

# Mediating Effect of Leadership and Cost Control between External Environment and Organization Structure the Tourism Industry in Tongliao City Inner Mongolia Autonomous Region the People's Republic of China

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**Abstract:-** This research aims to study the objectives of this study are as follows: (1) to purpose mediating effect of leadership and cost control between external environment and organization structure of the tourism industry in Tongliao city inner Mongolia autonomous region the people's republic of china. (2) To investigate the factor direct and indirect among external environment and organization structure of the tourism industry in Tongliao city inner Mongolia autonomous region the people's republic of china. This study adopts a mixed-method approach combining quantitative and qualitative methods. The quantitative study surveyed 2,851 employees from 35 SMEs in the tourism industry in Tongliao City, Inner Mongolia Autonomous Region, China, through questionnaire surveys, with a sample of 400 employees. The qualitative research method involved in-depth interviews with 3 senior management personnel.

## ➤ Major Findings:

To investigate and analyze the causal factors influencing the organizational structure of the tourism industry in Tongliao City, Inner Mongolia Autonomous Region, People's Republic of China, this study conducted a detailed analysis based on the structural equation model shown in the image. According to the model results, the Chi-square value is 248.663, the degrees of freedom are 106, the CMIN/df is 2.346, the sample size is 400, the CFI is 0.954, the NFI is 0.924, the GFI is 0.951, the IFI is 0.955, the RMSEA is 0.043, and the SRMR is 0.048. These indicators demonstrate a good model fit. Specifically, the key influencing factors include Leadership (LEA), Organizational Resources (ORS), Employee Efficiency (EE), and Cultural Construction (CCL). Among them, the impact coefficient of Leadership on Organizational Resources is 0.52, the impact coefficient of Organizational Resources on Employee Efficiency is 0.63, and the impact coefficient of Employee Efficiency on Cultural Construction is 0.75. Additionally, Leadership indirectly influences Cultural Construction through Organizational Resources. These causal relationship data provide important references for optimizing the organizational structure of the tourism industry in Tongliao City.

**Keywords:-** Organizational Structure; Leadership; External Environment.

## I. INTRODUCTION

In the context of economic globalization and regional economic integration, the tourism industry, as a rapidly developing sector, has been making increasingly important contributions to the global economy, especially in promoting local economic development, enhancing city image and increasing employment opportunities. The tourism industry plays an important role. Tongliao City in Inner Mongolia Autonomous Region is a good example. Its abundant natural resources and unique Mongolian culture provide favorable conditions for tourism development. Located in the eastern part of Inner Mongolia Autonomous Region, Tongliao City enjoys a superior geographical position as a grassland city with vast grasslands and rich historical and cultural resources. Its traditional Mongolian culture and folk activities such as the Nadam Fair not only attract a large number of domestic and foreign tourists, but also play an important role in promoting local economic development. In addition, Tongliao City has made use of its unique ecological resources, such as the Keerqin Sandy Lands World Geopark, to develop eco-tourism and attract a large number of nature-loving tourists. With the strong support of the central government, Tongliao City has made significant achievements in the construction of tourism infrastructure and the improvement of service levels. The government's investment in improving transportation infrastructure, improving the quality of tourism services, and introducing a multilingual tour guide system have made the tourist experience more convenient. These efforts have not only improved tourist satisfaction, But also greatly promotes the contribution of the tourism industry to the local economy. The development of tourism has stimulated the growth of related industries, such as hotels, catering and transportation, which has improved the overall impact of tourism and created a virtuous cycle. In addition, the growth of the tourism industry has also increased employment opportunities, especially in the service sector. Many locals have improved their living standards and economic conditions by engaging in tourism-related businesses, such as becoming tour guides or opening homestays or restaurants. At the same time, the tourism industry of Tongliao City has actively promoted local cultural characteristics and ecological protection, increased people's awareness of environmental protection, and promoted the sustainable development of tourism (Sun, 2009). In the face of increasingly fierce market competition, small and medium-sized

enterprises (SMEs) in the tourism industry of Tongliao City face many challenges in management and operation. For these enterprises, effective resource integration, cost control, maintaining corporate culture, and improving service quality are the keys to sustainable development. Organizational structure, which is the basic framework for enterprise operation, directly affects the implementation of enterprise strategies and market adaptation. Therefore, conducting in-depth research on the organizational structure of SMEs in the tourism industry of Tongliao City is of great practical significance in understanding the problems and challenges and finding effective management approaches. In the current market environment, SMEs in Tongliao's tourism industry face many challenges, of which resource integration and cost control are particularly important. Since resources are limited, these enterprises must allocate and use resources wisely to improve their operational efficiency and competitiveness. In addition, effective cost control strategies can help enterprises maintain their competitiveness in the highly competitive market. Improving organizational culture and service quality are also important issues for SMEs in Tongliao's tourism industry. A positive organizational culture can motivate employees, improve work efficiency and teamwork, and directly affect the quality and effectiveness of customer service. In the tourism industry, high-quality customer service is an important factor in attracting and retaining customers (Ji, Y. M, 2023). Optimizing organizational structure is the foundation for achieving these management goals. A clear and efficient organizational structure can ensure the effective implementation of decisions and strategies, and enhance the organization's ability to respond to market changes. Optimizing organizational structure can help SMEs in Tongliao's tourism industry better implement strategies and flexibly adapt to internal and external challenges. In-depth research on the organizational structure of SMEs in Tongliao's tourism industry can not only reveal the problems they encounter in management and operation, but also find ways to solve them. With the continuous changes in the external environment such as politics, economy, society and technology, tourism enterprises in Tongliao must constantly

adapt and optimize their organizational structures to better adapt to the influence of the external environment. The effectiveness of leadership, the accuracy of cost control and the flexibility of organizational structures all have a significant impact on the competitiveness of enterprises. This study focuses on the analysis of leadership development, cost control strategies and organizational restructuring.

#### ➤ Research Objective

- To purpose mediating effect of leadership and cost control between external environment and organization structure of the tourism industry in Tongliao city inner Mongolia autonomous region the people's republic of china
- To investigate the factor direct and indirect among external environment and organization structure of the tourism industry in Tongliao city inner Mongolia autonomous region the people's republic of china.

#### ➤ Research Hypothesis

- Hypothesis 1: (H1) External environment has effect on Organization Structure
- Hypothesis 2: (H2) External environment has effect on Leadership
- Hypothesis 3: (H3) External environment has affect cost control
- Hypothesis 4: (H4) Leadership has affect Organization Structure
- Hypothesis 5: (H5) Cost Control has affect Organization Structure
- Hypothesis 6: (H6) External environment has an indirect influence on Organization Structure through Leadership
- Hypothesis 7: (H7) External environment has an indirect influence on Organization Structure through Cost Control

#### ➤ Research Framework

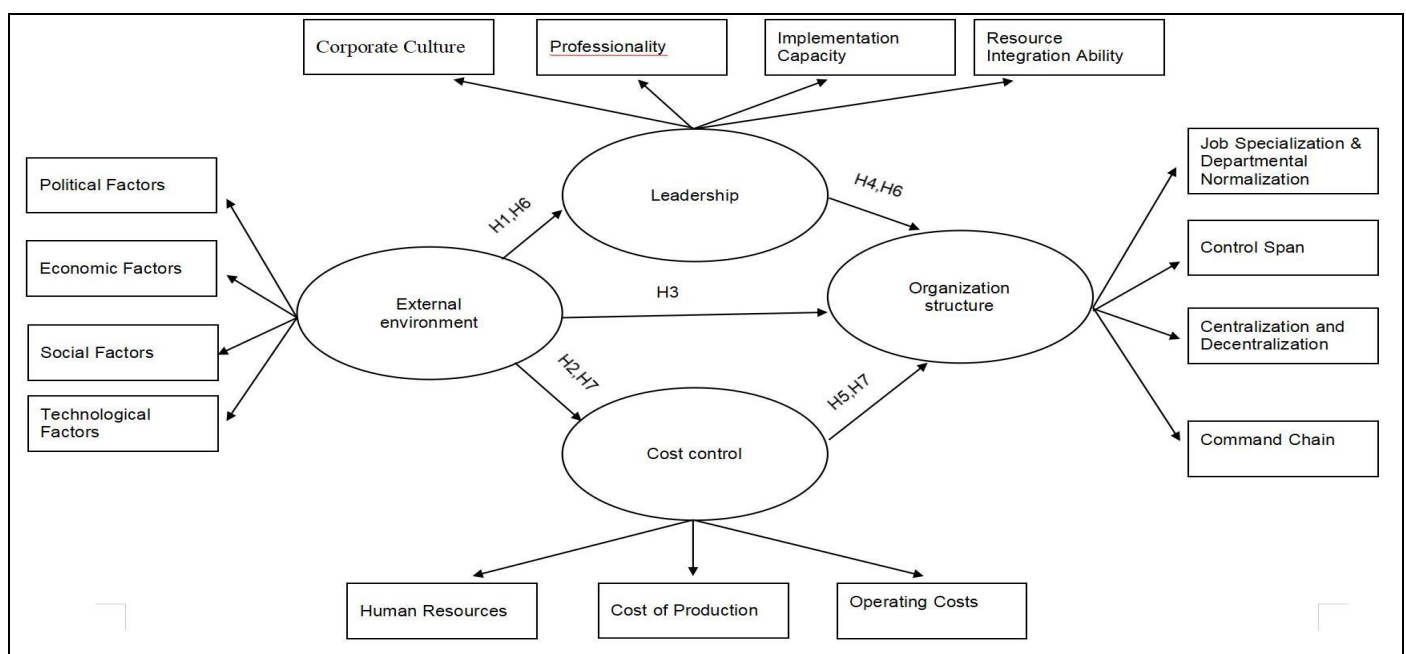


Fig.1 Research framework

## II. LITERATURE REVIEW

### ➤ *Leadership Theory*

Leadership theory plays a crucial role in exploring the influencing factors and causal relationships of the organizational structure of the tourism industry in Tongliao City, Inner Mongolia Autonomous Region. This theory focuses on how leaders directly influence the direction and efficiency of organizations through their personal abilities, styles, and behaviors. In the tourism industry, leaders' decision-making abilities, innovative thinking, and interpersonal relationship management are particularly important because these factors directly impact the attractiveness of tourist destinations and customer satisfaction. Leaders in Tongliao City's tourism industry need to have a high degree of cultural sensitivity and market insight to better promote regional characteristics and attract domestic and international tourists. Additionally, effective leadership also requires the ability to motivate and coordinate relationships among different stakeholders, including local governments, investors, tourism operators, and local communities, to ensure the optimal allocation and utilization of resources. Furthermore, leaders' adaptability and flexibility in responding to environmental changes (such as changes in market demand and policy adjustments) are also key factors influencing the success of the tourism industry. Therefore, in studying the organizational structure of Tongliao City's tourism industry, leadership theory provides an important perspective for analyzing how leadership behavior shapes organizational structure and drives the development of the tourism industry.

Cui Baojian (2016) mentioned in the article "Theory and Practice of China's Tourism Transformation—Taking Hulunbuir, Inner Mongolia as an Example" that the enterprise culture of the tourism industry emphasizes customer satisfaction as the top priority. In Tongliao City, tourism enterprises strive to meet customer needs and expectations by providing personalized and high-quality services. This includes everything from simple accommodation and dining services to complex tourism packages and cultural experiential activities, all aimed at exceeding customer expectations to establish brand loyalty and market competitiveness. Respect and protection of cultural heritage are emphasized in the enterprise culture. As a region with deep historical and cultural significance, the tourism industry in Tongliao City emphasizes cultural sensitivity and responsibility in its development. Enterprise culture often incorporates respect for and protection of local cultural heritage, such as educating tourists and the public, supporting local cultural and artistic activities, and participating in historical site conservation projects.

Li Qian (2020) mentioned in the article "Measurement of the High-level Development of the Tourism Industry and Its Impact on Tourism Economic Growth" that with the increasing global emphasis on sustainable tourism, Tongliao City's tourism enterprises have also incorporated environmental protection as part of their organizational culture. This includes implementing energy-saving and emission reduction measures, using sustainable materials, and promoting environmental awareness. For example,

some hotels and tourism facilities use solar power, reduce the use of disposable items in catering services, and avoid disrupting the natural habitats of wildlife during tourism activities.

Ji Yuanming (2023) mentioned in "The Impact of Major Meteorological Disasters on the Tourism Industry in Tongliao City and Its Countermeasures" that operational management of the tourism industry also requires high professionalization. This involves hotel management, catering services, transportation scheduling, and many other aspects, all of which require meticulous management to ensure service quality. By introducing modern management systems and training qualified professionals, operational efficiency and resource utilization efficiency can be effectively improved.

Scholar Shan Haojie (2011), in the article "Research on the Impact of Tourism Development on Inner Mongolia's GDP Growth," mentioned that the core of implementation capability lies in clear strategic planning. Tongliao City's tourism industry needs to develop reasonable development strategies based on its geographical, historical, and cultural resources. This includes identifying major tourist attractions, such as Tongliao's grassland landscapes, historical sites, and cultural festivals, and developing products around these resources. Implementation plans should clarify the goals of each stage, the required resources, and the time frame to ensure that all team members have a clear understanding and consensus on the goals. Effective resource allocation is a key factor in enhancing implementation capability. Managers in Tongliao City's tourism industry need to ensure that every project receives necessary funds, technology, and human resources. For example, investing in advanced reservation systems can improve customer service efficiency, while investing in training local tour guides can enhance the quality of the tourism experience. Moreover, rational resource allocation also includes adjustments between peak and off-peak periods to cope with seasonal changes in tourism demand.

### ➤ *External Environment Theory*

External environment theory provides an important perspective in analyzing the organizational structure of the tourism industry in Tongliao City and its influencing factors, emphasizing how external conditions determine organizational behavior and decision-making processes. In the tourism industry, the external environment includes economic, social, technological, ecological, and political factors, which directly and indirectly affect the organizational structure of the tourism industry. Changes in the economic environment, such as domestic and foreign economic growth rates, consumer income levels, and currency exchange rates, determine tourists' spending power and changes in tourism demand, which in turn affect the marketing strategies and resource allocation of the tourism industry. The socio-cultural environment includes regional customs, social traditions, and tourists' preferences, which directly affect the attractiveness of destinations for tourists and the design of tourism products. The technological environment, especially the development of information technology, has changed the marketing methods and service modes of the tourism

industry, making digital marketing and online services an important competitive factor in the tourism industry.

External environment theory provides a framework for analyzing and understanding the interactions between an organization and its external environment. It emphasizes the need for organizations to be sensitive and responsive to changes in their environment. Organizations can achieve their goals and enhance their competitiveness through continuous adaptation and transformation. This theory is widely applicable not only to business organizations but also to non-profit organizations and government agencies, and is of great importance in guiding practical organizational management and strategic decision-making. Political factors play a crucial role in influencing the organizational structure of the tourism industry in Tongliao City, Inner Mongolia Autonomous Region, and their causal relationships. The stability of the political environment, the level of policy support, and the tourism development strategies of local and national governments directly impact the development of the tourism industry. Scholar Nie Zhenzhen (2013), in the research paper "The Impact of Sichuan Province's Tourism Industry on Regional Economic Growth," mentioned: Political stability is the foundation of tourism industry development. Political instability may lead to a decrease in the number of tourists, as tourists tend to choose destinations that are safe and stable. Additionally, political instability may lead to a reduction in investment, thereby affecting the construction and maintenance of tourism infrastructure. In Tongliao City, as an important tourist destination, it is necessary for the government to provide a stable and predictable political environment to attract domestic and international tourists and investment.

In summary, political factors affect the organizational structure and development of Tongliao City's tourism industry through multiple dimensions. From political stability to government policy support, from the formulation and implementation of tourism development strategies to effective tourism management and international relations, these factors together shape the current situation and future of Tongliao City's tourism industry. Therefore, understanding these political factors is crucial for formulating effective tourism strategies and optimizing organizational structures.

Economic factors play a central role in influencing the organizational structure and causal relationships of the tourism industry in Tongliao City. They not only directly affect the development potential of the tourism industry but also determine the types and quality of products and services that the tourism industry can offer. In Tongliao City, these economic factors include regional economic development level, investment environment, tourism consumption capacity, and various economic activities related to tourism. Scholar Zhao Bo (2002), in the research paper "Study on the Development of China's Tourism Industry Organization," mentioned: The level of regional economic development directly affects the construction of tourism infrastructure and service quality. Regions with better economic development can provide more funds for tourism-related infrastructure construction, such as transportation networks,

accommodation facilities, and entertainment facilities, all of which are key factors in attracting tourists. As an important city in Inner Mongolia, Tongliao City's level of economic development supports the construction of tourism infrastructure to a certain extent, but continuous investment is also needed to maintain and upgrade these facilities to meet the growing tourism demand. Scholar Liu Wei (2013), in the research paper "The Impact of Tourism Development on Local Economic Growth in Lai'an County," mentioned: The quality of the investment environment is also a key economic factor determining the development of the tourism industry. A stable and attractive investment environment can attract domestic and foreign investors to invest in tourism projects, which can not only increase the capital of the tourism industry but also bring advanced management experience and operation models. In this regard, the Tongliao City government can attract investors by providing policies such as tax incentives and land use rights incentives, further promoting the development of the tourism industry.

The comprehensive effect of economic factors forms the foundation of the organizational structure of the tourism industry and affects every operational aspect of tourism. Against the backdrop of globalization and regional integration, the development of Tongliao City's tourism industry relies not only on the optimization of internal economic factors but also on the changes in the external economic environment, such as international oil prices and global economic fluctuations, all of which may affect the organizational structure and business development of the tourism industry through different channels. Therefore, decision-makers in Tongliao City's tourism industry need foresight and flexibility to adapt to the constantly changing economic environment and ensure the healthy development of the tourism industry.

Social factors play a crucial role in determining the organizational structure and development of the tourism industry in Tongliao City. Influencing factors include cultural traditions, population structure, education level, social stability, and social values, among others. These factors not only affect the market demand of the tourism industry but also determine the way tourism services are provided and tourism products are developed. Scholar Qian Xiaofeng (2015), in the research paper "Empirical Study on the Relationship between Transportation and Tourism Industry Development," mentioned: Cultural traditions have a profound impact on the tourism industry. Tongliao City, located in Inner Mongolia Autonomous Region, has rich Mongolian cultural heritage, including traditional music, dance, festivals, and customs. These cultural features are important resources for attracting tourists and the foundation for the development of tourism businesses. The organizational structure of the tourism industry needs to be designed around the preservation and dissemination of these cultural assets to ensure that tourism activities promote cultural preservation and dissemination rather than leading to over-commercialization and potential loss of culture. Changes in population structure also affect the organizational structure of the tourism industry. With the acceleration of urbanization, more and more young people are moving to



large cities for work and living, leading to changes in the tourism market demand. Young tourists often seek novel and exciting tourism experiences, such as adventure tourism and cultural experiences. Therefore, Tongliao City's tourism industry needs to adjust its services and products to attract young people and consider how to use digital technologies, such as social media and mobile applications, to enhance the participation and satisfaction of young tourists. Scholar Tang Yan (2019), in the research paper "Regional Differences in the Impact of Urbanization on Tourism Industry," mentioned: The improvement of education level also has an important impact on the tourism industry. With the increase in people's education level, their demand for tourism becomes more diversified and personalized, and their expectations for tourism quality also increase. Well-educated tourists tend to seek tourism activities with educational component, such as visiting historical sites, participating in ecological tourism, and experiencing local culture. This requires tourism organizations not only to provide basic tourism services but also to develop educational content to meet the needs of this group.

In summary, social factors influence the organizational structure and development strategy of Tongliao City's tourism industry through various channels. From the protection and promotion of cultural traditions, adaptation to changes in population structure, the impact of education level on tourism demand, the guarantee of social stability, to the guidance of social values on tourism operations, these factors collectively define the development direction and key success factors of Tongliao City's tourism industry.

Technological factors are one of the important factors influencing the organizational structure and operation efficiency of the tourism industry in Tongliao City. Technological advancements have brought about changes that not only change the marketing environment of tourism, but also profoundly affect the way tourism services are provided and the experience of tourists. In Tongliao City, these technological factors are manifested in many aspects: The application of information and communications technology (ICT) has become the cornerstone of modern tourism. With the development of the Internet and mobile communication technology, technologies such as online booking systems, electronic payment, social media marketing, and customer relationship management (CRM) systems have been widely used in the tourism industry. For example, tourism enterprises in Tongliao City can provide online booking services, allowing tourists to easily book hotels, transportation, and tourism activities. In addition, social media platforms such as Weibo, WeChat, and Douyin have become important channels for promoting tourism destinations and interacting with customers. Scholar Zhang Li (2009) in his research paper "The Industrial Impact and Development Strategy of Tourism City Construction" stated that big data and artificial intelligence (AI) technologies have been increasingly applied in the tourism industry. By analyzing a large amount of data from various channels, tourism operators can better understand consumer behavior and preferences, achieve market segmentation, and improve the efficiency of products and services.

In summary, technological factors play a crucial role in the organizational structure and development of Tongliao City's tourism industry. With the continuous development and application of new technologies, the tourism industry in Tongliao City can provide more personalized, efficient, and interactive services, enhance tourist experiences, and improve the competitiveness and sustainable development capabilities of the entire industry.

#### ➤ *Organizational Structure Theory*

Organizational structure theory, when exploring the influencing factors and causal relationships of the tourism industry in Tongliao City, focuses on how to achieve the most suitable business operation efficiency and market responsiveness through different organizational design and management approaches. Scholar Li Rong (2013) in his research paper "Research on the Relationship between Domestic Tourism Consumption and Economic Growth in China Based on the Error Correction Model" stated: In the tourism industry, the design of organizational structure affects the information flow, resource allocation and decision-making process, which are all important factors to ensure the efficient and smooth operation of tourism activities. Traditional organizational structure theory proposes that an effective organizational structure should be able to clearly define responsibilities, reduce redundancy, and improve the overall efficiency of the enterprise through appropriate control and coordination mechanisms. In the tourism industry of Tongliao City, the organizational structure may include hierarchical structure, matrix structure or network structure, each of which has its own advantages and limitations. The hierarchical structure helps clarify authority and improve decision-making efficiency. It is suitable for stable business environments and large-scale operations. The matrix structure emphasizes the parallel management system between functions and projects. It is suitable for businesses that need to respond rapidly to market changes and carry out multiple projects simultaneously. The network structure emphasizes flexible cooperation and resource sharing. It is suitable for innovation and rapidly changing market demands. In addition to the structural form, organizational culture and leadership style are also important elements of organizational structure theory. Which has a direct impact on the working atmosphere within the organization and the external cooperation mode.

Organizational structure refers to the arrangement and relationship between different parts of an organization, determining how work is allocated, how work is coordinated, and how resources are distributed. The core of organizational structure is to achieve organizational goals through effective system design, ensuring efficiency and flexibility in operations. As Shan Haojie (2011) stated in his study on "The Impact of Tourism Development on the Economic Growth of Inner Mongolia", a well-designed organizational structure not only clarifies responsibilities and improves resource allocation, but also promotes information flow and strengthens supervision and control, thus improving the overall efficiency and adaptability of the organization to the external environment. There are many forms of organizational structures, ranging from traditional

bureaucratic structures to modern flat and network structures, each with its own characteristics and related conditions. In a bureaucratic structure, the organization usually has a high level of hierarchy and formality, with a clear chain of authority and responsibilities, which is suitable for a relatively stable environment with a high level of work standardization. In contrast, a flat structure reduces the level of management, shortens the decision-making period, and enables the organization to respond faster to market changes, which is suitable for a rapidly changing environment. A network structure is a more flexible organizational form. For Tongliao City's tourism industry, the optimal strategy may be a combination of centralization and decentralization. In this model, core strategies and brand standards are formulated by central management to ensure consistency and efficiency, while specific operational and customer service decisions can be delegated to local or branch offices to leverage local resources and market opportunities. Through this "dual-track" strategy, Tongliao City's tourism industry can maintain efficiency and uniformity while fully utilizing the advantages of local innovation and flexibility. In summary, the choice between centralization and decentralization has far-reaching effects on the organizational structure and operational efficiency of Tongliao City's tourism industry. The appropriate management strategy should be tailored to the specific needs of the tourism market, the scale of the organization, and strategic objectives to achieve optimal development of tourism business.

And the chain of command (also known as the command chain or management chain) is a crucial component of organizational structure. It defines the flow path of information and decisions within the organization, determining how managers and employees communicate and coordinate. In the tourism industry, an effective chain of command ensures smooth operation of the organization, timely communication and execution of decisions, thereby enhancing service quality and customer satisfaction. A good chain of command should also facilitate effective communication and coordination between managers and employees. Managers should be able to clearly communicate the organization's goals and expectations to employees, while also listening to employees' feedback and suggestions for timely adjustment and improvement of work processes. In the tourism industry, this is particularly important for improving customer service and enhancing employee involvement. Scholar Liang Zhongping (2001) mentioned in his paper "On the Virtual Forward Integration of China's Tourism Industry Organization" that because the tourism industry involves multiple departments and organizations, an effective chain of command should also facilitate coordination across departments and organizations. For example, when planning a large-scale event or developing a tourism route spanning multiple scenic spots, close cooperation and coordination between different departments and organizations are required to ensure the smooth progress of the entire process. In conclusion, a healthy chain of command is crucial for the organizational structure and operational efficiency of Tongliao City's tourism industry. By ensuring smooth flow of information, timely execution of decisions, effective communication and coordination between managers and

employees, and cooperation across departments and organizations, Tongliao City's tourism industry can better adapt to market changes, improve competitiveness, and provide better service experiences for tourists.

#### ➤ *Cost Control Theory*

Cost control theory plays a crucial role in the research on the organizational structure and influencing factors of the tourism industry in Tongliao City, focusing on how to enhance the economic benefits and market competitiveness of organizations through effective cost management. Scholar Yu Yonghai (2005) mentioned in the article "Research on the International Competitiveness of China's Tourism Industry": In the tourism industry, cost control not only concerns direct costs such as employee salaries, facility maintenance, and service provision expenses, but also involves indirect costs, such as marketing, technological investments, and administrative management expenses. Cost control theory suggests that by optimizing organizational structure and improving operational efficiency, significant reductions in these costs can be achieved, thereby enhancing the overall profitability of the tourism industry. For example, Tongliao City's tourism industry can implement centralized procurement strategies to reduce material costs through economies of scale; or invest in advanced information technology to enhance the efficiency of booking systems and customer management, reducing labor costs and error rates. In addition, effective cost control also requires internal transparency and accountability within the organization, ensuring that costs for each department or project are strictly monitored and reasonably evaluated. Another key aspect of implementing cost control in the tourism industry is sensitivity to market demand and flexible adjustments to pricing strategies. The organizational structure of Tongliao City's tourism industry must support rapid responses to market changes, optimizing revenue through dynamic pricing mechanisms, such as raising prices during peak tourist seasons and implementing promotional activities during off-peak seasons, to balance revenue and costs. Cost control theory emphasizes that the optimization of organizational structure and management strategies should serve the maximization of cost-effectiveness, ensuring that the tourism industry maintains an advantage in the fiercely competitive market through continuous cost monitoring and budget management. Through in-depth research on the cost control practices and outcomes of Tongliao City's tourism industry, a better understanding of its impact on organizational structure and business strategies can be gained, providing practical management insights and strategic recommendations for the sustainable development of the tourism industry.

Cost control refers to the systematic planning, organization and tracking of costs during production and operation to ensure that costs do not exceed budgets, thus improving the economic benefits and market competitiveness of enterprises. Scholar Jiang Lijun (2011) stated in the article "Research on Business Development in Shangqiu City Based on Causal Relationship Detection" that the main purpose of cost control is to achieve the most suitable cost-benefit ratio through scientific and technological means, thus reducing costs and maximizing profits. It generally includes cost

forecasting, cost decision-making, cost accounting and cost analysis, etc. In the process of cost control, enterprises need to effectively classify and collect costs, including direct costs and indirect costs, fixed costs and variable costs, etc., which can help managers better understand the components of costs and identify points where costs need to be controlled. For example, in production, direct raw material and direct labor costs can be controlled through procurement strategies and production efficiency optimization, while indirect costs such as administrative expenses and selling expenses can be reduced by improving internal management. In addition, cost budgeting is also an important tool for cost control. It determines the detailed cost budget, compares actual costs with budgeted costs, analyzes differences, and timely adjusts management strategies. Modern cost control also emphasizes the integration of value chain and supply chain management, improves supply chain management efficiency, and reduces logistics costs. and inventory costs allow the company to control costs at every step of the supply chain. Production costs are a key economic factor that directly affects the profitability, pricing strategies, and service quality of the tourism industry. In the tourism industry, production costs mainly involve direct costs and indirect costs, including but not limited to human resource costs, service provision costs, marketing costs, and management and maintenance costs.

Operating costs are an important factor in assessing the efficiency of organizational structures and business models in the tourism industry. Operating costs directly affect a company's profit margin, management efficiency, and service quality, making them one of the key success factors in the tourism industry. The operating costs of Tongliao City's tourism industry can be divided into human resource costs, marketing and advertising costs, logistics and supply chain costs, technology investment and system maintenance costs, and compliance and licensing fees.

### III. RESEARCH METHODOLOGY

This study employs a combination of qualitative and quantitative methods (Creswell, 2005; Creswell & Plano, 2007). Initially, a substantial amount of literature was collected, read, and analyzed to establish a conceptual framework. Based on this framework, the independent variable is the external environment, the dependent variable is organizational structure, and the mediating variables are cost control and leadership. To ascertain the relationship between the independent and dependent variables, specific questionnaire surveys were designed using quantitative research methods, investigating the effects of leadership, organizational structure, and cost control on the external environment, respectively. Following the collection of questionnaire survey results, descriptive statistics, inferential statistics, and Structural Equation Modeling (SEM) were employed for analysis. SEM's advantage lies in its ability to simultaneously consider the influence of multiple factors on outcomes and test hypotheses by modifying the model, thereby enhancing the reliability and validity of the research. To ensure the objectivity of the data, semi-structured, in-depth interviews were conducted during the qualitative analysis to establish the research model, ultimately determining the relationship model and impact between leadership and organizational structure.

#### ➤ Population

The population for quantitative research consisted of staff representatives from 35 small and medium-sized tourism enterprises in 8 counties and counties, namely Keerqin County, Keerqin Zuoqi Middle Banner County, Keerqin Zuoqi Rear Banner County, Kailu County, Kulun Banner County, Naiman Banner County, Zalute Banner County, and Huolin Gol County in Tongliao City, Inner Mongolia Autonomous Region. The small and medium-sized tourism enterprises in Tongliao City, Inner Mongolia Autonomous Region are mainly concentrated in Keerqin County, Kailu County, Kulun Banner County, and Naiman Banner County.

#### ➤ Sample Size

The sample groups are Keerqin County, Kailu County, Kulun Banner County and Naiman Banner County as the main areas for the survey. The researcher used structural equation modeling for empirical research and used empirical rules to determine the sampling method to select the sample size (Schumacker and Lomax, 1996; Hair et al., 1998). There are 15 variables in the model, so the appropriate and sufficient sample size is 400 entrepreneurs using simple random sampling technique. Due to the different hierarchical structure of the number of tourism enterprises in each region, this study used the probability sampling method using stratified sampling technique to study the number of tourism enterprises in each region (Sorachai Phisalputra, 2011; Suchart Prasitratatatin, 2007).

#### ➤ Research Tools

In this study, relevant questionnaires were designed according to the local actual situation and distributed to entrepreneurs of small and micro tourism enterprises in Tongliao City, Inner Mongolia Autonomous Region for the survey. The questionnaire is mainly divided into three stages:

The first stage involves formulating the research plan and designing the questionnaire in line with the research objectives.

The second stage includes distributing and collecting the questionnaires, followed by data statistics.

The third stage involves analyzing and summarizing the data from the questionnaire survey.

#### • Design Purpose

To study the factors influencing the organizational structure of tourism enterprises in Tongliao City, Inner Mongolia Autonomous Region, China.

Understand the current situation of the external environment of tourism enterprises in Tongliao City, Inner Mongolia Autonomous Region.

Construct the organizational structure model of the external environment of tourism enterprises in Tongliao City, Inner Mongolia Autonomous Region, China.

#### • Questionnaire Design

The survey content of this paper mainly focuses on the factors influencing the organizational structure of tourism enterprises in Tongliao City. The survey adopts a sample survey

method, with participants randomly selected to participate. The questionnaire is divided into five parts.

The first part: The questionnaire provides general information about the respondent or respondent organization. It consists of a checklist with 5 questions including gender, age, education level, position, and tenure in the tourism industry. These factors influence the respondents' understanding of cultural tourism in Inner Mongolia.

Opinion ratings from the second to the fifth parts are all in the form of a five-point Likert scale, divided into 5 levels: (5) strongly agree, (4) agree, (3) neutral, (2) disagree, (1) strongly disagree.

The second part: The questionnaire covers information about the external environment of small and micro tourism enterprises in Tongliao City.

The third part: The questionnaire survey includes information about the organizational structure of small and micro tourism enterprises in Tongliao City.

The fourth part: The questionnaire survey includes information about the cost control of small and micro tourism enterprises in Tongliao City.

The fifth part: The questionnaire survey includes information about the leadership of small and micro tourism enterprises in Tongliao City.

#### ➤ *The Statistics used in Data Analysis*

- Descriptive statistical analysis is a method used to analyze collected data using statistical techniques. This method involves using tables, classification, graphs, and summaries to describe the characteristics of the data. The relevant measurement metrics include percentages, means, and standard deviations for the observed variables.
- Analysis of the Statistical Relationship Between Variables Pearson's Product Moment Correlation Coefficient (PPMCC or PCC) is used to analyze the relationship between variables, helping to determine whether there is a linear relationship between the variables and the direction and strength of the relationship between the variables.
- Analysis of Statistical Models of Structural Equations Using Structural Equation Modeling The researcher developed a theoretical framework and used AMOS software to create a model related to the empirical data, based on a literature review, and the Chi-square test was used primarily to confirm the consistency between the model and the data..

## IV. RESULTS

### ➤ *Research Results*

- To purpose mediating effect of leadership and cost control between external environment and organization structure of the tourism industry in Tongliao city inner Mongolia autonomous region the people's republic of china Through the investigation and analysis of 35 small and medium-sized tourism enterprises in Tongliao, it has been found that multiple factors significantly impact the organizational structure of the tourism industry. Firstly, the development of the tourism industry has driven the diversification and specialization of enterprise organizational structures. As the tourism industry expands, companies require more departments to manage various tourism projects and services, increasing the specialization of positions and the standardization of departments. Additionally, intensified market competition demands more flexible management structures to respond to rapidly changing market needs. Government policy support, such as tax incentives and subsidies, encourages companies to establish specialized financial and legal departments to manage and leverage these policy advantages. Technological advancements also play a crucial role, with information technology development necessitating the establishment of dedicated IT departments to maintain various technical systems, enhancing operational efficiency and customer experience.
- To investigate the factor direct and indirect among external environment and organization structure of the tourism industry in Tongliao city inner Mongolia autonomous region the people's republic of china In-depth analysis reveals that the external environment, leadership, and internal structure are the main factors affecting the organizational structure of the tourism industry in Tongliao. The external environment includes political, economic, social, and technological factors, with government policy guidance and support playing a significant role in optimizing enterprise organizational structures. Through government tourism development plans and infrastructure construction, companies need to establish project management and planning departments to coordinate and execute projects in collaboration with the government. Leadership also significantly influences enterprise organizational structures, requiring companies to establish R&D and innovation departments to develop new tourism products and services to meet market demands and policy pressures. Enhancing corporate culture and professional capabilities is also crucial, as strengthening internal communication and collaboration enables companies to better adapt to market changes and competitive pressures, thereby optimizing organizational structures and improving overall competitiveness and service levels.



➤ *Summary of Hypothesis Test Results*

Table 1 Hypothesis

Hypothesis	Test Results	
	Accept	Reject
Hypothesis 1 (H1) External environment has effect on Organization Structure	✓	
Hypothesis 2 (H2) External environment has effect on Leadership	✓	
Hypothesis 3 (H3) External environment has effect on Cost Control	✓	
Hypothesis 4 (H4) Leadership has effect on Organizational Structure	✓	
Hypothesis 5 (H5) Cost Control has effect on Organizational Structure	✓	
Hypothesis 6 (H6) External environment has an indirect influence on Organizational Structure through Leadership	✓	
Hypothesis 7 (H7) External environment has an indirect influence on Organizational Structure through Cost Control		✓

**V. DISCUSSION**➤ *Hypothesis 1 (H1) External Environment affects Organizational Structure*

From the research data and analysis results, it was found that external environmental factors have a significant impact on the organizational structure of the organization. Changes in the external environment, such as political stability, economic development, social progress, and technological innovation, can directly or indirectly affect the organizational structure. For example, when the external environment improves, the organization can optimize its organizational structure by increasing resources and support. Wang et al. (2018) stated that improving the external environment helps the organization adjust its organizational framework to increase market adaptability and flexibility. Therefore, it can be concluded that the external environment has a significant positive impact on organizational structure.

➤ *Hypothesis 2 (H2) External Environment affects Leadership*

From the research data and analysis results, it was found that external environmental factors have a significant positive impact on leadership. Improving the external environment, such as political stability, economic development, social progress, and technological innovation, can help increase the capabilities and influence of leaders. Niwarat Wijitkulsawat and the group (2024) stated that external environmental factors affect the competitive advantage of SMEs, with external environmental factors in terms of society and culture having the highest impact on the competitive advantage of SMEs. The next are political and economic technology, respectively. This shows the importance of analyzing the external environment to reveal the potential of leadership for competitive advantage that affects SMEs. For example, policy support and economic growth provide leaders with more resources and opportunities to improve efficiency and decision-making. Deci and Ryan (2000) stated in the self-determination theory that when the external environment is conducive, the quality of leaders' decision-making and management efficiency will improve significantly. Therefore, the external environment has a significant positive effect on leadership.

➤ *Hypothesis 3 (H3) The External Environment has a Positive effect on Cost Control.*

According to the research data and analysis results, external environmental factors significantly influence cost control. Improving the external environment, such as political stability, economic development, and technological innovation, can increase the efficiency of cost control by providing additional resources and support. And Soraya Supaphol and the group (2019) stated that the external environment affects the organization's operations, which may cause both positive and negative effects on current and future operations. Therefore, it is a factor that the organization cannot control. The organization must always analyze the external environment to use in analyzing and planning work. And government policy support and subsidies can help companies reduce production and operating costs. This can help improve the efficiency of cost control. Jones et al. (2005) support this view, stating that improving cost control efficiency can significantly improve a company's operational efficiency. Thus, the external environment has a significant positive effect on cost control.

➤ *Hypothesis 4 (H4) Leadership affects Organizational Structure.*

The research results show that effective leadership can significantly improve the organization's organizational structure, resulting in better market adaptation and greater competitiveness. Strengthening leadership helps optimize an organization's organizational structure by improving its operational capabilities and resource integration capabilities. Lundqvist et al. (2021) found that the role of leadership in both normal and crisis operations has a significant influence on organizational structure performance. Farmanesh and Al Dilby (2023) also revealed that leadership plays a key role in organizational restructuring and development. Therefore, leadership has a significant positive effect on organizational structure.

➤ *Hypothesis 5 (H5) Cost Control affects Organizational Structure*

The research shows that appropriate cost control can significantly improve the efficiency of an organization's organizational structure, which helps to increase its competitiveness in the market. Because nowadays, organizations are increasingly paying attention to reducing

costs in the organization. There are various techniques for reducing costs, but the use of various tools to reduce organizational costs is important (Phawat Upathamchue, 2019). Effective cost control in various aspects such as human resource management, production cost control, and operating cost management can improve organizational structure performance. Harter et al. (2002) studied the relationship between employee satisfaction and business performance. Supporting the view that cost control helps optimize organizational structure, cost control has a significant positive effect on organizational structure.

➤ *Hypothesis 6 (H6): External Environment has an Indirect Influence on Organizational Structure through Leadership.*

The results indicate that the indirect influence of external environment on organizational structure through leadership is significant. Although improving external environment, such as political stability, economic development, social progress, and technological innovation, may enhance leadership, this improvement does not significantly affect organizational structure. Plos et al. (2022) did not provide sufficient evidence that policy support and government subsidies by increasing resources can effectively improve organizational structure. Therefore, the hypothesis that external environment has an indirect influence on organizational structure through leadership is supported.

➤ *Hypothesis 7 (H7): External Environment has an Indirect Influence on Organizational Structure through Cost Control.*

The results indicate that the indirect influence of external environment on organizational structure through cost control is not significant. Although improving external environment, such as political stability, economic development, and technological innovation, may provide additional resources and support for cost control, this improvement does not significantly affect organizational structure. And the study of Harter et al. (2002) does not provide sufficient evidence to support the view that cost control enhances organizational structure, thus, the hypothesis that the external environment indirectly influences organizational structure through cost control is not supported.

## VI. SUGGESTIONS FOR FURTHER RESEARCH

➤ *Suggestions*

This study, through detailed analysis and research, proposes several recommendations to enhance the competitiveness of SMEs in the tourism industry in Tongliao City, Inner Mongolia Autonomous Region. Optimizing the organizational structure of enterprises is a key factor. By improving job specialization and departmental standardization levels, enterprises can achieve more efficient and professional internal management, directly enhancing operational efficiency and market competitiveness. Strengthening leadership development is also crucial. Effective leadership can enhance the execution and decision-making abilities of management, as well as motivate employees' enthusiasm and cohesion, fostering a positive cultural atmosphere within the enterprise.

In the face of a constantly changing external environment, tourism enterprises need to possess high flexibility and adaptability. Enterprises should closely monitor changes in political, economic, social, and technological environments and timely adjust their strategies and organizational structures to respond to these changes. By establishing flexible organizational structures and rapid response mechanisms, enterprises can better cope with uncertainties in the external environment and enhance market adaptability. Furthermore, emphasizing corporate culture construction to enhance employees' sense of belonging and cohesion is important for improving internal stability and employee satisfaction. This not only contributes to internal harmony and stability but also increases employees' work enthusiasm and innovation capabilities, promoting sustainable development.

Technological innovation and application play a significant role in improving operational efficiency and service quality. Tourism enterprises should actively promote technological innovation, adopting advanced management tools and technological means to enhance operational efficiency and service quality. Through the application of technology, enterprises can optimize internal processes, reduce operating costs, and improve service accuracy and timeliness, thereby increasing customer satisfaction and market competitiveness. At the same time, formulating reasonable cost control measures to reduce operating costs is also an effective way to enhance competitiveness. By scientifically managing costs, enterprises can achieve optimal cost allocation while ensuring quality, gaining a greater advantage in fierce market competition. These recommendations provide specific paths for SMEs in the tourism industry in Tongliao City to enhance overall competitiveness and achieve sustainable development.

➤ *Suggestions for Next Research*

Based on the research results, this study mainly focuses on SMEs in the tourism industry in Tongliao City. The next step could extend to other areas in the Inner Mongolia Autonomous Region, such as Hohhot and Baotou. Additionally, comparative analyses of competitive advantage levels based on differences in natural resources, cultural characteristics, and tourism development levels in different regions could be conducted, and strategies to enhance the competitive advantage of tourism SMEs in each region could be proposed.

Expanding research on the application of new technologies is also suggested. Exploring the potential and challenges of new technologies such as artificial intelligence, big data, cloud computing, and the Internet of Things for tourism SMEs, and analyzing the impact of these technologies on service innovation, management innovation, and marketing innovation in the tourism industry.

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