



UNIWERSYTET EKONOMICZNY
W POZNANIU



Kadry dla Gospodarki
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URZĄD STATYSTYCZNY
W POZNANIU

DESTINATION GOVERNANCE: PERSPECTIVES OF SPATIAL AND ENTREPRENEURIAL DEVELOPMENT

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Projekt Kadry dla Gospodarki współfinansowany ze środków Unii Europejskiej w ramach Europejskiego Funduszu Społecznego



KAPITAŁ LUDZKI
NARODOWA STRATEGIA SPÓJNOŚCI

UNIA EUROPEJSKA
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Planning

Personnel / Training

Marketing

Offer Co-ordination / Quality Control

Incoming

Regulars' Care

Departure

Payment /
Good-Bye

Board

Sports /
Leisure

Entertainment

Care

Information

Accommodation

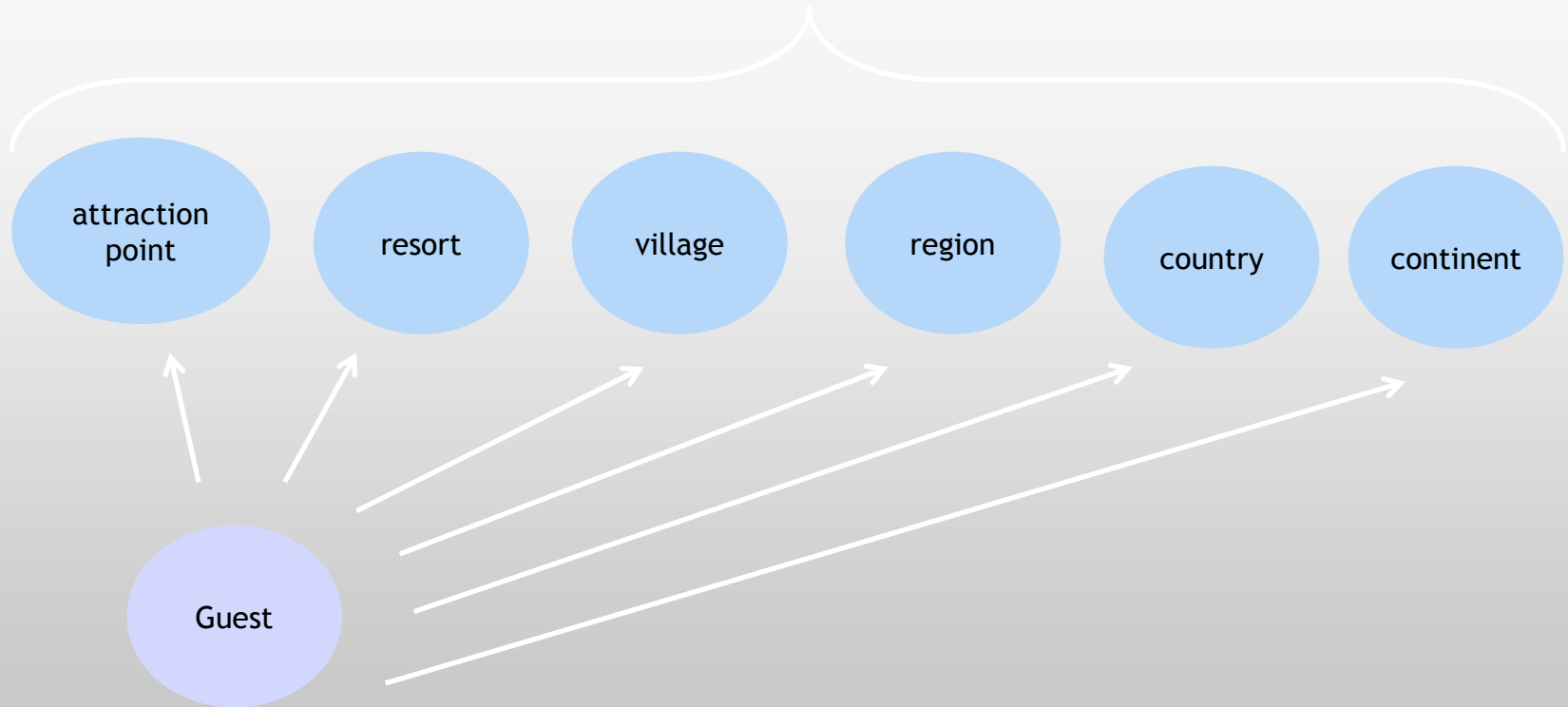
Reception

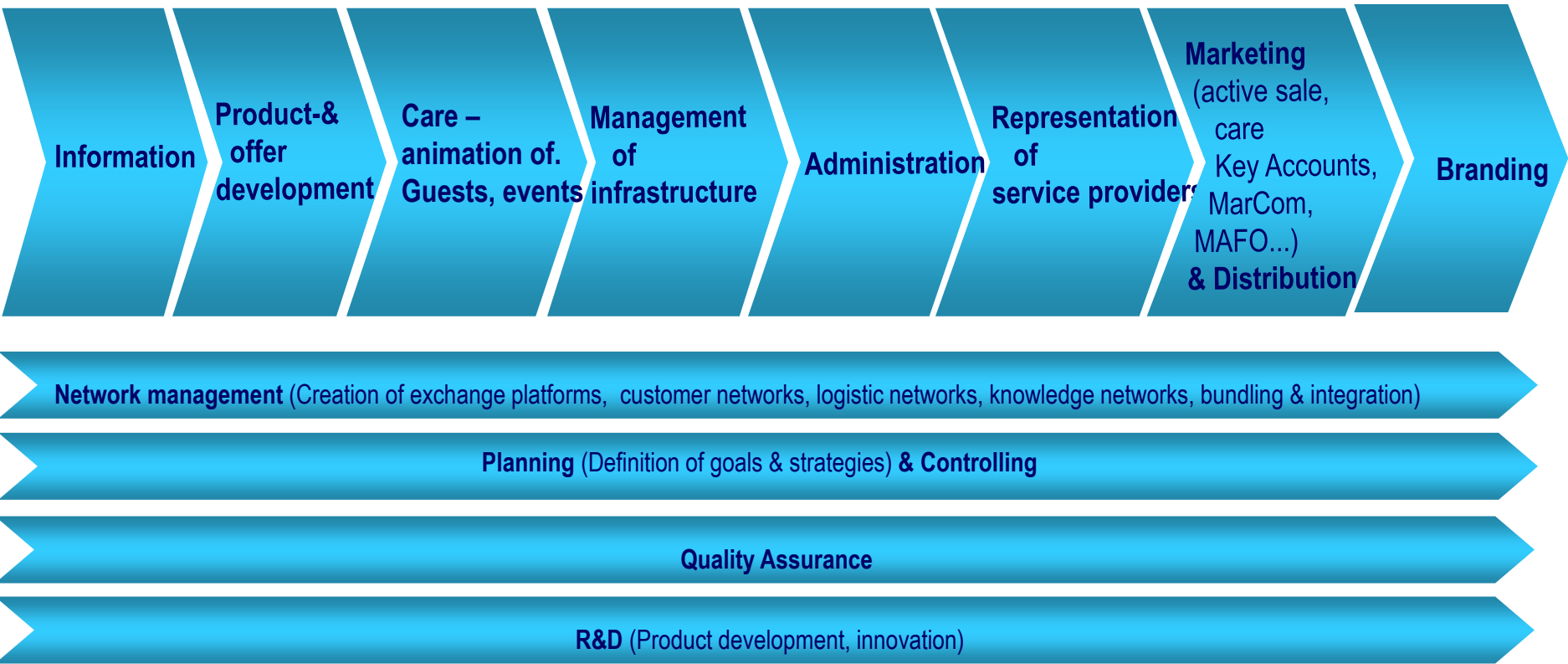
Travel/
Transport

Booking

Information

Destination





Introduction

Today's challenges for tourism organizations:

- Need for professionalization: Development of human resources
- Strategic thinking and acting in addition to operative tasks
- Interaction and networking with other industries
- Innovative product development
- Need for local and regional legitimization and acceptance



Governance as approach for facing these challenges?

(Pechlaner/Tschurtschenthaler, 2003; Pechlaner/Raich, 2005)

Governance...

- ...interrelation of control elements and forms of control
- ...“setting and developing rules and mechanisms for a policy, as well as business strategies, by involving all the institutions and individuals“ (Beritelli et al., 2007)
- Corporate Governance comprises the structure of a company’s top management in order to create a balance between competency, control and responsibility
- Regional Governance concentrates on regions’ ability to self-organize and to control as well as their control structures, with the term „region“ in this connection often used for administrative units. Coordination and control of regional processes is supposed to allow collective regional actions
- and Destination Governance?

Destination Governance

- Destination Governance basically constitutes a form of self-governance that rests essentially on the cooperation between actors and is shaped by the institutional context and by organisational and conduct rules.
- Governance must be aimed at using the knowledge of local players to develop joint strategies and actions.
- The network is the structural form of such governance model.
- There must be some actors who are able to identify and articulate collective interests as well as to coordinate negotiations. Equally important are actors who can establish links between different areas or sectors.

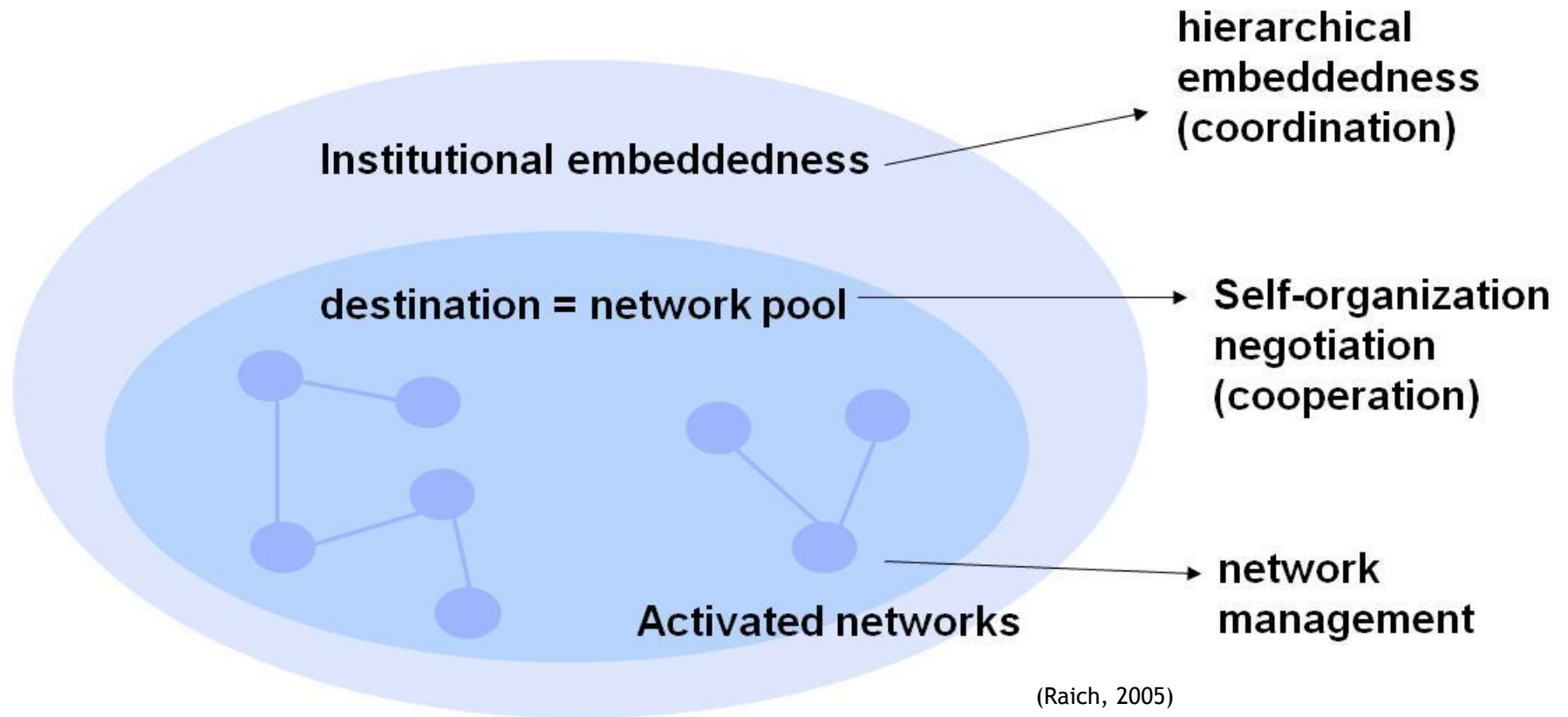
Destination Governance

- Describes a form of self-organization of tourist destinations, in essence based on the cooperation of the persons and companies involved, and shaped by the institutional context as well as rules of organization and code of conduct (Pechlaner/Raich/Beritelli, 2009)
- Destination development and the governance perspective (Svensson/Nordin/Flagestad, 2005)
 - multi-actor complexity
 - resource dependencies
 - public-private dimension and interdependency
 - control
 - leadership

Destination Governance: influencing factors

- Personnel characteristics and competencies of the destination management
- Financial resources and source of financial resources
- Amount and variety of stakeholders
- Network competencies

Destination Governance



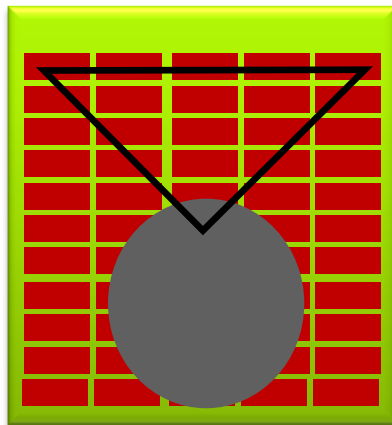
Destination Governance

- **Concepts:** private-public-partnerships, stakeholders, networks, cooperation, inter-dependencies, (collective) knowledge management
- **Theories:** transaction cost economics, property rights theory, principal agent theory, social network theory
(Coase, 1960; Demsetz, 1967; Jensen/Meckling, 1976; Williamson, 1979; Granovetter, 1985)
- **Methods:** network analysis, qualitative case studies, quantitative studies
(Baggio et al., 2007; 2010; Pechlaner/Volgger, 2012)
- **Governance dimensions: ...**

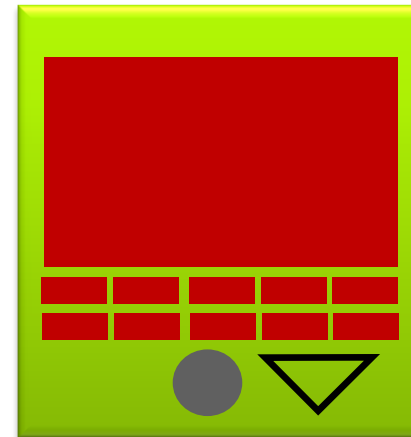
Typologies of Destination Governance forms

Flagestad and Hope (2001):

Community model



Corporate model



■ Hotels and other service firms

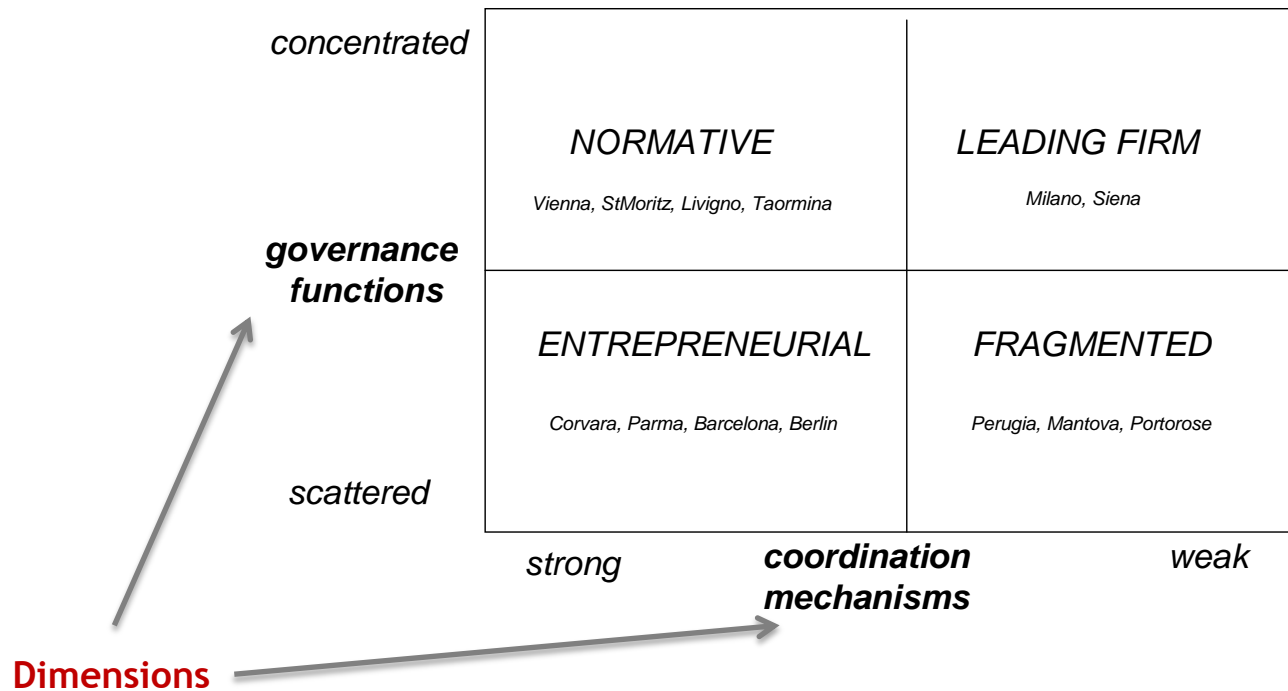
● Policy

▽ DMO

Dimensions: Number of actors, size of actors, role of policy and DMOs

Typologies of Destination Governance forms

D'Angella et al. (2010):



The role of a tourism organisation in Destination Governance

- A tourism organisation operates as a special collective actor in the tourist destination.
- Tourism organisations that want to be actively involved in Destination Governance may act as intermediaries, initiators of courses of action and network managers.
- The task of the intermediaries is to promote communication and interaction, share knowledge and establish links between actors.

The role of a tourism organisation in Destination Governance

- In general, intermediary agents or organisations are expected to produce positive externalities. They should perform the following functions:
 - Mediate between different actors and sectors;
 - Marshal endogenous resources;
 - Establish communication channels between different levels;
 - Help resolve misunderstandings or conflicts of interest;
 - Transfer know-how in a transparent way;
 - Support knowledge exchange;
 - Help develop cross- sectoral strategies.

(see Gustedt, 2000)

The role of the tourism organization (DMO)

Tourism organizations are institutional partnerships (Svensson et al., 2005)

- multi-stakeholder-complexity
- cooperation of public and private actors
- management towards a „common outlook“ (co-ordination)
- mobilization and development of resources
- management of project partnerships

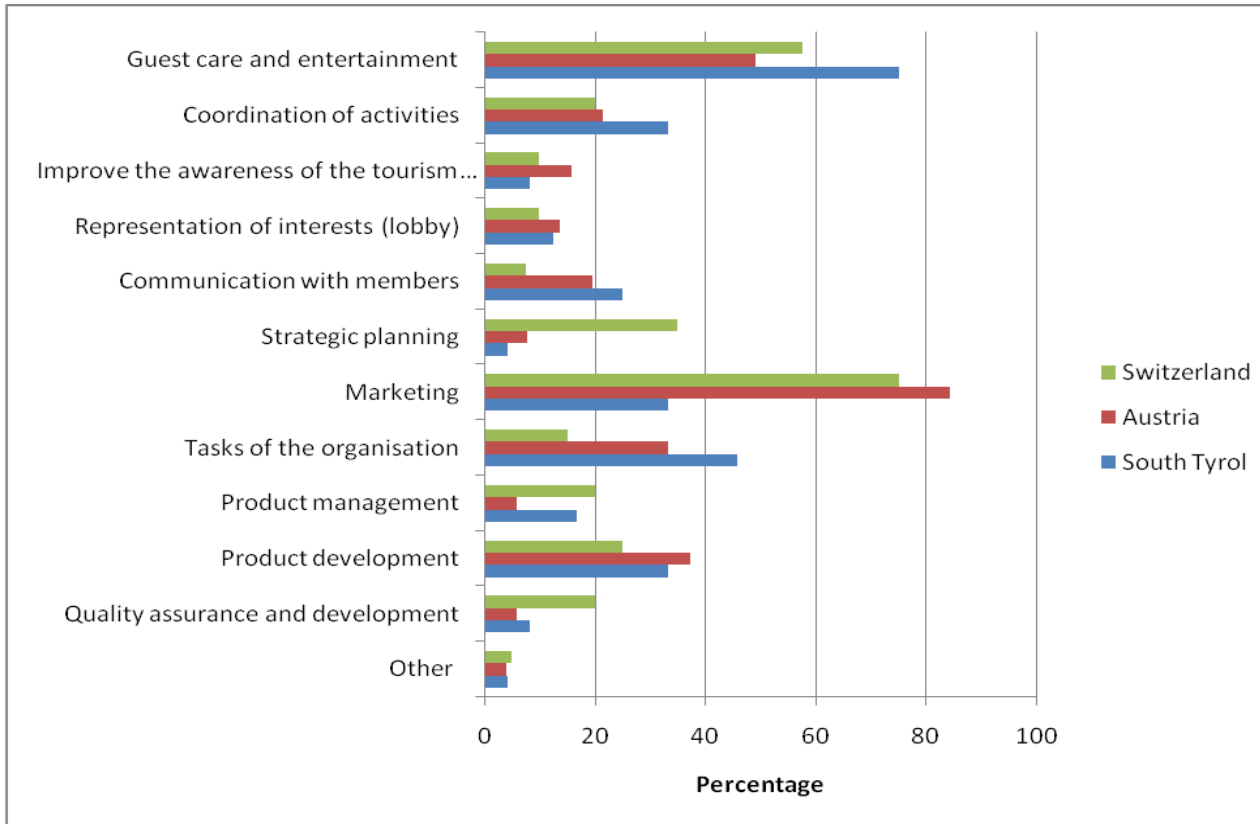


The more effective the corporate governance of the DMO, the more effective the destination governance?

Empirical study

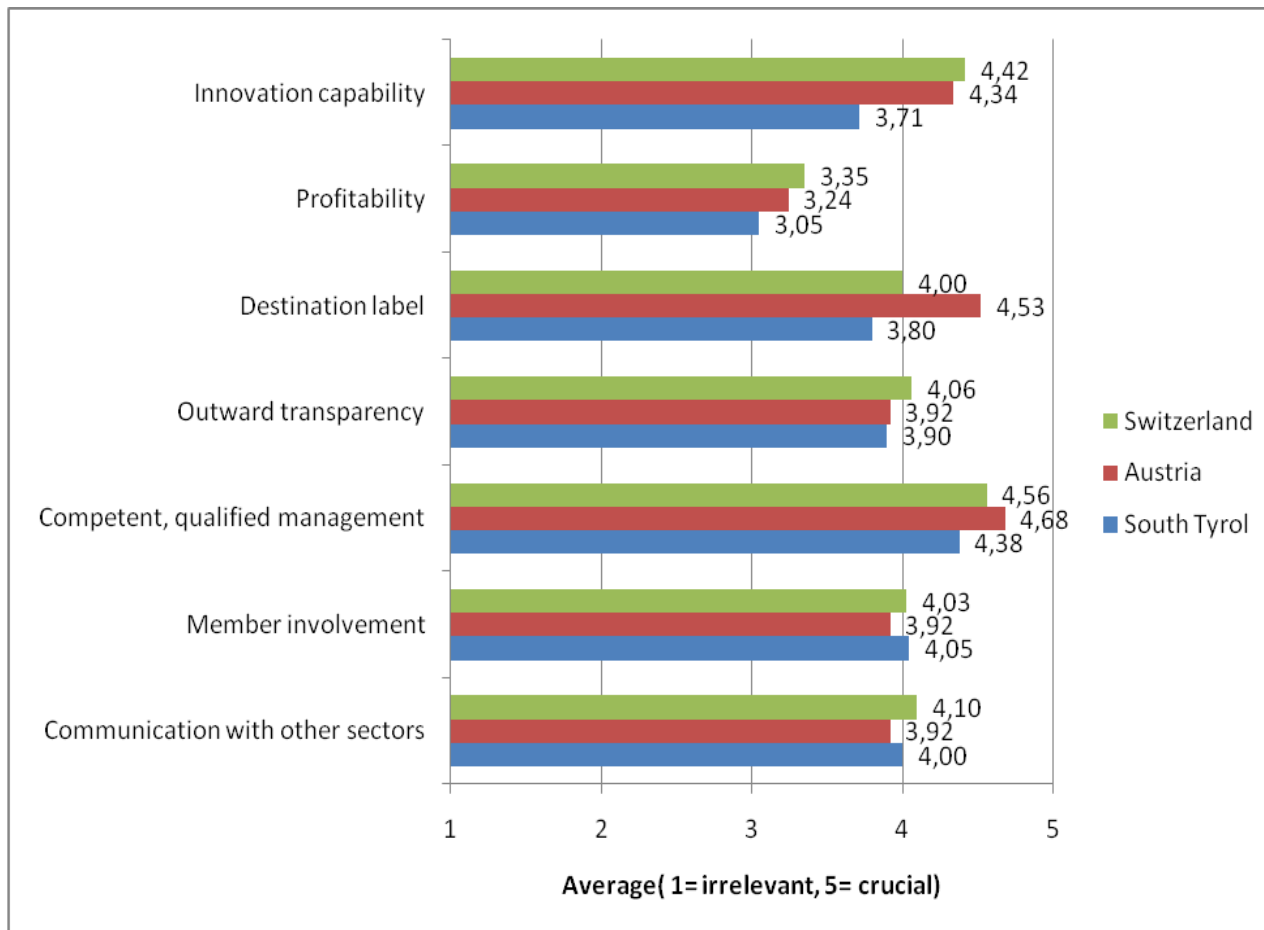
- The study presented below investigates the qualities and skills that enable a tourism organisation to become influential in a tourist destination and hence turn into a strong leading player.
- An online questionnaire was distributed in the summer of 2008 to the members of
 - the South Tyrolean Board of Tourism Managers (n = 47; response rate n = 26 (55%)),
 - the Federation of Austrian Tourism Managers (BÖTM) (n = 250; response rate n = 55 (22%))
 - and the active members of the Association of Swiss Tourism Managers (VSTM) (n = 233; response rate n = 46 (19.7%)).
- On average, 30% of interviewees failed to provide information.

Main tasks carried out by tourism organisations



Currently, tasks performed by tourism organisations concern primarily marketing and customer service (looking after guests)

Elements that are crucial to the success of a tourism organisation



Total general rating of the tourism organisation

- The tourism managers were invited to rate their organisation on a scale of 1 = inadequate to 5 = very good general. Average ratings: Switzerland 3.79, Austria 3.71 and South Tyrol 3.74.
- The overall general rating of the tourism organisation was handled as a dependent variable in the regression analysis. Table 1 shows the main independent variables, where r square = 0.360, and adjusted r square = 0.335.

	Standardized Coefficients	t	Sig	Collinearity Statistics	
	Beta			Tolerance	VIF
(Constant)		1.268	.209		
Professionalism	.330	3.415	.001	.891	1.122
Acceptance in the tourist destination	.288	2.872	.005	.825	1.213
Influence in the region (Province, District, Province)	.199	2.025	.046	.857	1.167

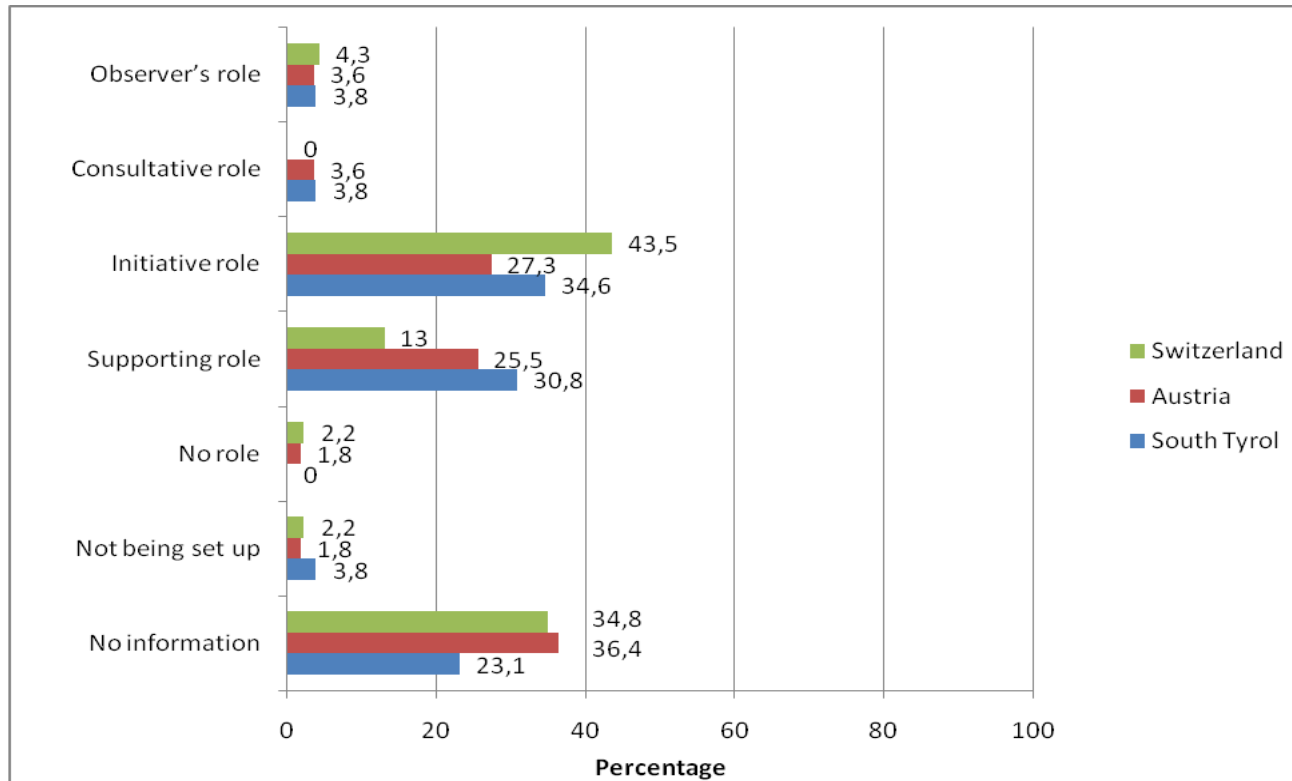
The impact of the tourism organisation in the tourist destination

- Respondents were asked to rate their tourism organisation in terms of influence in the tourist destination using a scale of 1 = unsatisfactory to 5 = very good.
- On average influence was rated as follows: Switzerland 3.83, Austria 3.76 and South Tyrol 3.3.
- A stepwise regression analysis was performed, using the rating of the tourism organisation's influence in the tourist destination as dependent variable. The regression calculation has an r square of 0.530 and an adjusted r square of 0.499. Table 2 shows the main results.

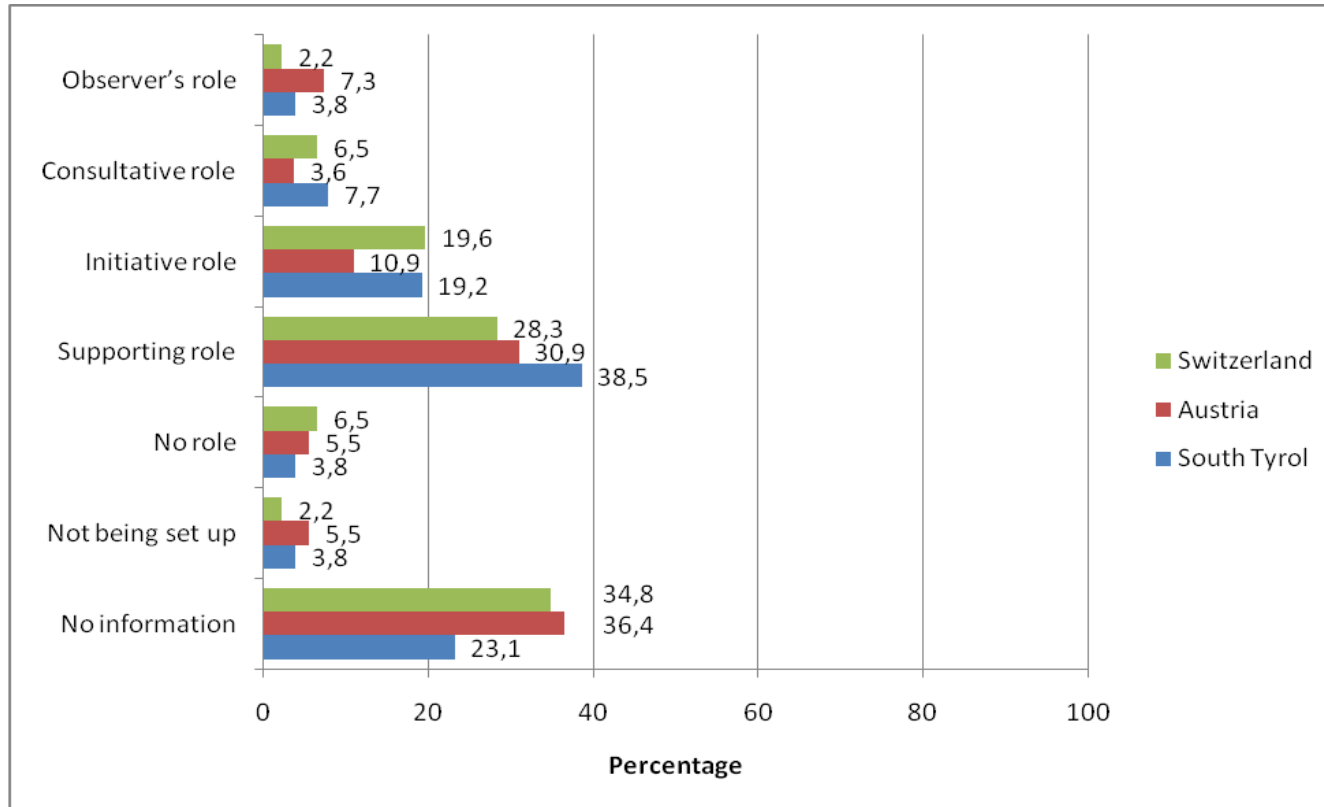
The impact of the tourism organisation in the tourist destination

- The regression analysis shows that tourism organisations who want to play a significant role in Destination Governance must go beyond guest care and marketing services.
- In addition to competitiveness, which refers to the organisation's internal professional skills, influence is favoured by other variables which have to do with the organisation's networking skills and its behaviour in the tourist destination's network of relationships.

Predominant role tourism organisations in the formation of tourist networks in the tourist destination



Predominant role of the tourism organisation in the formation of *cross-sectoral networks* in the tourist destination



While tourism organisations often initiate tourist networks, in the case of cross-sectoral networks this is rarely the case.

Conclusions

- The Destination Governance approach, moving away from the concept of hierarchical control of units which compete in a given area, illustrates the need of having influential actors who are able to animate the tourist destination's network of relationship.
- Knowledge sharing and (cross- sectoral) cooperation require intermediation and interface management mechanisms.
- This may be the future role of any tourism organisation that wishes to play a major role in Destination Governance.
- Currently, most organisations deal primarily with guest care and marketing. Other competencies are necessary, namely network development and design skills as well as cross-sectoral communication and knowledge transfer abilities.

Destination Governance: central challenges

How is governance produced? Identify governance types/typologies (e.g. participative, corporative, roles of public and private organizations)

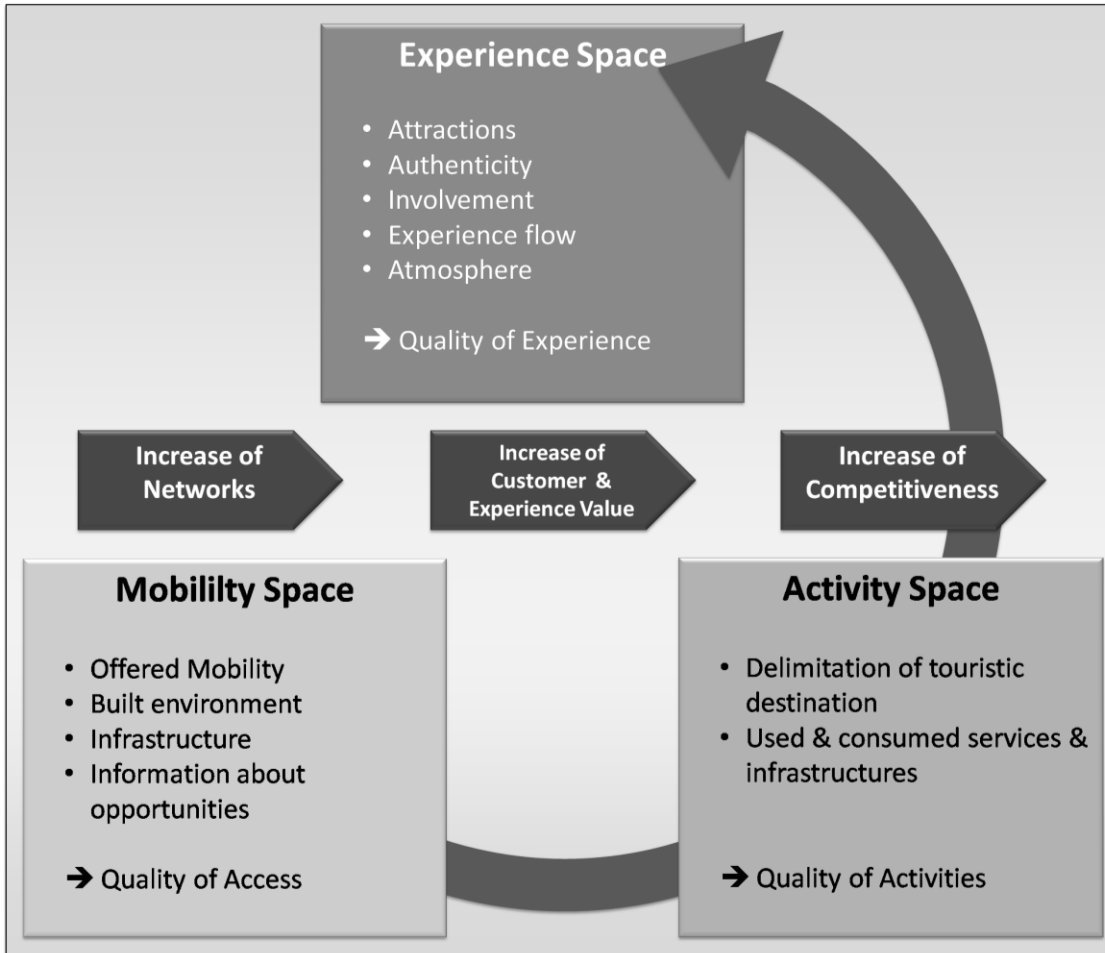
Who governs? Identify actors and institutions and their roles and interactions; discuss individual, institutional, cultural, political perspectives of governance; analyse the influence of local culture and politics on governance

Destination Governance: central challenges

What does governance comprise? Differentiate dimensions of governance mechanisms (information and interaction among actors and institutions, influence taking and coordination, decision taking norms and rules etc.)

On what occasions/cases do we recognize governance? Present cases and objects of governance (e.g. land use planning and real estate, traffic and logistic systems in the destination, major investments and projects affecting the long-term development of the destination)

Integrated concept of mobility, activity and experience space



Based on Pechlaner/Herntrei/Kofink 2010



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Thank you very much!

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