

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/333245180>

Transformation of Tourism Business Organization in South Sulawesi Province (Perspective of Strategy and Organization Development)

Article in *Journal of Engineering and Applied Sciences* · August 2019

DOI: 10.36478/jeasci.2019.5627.5634

CITATIONS

0

READS

32

2 authors:



Herminawaty Abubakar

Bosowa University

31 PUBLICATIONS 81 CITATIONS

[SEE PROFILE](#)



Palipada Palisuri

Bosowa University

7 PUBLICATIONS 0 CITATIONS

[SEE PROFILE](#)

Some of the authors of this publication are also working on these related projects:



Improving the performance of organization [View project](#)



Intrapreneurship in Travel Business [View project](#)

Transformation of Tourism Business Organization in South Sulawesi Province (Perspective of Strategy and Organization Development)

Herminawaty Abubakar and Palipada Palisuri

Faculty of Economics, Bosowa University, Makassar, Indonesia

herminawati.abubakar@universitasbosowa.ac.id, palipadapalisuri.bosowa45@gmail.com

Abstract: The complex changing of company's environment marked by rapid and uncertain changes of internal and external environment should be responded quickly by the organization to face the fierce business competition. Transformation is a must for organizations to obtain a better change of behavior, way of thinking, methods and way of working. This study aims to analyze the effect of innovation, knowledge and technology on organization's development through organizational transformation strategy. This research used a quantitative approach. The data was obtained through questionnaire and interview. The methods used were sampling determination methods, namely stratified proportional random sampling and convenience random sampling. The respondents in this research were 140 tourism businessmen in South Sulawesi Province. Path analysis method was used to analyze the effect among the variables. The findings of this study indicate that changes of company's business environment through the changing process of innovation, knowledge and commitment encourage the transformation of organization and affect the organization development directly and indirectly through organization transformation.

Key words: Innovation, knowledge, commitment, organization transformation, organization development, random sampling

INTRODUCTION

Companies are facing rapid changes of external environment all the time, companies that do not respond to these changes will face serious problems in its organization development. The development of organization that can adapt to changes of company's external environment requires the company to make a change according to the company needs and strength (Poerwanto *et al.*, 2015; Munro and Belanger, 2017; Adeleke *et al.*, 2018). In order to encourage a satisfactory improvement of organizational performance, a strategic organization change is required. Tourism business in South Sulawesi Province is one of the fastest growing tourism industry characterized by the increasing number of tourist business each year. The average increase in the tourism business in 3 years (2014-2016) is 21%. In 2014, there were 180 tourism businesses. The number increased in 2015 by 21% it became 218. In 2016, it increased by 21% and became 268 (Anonymous, 2017). Due to the increasing number of tourism business in South Sulawesi Province, the competition is tight and it creates complex business problems. Therefore, organization transformation should be conducted to answer challenges in the company's internal and external environment.

Changes in the company's environment with a high level of uncertainty as well as the increasing dynamic and

complexity of the environment are the biggest trigger factors for innovation in an organization (Sartika, 2015). The development of knowledge and technology as well as new working methods and product creations are expected to make the organization better. A creative and innovative organization has a greater chance of success than a passive and reactive organization (Wang and Ellinger, 2011; Rediyono and Ujianto, 2013). In addition, an organization must have a commitment to develop the organization through the development of individual by increasing knowledge, ability and skills through various learning processes. Individual who learns will certainly indicate "Self-actualization", therefore, this individual will increase the organization's value (Soetjitro, 2011). Innovation, knowledge and commitment as individual behavior are expected to improve company's performance and enhance the company's competitiveness.

The success of organization transformation can be achieved by integrating various aspects in the company, namely the change of culture, skill, team, structure and system (Sharma and Khokle, 2017). In addition, Norbutus (2007) urged that organization transformation takes the organization from its old form and system to a new form and system by adjusting all of its elements (system, structure, people, culture) to achieve the organization's goals in accordance with the organization's vision and mission. Therefore, the conclusion is that the success of

organization transformation is achieved by integrating knowledge, innovation, culture, commitment, structure, system and technology as the basic of organization development. Successful change requires the application of science and technology (Wang and Ellinger, 2011; Reginato and Guerreiro, 2013; Bartunek and Jones, 2017).

Some research findings suggest the importance of transformation strategy of change in managing the company. Change basically meant reorganization and the critical activity was to develop the best organizational solution for mastering new situations (Schreyogg). Organization transformation is the ability of an organization to change itself (Stockport, 2000). This opinion supports the finding of (Poerwanto *et al.*, 2015) that the change of organization is a challenge that requires the organization to develop its ability to adapt to the external environment and integrate it in by empowering the existing resource. Furthermore, Soetjitro (2011) urged that the organization must develop its capacity to learn new patterns, values and work strategies, so that, the elements can be transformed into organization's life that is capable of answering every organization challenge. Therefore, this research aims to study, analyze and describe the process of organization transformation and its impact on company development.

Organization transformation incorporates well planned actions, approaches and time, yet it requires high commitment from the organization members as well as impeccable implementation (Sharma and Khokle, 2017). Organization transformation is an important concept and process in the organization. The organization adapts to challenges and opportunities that are changing rapidly to improve organization effectiveness, efficiency and sustainability (Schalock *et al.*, 2018). The needs to transform the organization is a fundamental shift between organization, individual and society as a whole (Soetjitro, 2011). Therefore, organization transformation is a major challenge in the organization development. Organization transformation is the impact of internal and external environment changes oriented to the organization development.

MATERIALS AND METHODS

Location research: This research was conducted at 140 tourism businesses in South Sulawesi Province. The researcher set three districts, namely Maros, Gowa and Toraja and three cities, namely Makassar, Pare-Pare and Palopo as the representative of the tourism business. The research was conducted on 110 tourism agencies and 30 travel agents (Fig. 1).



Fig. 1: Tourism locations in South Sulawesi Province (Anonymous, 2017)

Research design: This study used a quantitative approach (quantitative method) to provide an overview of the data distribution on various variable indicators related to the phenomenon. An emphasis was given to the construction of reality developed on the field. This research used deductive approach which aims to test the hypothesis. Afterwards, it was analyzed using path analysis which aims to explain the causal relationship between variables and test the hypothesis.

Population and research sample: The population of this study was tourism business in South Sulawesi Province which was legal and registered to the Association of Indonesian Travel Companies (ASITA) of South Sulawesi Province. The sample was travel businessmen.

Data analysis method: The data was obtained through questionnaire and interview on travel businessmen. Furthermore, the data was analyzed using path analysis with SPSS Version 21 by measuring the effect of organization's individual behavior on company development either directly or indirectly through organization transformation.

RESULTS AND DISCUSSION

Environment is one of the most important factors that support the company success in competition. Companies should regard the company itself as a combination of two forces, the company's internal and external environment. The easier the environment changes, the greater the strategy arrangement and implementation (Navarro-Garcia *et al.*, 2014; Anjastantri and Dewantara, 2017). Environment change in the future is something that is hard to predict, forecast and confirm (Dewi, 2015). The change of environment occurs any time, in the form of one or a combination of external environment factors, either national, regional or global scale. Environment change cannot be separated from various threats that occur and sourced from the company's internal and external environment (Dewi, 2015). All organizations must maintain their external and internal consistency for growth, sustenance and development (Bhattacharya and Kundu, 2013).

External environment: Tourism industry grows into a very lucrative and prospective industry for national development in the future. The development and growth of tourism industry is strongly supported by various supporting factors in the form of availability of facilities in tourist destinations such as transportation, lodging, restaurant and entertainment. Tourism, essentially, deals

with products and services that serve relief, convenience as well as pleasure to the tourists. The happier the tourists in the tourist attractions, the bigger the possibility of them staying longer or coming back again in the future. Therefore, all parties involved in the tourism industry should provide the best quality service.

Tourism industry in South Sulawesi Province is rapidly growing by 16% based on data released by the Anonymous (2015), the number of tourists visiting South Sulawesi Province is 7,320,599, consists of Foreign and domestic tourists. The number of tourists visiting South Sulawesi increases by 21% or 1,248,308 tourists from 6,072,291 in 2014 to 7,320,599 in 2015 (Anonymous, 2017). Foreign tourists visit in South Sulawesi Province indicates a large increase in the last 3 years (2013-2015) it can be seen from a total of 106,584 tourists in 2013 to 151,763 or 42% in 2014. There is an increase of 26% to 191,773 tourists in 2015 (Anonymous, 2017).

Along with the increasing flow of tourist visits, the number indicates an increasing flow of Foreign and domestic tourists which is 18,885,283 tourists (2013-2015). The dominant tourists are the domestic tourists amounted to 5,385,809 tourists which increases by 9% in 2014 to 5,920,528 tourists and increases by 11% to 7,128,826 tourists in 2015 (Anonymous, 2017). The increase of Foreign and domestic tourist visits in South Sulawesi Province causes an effort to respond the tourism development in fulfilling the needs and improving the service to the tourists. This condition provides business opportunities for entrepreneurs by establishing a travel business that relies on creative and innovative abilities in arranging tour packages offered to customers.

Rapid change occurring in the travel business environment in South Sulawesi Province automatically requires any businessman to always pay attention and response to the company's external environment (Reginato and Guerreiro, 2013; Harminawaty, 2017). Tourism business occupies an important position in the tourism industry, since, this business clears the path of relationship between tourism industry and customers. Travel business is a business that performs tourism activities and other services related to the implementation of both domestic and Foreign tour and travel. The travel business basically relies on the trust of prospective service users in hope that they will obtain a satisfactory service. Customers perceive service quality as the difference between the actual service performance and their expectations and help determine the overall image of tourism (Johns *et al.*, 2004; Da Silva *et al.*, 2018).

The external environment has a major effect on the company's internal environment in achieving competitive advantage. The factors in external environment are: economic factors, technological factors, political factors and legal factors as well as socio-cultural factors (David, 2009; Hunger and Wheelen, 2014; Adeleke *et al.*, 2018). Economic factors include all events or important issues in the field of national economy that can affect the company performance and sustainability. The increasing tourism needs triggers a demand for products and tour packages that can be conducted by a travel business. Factors that support the success of a travel business is having: competent human resources, competitive prices, complete products and modern and sophisticated technology. (Dewi, 2015). The increasing number of tourist business should be balanced with the improvement of service quality provided to consumers, this situation is indirectly increasing the number of consumers or tourists.

The competition among travel businesses is getting tighter with the advancement of internet based technology. Various tourism information (products and tour packages) that previously only can be obtained directly (in a traditional manner) from the travel business, now can be conducted easily through the internet, so, the tourists can arrange their own trip (Castillo-Manzano and Lopez-Valpuesta, 2010; Anjastantri and Dewantara, 2017). Strong information technology support makes travel business provides high quality service and fulfill the needs of consumers with affordable and competitive price. Through the internet, travel business makes the transaction process easily and quickly (Askitas and Zimmermann, 2015; Srivastava and Dhar, 2016). Political factors include applicable law, government policy and formal or informal rules in the company environment. The government regulation cannot be ignored in running a business (David, 2009; Hunger and Wheelen, 2014).

The regulation is a government policy that regulates and limits all movements of capital, goods or services. By this regulation, travel business is expected to encourage the investment in the field of tourism while maintaining to protect the value of culture, religion and destination characteristics. Besides, this regulation ensures that a travel business is running well by following the established principles of upholding religious norm and cultural value, human right, cultural diversity, local wisdom, providing benefits to the community welfare, preserving nature and protection environment and others.

Better living standards and more complex problems faced by the community in a country make traveling a part of human needs. It does not apply to the upscale

economic groups only, the middle and lower class economic groups start to notice the importance of tourism for recreational purposes with family, friends and business colleagues. The increasing needs of travelling can be seen from the increase of domestic and Foreign tourists. Travel business connects consumers and tourism industry actors as well as local society it brings some benefits and impacts to the local society. Intercultural understanding occurs through the interaction between local people and tourists. From that intercultural understanding, tourists can get to know the local history and appreciate the local culture. Globalization has pushed and forced rapid changes in the business world. Companies are required to be adaptive and resilience to the external environment and able to make rapid change to the right direction.

Internal environment: Analysis of company's internal environment is useful for identifying the strengths and weaknesses of a company based on its resources and capability. Organizations have internal systems and processes which have specific norms and rules, ideals, values, beliefs and practices that govern their behavior. Within the organizations, people Interact Conference daily and have specific skills, values, feelings, motivation and feelings. All organizations must maintain their external and internal consistency for sustenance, growth and development (Bhattacharya and Kundu, 2013). The tendency of innovation practices increases in organizations today and in the future is mostly due to the change of external environment, competition environment and others (Sartika, 2015). Poerwanto *et al.* (2015) urged that there are three organizational capabilities that should be established in facing the era of rapid, knowledge-based change: commitment, knowledge creation and innovation in the production process. Innovation is a demand from organization transformation that does not only focus on organization development when the organization has not been able to give a satisfactory performance but also on growing companies and organizations that are in the point of maturity (Sartika, 2015). Achieving a sustainable change begins with a clear understanding of the organization's current state, followed by the implementation of appropriate and targeted strategies (Aradea *et al.*, 2010).

The change of internal environment has a major effect on the management of human resources and affect the organization culture. Organization culture is an important factor in organization transformation (Ramos *et al.*, 2005; Soonsawad, 2010). One of the effective ways to conduct the process of cultural change is to change the habit and value of an individual in the organization by changing the behavior of the individual (Bircan and Gencler, 2015;

Elsetouhi *et al.*, 2018). Effective organization structure and system optimize the performance of the organization and its members by ensuring that tasks, work activities and people are well organized to achieve the objective (Lee *et al.*, 2011). However, the organization structure and design are not only mean to ensure that works and activities are coordinated in the most efficient way. An effective structure also helps planning, decision-making and minimizing work-related problems and inter-department conflicts. In addition, the company develops its capability of information technology and expands the use of network communication to obtain the benefits offered by the business model (Arviansyah *et al.*, 2014; Soonsawad, 2010; Ramos *et al.*, 2005). Technology can connect various organization units, so that, it integrates information and decision-making process. Technology can improve efficiency and speed up information flow in organization's environment (Soetjitra, 2011).

The exogenous variables in this study consist of innovation (X¹) with three indicators; technology innovation, human resource innovation and product innovation; knowledge (X²) with four indicators; implicit knowledge, explicit knowledge, empirical knowledge and rational knowledge; commitment (X³) with three indicators: attitude, trust and loyalty; organization transformation (X⁴) with four indicators; people, culture, structure and system, technology. The endogenous variable is organization development (Y) using 3 indicators, namely; structure and design, value and company's performance. Result of statistical data in Table 1 indicates the function of Eq. 1:

$$Y = 0.630X^1 + 0.096X^2 + 0.093X^3 \quad (1)$$

This equation indicates that all exogenous variables (innovation, knowledge and commitment) are giving positive and significant effect on endogenous variable (organization transformation) Eq. 2:

$$Y = 0.023X^1 + 0.186X^2 + 0.109X^3 + 0.097X^4 \quad (2)$$

Table 1: Correlation coefficient

Exogenous variables	Endogenous variables			
	Organization transformation		Organization development	
	Coefficient	Sig.	Coefficient	Sig.
Innovation (X ¹)	0.630	0.000	0.023	0.004
Knowledge (X ²)	0.094	0.037	0.186	0.036
Commitment (X ³)	0.093	0.046	0.109	0.020
Organization Transformation (X ⁴)	-	-	0.097	0.003

Equation 2 indicates that the variables of innovation, knowledge, commitment and organization transformation have a positive and significant effect on the organization development as endogenous variable.

Direct effect: SPSS Version 21 was used to determine direct effect and relationship of innovation, knowledge and commitment on the strategy of organization transformation

The result of statistical data in Table 2 indicates that the variables of innovation, knowledge and commitment produce t-statistic of 9,548, 3,422 and 3,464 > 1.96. This condition indicates that innovation, knowledge and commitment have partial effect on organization transformation. Value of positive original sample estimate are 0.630, 0.094 and 0.093. This value indicates that there is a positive relationship of innovation, knowledge and commitment on organization transformation. The value of each variable indicates significance of 0.000, 0.037, 0.046 < 0.05 it indicates that partially there is a significant relationship of innovation, knowledge and commitment on organization transformation. The effect of innovation, knowledge and commitment on organization transformation is indicated by R² value of 0.451 or 45% and 0.549 or 55% which is affected by other factors outside the model. The probability value of F is 37.185 on sig 0.000 < 0.01. It means that innovation, knowledge and commitment variables simultaneously give a significant effect on organization transformation.

Next, the relationship of innovation, knowledge, commitment and organization transformation on organization development based on data in Table 2 indicates that these variables generate t-statistics of 4.202, 2.115, 3.383 and 6.855 > 1.96. These results indicate that these variables have partial effect on organization development. Value of positive original sample estimate are 0.023, 0.186, 0.109 and 0.097 it means there is a positive relationship of innovation, knowledge and organization transformation on organization development. The significance value of variables indicate 0.004, 0.036, 0.020, 0.003 < 0.05 which mean that there is a significant

Table 2: Path analysis result

Models	Path coefficient	t-values	Sig.	R ²
Sub structural 1 (X¹ X² X³ on X⁴)				
X ¹ (DX ¹ X ¹)	0.630	9.548	0.000	0.451
X ² (DX ² X ²)	0.094	3.422	0.037	
X ³ (DX ³ X ³)	0.093	3.464	0.046	
Sub structural 2 (X¹ X² X³ X⁴ on Y)				
X ¹ (DYX ¹)	0.023	4.202	0.004	0.502
X ² (DYX ²)	0.186	2.115	0.036	
X ³ (DYX ³)	0.109	3.383	0.020	
X ⁴ (DYX ⁴)	0.097	6.855	0.003	

Table 3: Indirect effect and total effect

Variables	Indirect effect	Total effect
X ¹ on Y through X ⁴	0.061	0.084
X ² on Y through X ⁴	0.009	0.195
X ³ on Y through X ⁴	0.009	0.118

relationship of innovation, knowledge, commitment and organization transformation on partial organization development. Simultaneously, innovation, knowledge, commitment and organization transformation have positive and significant effect on organization development indicated by R² value of 0.502 which means the contribution of innovation, knowledge, commitment and organization transformation on organization development is 0.502 or 50% while the rest of 0.498 or 50% is affected by other factors outside the model. The probability value of F is 12.534 with 0.0000<0.01 which means that simultaneously innovation, knowledge, commitment and organization transformation have positive and significant effect on organization development.

Indirect effect and total effect: Using path analysis of SPSS it can be known that there are indirect effect and relationship of innovation, knowledge and commitment on organization development through organization transformation.

Indirect relationship of innovation, knowledge and commitment on organization development through organizational transformation is indicated by the results of statistical data in Table 3. Results of the data indicate positive original sample estimate value of 0.061, 0.009, 0.009, respectively which means there is a positive relationship of innovation, knowledge and commitment on organization development through organization transformation. Meanwhile, the total effect of innovation, knowledge and commitment on organization development through organization transformation is 0.084, 0.195 and 0.118 it indicates that there is a positive effect of innovation, knowledge and commitment on organization development through organization transformation.

Organization development strategy: Organization development is intended to understand and facilitate the process of change in an organization (Schreyogg). In line with this (Shatreovich, 2014) urged that Organization Development (OD) is an organizational conceptual effort to improve organization effectiveness and viability. Basically, organization development is a planned effort conducted in the organization level to improve the effectiveness and/or enable the organization to achieve its strategic goals (Mackenzie and Gordon, 2016). From various opinions on organization development it can be

concluded that organization transformation is a medium to the efficient and effective organization development. Organization transformation is in the form of technological, structural, individual and physical change that requires knowledge, innovation and commitment. Many factors hamper organization change including organization culture that rejects the change and weak leadership (Samad, 2012; Kazmi and Naaranoja, 2015). Organization transformation aims to improve organization capability in accordance with the demands of business environment (Nyhan, 1998; Poerwanto *et al.*, 2015). The change of system and organization structure from the old form to a new form gives an impact not only on the pattern of the structure itself but also other aspects such as procedure, culture, human, etc. but it is important to remember that not all change is better, so, it is necessary to direct the change to a better direction compared to the previous condition (Bartunek and Jones, 2017).

Organization transformation is complex, difficult and usually involves a high risk of failure (Sharma and Khokle, 2017). In a complex organization, different perspectives help to develop a richer understanding of the situation or challenge (Varney, 2008). The process of organization transformation will obtain various challenges caused by both organization and individual interests in the form of rejection. Changes are always addressed by pros and cons. The cons include a resistant attitude to accept change, so, this can be an inhibiting factor in achieving organization goals of change (Herminawaty, 2017). Organizational rejection includes structural, working group, expertise, power relation and an established resource allocation. While individual rejection is a factor of habit or establishment, ignorance, position and reluctance (Poerwanto *et al.*, 2015).

The main business process of a travel business is to utilize technology with the support of qualified resources, create ease with online sales and e-commerce payments, provides 24 h service to customers who want to consult; procure company infrastructure; clarify organization structure and management (Arviansyah *et al.*, 2014; Anjastantri and Dewantara, 2017). Organizational structure within the company has an important role in the development of the company. Each position has a role and responsibility in decision making and company development process. The development of information technology through the internet is not only accessed through computers but also smartphones, so that, is accelerates and facilitate the delivery of information needed by tourists. Through Internet-based information technology, products sold can be updated at any time and accessed quickly (Bircan and Gencler, 2015; Askitas and Zimmermann, 2015; Srivastava and Dhar, 2016).

This organization transformation is expected not only to change the role, responsibility and human resource relationship significantly but also change the structure and infrastructure of transformed companies. Strategic transformation is about the ability of an organization to transform itself to ensure long-term survival (Stockport, 2000). This organizational transformation is expected to give a positive impact on the company to change the fundamental relationship between the company and the company's external environment to a better direction.

CONCLUSION

Organization transformation is a challenge that enables an organization to develop its ability to adapt to the external environment in the form of changes in economic, technology, politic and legal and socio-cultural aspects and integrate it into the organization by empowering the company's resources.

Companies anticipate competition by executing their offline and online strategies. The attempts to compete through offline strategies include attending several national and international tourism forums. The strategy to compete online is conducted by the company through the provision of several websites owned by the company. Utilizing internet-based information technology in selling tourist products can be updated at any time and quickly accessed. In addition, organization transformation in the form of change in human resources, system and structures is strongly affected by innovation, knowledge and commitment.

Types of selected change to be implemented will have different effects on people who work include their work pattern. The organization should make the right choice of organization change models, since, not all organization transformation models can be implemented into the organization. It depends on organization size, capability, technological readiness and environment.

REFERENCES

- Adeleke, A.Q., A.Y. Bahaudin, A.M. Kamaruddeen, J.A. Bamgbade and M.G. Salimon *et al.*, 2018. The influence of organizational external factors on construction risk management among Nigerian construction companies. *Saf. Health Work*, 9: 115-124.
- Anjastantri, W. and R.Y. Dewantara, 2017. [Maintaining the existence of traditional travel agency in facing online travel agency threats (In Indonesian)]. *Bus. Administration J.*, 50: 151-156.
- Anonymous, 2015. [South Sulawesi in figures]. Statistics Indonesia, Central Jakarta, Indonesia (In Indonesian).
- Anonymous, 2017. [South Sulawesi Province tourism industry]. Dinas Kebudayaan dan Kepariwisata Provinsi Sulawesi Selatan, Makassar, Indonesia (In Indonesian).
- Aradea, A. Yuliana and H. Himawan, 2010. Application of change management for increasing business processes in achieving competitive advantages of organizations. *Proceedings of the National Seminar on Informatics 2010 (semnasIF 2010)*, May 22, 2010, UPN "Veteran" Yogyakarta, Depok, Indonesia, pp: E-27-E-36.
- Arviansyah, T. Spil and J. Van Hillegersberg, 2014. Equivocality in IS/IT project evaluation: Model development and pilot study. *Procedia Technol.*, 16: 1155-1165.
- Askitas, N. and K.F. Zimmermann, 2015. The internet as a data source for advancement in social sciences. *Intl. J. Manpower*, 36: 2-12.
- Bartunek, J.M. and E.B. Jones, 2017. How Organizational Transformation has been Continuously Changing and Not Changing. In: *Research in Organizational Change and Development*, Shani, A.B.R. and D.A. Noumair (Eds.). Emerald Publishing Limited, Bingley, England, ISBN:978-1-78714-435-4, pp: 143.
- Bhattacharya, A. and A. Kundu, 2013. Organization design and performance: Evidence from India. *Intl. J. Manage. Marketing Res.*, 6: 93-107.
- Bircan, I. and F. Gencler, 2015. Analysis of innovation-based human resources for sustainable development. *Procedia Soc. Behav. Sci.*, 195: 1348-1354.
- Castillo-Manzano, J.I. and L. Lopez-Valpuesta, 2010. The decline of the traditional travel agent model. *Transp. Res. Part E. Logistics Transp. Rev.*, 46: 639-649.
- Da Silva, M.A., R.A. Costa and A.C. Moreira, 2018. The influence of travel agents and tour operators perspectives on a tourism destination: The case of Portuguese intermediaries on Brazil's image. *J. Hospitality Tourism Manage.*, 34: 93-104.
- David, R., 2009. *Strategic Management*. 12th Edn., Penerbit Salemba Empat, Medan, Indonesia.
- Dewi, N.A.N., 2015. [Plans for developing corporate strategies to improve company quality]. *Proceedings of the 2015 International Conference on National System and Informatics*, October 9-10, 2015, STMIK STIKOM Bali, Denpasar, Indonesia, pp: 666-670 (In Indonesian).
- Elsetouhi, A.M., A.A. Hammad, A.E.A. Nagm and A.M. Elbaz, 2018. Perceived leader behavioral integrity and employee voice in SMEs travel agents: The mediating role of empowering leader behaviors. *Tourism Manage.*, 65: 100-115.

- Herminawaty, A., 2017. Impact of business environment change on entrepreneurial behavior an Business Process Reengineering (BPR). Proceedings of the 2nd International Conference on Accounting, Business and Economics, October 26-27, 2017, Grand Mercure Yogyakarta Adi Sucipto, Yogyakarta, Indonesia, ISBN:978-602-61817-1-8, pp: 1-15.
- Hunger, D. and L. Wheelen, 2014. [Strategic Management]. 12th Edn., Penerbit Andi, Yogyakarta, Indonesia (In Indonesian).
- Johns, N., T. Avci and O.M. Karatepe, 2004. Measuring service quality of travel agents: Evidence from Northern Cyprus. *Serv. Ind. J.*, 24: 82-100.
- Kazmi, S.A.Z. and M. Naaranoja, 2015. Innovative drives get fuel from transformational leaderships pied pipers effect for effective organizational transformation!. *Procedia Soc. Behav. Sci.*, 181: 53-61.
- Lee, S.M., M. Peris-Ortiz and R. Fernandez-Guerrero, 2011. Corporate entrepreneurship and human resource management: Theoretical background and a case study. *Intl. J. Manpower*, 32: 48-67.
- Mackenzie, J. and R. Gordon, 2016. [Organizational development study]. Knowledge Sector Initiative (KSI), Central Jakarta, Indonesia. (In Indonesian)
- Munro, M.M. and C. Belanger, 2017. Analyzing external environment factors affecting social enterprise development. *Soc. Enterp. J.*, 13: 38-52.
- Navarro-Garcia, A., J. Arenas-Gaitan and F.J. Rondan-Cataluna, 2014. External environment and the moderating role of export market orientation. *J. Bus. Res.*, 67: 740-745.
- Norbutus, D., 2007. Practitioners corner in search of organizational transformation. *Intl. J. Leadersh. Stud.*, 3: 134-139.
- Nyhan, B., 1998. Competence development as a key organisational strategy-experiences of European companies. *Ind. Comer. Training*, 30: 267-273.
- Poerwanto, I. Sisbintari and Suhartono, 2015. [Organizational transformation: Based on increased human resources in strengthening competitiveness saing (In Indonesian)]. *J. AL. Azhar Indonesia Seri Pranata Sosial*, 2: 119-132.
- Ramos, I., D.M. Berry and J.A. Carvalho, 2005. Requirements engineering for organizational transformation. *Inf. Software Technol.*, 47: 479-495.
- Rediyono and Ujianto, 2013. [Effect of innovation, organizational culture and teamwork on managerial performance and its implications on the performance of rural banks in East Kalimantan Province (In Indonesian)]. *DIE. J. Econ. Manage.*, 9: 103-119.
- Reginato, L. and R. Guerreiro, 2013. Relationships between environment, culture and management control systems. *Intl. J. Organizational Anal.*, 21: 219-240.
- Samad, S., 2012. The influence of innovation and transformational leadership on organizational performance. *Procedia-Social Behav. Sci.*, 57: 486-493.
- Sartika, D., 2015. [Organizational innovation and organizational performance: Case study at apparatus study and education center and training III state administration agency (In Indonesian)]. *J. Borneo Administrator*, 11: 129-151.
- Schalock, R.L., M.A. Verdugo and J. Van Loon, 2018. Understanding organization transformation in evaluation and program planning. *Eval. Program Plan.*, 67: 53-60.
- Sharma, S. and P.W. Khokle, 2017. Identifying a typology of organizational transformations in India. *Intl. J. Organizational Anal.*, 25: 24-44.
- Shatreovich, V., 2014. Industrial structures as competitive factor in organization development. *Procedia Soc. Behav. Sci.*, 110: 871-878.
- Soetjitro, P., 2011. [Organizational transformation using the 4R approach (In Indonesian)]. *Value Added Econ. Bus. Mag.*, 8: 1-11.
- Soonsawad, P., 2010. Facing crisis: Saving a company via cultural transformation. *Intl. J. Bus. Manage.*, 5: 52-64.
- Srivastava, A.P. and R.L. Dhar, 2016. Technology leadership and predicting travel agent performance. *Tourism Manage. Perspect.*, 20: 77-86.
- Stockport, G.J., 2000. Developing skills in strategic transformation. *Eur. J. Innovation Manage.*, 3: 45-52.
- Varney, S., 2008. Leadership learning: Key to organizational transformation. *Strategic HR. Rev.*, 7: 5-10.
- Wang, Y.L. and A.D. Ellinger, 2011. Organizational learning: Perception of external environment and innovation performance. *Int. J. Manpower*, 32: 512-536.