

Capacity Building in SME Tourism Networks

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INTRODUCTION

This article discusses capacity building of small and medium size enterprises (SME) in tourism networks in the context of the introduction of information and communication technologies (ICT) and an increasingly networked economy. The success of the tourism industry is dependent on the quality of business operations and how well they are able to sustain themselves in the networked economy. To run tourism businesses well, operators need to be skilled, flexible and innovative in order to maintain and enhance competitiveness. The aim of this paper is to share some insights into an Australian tourism industry capacity building project via flexibly delivered online skills. Aiming to raise industry standards and move away from ineffective silo approaches to industry training and capacity building, this article reflects the importance of developing effective industry networks.

BACKGROUND

Tourism is a sector of small businesses, with 91% of all businesses employing less than 19 people, and 62% employing less than 5 people (Bolin & Greenwood, 2003). In many parts of the world, small and medium sized tourism firms (tourism SME) therefore make up the majority of the tourism industry, making a substantial contribution to regional economies (Braithwaite, 2001). In the European economy alone, small tourism firms (SME) contribute about 10 per cent of the annual GDP and represent one in seven of all jobs (European Commission, 2003).

Skills augmentation, building destination relationships, network linkages and industry-wide benchmarking are internationally recognised as leading economic drivers for economic growth in general and the tourism industry in particular. The benefits of formulating networks have been demonstrated in research, which

suggests that when grouped together, small tourism firms can have a considerable influence on the economy particularly within the tourism and hospitality industry (Braun, 2004; Buhalis, 1999). The push towards the adoption of networked information and communication technologies (ICT), combined with increased customer expectations, has put extraordinary pressure on the small tourism firms to extend conventional distribution channels to include the Internet as a major new marketing channel (Bloch & Segev, 1996). By implication, this pressure extends to the need for business skills applied at both the operational and strategic levels to match the expectations of international visitors. Small tourism businesses are now likely to attract through such distribution channels as the Internet.

Small tourism enterprises, much like other small enterprises, tend to be time and resource-poor, with their size being their main disadvantage (Werthner & Klein, 1999). Small and micro tourism enterprises are also characterised by a low skill base, feelings of isolation, being located in peripheral regions where access to skills support is limited, and an inability to leave their business to continually improve their skills (Hollick, 2003). Training is considered a cost rather than an investment for most small operators, who concentrate on their day-to-day operations and business management. Given the market in which small and micro tourism businesses are operating and the increasing importance of raising industry standards to keep up with the pressures of today's global business climate, it is imperative that small and micro tourism operators increase their general knowledge as well as their core competencies (Collins, Buhalis, & Peters, 2003).

ONLINE LEARNING

To overcome these multiple barriers, a skilling project was launched in Australia, which sought to develop a more effective capacity building model for small tour-

ism enterprises. The ventures addressed a major gap in training initiatives by performing a coordination role between the diversity of stakeholders in the provision of tourism capacity building.

The program used ICT to facilitate flexible delivery of a wide array of learning content, tailored to the needs of both start-up and established small and micro tourism operators. The project built on the concepts that ICT, in the form of online learning, can enhance operator use of ICT and create an awareness of what ICT can do for business operations (Collins et al., 2003); and that industry knowledge sharing can enhance network formation and create competitive advantage.

Online learning or e-learning is defined as learning that takes place anytime someone uses electronic means for gathering information either with (synchronous learning) or without another live person (asynchronous learning) present (Zhang & Nunamaker, 2003). E-learning can include Web-based technologies, CD-ROMS, DVDs and videoconferencing. Some disadvantages of e-learning include the operators' initial set-up and access to infrastructure cost; operators may find it too impersonal; and participants need a high level of discipline (Collins et al., 2003).

While the adoption and innovative use of computer-mediated communication technologies can have positive outcomes for individual learners and for regional development, it should also be noted that online learning is still in its infancy. Online learning is expected to grow dramatically with the increased understanding that distribution of and sharing of knowledge via online environments is key to successful network and relationship building. Despite the fact that many small tourism business fall short in ICT skills and have remained reluctant to move away from manual processes, ownership of technology and Internet access is on the rise and, when introduced at the right time and in the right way, may in fact point small business owners to embracing ICT for innovative uses such as online learning (Louvieris & Lockwood, 2002).

ICT and the Internet may help overcome barriers experienced by small business owners, such as an inability to leave the business for training purposes during business hours, in addition to feelings of isolation. ICT and the Internet are ideally suited to training small and micro tourism operators, as it allows small business to access cost effective training and learn anytime they want without disrupting normal business operations. Especially when it involves the use of online environ-

ments, flexible learning can boost opportunities for the development of e-commerce, e-business and skills (Mitchell, 2003). For small businesses that lack time to travel long distances to learning venues, ICT enables them to study according to their seasonability and other operational management commitments they may have. Other beneficial factors include quick and easy access to course content and up-to-date information (Collins et al., 2003).

Online learning also provides the context and the potential for "learning regions" to emerge. In learning regions, a variety of regional agents and institutions are brought together to "learn to learn" together. Learning region actors are encouraged to take part in collaborative learning (Lundvall & Archibugi, 2001). By formulating learning networks and entering into interactive learning processes, it is believed that regions can create competitive advantage (Florida, 2002). Conversely, while regional development will be increasingly dependent on local communities' capacities for continuous collaborative learning and innovation, it is also dependent on the availability of a skilled and flexible workforce.

THE PROJECT

The Australian project, **bbbonline**¹, targeted 520 micro tourism enterprise owners and managers in the Goldfields region (northwest of Melbourne) of Victoria, Australia. The pilot presented a flexibly delivered capacity building and business skills development program for small and micro tourism enterprises. It aimed to augment tourism operators' business skills and facilitate the uptake of voluntary industry accreditation. The project for tourism operators in the Goldfields region (75% of which are micro operators) directly complemented an Australian Government initiative of the Tourism White Paper towards setting up a national tourism accreditation program to improve tourism industry performance and encourage tourism growth in Australia's region.

Building on the concept that tourism growth lies in the industry's ability to deliver high quality products and services by meeting and exceeding customer expectations from arrival to departure, the pilot program aimed to contribute to continuous improvement of industry performance and build industry networks through online interaction. The Australian pilot content was entirely available online, in CD-ROM format, and was under-

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