Research Paper

The use of rhetoric in legitimation strategies when mobilizing destination stakeholders

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ABSTRACT

Organizations need to gain legitimacy from their stakeholders in order to be able to attract resources. This is of particular importance for organizations that are highly dependent on other actors in their environment. This holds especially true for Destination Management Organizations (DMOs) since DMOs are dependent on a number of different stakeholders in order to be able to carry out their tasks. Legitimacy may therefore be seen as the most critical asset for this kind of organization. It is argued in this paper that gaining legitimacy through the use of rhetoric is a useful strategic approach that a DMO may adopt in order to mobilize support and resources from its stakeholders. To gain legitimacy by using rhetoric – to be able to conform to, adapt to, convince and even manipulate the institutional logic of important stakeholders – becomes an essential strategic approach. An analytical model on legitimation strategies by the use of rhetoric for DMOs has been developed. The model is illustrated by means of a case study of a regional destination development project in central Sweden.

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1. Introduction

Beginning with the seminal work of Meyer and Rowan (1977), the neo-institutional school of organizational theory has stressed the importance for organizations to be perceived as legitimate in order to be able to attract necessary resources (Scott, 1995). To gain legitimacy, organizations have to be perceived as they are behaving in accordance with the norms, moral rules and regulations of the context they are dependent on (Czinkota, Kaufmann, & Basile, 2014). Consequently, gaining legitimacy is of great importance, and especially so for organizations that are highly dependent on other organizations in their environment. This holds especially true for Destination Management Organizations (DMOs).

DMOs are commonly non-profit organizations created by public agencies and financed by public means, appointed to carry out the marketing and management of a tourist destination (Elbe, Hallén, & Axelsson, 2009; Gretzel, Fesenmaier, Formica, & O'Leary, 2006; Pearce, 1992; Timur & Getz, 2008). Many of these organizations are small, especially at the local and regional levels. They work with modest budgets and with little opportunity to generate income by themselves (Pike, 2004). Due to limited resources, DMOs need to mobilize additional resources from their stakeholders in order to be able to carry out their tasks (Gretzel et al., 2006; Wang & Fesenmaier, 2006). DMOs must be accepted to be supported (Buhalis, 2000; Gretzel et al., 2006; Middleton, 1994; Pechlaner, Volgger, & Herntrei, 2012; Sheehan & Ritchie, 2005); they must be perceived as legitimate by their stakeholders. But it is not enough for a DMO just to be perceived as a legitimate organization itself. The role of the DMO is to act on behalf of the destination, and it therefore also needs to obtain legitimacy for the destination it represents.

A strategic approach for organizations to gain legitimacy among stakeholders, which have received increased attention, is through the deliberate use of a persuasive language, i.e. by using rhetoric (Erkama & Vaara, 2010; Marais, 2012; Sapotichne, 2012; Suddaby & Greenwood, 2005). We argue that this approach is also highly valid for DMOs, although it has not been stressed in previous studies.

It is well recognized that destination governance, i.e. to encourage, facilitate and coordinate collaboration with stakeholders, is a key strategic task of the DMO (Fyall, Garrod & Wang, 2012; Pechlaner et al., 2012). There are several studies on collaboration between DMOs and stakeholders as well as on how DMOs deal with stakeholder relations (e.g. Buhalis, 2000; Cox & Wray, 2011; Elbe et al., 2009; von Friedrichs Grängsjö & Gummesson, 2006; Jamal & Getz, 1995; Palmer & Bejou, 1994; Pike, 2004; Prideaux & Cooper, 2002; Sheehan & Ritchie, 2005; Timur & Getz, 2008; Wang & Fesenmaier, 2006; Wang & Xiang,

2007). Several theoretical approaches have been used in order to increase our understanding of how stakeholders may be coordinated, highlighting aspects such as trust and resource complementarities (Håkansson & Snehota, 1995) as well as norms, incentives, interlocking directorates and systems of information (Bregoli & Del Chiappa, 2013).

Although several theoretical approaches have been used in previous studies on destination governance, the neo-institutional approach seems to be neglected which means that the legitimacy aspect has been overlooked. To be perceived as a legitimate actor is a prerequisite for the DMO if it wants to be accepted among the stakeholders it wishes to establish relations with and mobilize resources from. For that reason it can be argued that legitimacy is a fundamental aspect of destination governance. However, legitimacy is not a coordination mechanism in collaborations since it is based on perceptions, while actual coordination mechanisms such as trust develop through experience-based interactions between parties (Ring & van de Ven, 1994). To use persuasive communicative actions, i.e. rhetoric, in order to gain legitimacy can therefore be understood as another key strategic task of DMOs, and studies on this aspect may contribute to our understanding of destination governance.

The purpose of this explorative article is to address this gap by proposing a model which may be applied when analysing how DMOs use rhetoric in legitimation strategies in relation to their stakeholders. The model may also be used as a strategic tool for DMOs when developing such strategies. The model builds on ideas of legitimacy that have been developed within neo-institutional organizational theory (Bitektine, 2011; Scott, 1995; Suchman, 1995) and on classic and contemporary works on rhetoric (Aristotle, 2004; Suddaby & Greenwood, 2005). Furthermore, the model is illustrated by examples of legitimation strategies in use. The illustrations are obtained from a case study of a regional Swedish DMO made when planning and implementing a destination development project. Finally and most of all, it is hoped for that the attempt presented here may encourage further research in this field.

The rest of this article consists of three sections. In Section 2, the relevant literature is reviewed. The concepts utilised are introduced and further discussed in relation to the role of DMOs. The section ends with the presentation of the model. In Section 3, the case study is introduced and the case illustrations are presented and discussed. In Section 4, we conclude the article with some final remarks.

2. Theoretical framework

2.1. Resources and stakeholders

Resource-dependence theory suggests that a focal organization always is dependent on other organizations in its environment which are in control of coveted resources (Pfeffer & Salancik, 1978). Resources can be defined as every type of element, financial material, immaterial or human that may be used productively (Håkansson & Snehota, 1995). Organizations controlling coveted resources may be referred to as stakeholders, where a stakeholder is defined as an individual or group who can affect or is affected by the performance of the focal organization and who can influence or exert some form of power over the performance of that organization (Freeman, 1984; Sautter & Leisen, 1999).

How a stakeholder is identified and perceived by a focal organization is to some extent arbitrary. It is important to bear in mind that organizations are social constructs. They are not subjects, although they may be perceived as such (Håkansson & Snehota, 1995). Organizations cannot act, only people can. A

stakeholder or even a group of stakeholders may be identified by how they are represented and it is through this representation the image of stakeholders is perceived. The situation of dependencies on and interdependencies between stakeholders means that decisions are seldom in the hands of a single manager (Pfeffer & Salancik, 1978). Instead, managers have to coordinate organizational activities, search for resources and support for new courses of action among the stakeholders. Typical and coveted external resources for a DMO may be funding, skills and competence, but also support from influential stakeholders may be seen as a crucial resource since support may strengthen the image of the DMO and the destination it represents.

An organization's stakeholder varies depending on the issue at stake. Stakeholders could – in the case of DMOs – also vary between destinations (Timur & Getz, 2008). In other words, stakeholders may be empirically defined in each situation. However, typical DMO stakeholders are local businesses, tourists, residents, local municipalities, regional and state governments, and activist groups (Sautter & Leisen, 1999; Sheehan & Ritchie, 2005).

Other DMOs may also be considered as stakeholders. Competing DMOs may affect the courses of action taken by the focal DMO and DMOs of complementary destinations may be considered important partners. In a national context, comprising of several separate destinations on different administrative levels, as in the case at hand, DMOs at the local, regional and the national levels may be interdependent and can consequently be regarded as mutually important stakeholders.

2.2. Legitimacy

Legitimacy has been pointed out as a fundamental resource when an organization is seeking access to others' resources (Dacin, Oliver, & Roy, 2007; Human & Provan, 2000; Suchman, 1995). An indication of the degree of legitimacy an organization is perceived to have may consequently be indicated by the flow of resources to the organization (Hybels, 1995). An often cited definition of the concept is proposed by Suchman (1995, p. 574). He views legitimacy as '… a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions'.

Such a socially-constructed system may be referred to as an organizational field, in which a set of organizational actors in the environment share a predominating institutional logic (Suddaby & Greenwood, 2005), where logic may be defined as 'the underlying assumptions, deeply held, often unexamined, which form a framework within which reasoning takes place' (Horn, 1983 cited by Suddaby & Greenwood, 2005, p.37). For an organization, legitimacy may then be considered as an operational resource which is important to manage in order to be able to gain access to resources from stakeholders in one, or even in several, organizational fields (e.g. Ashforth & Gibbs, 1990; Elsbach, 1994; Kumar & Das, 2007; Suchman, 1995). Obtaining legitimacy is consequently a proactive enterprise, which requires networking and is mainly based on communication between the focal organization and its stakeholders (Elsbach, 1994).

The concept of legitimacy has been refined by several researchers. Suchman (1995) has identified three different types of legitimacy; *cognitive*, *pragmatic* and *moral*. *Cognitive* legitimacy is the fundamental type, based on culturally and socially developed cognitive structures within a society (Berger & Luckmann, 1966; cf. Weber, 1914/1983). In its pure form, cognitive legitimacy is based on comprehensibility, i.e. on aspects that are taken for granted on a more general societal level. *Pragmatic* legitimacy refers to the estimated value, economic or based on joint interests, which an organization expects from exchange with its counterpart. Finally,