

SECRET TIES AS A WAY TO SUCCEED: DESCRIBING AND EXPLORING RELATIONS AMONG SUCCESSFUL TOURISM MANAGERS

Authors

PhD student at Lulea University of Technology division of industrial organization
Ossi Pesämaa

Acting Director at Bureau of Business Economics at University of Minnesota Duluth
James A Skurla

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Abstract

Managers and owners of successful companies act with deliberate purpose in order to succeed (Penrose, 1959; Nelson and Winter, 1982; Aldrich and Zimmer, 1986; Edquist, 1997; Metcalfe, 1997). Understanding the issue of success and failure has received great interest among practitioners, policymakers and researchers. This study considers a region understood as a rural, sparsely populated area. In this region, traditional industries such as mining, agriculture and forest products are suffering under pressure for sustainable replacement industries. Reconstruction of such areas involves structural processes facilitating the entry of new industries, such as tourism (Pettersson, 2002). The replacement industries often demand a shift in terms of tangible assets and also in terms of finding decision routines adapted to sensitive customer needs. In order to understand the complexity of this industrial shift, this paper intends to describe and explore (as moderators for understanding success) present decision routines in tourism industry, at three levels, and to chart the decision paths.

Keywords: secret ties, interorganizational networks

Introduction

Managers and owners of successful¹ companies act with deliberate purpose in order to prosper (Penrose, 1959; Nelson and Winter, 1982; Edquist, 1997; Metcalfe, 1997). Considering knowledge of where success and failure emerge, successful strategic behavior is less present in rural areas. This lack of strategic behavior also represents failure in regional aggregations of such areas.

The economies of rural² sparsely populated areas, with traditional industries such as mining, agriculture and the wood industry are feeling pressure to rationalize their procedures, thus to this fact they abandon or minimize deeds in the sparsely populated region. The financial efforts of policymakers have also brought substantial theoretical interest to the issue of replacing traditional industry with other sustainable industries such as tourism. Reconstruction of a traditional rural economy such as the region in this study involves changing structural processes to facilitate entry of new industries (Pettersson, 2002). The new replacing industries such as tourism often demand a shift not only in terms of tangible assets but also in terms of finding rational decision routines to adapt to sensitive customer needs.

The implanting of new industries presents demands for new routines to adapt to change. In respect to human behavior in this region, this change represents the shift from mining, agriculture and wood industry to more service intensive industries; and the shift from big companies to small and medium sized companies which require a lot of self-sacrifice from citizens suffering from many reverses. Successful rejuvenations of old industries to new industries in such areas can be understood as a kind of evolutionary endeavor, where industries survive by changing behavior.

However regional success demands new routines to meet customer expectations. Interorganizational networks are alleged as one of the most

¹ Success is usually identified by measurable terms such as: success in profit generation; new and successful product launch; increasing levels of sales (Kaplan and Norton, 1999); political factors such as generating a large number of employees; or a successful way to attract politicians in order to obtain subsidies to either (a) survive in regions suffering from decrease (Pettersson, 2002); or (b) active in an immature industry with no clear standards to act on. A lack of non-financial measurement such as reputation and job-satisfaction retain the success measurement as blurred and not accurate enough to determine the world behind measurement generated by accountants (Ittner and Larker, 1998). Success determinants refers to (1) strategies shielding intangible, tangible resources and organizational capabilities it possess: in terms of value, scarcity, inimitability and organizational capabilities (Barney, 1991; 1995) but also to the ability to shield the dynamic capabilities of creating routines to adapt changes (Eisenhardt and Martin, 2000) through creation of complex social nature which prevent newcomers and duplicators from threatening the sustainable advantage (Barney, 1995). (2) But also the embedded nature of procedures and strives within the network that assure sustainable advantage.

² Rural areas involve a magnitude of challenges. However the study concept excludes urban economic areas and includes areas of more than 2 500 citizens but less than 50 000 (www.implan.com).

common concepts for survival in the service industry (Porter, 1998), since the interorganizational network perspective obtains organization of redundant capacity as well as facilitates access to limited resources within the focal firm. Attempting to understanding successful interorganizational networks³ reveals a magnitude of interesting concepts and methods. Even the understanding of the experience of a single company demands complex analysis since describing the structure of most business entities require a departure from that of traditional administrative entities (Penrose, 1959) to include a magnitude of inter-relationships representing the extended firm (Post, Preston and Sachs, 2002).

Researchers and practitioners are therefore eager to understand the phenomenon of the interorganizational ties that constitutes the extended firm (Davern, 1997). However the nature of this complex phenomenon requires systematic collection of data and a merging of different perspectives to understand all the components.

The concept of interorganizational tourism⁴ networks in sparsely populated areas has been pursued by a magnitude of researchers (Tinsley and Lynch, 2001; Lerner and Haber, 2000; Halme and Zinaida, 2000) and is in this sense not unique. However such a complex network system is still an unfulfilled challenge in a lot of different senses and tourism is mentioned as a significant carrier of changing routines and demonstrating the power of collaboration. This paper serves as a research note to an ongoing research project at aiming at exploring, describing and understanding successful tourism interorganizational networks in sparsely populated areas. This particular paper approaches one of the successful cases undertaken in the research project, and intends to describe and explore particular relationship paths from three different levels: (1) strategic; (2) routine; and (3) personal levels. The explicit questions the paper addresses is to explore how these relations are conducted; what are the key attributes of these relations?

Theory

The understanding of interorganizational perspective includes a magnitude of theoretical perspectives. Game-theory offers an understanding of how different behaviors enact in order to survive and prosper and clarify under what perquisites cooperation emerge (Axelrod, 1984, 1997). The theoretical

³ Identifying interorganizational Networks follow an overall definition including nodes and relations (Hörte, 1995). The derived nodes represent components of actors and organizations, while the relations refer to the connections between the different components.

⁴ Tourism network is here including companies and organizations serving travelers and visitors attracted to the studied networks both for recreation, adventure and business (see also Turismdelegationen, 1995).

part of Game-theory claim that nodes acts locally with unionizing efforts in order to untie dilemmas such as zero-sum games where either player needs to vanish because of the survival of the other player. Resource based view focus on both the routines and nodes in order to understand the phenomenon of survival (Barney, 1991). Evolutionary theory heeds for understanding of individual routines of finding most appropriate purposes and selection in order to survive (Nelson and Winter, 1982; Aldrich and Zimmer, 1986; Edquist, 1997; Metcalfe, 1997). Transaction cost theory (TCT) declares parsimonious evaluations about costs of governance between the market and the focal firm, given that the node acts rational (Williamson, 1975). Granovetter (1985) allegedly criticize TCT comparisons of governance costs since such comparisons are unable of grasping the complexity of rational behavior. Granovetter (1985) explicitly exemplify that lack of information force the individual node to expel economic law, since it otherwise jeopardizes the relations. On the other hand resource based view (RBV) also fail to test the assumptions strictly since the broad concept only cover blurred assumptions about how firms complement on another in order to survive. However both RBV and evolutionary perspective put forward an interesting solution, to instead of strictly test parsimonious models to understand weights of complex behaviors. Instead moderators of changing patterns can unfold the dilemma of understanding the complex phenomenon.

Network-theory accomplish to scrutinize how individual players change routines and partners for different solutions. Due to the advanced understanding of interorganizational networks therefore facilitate different categories of networks. Fundamental terminology of interorganizational arms-length networks is based on an ongoing exchange between groups of ties with similarities to a local market (Uzzi, 1996). The group of ties is though different from a market since the individual nodes change exchange partners depending on type of solution (Hörte, 1995; Uzzi, 1996). According to Uzzi (1996) the arms-length relations are initiated either by a special relationship or a close relationship. So why is this important? The close or loose relation and the business or family friendship relation will indicate for example whether there is sustainability expected and why certain interlocks are more significant than others. The understanding of these different relations will also reinforce other results give possible explanations to why certain variable conduct in certain ways.

Different Ties in structural settings

Networks are embedded with different ties such as informal, interpersonal and formal ties. Interpersonal ties possess a nature of empathy; shared

norms, longevity and an expected behavior (Burt, 2001). Granovetter (1973) differentiate the strong ties from the weak by defining the strong ties as those including an emotional intensity based on a long-term relationship with a variety of either dependent or independent nodes continuously exchanging resources.

Strong ties include an element of expected behavior since it assure accurate information in right time; right quality; and managing information in an reliable way (Burt, 1992). Critical business decision might also require quick responds and demand reliable advice in a short period of time. Critical business decisions can also require secrecy and/or an information management preserving the critical “moment of truth” without deliberately or unintentionally leak a taken positions. Strong ties are usually preserved under the seal of confidence and loyalty, found in families and tight friendships. Strong ties solve decisions demanding confidence, without testing or questioning the reliability, thus reducing setup time for the quick decision. Reliable tests include an assessment whether the node is trustful or not. The setup time refer to the time the individual node spend to maintain the contact or the amount of time it takes to setup a new node as a reliable hub for critical informational collection. For example a family relation can facilitate quick reliable responds about shared concerns, since the relation is maintained for a long time with a huge amount of experience, and thus the time of risk assessment is less. Strong relations also possess a robust system of core values (Axelrod, 1997). By sharing a tradition of certain values in a system of at least two nodes, the expected behavior execute divergent directions by punishing wrong behavior and rewarding desired actions. Gargiulo (1993) emphasize that loyal circumstances are controlled by penalizing violation of shared norms. The openness and tolerance for leaking information and bridging to other connections differ, but the paradox of openness and secrecy is probably moderating depending on issues that is about to be solved; and the maturity of the relation. Long relations are more tolerant and the boundaries are probably easier to estimate.

Weak ties are generated by strong relations in terms of indirect ties, where certain players possess stronger influence than others (Gargiulo, 1993). Per se the weak tie is characterized as indirect ties facilitating estimation of the composition of social capital. Burt (2001) advocate about this concern by identifying bridges between strategic actors and those less strategic. Burt (2001) exemplifies how bridges between links enhance the total power of the social capital instead of having a network of hierarchical relation that constrains a fluent relation from the top to the bottom. To the contrary efficient networks stretch the capacity by reducing hierarchical

steps and ensure that most of the players have access to same resources. Burt (1992; 2000) and Powel and Smith-Doerr, (1994) illustrate how weak ties are efficient, since these create less redundancy. The multiple nodes can by excluding redundant capacity occurred in strong tie communities instead create an integrated chain of gathering strong information by just using the efficient weak ties. In an inefficient interorganizational network two or more nodes maintain same relations even though this is covered by the other node.

The structural positions that each node possess is understood as the structural power position within the system (Tinsley and Lynch, 2001). The tight relation of interlocks between one another release critical information which could by for example a customer be perceived as untying an obstruct passage (Ingram and Roberts, 2000). Untying such critical information is known as the organization of structural holes.

Establish strong and efficient relations

Family or friendship is maintained without administrative control and is hard to identify since some of these cover secret and loyal bounds. However unacquainted members require evaluation procedures whether the information is critical for success and whether it is reliable. Business relationships are controlled by the agreed contract (Uzzi, 1996; Williamson, 1979). The contract is mostly a natural conjunction to the trust based relation (Williamson, 1979). Trust based relations are better suited to complex solutions and solve conflicts efficiently. Uncritical contractual reliance creates vulnerable systems. Granovetter (1985) criticize the fact that contracts only cover the circumstances and conditions agreed in the contract and whenever a dispute emerges the lawyers will scrutinize and penetrate each individual condition in order to trash agreed foundations. However rational efficiency of business decisions forces the nodes to serve under satisfying agreements. Assessing the risk becomes central when efficient ties for complex solutions are needed. The incentives to join a business relationship are usually to benefit from complementary resources (Pfeffer and Salancik, 1978) or utilizing a specific resource (more of the same) (Chandler, 1990).

The purpose of joining the network will therefore very much decide what kind of relations the individual node establishes. The individual members take actions to find solutions to different issues, and establish connections various nodes depending on the task (Hörte, 1995). According to Burt (1992) different roles such those possessing a technical competence can receive important positions and canalize linkages between different stakes. Different stakes represent categories of competence nodes or hubs

controlling a certain resource. The strong dense⁵ network share connections among all the nodes.

Interorganizational networking activity in rural areas

Malecki (1997) enumerate the absence of tradition and entrepreneurship; weak infrastructure; as well as lack of supporting environment as propelling forces to failure in rural areas. However entrepreneurs select regions based on the institutional and supporting economic climate. Perhaps entrepreneurs in rural area select the economic area based on a more irrational basis such as altruism and origins in the area. The strong willingness to change could possibly encompass the entrepreneur unsettle obstacles for regional growth. Entrepreneurial networks resolve a lack of resources and create advantages by organizing independent nodes in a niche network (Lumpkin and Dess, 1996). The created local advantage based on creation network boundaries to the local market, shield critical resources from undesired encroachment (Caves and Porter, 1977). According to Porter (1979) such boundaries are fundamental to understand strategic groups and aims at for example share; a logo; a substantial amount of costs; a specific technology or know how; marketing; a sales organization; a specific resource; or procedures to gain critical information such as lobbying.

It is found that local interorganizational networks are usually based on tight relations and local contacts (Johannisson, 1990, 1995). A personal network is significant for success, since at least a worse reputation quickly could erode the base for making business. Game-theorists studying different behaviors and the ability to cheat, assess regional and local areas crucial for business performance as risky areas to cheat in (Axelrod, 1984). The largest or most powerful node can quickly penalize an undesired behavior.

On the other hand it is not unusual that regional network include individual groups separated from one another by different hubs or stakes. The small cluster of firms can probably even more efficiently manage contacts with the rest of the network. The different hubs canalize excess capacity to customer needs and organize limited access by synchronizing resources. The well working local interorganizational network underpins a body of shared development and creates a power in limiting structural holes perceived by customers (Ingram and Roberts, 2000).

⁵ Estimation of dense network is best expressed by the number of relations and covers by the formula $(n(n-1))/2$.

Method

Analyses of Interorganizational networks settings follow a long tradition of improving the tools and techniques to understand the phenomena of exchanging resources. The social network analyses are very sensitive for low response rates (Hörte, 1995) since missing values possibly enhance understanding and deliver explanations to a certain constraint or limitation. This study undertakes a sample size of 65 nodes and accomplishes a response rate of 83 %. The open-ended questions in this study regarding the relations were lacking of pointing out specific nodes as key advice partners. Limitations of pointing out specific nodes demarcate this study of penetrating social network analysis to understand the individual behaviour. However upcoming figures exposing categories of nodes (figure 1-3) is offered in order to understand the structure about relations within the network. The figures also include natural bonds such as family and organizational structures, since some of the respondents represented more than one entity.

Four main “blind spots” are included in these analysis: (1) not mentioned network colleague; (2) family member; (3) person within the own organization; and (4) other unknown nodes. These “blind spots” serve as describing differences between specific decision routines, when individual nodes search for advice partners to solve a strategic, routine or personal related task. An ANOVA is conducted in order to compare means within the different groups of advice partners.

Selection of case and case description

Given the criteria for the overall objective of approaching successful tourism networks in rural areas, thus selected cases among:

1. Tourism companies in sparsely populated areas, which
2. collaborate in interorganizational networks in order to succeed.

Snowballing method were initially used in order to find representative cases (Miles and Huberman, 1994). Based on a pilot study with a public meeting with policy makers and practitioners a mind mapping procedure of successful tourism interorganizational networks in sparsely populated areas were discussed. The melting-pot of both policymakers and practitioners were used to generate interesting cases of interorganizational networking in the tourism industry. Finding interesting cases enabled selection criteria that except from measurable data also covered non-financial measures such as reputation. One of the suggested and discussed areas in the public meeting

with practitioners and policymakers included the Arrowhead Region in Northern Minnesota.

By preparing and validating Northern Minnesota as a potential geographical area the procedure went on by selecting specific successful interorganizational tourism networks. A discussion with a focus group of researchers testified core of six tourism interorganizational networks representing success in this rural area (Northern Minnesota). The research group initiated further key persons to “snowball” by requesting data and verifying the two most successful interorganizational networks. Tax data based on sales and reputation of being sustainable in terms of a growing customer base and intensive in investment settled the network surrounded by Ely Chamber of Commerce and Lutsen-Tofte Tourism Association (LTTA) as successful tourism networks. This study present results from LTTA.

From a successful perspective LTTA where initiated for substantial growth in terms of tax-based sales. The success is developed in a milieu of long family traditions. Further LTTA represent a formal interest to collaborate in order to generate attractiveness to the region of Lutsen – Tofte by converge and share resources such as marketing. The Northern Minnesota is totally considered as sparsely populated with 320 730 citizens (6,79 citizens/ km²). LTTA is geographically located on the North West side of Lake Superior and most of the tourist are coming there for recreation in any of the resorts on the lake; visiting the surrounding wilderness by using outfitters; skiing and snowmobiling in the mountains; or passing by on their way to Canada. LTTA network cover a magnitude of different niches supplying sensitive customer needs. The LTTA itself supply expected needs such as recreation and is surrounded by a rich fauna of wilderness and an institutional climate supporting with well established connections. LTTA were also strategically positioned to a specific segment demanding quality and exclusiveness rather than segment demanding cheap solutions. In this sense it is also possible that the casino closeness also support to the attractiveness of the region.

Success in sparsely populated areas can be divisive and during one interview in LTTA this fact was emphasized by a respondent heeding that this region is not successful only in terms of growth but for the fact that they share an ability to help one another. Another respondent complained about the fact that the region suffer because they were unable to retain young people in the area, since urban areas offered a larger variety opportunities to survive and the wages were also at a higher level.

Data collection

The data collection was prepared during the fall 2002 and conducted during the spring 2003. The data collected for this study were included in a large survey. The survey was in its first draft send out by e-mail. Only one respondent requested the survey by e-mail in LTTA. The survey collections where completed by personally handing it out to 42 companies with follow-up phone calls in order to ensure good response rates and limit any misunderstanding regarding the questions. Some of the companies were so called “multiple heads” representing more than one entity. Secondary data was also collected in order to extend the understanding of the network.

Results - Creating the instrument

The construction of the instrument served to unveil the interorganizational network structure, by asking three kinds of questions. The questionnaire was inspired by common way to approach relational paths (Burt, 1992; Hörte, 1995). The three different questions covered three kinds of issues (1) strategic; (2) routine; and (3) personal. By differentiating the importance level of issue the instrument could possibly tell something about the importance and strength of each node. Given the nature of the respondent, understood as successful network some secrecy about relations was expected.

In order to estimate the strength of each question each question was followed by a scale. The scale assessment was undertaken on the basis of Burt (1992) differentiating weak ties from strong ties by constituting weak ties as those who interacting less than twice a week (mean contact <At least twice a week).

Who do you turn to for strategic advice?

The strategic question involved an example of how the respondent would act in his/her decision making if a new product or service were about to be launched. In order to screen and explore strategic behavior following scenario was introduced:

*“Assume that you want to introduce a new tourism product or service in your company, or enter a new tourism market. **Who is the most important person/category of person you would turn to for advice for this kind of major problem, question or challenge?** (a) Colleague(s) within the network, namely (name/function): _____ ; (b) My wife/husband or other family members; (c) people within the company/organization I work for or am an owner for; other:_____.”*

Followed by the question about the strength of the tie:

“How often do you normally have contact with this person to discuss the above mentioned questions, problems or/and challenges? (a) once a year or less; (b) once a month or less; (c) once a week or less; (d) at least twice a week; (e) almost every day”

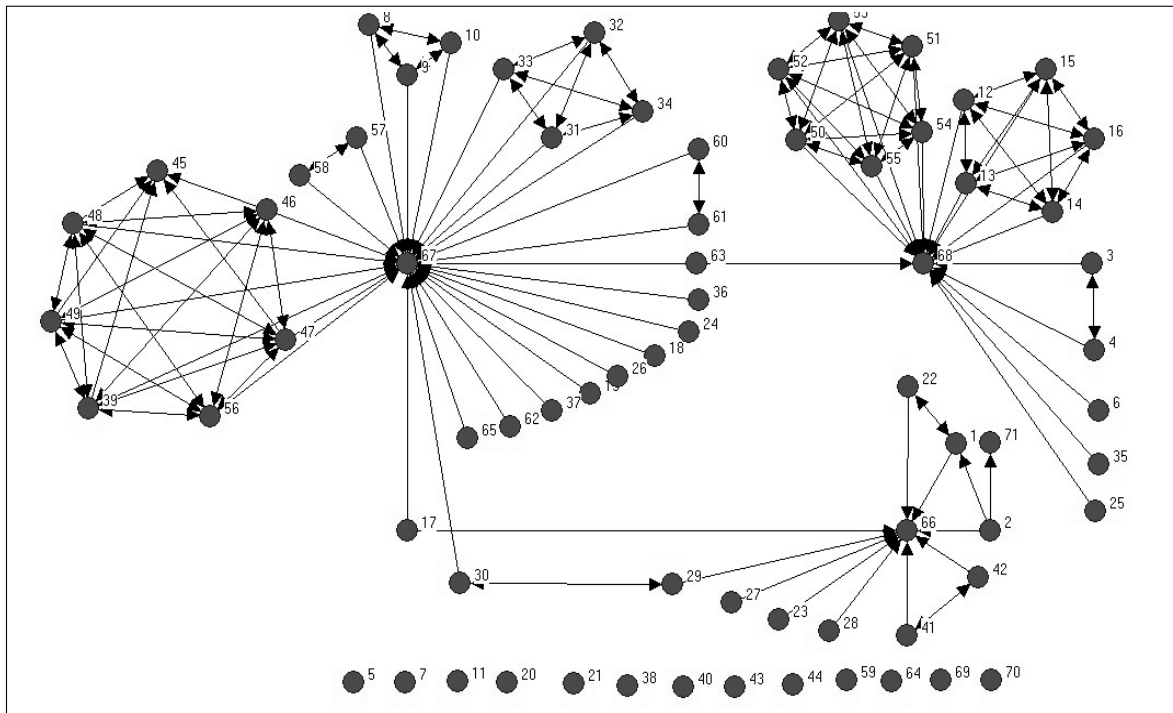


Figure 1: “Who is the most important person/category of person you turn to for *strategic* advice”.

The picture (figure 1) exposes the pattern of strategic advice paths. Figure 1 includes “blind categories”, basically representing not named advice partners. These blind categories include network colleague (see node 66 figure 1); family member (see node 67 figure 1); and colleague within the same company/organization (see node 68 figure 1). All nodes outside the given response rate are lined up at the bottom of figure 1.

TABLE 1: DESCRIPTIVE ANOVA COMPARING STRENGTH OF STRATEGY TIES WITHIN THE DIFFERENT CATEGORIES

	N	Mean	Std. Dev	95% Confidence Interval for Mean		Min	Max	Mean four or stronger than four goes for a strong tie	Mean weaker than four goes for a weak tie.
				Lower Bound	Upper Bound				
Colleague within the network	13	2,9	1,0	2,3	3,6	2	5		WEAK
Husband/wife or member of the family	11	4,6	0,7	4,2	5,1	3	5	STRONG	
From your the organization	23	3,9	1,1	3,4	4,4	1	5		WEAK
Combination of family and network	1	2,0	,	,	,	2	2		WEAK
Combination of network and own organization	1	5,0	,	,	,	5	5	STRONG	
Combination of network and other	2	2,0	0,0	2,0	2,0	2	2		WEAK
Combination of network, family and organization	1	5,0	,	,	,	5	5	STRONG	
Total	52	3,7	1,2	3,4	4,1	1	5		WEAK

In order to facilitate an overall understanding for the results an ANOVA of the categories provided, by using the strength of the tie as basis to separate different components. Each type of tie where categorized by using Burt (1992) criterion of a weak tie as those interacting twice a week. Family ties yield high scores while the nodes turning them selves to a network colleague

mainly represent the weaker ties. The total sum reveals that strategic issues basically require weak ties.

Who do you turn to for routine advice?

In order to explore decision behavior in matter of routine issues following scenario was conducted:

*“Assume that you have **problems and challenges related to routines and day-to-day business**, e.g. issues related to transport solutions, maintenance or staff recruitment – who would you turn to for advice? (a) Colleague(s) within the network, namely (name/function): _____; (b) My wife/husband or other family members; (c) people within the company/organization I work for or am an owner for; other: _____.”*

Followed by the question about the strength of the tie

“How often do you normally have contact with this person to discuss the above mentioned questions, problems or/and challenges? (a) once a year or less; (b) once a month or less; (c) once a week or less; (d) at least twice a week; (e) almost every day”

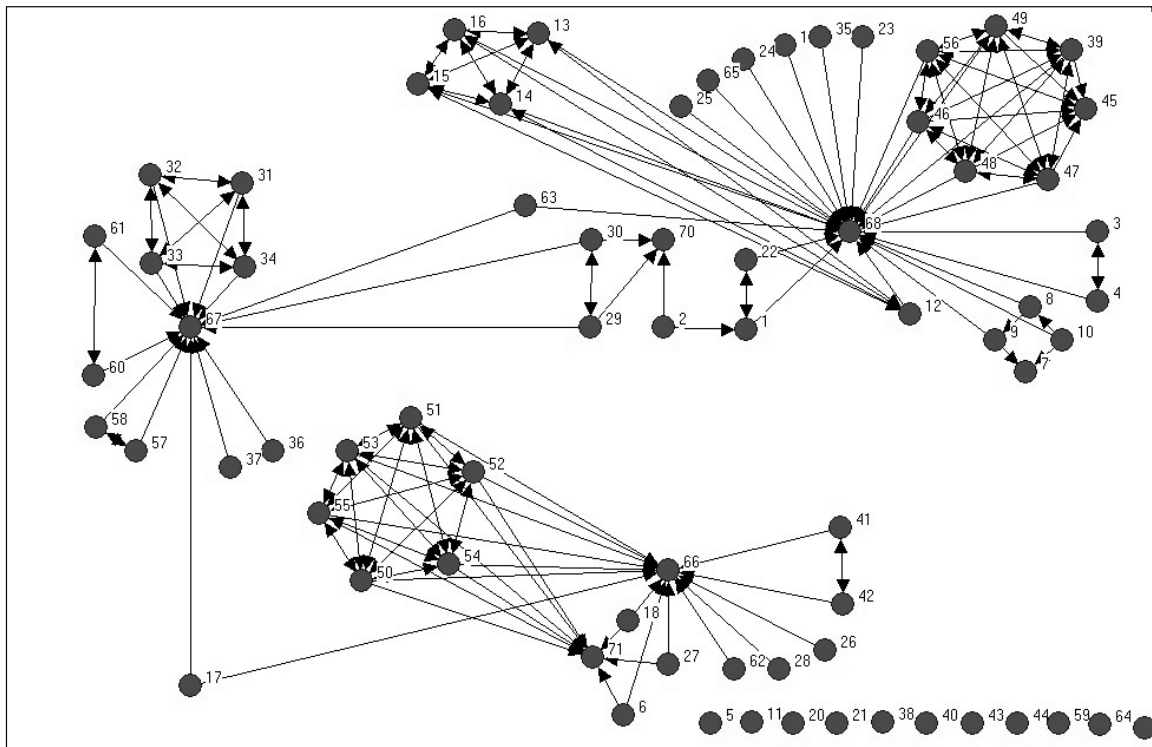


Figure 2: “Who is the most important person/category of person you turn to for routine advice”.

The picture (figure 2) exposes the pattern of routine advice paths. Figure 2 include “blind categories”, basically representing respondent not named advice partners. These blind categories include network colleague (see node 66 figure 2); family member (see node 67 figure 2); and colleague within the same company/organization (see node 68 figure 2). All nodes outside the given response rate are lined up at the bottom of figure 2.

TABLE 2: DESCRIPTIVE ANOVA COMPARING STRENGTH OF "ROUTINE" TIES WITHIN THE DIFFERENT CATEGORIES

	N	Mean	Std. Dev	95% Confidence Interval for Mean		Min	Max	Mean four or stronger than four goes for a strong tie	Mean weaker than four goes for a weak tie.
				Lower Bound	Upper Bound				
Colleague within the network	14	2,6	1,2	1,9	3,2	1	5		WEAK
Husband/ wife or member of the family	12	4,4	0,8	3,9	4,9	3	5	STRONG	
From your the organization	25	4,4	0,8	4,0	4,7	3	5	STRONG	
Combination of family and network	1	5,0	,	,	,	5	5		WEAK
Combination of family and organization	1	5,0	,	,	,	5	5	STRONG	
Total	53	3,9	1,2	3,6	4,3	1	5		WEAK

Table 2 describes ties of routine decisions and exposes strong ties when the advice partner is a member of the family or organization. Otherwise the more efficient ties are found amongst network colleagues. The ANOVA show same pattern as in table 1, since the ties still according to Burt (1992) expose weak characteristics.

Who do you turn to discuss challenges requiring a high degree of personal reliance?

Finally the questionnaire addressed a question about trust, which was expected increase the possibility of a third kind of pattern. The question traces advice partners supplying personal reliance by addressing following scenario:

“Who do you turn to discuss problems and challenges that require a high degree of personal reliance and trust, e.g. questions related to your own leadership? (a) Colleague(s) within the network, namely (name/function): _____ ; (b) My wife/husband or other family members; (c) people within the company/organization I work for or am an owner for; other:_____.”

Followed by the question about the strength of the tie

“How often do you normally have contact with this person to discuss the above mentioned questions, problems or/and challenges? (a) once a year or less; (b) once a month or less; (c) once a week or less; (d) at least twice a week; (e) almost every day”

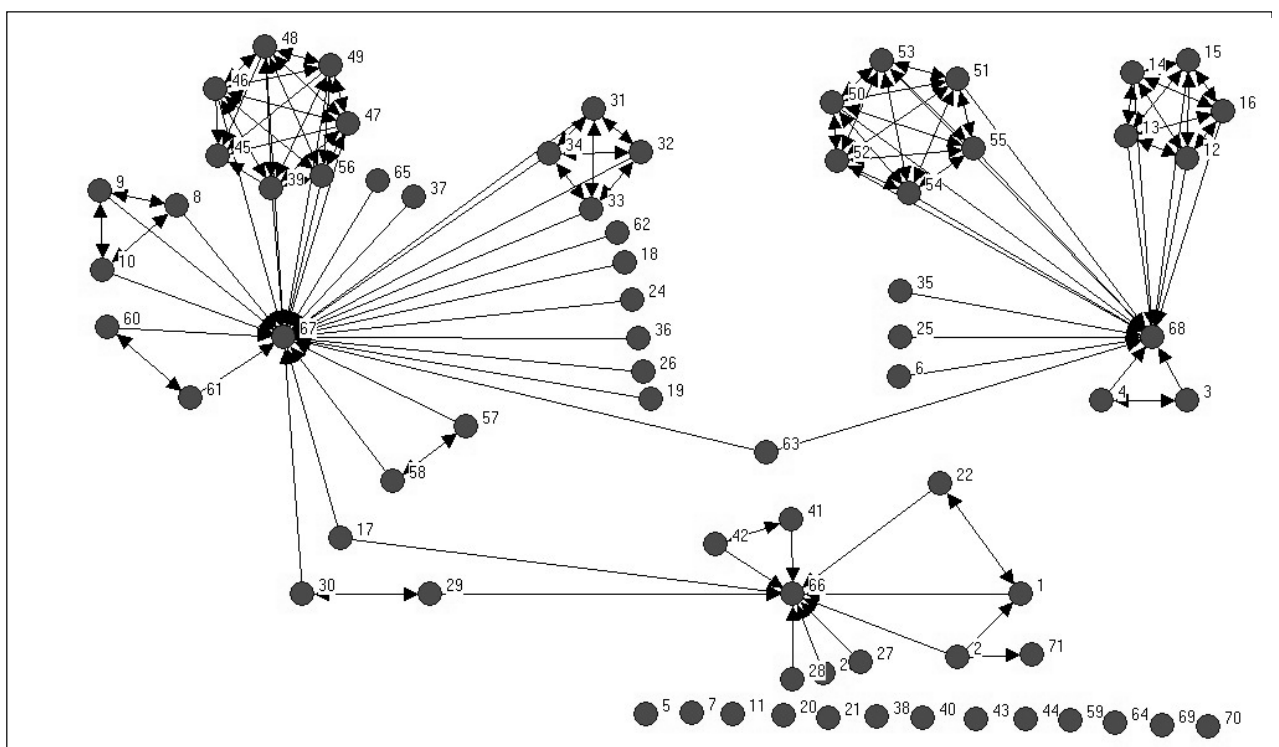


Figure 3: “Who is the most important person/category of person you turn to for personal advice”.

The picture (figure 3) exposes the pattern of advice paths requiring personal reliance. Figure 3 include “blind categories”, representing respondents not named advice partners. These blind categories include network colleague (see node 66 figure 3); family member (see node 67 figure 3); and colleague within the same company/organization (see node 68 figure 3). All nodes outside the given response rate are lined up at the bottom of figure 3.

TABLE 3: DESCRIPTIVE ANOVA COMPARING STRENGTH OF "PERSONAL" TIES WITHIN THE DIFFERENT CATEGORIES

	N	Mean	Std. Dev	95% Confidence Interval for Mean		Min	Max	Mean four or stronger than four goes for a strong tie	Mean weaker than four goes for a weak tie.
				Lower Bound	Upper Bound				
Colleague within the network	8	2,4	1,1	1,5	3,3	1	4		WEAK
Husband/ wife or member of the family	28	4,4	1,1	4,0	4,9	2	5	STRONG	
From the organization	17	4,0	1,2	3,4	4,6	2	5	STRONG	
Combination of family and network	1	5,0	,	,	,	5	5	STRONG	
Total	54	4,0	1,3	3,6	4,4	1	5	STRONG	

Table 3 show a shift in strength of the tie by using strong ties to issues requiring personal reliance. There is also a macabre shift in categories used for personal advice, since the family is overrepresented as the most important category for such issues.

Analyses and discussion

The data unfold some interesting results. The case itself reflects successful tourism companies in sparsely populated areas. The fact that these areas usually struggle for survival, probably most likely explain the lack of empirical interest of focusing on these areas in the context of success. One of the most substantial theories for successful regions claims that: the presence of entrepreneurship, family tradition and supporting institutional climate underpin success in these areas (Malecki, 1997). In earlier observational analysis of the LTTA area, Pesämaa (2003) claim supporting institutional climate and a well established complementary base important for constituting success.

These results confirm current network theory claiming the knowledge about how different actors change advice partners for different solutions (Burt, 1992; Hörte, 1995; Uzzi, 1996).

Also interesting in the context of success is the use of efficient ties, in terms of strong and weak ties, and how these shift depending on tasks. Actors of successful tourism interorganizational networks use efficient ties for strategic and routine tasks. The efficient tie finds quick solutions to sometimes complex solutions and may be understood to increase the social capital (Burt, 2001) and hence minimizes redundancy in the social system of nodes (Powell and Smith-Doerr, 1994). Complexity in resolving both inherent multifaceted sensitive routine and strategic tourism issues/challenges may also explain the need for efficient ties to cover fragmented activities in order to fulfill customer needs.

To the contrary family stands for solutions to issues requiring personal reliance. The network and the formal organization play subordinated role. Leadership and issues regarding the core company seem intimately developed and carried out through loyal and trustworthy relations.

The results also implicitly unveil a structure of secret ties, since categories of persons are selected instead of pointing out specific actors. The role of secrecy is barely penetrated in the network theory. From corporate governance theory we know that secrecy minimize risks to shield a mature position on the market, since affiliating oneself publicly could jeopardize reputation and hence success (Goel and Enkel, 2003). According to Gargiulo (1993) the secrecy and loyalty also may support success. The presence of secrecy is also implicitly linked to topics heeded by Ingram and Roberts (2000) concerning optimal interlocks between different nodes that erode structural holes perceived by potential customers. Perceived structural holes are especially significant in tourism industry since customers benefit

from well established and mapped activities and product opportunities. A tourist and potential tourists search for areas capable of fulfilling or exceeding preferences tied to the expected tourism product or service. In this order tourism entrepreneurs might organize services by interorganizational networks fulfilling different limited services and consequently provide valuable housing, recreation and food.

Two major findings are offered in this particular study: (1) weak ties to solve strategic and routine issues; and (2) strong ties such as family supply a demand for advice regarding leadership and trust related issues and challenges.

For future research clustering methods could possibly unveil subgroups within the total LTTA network. Cluster analysis could also support how strategic subgroups operate within the total cluster. Finally it is worthwhile to emphasize the significance of family business presence in successful contexts. Moreover, and as this paper demonstrated results, method and approach from network theory is most applicable in tourism industry.

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