



POWER ASYMMETRIES IN TOURISM DISTRIBUTION NETWORKS

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Abstract: This paper takes a strategic contingencies theory perspective to understanding the power asymmetries that arise between tourism organizations in tourism distribution networks in the exchange of critical resources. After addressing the sources of these power asymmetries, we suggest strategies by which less powerful organizations can influence these power asymmetries and capture a greater share of the value network by managing their exchange relationships. By using intraorganizational strategies less powerful organizations in interorganizational networks can gain greater power in exchange relationships. We illustrate applications of our proposed strategies in the context of the convention and meetings industry.

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INTRODUCTION

Organizations constantly monitor their relationships with other organizations in order to ensure they achieve the best possible outcomes (Palmer, 2002; Ring & Van de Ven, 1994). The field of inter-organizational relations has been empirically studied since the late 60s (Aiken and Hage, 1968). Research on interorganizational relations ranges across a number of levels and units of analysis depending upon the particular question being addressed. These units of analysis include: the organizational level, the interorganizational dyad, and the interorganizational network. At the organizational level, the focus of research is primarily on organizational properties that are likely to influence an

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organization's relations with other entities. At the dyad level of interorganizational relations, the emphasis is on specifying the nature of the relationship between two organizations. Interorganizational relations have also been studied at the network level where the network is defined as a system comprised of organizations (Granovetter, 1985; Gulati, 1998). In the tourism industry, a network approach is important in studying the diversity and heterogeneity of tourism products, usually provided by a mix of interdependent actors (Timur & Getz, 2008). Tourism distribution networks are configured as complex systems of organizations where each organization contributes to and shares in the total value generated (Pforr, 2006).

In tourism value creation and appropriation relationships there is usually an imbalance of power between any two organizations in which the dependent organization is likely to be disadvantaged by the power imbalance. Consequently, the disadvantaged organization seeks strategies to gain greater power in this relationship in order to improve its ability to gain a greater share of the total value in the exchange. While the literature on organizational networks has thoroughly examined the performance consequences of network membership (e.g., Yilmaz & Bititci, 2006), only a few approaches have been offered to address power imbalances between organizations in networked relationships. For example, Gulati and Sych (2007) found in their comparison of high versus low embedded organizations that higher levels of embeddedness led to more favorable outcomes. Embeddedness was measured as the degree to which organizations shared joint dependence on each other as exchange partners and included measures of control over strategic contingencies such as dependence resulting from the magnitude of exchange, the percentage of total exchange with a partner, and the number of exchange alternatives available. These authors (Gulati & Sych, 2007) suggest that one strategy for managing power imbalances with networked exchange partners is to seek ways to encourage long term relational dependencies that increase embeddedness. While this may be a worthwhile strategy, it is limited in its application by the extent to which embeddedness can be manipulated by the lower power partner in a networked relationship. What this research does suggest, however, is more research and theory development should be focused on the issues raised by power asymmetries in networks.

In his classic work on power and influence in organizations, Pfeffer (1992) suggests several factors that determine the degree to which an actor (an individual or department) is dependent on another actor in an organization. He further argues that when an organizational actor possesses these factors, singularly or in combination, it gains the ability to exercise power over another actor in the organization. Pfeffer (1992) offers a variety of strategies by which dependent individuals or organizational departments can influence power asymmetries in their relationships. These strategies include: positioning in the hierarchy, establishing centrality in the communication network, identifying allies and supporters, and building reputation for being more powerful.

We extend Pfeffer's argument by suggesting that the same factors that influence internal (intraorganizational) power relationships can

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