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Research Paper

Complexity in the governance of tourism networks: Balancing between external pressure and internal expectations

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ABSTRACT

Tourism destinations are complex systems of interrelated entities without a hierarchical chain of command. In order to enhance the ability of destinations to create a high quality, authentic tourism experience, a management perspective based on networks, personal relationships, trust, and reciprocity is suggested. However, while theoretically this 'network approach' represents a promising way of making the tourism industry more innovative and competitive, few convincing empirical examples have so far been published on how tourism networks can be successfully managed. This paper focuses on the gap between theory and practice. After summarizing the literature on network management in tourism, in-depth interviews with 12 network managers in Flanders (Belgium) give insights on how networks are currently managed, as well as how and why network managers choose their priorities. The main conclusion is that while all interviewed network managers claimed that they had adopted a 'network approach', most of them still spent most of their time and energy on traditional power-related tasks, such as the top-down provision of information, lobbying, and representing the network towards external stakeholders. Trust-related activities, such as actively pursuing member collaboration, member engagement, and facilitating proximity and partnerships with and between (potential) network members were only applied by a small minority. Network managers who actively strengthened the network structure through trust-related management activities indicated more often that their networks were resilient to external pressure. This highlights the importance for network managers of making pragmatic trade-offs between various management approaches. This might need further professionalization of the sector, including targeted training and (postgraduate) education.

1. Introduction

Tourism destinations are complex, adaptive systems of interrelated entities which are often only partially dependent on tourism (Hartman, 2016; Leiper, 1990; Pearce, 2014). Destination managers in general have limited coercive power over the manifold number of entities making up the destination and determining the tourist experience. This makes coordination and quality management by destination management organizations (DMOs) a difficult task (Beritelli, Buffa, & Martini, 2015). DMOs are, however, currently shifting from a position of marketing destinations to attract visitors to actively managing destinations to improve the quality of the tourist experience and improve destination competitiveness (Bornhorst, Ritchie, & Sheehan, 2010: Go & Govers, 2000; Volgger & Pechlaner, 2014). Many authors have suggested that in situations where a management strategy based on control or other power-based means is not possible, gaining competitive advantage should be sought through the formation of networks consisting of less-formalized relationships which are based on trust, reciprocity and inclusive governance (Bornhorst et al., 2010; Nunkoo & Ramkissoon, 2012; Pavlovich, 2003; van der Zee & Vanneste, 2015; Volgger & Pechlaner, 2014). The metaphor of networks is used to suggest a management approach focusing on collaboration and stakeholder engagement without formal, contractual relationships and coercion (Provan & Kenis, 2008).

Traditionally in tourism, neo-classical management perspectives focusing on formal, contractual relationships, hierarchy and power, or neo-liberal laissez-faire approaches to management based on competition and limited public interference have been dominant (Hall, 1999; Pearce, 2014; Porter, 1990). Recently, a network approach to destination management has become more popular, both in the literature as well as among policy makers and DMOs (van der Zee & Vanneste, 2015). This relational approach aims to achieve collaboration and stakeholder engagement through managing relationships with and between stakeholders based on trust and reciprocity (Del

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Chiappa & Presenza, 2013). This change in management approach entails different roles and tasks for destination managers (Baggio, Scott, & Cooper, 2010; Brouder & Eriksson, 2013; Coase, 1937; Hartman, 2016; Porter, 1990). For instance, in a network approach, destination managers need to bring stakeholders together, stimulate them to sharing information, knowledge and experiences and facilitate them to developing new touristic concepts and products in order to become a more competitive destination for tourists and travelers (Beaumont & Dredge, 2010; d'Angella & Go, 2009; Dredge, 2006; Lemmetyinen & Go, 2009).

In order to stimulate collaboration and to increase the commitment to work towards common goals, trust between the different stakeholders is believed to be a vital ingredient (Beritelli, 2011: Nunkoo & Ramkissoon, 2012). This means that for networks to be effective, participants must be able to trust each other to work to their mutual benefit (Keast, Mandell, Brown, & Woolcock, 2004). Trust is created and strengthened through repetitive interaction among stakeholders (Stein & Harper, 2003). However, to accomplish this is easier said than done. Tourist entrepreneurs sometimes collaborate, but are also competitors which means that sharing knowledge implies risks (Novelli, Schmitz, & Spencer, 2006). This may make entrepreneurs watchful or even reluctant to participate actively in networks. Even though tourism should be a sector in which cooperation features at the forefront of management approaches, cooperation in the tourism sector generally 'neither obviously occurs nor is formally established' (Beritelli, 2011, p. 609). This observation makes it useful to learn more about what makes network work.

While trust is both the input and output of intra-network cohesion, and therefore vital for network formation and success, this does not mean that the use of power is absent or should be absent in networks. Co-operative behavior within a network is argued to be more likely when a level of leadership is present, which distributes power and helps to 'maximize the advantages and synergies of joint action' (Zehrer, Raich, Siller, & Tschidereret al., 2014, p.59). In other words, networks also need to be managed. In tourism, publicly funded DMOs are regarded as the most likely and legitimate party to foster network development and create trust relationships between its stakeholders (Bornhorst et al., 2010; Bramwell & Sharman, 1999; Hall, 1999; Jamal & Getz, 1995; Timur & Getz, 2008; Viren, Vogt, Kline, Rummel, & Tsao, 2015; Zehrer & Raich, 2010). Therefore, often - but not always - it is DMOs who employ one or more persons in the role of network manager. These network managers get the task to develop and to serve the network for which they are responsible.

Beaumont and Dredge (2010) argue that network managers need to make a trade-off between different tasks and activities to acquire, on the one hand, a legitimate leadership position within the network while, at the same time, remaining highly inclusive towards stakeholders. Both legitimate leadership, associated with power, and inclusive management strategies, associated with trust, could influence development positively network (Beritelli, 2011; Kliin. Steijn, & Edelenbos, 2010; Lemmetyinen & Go, 2009; Provan & Kenis, 2008). This suggests that it is important for network managers to continuously make the right choices between power-based and trustbased activities and to obtain and display a broad repertoire of, and competence in, a variety of management activities. Deliberately choosing between different activities and approaches thus becomes an important part of the professionalization of network managers (Beaumont & Dredge, 2010). However, little is known what exactly has to be done under which conditions to accomplish successful network development. A knowledge gap exists with regard to what tourism network managers actually do in their daily practices. As more and more DMOs embrace networks as a promising approach to manage the complicated tourism sector, more knowledge is needed about what kind of activities network managers do in order to reach their goals and how they make the suggested trade-offs between power-based and trustbased management activities (Beritelli et al., 2015; Björk & Virtanen,

2005; Lemmetyinen & Go, 2009; Volgger & Pechlaner, 2015).

This paper puts the spotlight on the network manager. By focusing on the way network managers try to reach their objectives in their daily activities, this paper attempts to provide a better understanding of the persistent paradox between the academic literature, which reports a growing amount of knowledge about the potential benefits networks might have for tourism, and the numerous examples where public institutions or public-private initiatives were unable to organize tourism networks (Del Chiappa & Presenza, 2013; Lemmetyinen & Go, 2009; Pavlovich, 2003; van der Zee & Vanneste, 2015). The goals of this paper are: (a) to reflect on the position, goals and tasks of network managers based on the literature, and (b) to present an empirical picture of the daily work of a number of network managers from a variety of networks within a defined geographical area, being Flanders in Belgium. This knowledge is needed for scientific as well as societal reasons. Scientifically, there is a need to understand more about the balance between power-based versus trust-based activities in relationship to the network's effectivity. Practically, more knowledge is needed that might help DMOs to adapt their management approaches in order to maximize the potential benefits from applying a network approach, as well as for network managers and educational institutions to professionalize the work of network managers in tourism.

2. Literature review

2.1. Networks in tourism

Since the pivotal work of Coase (1937) and later Porter (1990) fuelled by a manifold of illustrative cases in industrial development such as the industrial organization of the Italian Po Valley or high-tech clusters at Silicon Valley, an approach based on collaboration and nonhierarchical coordination of industrial development has gained importance. Processes like outsourcing and downscaling, as well as an increasing complexity of production chains, value chains, and governance systems, contribute to the demand for an explanatory model taking into account non-contractual and non-hierarchical inter-stakeholder relationships (Porter, 1990). The metaphor of a network was chosen to explain these complex systems of relationships. Originating from mathematics and graph theory, an organizational network is conceptualized as a system in which nodes, being firms, policymakers, and other individuals or groups are connected by ties, such as friendship, agreements, collaborative relationships, and the sharing of information (Wasserman & Faust, 1994). Networks are often used to describe the interconnected nature of stakeholders in certain geographical regions or around certain topics or themes, such as 'high-tech' or 'innovation' (Powell, Koput, & Smith-Doerr, 1996) or 'regional food products' (Sage, 2003). Since the field of network studies covers a wide range of disciplines, and the tourism sector is characterized by a set of peculiarities, for example its partial industrialization, high level of fragmentation, and complex interrelated nature (Hartman, 2016; Leiper, 1990; Pearce, 2014), this literature review predominantly uses contributions on tourism networks (e.g. van der Zee & Vanneste, 2015 for an overview).

Networks provide a way to explain the system of intrastakeholder relationships outside formal contractual structures like firms or organizations, but networks can also be described from a governance perspective (Pearce, 2014; Provan & Kenis, 2008). Studies into networks often focus on the position of network nodes, centrality, density, the evolution of relationships, and other dynamics within the network, studied in a quantitative way (Del Chiappa & Presenza, 2013). However, in tourism network studies they seldom take the network as a unit of analysis in order to study governance and network management (Dredge, 2006; Provan & Kenis, 2008). Local contexts influencing the formation and operation of networks as well as community engagement are often ignored (Pearce, 2014). Del Chiappa and Presenza (2013) highlight how studying networks though a relational perspective takes

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