allures du temps et obtenir des succès sans cesse face à la concurrence féroce du marché. Pour chaque agence, les employés ne sont pas seulement les créateurs et les utilisateurs du savoir-faire, mais aussi les participants réels au mouvement du savoir-faire. L'actualisation réussie du système de gestion du savoir-faire peut inciter les agences de voyages à améliorer le niveau de connaissances du personnel à un moindre coût, ainsi qu'à créer une équipe de réserve suffisante de personnel compétent, à fin d'améliorer le savoir-faire de l'entreprise, le niveau d'économie et le pouvoir concurrentiel. En étudiant sur des théories de gestion du savoir-faire, cet article met l'accent sur la recherche des outils de gestion du savoir-faire et sur l'actualisation des méthodes dans les agences de voyage. Sur cette base, le présent article met en avant certaines approches utiles qui pourraient être utilisées par les entreprises de voyage pour construire un système efficace de gestion du savoir-faire, et de ce fait leur permet de construire et d'améliorer leurs avantages concurrentiels durables.

**Mots-clés :** gestion du savoir-faire; agences de voyages; avantage compétitif durable

## 1. INTRODUCTION

Travel agencies, often compared to the "leading" part in the tourism industry, play an important role of a bridge and link. However, since China's travel agencies have been protected by the relevant departments for a long time, the travel agency industry opened to outside world late, making it in today's market competition in a losing position, and the overall showing is "small, weak, scattered, and poor". A major travel agency business strategy to get rid of the competitive disadvantage is to foster sustained competitive advantage. Moreover, in order to achieve this goal, an important means should be the innovation of the usual thinking about competitive strategy from the "resource-based theory of the firm" and "competency-based theory of the firm" to the "knowledge-based theory of the firm", in other words, the knowledge management.

What is knowledge management? Knowledge management is the type of a measure to meet the growing non-continuous changes in the environment, according to the organization's adaptability, the organization's survival and the organization's ability. In essence, it is embedded in the organization's development process and seeks information in an organic combination. Although widely used in enterprise management practices and other areas, as the public management, knowledge management has never changed its objectives and core to achieve the organizational innovation through the enhancement of human invention and creativity<sup>2</sup>. Knowledge management provides a new way for the organization to achieve explicit and tacit knowledge sharing. Explicit knowledge is easy to be organized, carried out and stored by computers. On the other hand, the tacit knowledge is difficult to grasp, and it is centrally stored in the employee's mind and it is the manifestation of the employee's experience.

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<sup>2</sup> Daiming. (2004). Why obtaining and then losing the core competitiveness?, *Modern Enterprise Management*, (10): 34-35

## **2. APPROACHES OF CONSTRUCTING A SUSTAINED COMPETITIVE ADVANTAGE OF TRAVEL AGENCIES THROUGH KNOWLEDGE MANAGEMENT**

### **2.1 Making the tacit knowledge that is difficult to imitate and much more important the sustained competitive advantage for travel agency business**

The survival and development of travel agency business depends on the process of knowledge accumulation, so the analysis of the accumulation of internal knowledge becomes the key to explain the growth of travel agents. Travel companies use knowledge to create a sustained competitive advantage in two ways: first, travel agencies must be able to produce the internal knowledge- the tacit knowledge which is almost impossible for other companies to copy: secondly, travel agents, should also form the strong knowledge management capabilities so as to continuously to carry out knowledge innovation.

Knowledge, from the broad sense, can be divided into two types: tacit knowledge and explicit knowledge. The former is tangible, identifiable, and can be transferred with language, words, numbers and other expression. Especially through the use of information and communication technologies, it can be relatively easy to be integrated into the organizational strategy. Tacit knowledge comes from the individual judgments and perceptions to the outside world. Because such judgments and perceptions are of strong individuality, it is difficult to express clearly by using language, and it is difficult to identify as well. It usually remains in the individual mind often in the form of personal knowledge, and is the base of personal skills. These two types of knowledge complement each other. Tacit knowledge has four categories: the skills and knowledge which are hard to constraint of, mental models, problem-solving approach and organizational practices. In the travel agencies, experience, skills and mental models are important wealth of the enterprises, and they are the concrete forms of tacit knowledge that is central to the capacity of enterprises. Because of this knowledge is often implicit in nature, it is not encoded, and therefore difficult to be imitated, therefore is the most enduring competitive advantage. Studies have shown that, the acquisition and transfer of tacit knowledge becomes the key to develop sustained competitive advantage of agencies. From information management to knowledge management, the transformation is a further expression of the management theory and practice of "people-oriented" management theme. Knowledge management helps travel agencies to combine information-processing capabilities and staff innovation and thus enhances their abilities to respond with other organizations and vision. Advanced travel agencies in developed countries have also established the new position of knowledge management between CEOs and chief information officer and have made an appropriate division: information officer focuses on the development and utilization of technology and information, knowledge managers put the work in charge of focus on the promotion of innovation and nurture collective creativity.

### **2.2 Organizational Learning: the driving force to obtain a competitive advantage**

Organizational intelligence represents intellectual ability of an organization which, in fact, integrates its humane and technical (informational and communicational) potentials that are used in solving concrete organizational problems. Critical components on which organizational intelligence is based are: organizational learning, organizational memory, organizational knowledge, organizational communication, and organizational conclusion. The aim of this paper, after determining the concepts of organizational intelligence, is to identify organizational learning as one of its crucial components. Learning, in such way, is observed as the strategic resource of the organization critical for acquiring and maintaining its competitive advantages (in the conditions of trade dictated by the contemporary environment). Considering that organizational learning represents synergy of individual, that is group learning, special attention is paid to different levels of (organizational) learning, which is learning on the level of an individual, on the level of group and on the level of whole organization<sup>3</sup>.

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<sup>3</sup> Ivana Simic, Organizational Learning as a Component of Organizational Intelligence, Information and Marketing

Travel agency Knowledge theory believes that the knowledge hidden behind the core competencies is the key to decide performance. If the organization's personal knowledge acquired through learning and experience is called "ability genetic", then a team's knowledge system of business by learning become individual core competencies. In other words, learning is the means by transforming individual capacity of the enterprise into organizational capacity and ultimately forms a core competency. Sharing of knowledge, experience, skills and failures is an important part of organizational in a travel agency.

The outstanding performance travel agencies are business learning ability which is all about to develop a new competitive advantage. Travel the competitive advantage derived from the core competencies that demonstrate some knowledge and skills. The training of these knowledge and skills and the organizational learning are inseparable.

The learning ability of individuals and organizations determine the travel agency business knowledge accumulation, which determines the competitive advantage of a travel business. Organizational learning is the process of a business for the acquisition, creation and dissemination of knowledge both inside and outside the organization and is a range of activities of collection, storage, dissemination, application and integration of knowledge. Travel enterprise competition is based on access, dissemination and sharing knowledge. As the travel agency business knowledge and skills are the simple sum of every employee's knowledge and capabilities, but the organic combination staff knowledge, organizational learning can not only enhance their own knowledge and ability, but also can promote the transformation from personal knowledge and ability to knowledge and skills of the whole organization, so that the knowledge and ability can generate greater force. First, companies must learn to survive the necessary external knowledge (explicit knowledge), and secondly, they should also study business activities and accumulation of experience and knowledge<sup>4</sup>.

Employees are main bodies of knowledge-intensive applications, communication and innovation. Only when employees actively participate in the process of knowledge-intensive, application, communication and innovation, it is possible to achieve effective result of knowledge management, and the efforts of travel agents to promote the knowledge management are not to be wasted.

### **2.3 Creating conducive working environment to promote knowledge sharing and encourage knowledge innovation**

To implement knowledge management of travel enterprises, the key is to create an working environment conducive to the promotion of knowledge sharing, encouraging knowledge innovation. In this environment, mutual, reciprocal is particularly important. Those agencies which make a success of knowledge management, usually make such a work environment through the following methods:

(1) Strengthening the system for exchanging knowledge among the staff. The staff will exchange knowledge through learning exchanges, brainstorming, etc. (2)Regular training. Regular training will not only help create the environment, but also is an important way of cultivating talent; it can give employees timely access to the latest information on the industry. (3)Actively collecting external information. Changes in the external environment will usually directly or indirectly affect the organization's survival and development. Collection of external information is an important task of knowledge management. This information include: policy information, economic information, legal information, social and cultural information, scientific and technical information, the natural environment information, market supply and demand information, consumer feedback information. (4)Establishing travel agencies corporate knowledge base and implementing an open-style management. Knowledge base, as a collection of knowledge, is beneficial to conduct a systematic focus on knowledge management, and avoid the sporadic distribution of knowledge to lower the efficiency of knowledge management. The use of modern digital technology is conducive to knowledge storage, classification, search, and can improve the efficiency of knowledge use and contribute to the dissemination of

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Aspects of the economically Development of the Balkan Countries. Volume (Year): (2005)

<sup>4</sup> SU Xin-ning, DENG San-hong, Renhao, Enterprise Knowledge Management Research and Practice Progress...Knowledge of Library and Information, 2003(1), 5-6

knowledge and sharing.

### 3. CONCLUSION

Within the last few years, the corporate sector, government agencies, and organizations are demonstrating an increasing interest in the topic of Knowledge Management (KM). KM caters to the critical issues of organizational adaptation, survival, and competence in the face of continuous environmental change. The ability to capture and harness corporate knowledge has become critical for travel agencies as they seek to adapt to changes in the business environment. Whether it be learning from past successes or failures, identifying opportunities to improve customer profitability, or simply enabling teams to become more productive, knowledge management lies at the heart of any well-managed travel agencies.

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