Research Paper

Leadership and governance in regional tourism

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ABSTRACT

The rise of neoliberal market management has contributed to an incontrovertible 'truth' that regional tourism organizations (RTOs) established and led by business actors are more effective in leading regional tourism development. Despite this assertion, little evidence has surfaced to support the idea that market-led governance offers a superior model of leadership for regional tourism. This paper adopts an embedded case study approach, undertaking a comparison of leadership in two RTOs that are operating in the same geographical location but under different governance regimes. Semi- structured interviews with executives/leaders and stakeholders/followers were undertaken in two RTOs: a market-led organization and a government-led organization. The purpose of the study was to examine the influence of governance arrangements on the capacity of these RTOs to lead tourism. Findings reveal that while dimensions of governance such as participation, efficiency, legitimacy, accountability, effectiveness and transparency influence a RTO's capacity to lead, good governance and strong leadership were not necessarily synonymous. RTOs can demonstrate varying levels of effectiveness in different dimensions of governance and leadership can be strong in some aspects and weak in others at the same time. The paper argues for a more nuanced approach to understanding governance and leadership.

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1. Introduction

Current destination management discourses suggest that the capacity of a tourism organization to implement effective and sustainable strategies involves power sharing, collaboration and joint resourcing arrangements between the public and private sectors (Bramwell & Lane, 2011; Jamal & Getz, 1999). In the context of regional tourism, such strategies are often difficult to implement because the industry can be small and highly fragmented, and there can be a lack of expertise and social capital within the local business community (Barca, McCann, & Rodríguez-Pose, 2012; Foster-Fishman, Berkowitz, Lounsbury, Jacobson, & Allen, 2001; Zhao, Ritchie, & Echtner, 2011). Much of the research to date has conflated good governance with leadership, but it is not always clear who is leading regional tourism or whether governance structures and processes facilitate or inhibit leadership (Dredge & Jenkins, 2003b; Morrison, 2013; Pike & Page, 2014; Valente, Dredge, & Lohmann, 2014). A closer examination of this relationship between governance and leadership raises important questions. For example, do

some governance structures produce greater capacity to lead regional tourism? And what type of leadership can be expected from different governance arrangements?

Governments around the world, including Brazil, are implementing regional tourism policies that place an onus on RTOs to achieve tourism and economic development policy objectives (Bramwell & Lane, 2011; Fortes & Mantovaneli, 2009). Mirroring processes that are occurring in many countries, regional destinations in Brazil are adopting different RTO models ranging from bureaucratic command-and-control governance structures to corporate structures operating as commercial entities (de Araujo & Bramwell, 2002). The adoption of different governance models provides an opportunity to compare and contrast leadership capacity under different scenarios. In directing attention to this nexus between governance and leadership, the contributions of this paper are to better understand the influence of governance on regional tourism leadership and to identify implications for regional tourism policy and RTO management.

This paper addresses these questions by problematizing a taken-for-granted relationship in the literature that good governance is synonymous with strong RTO leadership. Adopting an inter-organizational networked view of leadership rather than a focus on the characteristics of individual leaders (see Zehrer, Raich, Siller, & Tschiderer, 2014), this paper assesses the capacity of two

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RTOs to lead regional tourism development: a market-led RTO and a hybrid government-led RTO. An embedded case study of the two RTOs located in the Brazilian State of Minas Gerais provides the setting for this investigation.

2. Regional tourism leadership

Leadership has received extensive attention in the literature, with a range of theories emerging focusing on the characteristics and behaviors of individual leaders and their relationship with followers. Different theories have emerged including trait, behavioral, contingency, and integrative leadership (Bass, 1985; Crosby & Bryson, 2005; Daft & Lane, 2005; Fielder, 1973; Franke & Felfe, 2011; Pearce, Conger, & Locke, 2008). These theories have predominantly emerged from within business studies and in corporate settings that are characterized by clear boundaries of authority and where individual leaders are appointed to their positions and vested with power (Nunes, Cruz, & Pinheiro, 2012; Peters & Austin, 1985; Tiffany, 1999). The point of difference between this corporate leadership and regional tourism leadership is that RTOs often lack clear organizational boundaries and structures; there is no clear command- and -control position in regional tourism; leadership in regional tourism is often more about serving a diverse community with disparate interests rather than leading a corporation with a homogeneous set of profit-oriented objectives; and leadership often needs to emerge from the regional actors themselves through a consensus-driven approach. In this context, leadership in RTOs presents a very different set of challenges to leadership in corporate entities.

As a result, any discussion of leadership in regional tourism requires a consideration of leadership in an ambiguous context in which power is shared and there are multiple competing interests. Previous research in regional tourism has revealed that leadership is a process, an outcome, and a concept that is both tangible (such as a formal position) and intangible (such as an experience, a conversation, or the 'soft' power of a charismatic actor) (Bolden, Petrov, & Gosling, 2009; Chemers, 2014; Tourish, 2014). In investigating how regional actors define leadership in the Brazilian RTO context, Valente et al. (2014) revealed four dominant leadership themes: (1) the capacity to produce results, (2) the capacity to mobilize followers, (3) the articulation and communication of goals and actions, and (4) the clear articulation of roles and responsibilities. This paper adopts these themes to examine the capacity of the two case- study RTOs to lead regional tourism.

2.1. Public-sector versus private-sector leadership

The capacity of an RTO to lead tourism in a destination and to harness the collective power of stakeholders to achieve common goals depends on an organization's ability to perform certain tasks. These tasks include engaging with industry and community interests (e.g. Morrison, 2013); achieving consensus regarding shared goals (e.g. Torres-Delgado & Palomeque, 2014); and resilience building to meet new challenges (e.g. Becken, 2013). In regional tourism, community groups, public-sector agencies, private-sector interests, non-governmental and not-for-profit agencies are often motivated by a range of interests and goals. Indeed, the landscape of interests in regional tourism is complex and heterogeneous. Some stakeholders may share some concerns but may hold other values and interests that are unique, competitive or inconsistent with other actors (Crosby & Bryson, 2005). Even the distinction between public and private interests is increasingly blurred as demonstrated by the rise of the 'third sector'. The third sector encompasses non-government and non-profit organizations, associations, social enterprises, charities, voluntary and community groups, where such organizations often adopt a mixture of public and/or commercial entrepreneurial interests that defy neat classification into public or private interests. Given this complexity of interests, it is therefore necessary to understand where the capacity to lead resides (both in individuals and in organizations) and how leadership is practiced in this tricky and increasingly blurred public–private sphere (Bramwell & Lane, 2011; Dredge & Thomas, 2009).

Yet, despite increasing acknowledgment of the blurring of boundaries between public and private interests, the literature still appears to treat the landscape of interests as dichotomous and positions diverge regarding whether the public or the private sector is more capable of leading regional tourism. On one hand, Vernon, Essex, Pinder, and Curry, (2005) argue that the private sector is fragmented and that the public sector is therefore better placed to develop strategic directions and innovations. However, these authors also recognize that partnerships are dynamic over time and can vary according to the presence and ability of individual private actors to influence outcomes. On the other hand, Esteve (2009), Nepal (2009) and Valls (2006) argue that when the public sector assumes leadership, interactions between state and business interests can dominate and it is possible that interactions between community groups and not-for-profit organizations become marginalized. Governments can also have difficulty operating in flexible and adaptable ways as required in a competitive business world, and leadership may not be sufficiently agile to deal with market shifts in times of crisis (Bolman & Deal, 2013). To illustrate, in responding to market shifts, volatility or a crisis, an RTO may require a collective public- and -private -sector response. However, the rigidity of a public- sector RTO, where roles and responsibilities are tightly defined, can impede rapid management responses or responses that require a broader multi-sector approach. Furthermore, the dispersion of responsibilities and convoluted lines of communication between the RTO and the state agency in charge of managing it may compromise clear, definitive leadership (O'Toole Jr, 1997; Terry, 2003). In a federal system, such as Brazil, the leadership challenge may be further exacerbated because most public policies at the federal level do not address local needs (Gomes & Santos, 2007; Pires et al., 2011). The Brazilian states and municipal governments have responsibility for implementing regional tourism initiatives and are significantly less well resourced. Policy directives percolating down from higher levels to lower levels of government are often diluted, which adds weight to the argument the public sector is perhaps not as capable to lead regional tourism as the private sector.

2.2. Leadership in public–private tourism governance

A decrease in public- sector funding has created the need for partnership arrangements between governments and industry. In response, regional tourism policy in many countries has increasingly adopted public–private partnership arrangements using a public–private RTO partnership model (Hall, 1999a; Wilson, Nielsen, & Buultjens, 2009). In Brazil, the Ministry of Tourism directs that RTOs must adopt a leadership role to provide stewardship and strategic development for regional tourism (Setur PR, 2011). The goal is to minimize government involvement and to avoid over-bureaucratization and corruption. Thus, the Ministry of Tourism recommends that RTOs are set up as non-for-profit organizations so they are able to combine all interested sectors within an appropriate structure for the region (Fratucci, 2009; Pereira & Lopes, 2010).

RTOs adopting a public–private model of governance are thought to possess advantages in terms of their ability to lead compared with public- or private- sector entities (Goldsmith & Eggers, 2004; Pike, 2007). RTOs consist of a range of public, private and non-government actors and can call upon a broad range of skills, knowledge and