Tourist destination governance through local elites -
Looking beyond the stakeholder level

Cumulative Postdoctoral Thesis
(Kumulative Habilitationsschrift)

Submitted by

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April 2011

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1. Abstract

**Aim of research:** Community type of tourist destinations face the challenge of being characterized by a highly fragmented offer, by a complex interlocking of public institutions and private enterprises and by numerous, often contrasting stakeholder interests. Consequently, destination planning and management becomes a rather difficult process and destination development policies and strategies regularly fail or experience considerable setbacks during the implementation. Recent research under the term ‘destination governance’ attempts to understand which norms, rules and routines prevail in tourist destination communities, in order to better steer and ‘govern’ the processes of planning, implementing and controlling for the whole place.

**Methodology:** In this paper, the author first presents the logical and historical development of the state-of-the-art in destination planning and management as well as the recent research field of destination governance. The traditional methodological approaches based on qualitative case studies and looking at institutions and stakeholder groups in a rather comprehensive perspective, have proven to be limited in scope. Not only there is a lack of empirical measurement for the postulated mechanisms in destination governance research. Also, most case studies presented in the literature are limited to descriptive reconstructions of events and processes which eventually conclude with the indication that every destination is particular and every case must be seen as ‘culturally’ specific.

In order to bring forward the knowledge of destination governance and thus to understand which mechanisms affect destination management and planning processes, the author proposes to change the research agenda. In this paper, he presents his research work on destination governance based on (1) *quantitative social network analysis*, which complements the traditional qualitative case study approach, and (2) *individuals, connected to each other in elite networks*, as opposed to the previous perspective of institutions and stakeholder groups.

**Findings:** His results lead to the differentiation between *explicit governance* (i.e. legal framework, institutional roles, stakeholder interests, etc.) and *implicit governance* (multiple relationships funded on interdependencies, communication, trust, consensus, etc.). Particularly the latter ones are the reason for the success or failure of collective policies and actions.

Additionally, the results reveal that across various cases, mainly in the Alpine regions, there are on one side aspects typically referring to communities of individuals (e.g. closure and openness, interdependencies, communication, trust, consensus). Yet, on the other side we clearly recognize features attributed to organizations (e.g. hierarchy, influence, knowledge, expertise). Independently from these two perspectives, it is the overall implicit governance that affects the formation of interest groups, of formalized routines and eventually of many locally developed elements of the ex-
plicit governance. The latter consists of the role of institutions (e.g. municipality, DMO) and of organizations as well as the creation of laws and rules. The author concludes with an outlook for further research and the usefulness of destination governance research as a model for tackling small world problem issues and therefore the challenges of collective action.
2. From destination planning to destination management to destination governance

2.1. Destination planning - the roots
Long before the term 'destination management' was coined, scholars and practitioners were aware of the need to view the tourist destination as an entity which required to be developed and therefore planned. As a matter of fact, the first seminal book in the field of destination planning was written by Tschiderer (1980). On the lines of corporate planning literature he postulated that tourist places may be developed just as an organization. However, it was only a decade later, that the tourist destination was viewed as a competitive unit and simultaneously as a community with different stakeholders with accordingly diverse interests (Heath & Wall, 1992; Inskeep, 1991). Today, destination planning refers to all the activities and processes involved in developing a tourist place or region with a strategic aim (Buhalis, 2000; Dredge, 1999; Formica & Kothari, 2008; Getz, 1992), that eventually leads to an increase of its competitiveness (Ritchie & Crouch, 2003). Yet, planning as understood in this rather close sense (i.e. the planning activities and their outcomes) must be somehow organized.

2.2. Destination management - the stem
Tourist products must be viewed as experiences, galvanized by a multi-faceted and fragmented supply (Murphy, Pritchard, & Smith, 2000; Smith, 1994). Hence, destination planning requires a minimal degree of coordination among the various enterprises, organizations, and institutions. Early contributions by Bieger (1996, 1998) and Bieger & Laesser (1998) have pointed to the business oriented perspective of coordinating the supply chain in tourist destinations. Further research confirms the need to steer and therefore to guide in some way the disparate supply elements in tourist places, adopting a strategic and therefore managerial approach (Buhalis, 2000; Flagestad & Hope, 2001; Pechlaner, 1998). Thus, destination management focuses on

1. the conditions for effective planning, by emphasizing the coordinative approach and therefore the organizational dimension, and
2. the scope of the planning initiatives, by directing them on a sustainable and by the community and its actors legitimized path.

So far, the theory and the conceptual fundamentals are widely accepted and applied in practice. However, particularly in the context of so called 'community type of destinations', thus destinations formed of numerous organizations and institutions from the private and public sector, collaborative planning is a difficult endeavour.
2.3. Practical challenges and the black box
Numerous case studies illustrate the challenges of effective destination management and planning (Getz & Jamal, 1994; Gill & Williams, 1994; Ritchie, 1999a; Robson & Robson, 1996), up to the point that collaborative destination planning is questioned on principle (Taylor, 1995). Irreconcilable conflicts, failure of action, or unarranged and contrasting initiatives are typical symptoms of the ineffectiveness of planning activities and weak or missing (destination) management. The reasons for the shortcomings observed in practice are attributed to beliefs and common understanding based on previously cemented concepts such as

- the life cycle stage (i.e. destination management and planning effectiveness depends on the development stage) (Beritelli, 1997; Butler, 1980),
- cultural idiosyncrasies (i.e. historical as well as cultural conditions affect the process and its outcome) (Sautter & Leisen, 1999; Timothy, 1999),
- administrative, legal and political framework (i.e. initiatives are bound to particular rules and norms that shape the processes) (C. M. Hall, 2008; Ritchie & Crouch, 2003),
- degree of integration (i.e. corporate model with few/one major company vs. community with fragmented structure) (Flagestad & Hope, 2001; Sainaghi, 2006).

Contributions oriented towards the research of destination management processes have revealed that there is a need to further analyze these conditions (Sainaghi, 2006; Sainaghi, Beritelli, & Bieger, 2004a, 2004b), often denoted as 'given' facts. Applying research models for the proximate understanding of outcomes (i.e. how mechanisms operate and which factors influence them) are surely useful (Beritelli & Reinhold, 2010). However, it is the research for ultimate understanding (i.e. why particular behavior evolves) that will help manage, or better said 'govern' the complex system of tourist destination communities.
Finally, explaining why planning initiatives and processes lead to different outcomes in different destinations, is not only of scientific interest but should deliver practical conclusions for effectively managing and developing tourist destinations.

2.4. Destination Governance - the branch

2.4.1. Introduction
Recent research in the abovementioned field is currently subsumed under the term 'destination governance'. One of the first contributions that explicitly used the concept of governance, pointed to the differences between institutional and individual level of analysis and to the control variables that must be analyzed for an effective destination management (Raich, 2006). It is also under the light of destination governance research that various theories increasingly gain importance and enrich the existing destination management literature with explanatory approaches. Particularly stake-
Tourist destination governance through local elites

holder theory (Freeman, 1984), transaction cost economics (Williamson, 1979), and resource dependence theory (Pfeffer & Salancik, 1978) are used as models and concepts for discussing the various empirical case studies (Beritelli, Bieger, & Laesser, 2007; Buteau-Duitschaever, McCutcheon, Eagles, Glover, & Havitz, 2010; d’Angella, De Carlo, & Sainaghi, 2010; Marzano & Scott, 2009; Raich, 2006; Ryan, 2002). Thus, we can conclude that research referring to destination governance attempts to describe and explain the variance of the ‘black boxes’ in the destination communities as well as their underlying mechanisms. Governance research of tourist destinations looks at the norms and rules and consequently the conditions which help explain why decisions and actions are taken or not, and why events in tourist destination communities occur or not.

In summary, there’s not only a historical but also a logical thread that starts with the topic ‘destination planning’, continues with ‘destination management’ and leads to ‘destination governance’. Figure 1 illustrates the relation between the three concepts.

**Figure 1: From destination planning to destination management to destination governance**

Picking up the analogy of the tree used in the titles of this paragraph, research has started at the roots of the practical problem, namely the challenges of planning in tourist destinations. Planning needs to be organized, so that the system of the tourist
destination moves along a sustainable and competitive path. So, further research has formed the mainstream (stem) of current research, where organizational conditions for the development of policy and strategy are analyzed and conceptualized. As destination management does not explain why specific mechanisms occur and which particular conditions affect the outcomes in practice, the branch of destination governance increasingly moves to the focus of attention. Destination governance research wants to deliver the reasons for specific situations and therefore to suggest concepts and models helpful for effective destination management and planning.

2.4.2. Theoretical foundations
Currently, the theoretical foundations for destination governance present a rather blurry picture. There are many facets of governance issues and questions, ranging from the attempt to define the term 'destination governance' to the identification of types of governance models to research based on theories relating to various forms and problems of governance (Pechlaner, Raich, & Beritelli, 2010). The latter area of research promises to establish a sound foundation, starting with empirically supported theories and serving the practice.

One of the earlier and most comprehensive papers in this field highlights the usefulness of corporate governance theories and their application to the tourist destination community context, including a multiple case study with twelve tourist destinations in the Swiss Alps (Beritelli, et al., 2007). In this paper, the so-called 'micro-theories' of governance, i.e. the ones relating to organizations and not to regions, are relevant as well for the explanation of occurring phenomena. As a matter of fact, property rights theory (Coase, 1960) helps identify the reasons why some individuals and organizations are more influential than others. The agency problem (Jensen & Meckling, 1976) is found between principals (i.e. the local population, represented by the public bodies) and agents (i.e. the tourist enterprises and their management who pursue their economic interests by sourcing from the natural and cultural resources), just as in any other type of organization. Transaction cost economics (Williamson, 1979) explain why some destinations have a more integrated or at least coordinated network of organizations and institutions, and why others still present a loose coexistence without any particular scope and plan.

Finally, the authors discuss the need to view the destination community as a multiple of individual and institutional relationships and interactions. They come to the conclusion that

1. "Destination management in a community context consists of transactional and personal relationships in networks; whereas in a corporate model, hierarchical relationships are of interest, emphasizing the dyadic perspective.

2. For community-type destinations, the development process involves informal connections, knowledge, and trust, making the dynamic dimension (and therefore a historical view) crucial for the analysis of the formation and evolution of the network." (Beritelli, et al., 2007, p. 97)
Further research in line with the awareness that tourist destination communities consist of networks (Bieger & Beritelli, 2006) has shown the limitations of traditional research methods.

2.4.3. Methodological constraints
Most contributions to date focus on single or multiple case studies with the help of qualitative research methods (Beritelli, et al., 2007; Buteau-Duitschaever, et al., 2010; d’Angella, et al., 2010; Raich, 2006; Saxena, 2005). By doing so, the researchers have viewed primarily the destination as the object of research, taking a comprehensive view of governance. Additionally, destination governance research cases focus their attention on the institutions and on the stakeholders (d’Angella, et al., 2010; Dredge, 2006; Marzano & Scott, 2009; Presenza & Cipollina, 2010). Few contributions look underneath the surface of the institutional or stakeholder analysis and take the individual as object of research (Bodega, Cioccarelli, & Denicolai, 2004; Saxena, 2006).

In order to understand explicit governance mechanisms such as the legal framework, the institutional roles, and the stakeholder interests, an analysis of destination governance based on qualitative case studies and looking at institutions and stakeholder groups may be an effective strategy. Yet, to analyze the underlying, implicit dimensions of governance that form the rules and norms between actors and that, often in contrast to the explicit governance mechanisms, cause conflicts, setbacks and contradictions in planning processes, we must change the methodological approach.
3. Improving the research agenda

As explained in the previous paragraph, the hierarchical perspective that looks at institutions and stakeholder groups faces considerable limitation in explaining why certain behavior and outcomes occur. Decisions and actions are taken by individuals representing institutions and organizations. Additionally, they are shaped in a context in which relationships between these individuals play a crucial role. Hence, we must adapt the research method, in order to advance in research.

3.1. Adjusting the methodology: From case studies to social network analysis

"Formal rules are produced and enforced by organizations such as the state and firms to solve problems of collective action through third-party sanctions, while informal norms arise out of networks and are reinforced by means of ongoing social relationships, to the extent that members of networks have interests and preferences independent of what rulers and entrepreneurs want. The respective contents of informal norms and formal organizational rules are likely to reflect opposing aims and values" (Nee, 1998, pp. 86-87).

Tourist destination communities comprise a variety of stakeholder groups that interweave across networks of actors of private and public institutions (Dredge, 2006). They should be understood as networks of individuals who represent one or more stakeholder groups (Bodega, et al., 2004; Pforr, 2006; Scott, Baggio, & Cooper, 2008). From this point of view, destination planning may become a process during which single and multiple interactions form an implicitly accepted understanding with corresponding intent. In light of the difficulties in fully realizing explicit destination policies and plans (Ruhanen, 2004; Simpson, 2001), we must assume that the underlying implicit communication and decision-making mechanisms play a vital role for the implementation of projects and initiatives in tourist destination communities.

Embedding an actor’s behavior in the destination community context and taking account of the multiple relations that affect him and the various cooperation processes he's involved in, extends the current research perspective to the challenging need to aggregate single relationships between actors or organizations to a greater picture at destination level.
3.2. Shifting the object of research: From stakeholders and institutions to individuals

3.2.1. Institutions represented by individuals

Traditional research discusses tourist destination planning with a rather strict classification of stakeholder groups (Byrd, 2007; Huybers & Bennett, 2003; Reed, 1997; Ryan, 2002; Timothy, 1998; Wang & Fesenmaier, 2007). However, while stakeholder theory addresses morals and values in managing an organization (Freeman, 1984), it does not help understand why individuals belonging to - as it often occurs in communities - multiple stakeholder groups and organizations act in a certain way and with a specific type of rationality. In order to research the implicit mechanisms of governance, we must set the research at the individual actor's level (M. C. Hall, 1999).

Recent studies have focused on the individual representing one or more organizations. Elites of individuals which represent the most relevant and influential elements in the tourist destination community have been analyzed, in order to describe relational structures (Bodega, et al., 2004), the policy formulation (Pforr, 2006) or the branding process of a destination (Marzano & Scott, 2009). This approach promises to improve destination governance research, because it is at individual level where we discover the quality of the fabric that constitutes the collective norms, rules, and routines.

Most of the network elite studies in tourist destinations have been carried out with the help of qualitative descriptions accompanied with quantitative measures of centrality or density. While centrality measures assess how important the single nodes of the network are, density measures highlight the frequency of the connections (links) between the nodes (Wasserman & Faust, 1994). Only very recent research in tourist destination networks has complemented these two basic concepts of social network analysis, adding discussions related to clustering measures (Cooper, Scott, & Baggio, 2009) or to network efficiency (Baggio & Cooper, 2009). At this point, it is obvious that the methodological potential of quantitative social network analysis is far from being exploited.

3.2.2. Individuals forming elites

In political science and sociology, planning networks, consisting of influential individuals who act in networks, are called 'elites'. In tourist destinations, such as in any other community or region or country, we must assume that there is a ruling class which holds most power, independent from democratic election processes, and that there is a class that is ruled. While the ruling class (i.e. the elite) consists of an organized minority of individuals, the class that is ruled represents the unorganized majority (Mosca, 1896). The elite has the capability to organize itself and make it possible
to run social and political systems by few individuals, even in democratic and therefore pluralistic systems (Michels, 1911).

Hence, elites of individuals have the structural and functional role of making complex systems such as tourist destination communities work. These 'strategic elites' are able to reach consensus in crucial issues affecting their community (Parsons, 1963). The analysis of elites and their power finds it major scientific application in the tradition of community power studies (Hunter, 1953). The structural-functional perspective applied in community power studies (Drewe, 1967; Hunter, 1953; Knoke, 1983; Laumann & Pappi, 1976; Mills, 1963) allows to analyze the mechanisms of action based on relationships between influential individuals.

The author's contributions presented in paragraph 4 consider the basic principles of community power studies and their elites by gathering the data and information from influential individuals either through reputational snowball sampling (4.1.-4.4.) or through interlocking directorates (4.5.). Both methods respect the condition that individuals in elites are connected with each other through personal acquaintance (Michels, 1911; Mosca, 1896).

The following figure illustrates the methodological novelty that provides the foundation for the core research of the herein presented postdoctoral thesis. The traditional approach often presents qualitative case studies based on institutions, organizations and stakeholder groups and discusses the relationships between these groups in a rather aggregate and generic way. The new approach, instead, takes into account that relationships primarily exist between individuals; in particular influential ones or for the question of research relevant ones. By analyzing the hidden multiple relations between the actors forming structural elites, with the help of quantitative network analysis and by embedding them in the qualitative, explicit context of the case, we can derive the reasons for decisions and events that occur in the destination communities.
### Figure 2: Looking at networks of relevant individuals

<table>
<thead>
<tr>
<th></th>
<th>traditional approach</th>
<th>new approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>method</td>
<td>qualitative case studies</td>
<td>quantitative and qualitative case studies</td>
</tr>
<tr>
<td>relationships</td>
<td>aggregated or dyadic perspective</td>
<td>network perspective</td>
</tr>
<tr>
<td>levels of research</td>
<td>institutions/ stakeholder groups →destination</td>
<td>(relevant) individuals → institutions/ stakeholder groups →destination</td>
</tr>
</tbody>
</table>

*source: own illustration*
4. Own contribution - Explaining destination governance through local elites

This section presents the current work in progress that the author has published up to date. It shortly presents the research and the conclusions for every paper. While every contribution is an alone-standing piece of work, they must be jointly viewed as complementary parts of a puzzle that will be completed and further detailed as research in destination governance will progress.

4.1. From knowledge to influence and power

4.1.1. Problem statement and aim of research

The first paper looks at the power dimensions and the influence reputation among the actors (Beritelli & Laesser, 2011). Power, as a socially shaped construct, helps identify the levers of effective decision making and planning. Empirical contributions in this field highlight the development of power as collaborative processes occur (T. B. Jamal & Getz, 1994; Timothy, 1998; Wang & Fesenmaier, 2007; Wang & Krakover, 2008); emphasize power as an institutional asset, influencing stakeholders’ attitudes and actions (Reed, 1997; Ryan, 2002); and discuss the perception of power as a cultural particularity (Timothy, 1998). The abovementioned literature puts an emphasis on the development of power as a relevant issue with respect to destination planning. However, the dimensions affecting the forms and facets of power and how it is perceived by individuals and stakeholders is still an under-researched topic. Only recently have studies begun to discuss power in more a differentiated way (Marzano & Scott, 2009; Pforr, 2006). Particularly when tourist communities are viewed as networks of individuals, enterprises, and stakeholders, issues of power gain additional significance. The position of actors, their linkages to other actors as well as the quality of these links, and the formation of groups and clusters are examples of network-related concepts which involve issues of power. Thus far, "issues of power, conflict and representation are mostly neglected in network theory" (Scott, et al., 2008, p. 64).

4.1.2. Research questions and methodology

Two questions guided the research:
1. Which power dimensions affect an actors’ influence reputation in tourist destinations?
2. Are there any differences among groups of actors in how they perceive influence reputation expressed through power dimensions? In other words: is there a group- or stakeholder-specific perception of the definition of power and if so how does it affect the group's reputational references, either in their perception of other influential actors or in being perceived by other actors?

For the empirical study, four power dimensions were analyzed: (1) hierarchical position, reflecting vertical power, (2) knowledge and (3) process power, relating to the horizontal power approach, while the first one relates to how knowledgeable individuals are and the second one refers to their position in a specific process/mechanism, and (4) assets (i.e. money, land), building on the exchange theory. By adopting these four variables, the authors consciously approached a Foucauldian perspective of power, less oriented towards rules and mechanisms or dominance and subjugation and more taking account of power as a "complex strategical situation" which consists of "multiple and mobile field of force relations" (Foucault, 1978, pp. 93-102). Figure 3 illustrates the research framework with the four independent power variables and the differentiation of in- and out-degree values as well as the partitioning in various stakeholder groups.

**Figure 3: Research framework**

![Diagram of research framework with four independent power variables: hierarchical power, knowledge, process power, and assets, and their interactions with influence reputation. The out-degree centralities (how individuals see others) and in-degree centralities (how individuals are seen by others) are differentiated according to stakeholder groups.]

source: (Beritelli & Laesser, 2011)
The authors have identified a relevant network of actors (44 with 42 interviewed out of a destination with a population of approximately 17'000) and their individual influence reputations (independent variable) as well as relevant power dimensions (dependent). Multiple and simple regression models of in-degree and out-degree centralities, for the whole network as well as network partitions based on stakeholder affiliation of the actors, provide a differentiated insight into the issue of power in actors’ networks.

4.1.3. Results and discussion
The results indicate that in almost all of the models, knowledge and process power as a second important variable play a central role in people’s perception of an actor’s influence (out-degree) as well as for one’s reputation as influential (in-degree). The results of the partitioned models show that depending on the stakeholder group the actors belong to, their out-degree as well as their in-degree models differ significantly.

Power dimensions are not just determinants for the achievement of influence and therefore relevant for planning and governance processes. The study shows that neither coercive nor persuasive power nor power stemming from resources plays an important role. The fabric that holds together the numerous relationships between individuals and stakeholder groups in their daily struggle to gain benefits for themselves or for the destination as a whole goes back to Foucault’s ‘power-knowledge’. Here, power builds on micro-relations of systems/structures (community) which are decentralized (numerous actors and relations), relativistic (individual and stakeholder group perception), ubiquitous, and dynamic (Foucault, 1978). The authors propose to start from this notion and plead for a less institutional- and stakeholder group-oriented perspective and for a more individual- and relationship-oriented perspective of destination planning and development.

In the context of destination planning and governance the following considerations are useful:

1. When identifying power and influence in destination communities, we must include various stakeholder groups but we also have to consider that the number of relevant actors representing them may be very small. This suggests that participatory planning could be carried out in more confined groups of stakeholders and actors than advocated thus far (Gunn & Var, 2002; Haywood, 1988; Inskeep, 1991; Timothy, 1999). This notion will also be supported through the studies with additional tourist destinations presented further in this paragraph.

2. Influence is driven by power dimensions, mostly by knowledge, and partly by process power. Hierarchical position and possession of assets play an important role only for selected stakeholder groups (i.e. actors from the private and corporate sector).
3. Power in stakeholder networks is not only a structural issue, i.e. centrality and therefore the position of actors, but is also the expression of individual perceptions, recognizable through the stakeholder group to which the actors belong (e.g. private sector, public sector, counselors). Identifying which stakeholder group an individual belongs to helps understand not only his particular interpretation of power but also the values he advances for perceiving and working with other influential people.

4. Different stakeholder groups have different perceptions of power as a source of influence. The analysis and estimation of influence helps identify the different perceptions in advance and may prevent misunderstandings in collaborative planning processes as well as in governance structures and development.

4.2. Between network and hierarchy

4.2.1. Problem statement and aim of research
Elite networks are not only defined through a differentiated perception of power and influence. They are also formed by a rather strong degree of hierarchy (Beritelli, 2011c). In a recent study, the author analyzed the structure of elite networks in six tourist destinations in Europe: Toggenburg, Lenzerheide, Appenzell and Saas-Fee, located in Switzerland, Montafon, located in Austria, and the city of Lucca, in Italy (Beritelli, 2011c). The aim of research was to measure the degree of hierarchy inside these networks looking at the actor's influence and, by comparison of the cases, to discover reasons for differing degrees of hierarchy.

4.2.2. Research questions and methodology
Based on Simon's argument that the groupings of informal organizations must be hierarchically structured and could operationally be measured (Simon, 1981), Krackhardt proposed four measures of structure, called the graph theoretical dimensions (GTD) (Krackhardt, 1994): (1) connectedness, (2) hierarchy, (3) graph efficiency, (4) least upper boundedness (LUB). Krackhardt (1994) argues that a graph has a maximal connectedness of 1.0 if each point can reach every other point in the graph. The maximal value of hierarchy, i.e. 1.0 is given, if there is a chain of command that is constituted by points at higher hierarchical levels than other points, hence where the relations are strictly ordered. A graph efficiency of 1.0 exists, if the graph is connected and contains N-1 lines, that is that the graph does not present any redundant connections. Finally, a LUB of 1.0 consists of a graph where the "actors have access to a common ...person in the organization to whom they ...can 'appeal'" (Krackhardt, 1994, p. 99). The LUB takes into account not only the connection between two points but also the direction. Thus, by simply changing the direction of the arrows in the
The four GTD measures altogether serve as a purposeful approach to assess the organizational and particularly the hierarchical patterns of a network. As a matter of fact, while connectedness simply answers the question whether all the actors belong to a sort of common system, hierarchy measures the extent to which we can speak of an organizational cascade (high hierarchy value) in contrast to an entirely flat organization (low hierarchy value). In addition, efficiency assesses the redundancies of connections inside the organization. A high efficiency value is an indication for few redundancies and hence for a certain degree of organization and hierarchy, while a low value may reflect the randomness and ineffectiveness of the connections. Finally, least upper boundedness measures the hierarchy in terms of the direction of the line-in-command and therefore with regard to the focus of attention towards individuals at higher ranks.

The research in this study assumes that behind the network structure and therefore the informal organization there is a sort of hierarchy. If there is hierarchy, decisions occur neither democratically nor randomly and destination planning and development are manageable, given the hierarchical conditions. Hence, the following null hypothe-
sis could be formulated: Elite networks of tourist destinations present weak hierarchical structures, i.e. the influence of the actors in the elite network is equally distributed.

4.2.3. Results and discussion
An excerpt of the study results is presented in table 1.

<table>
<thead>
<tr>
<th>destination</th>
<th>Saas-Fee (CH)</th>
<th>Toggenburg (upper valley) (CH)</th>
<th>Lenzerheide (CH)</th>
<th>Appenzell (CH)</th>
<th>Lucca (city) (I)</th>
<th>Montafon (A)</th>
</tr>
</thead>
<tbody>
<tr>
<td>population (approx.)</td>
<td>3.600</td>
<td>6.000</td>
<td>2.500</td>
<td>69.000</td>
<td>84.600</td>
<td>17.000</td>
</tr>
<tr>
<td>respondents (total elite size)</td>
<td>13 (13)</td>
<td>19 (19)</td>
<td>21 (22)</td>
<td>28 (31)</td>
<td>38 (42)</td>
<td>42 (44)</td>
</tr>
<tr>
<td>population/actor</td>
<td>277</td>
<td>316</td>
<td>114</td>
<td>2.226</td>
<td>2.014</td>
<td>386</td>
</tr>
<tr>
<td>connectedness</td>
<td>0.846</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
<td>1.000</td>
</tr>
<tr>
<td>hierarchy</td>
<td>0.556</td>
<td>0.371</td>
<td>0.284</td>
<td>0.138</td>
<td>0.761</td>
<td>0.825</td>
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<td>efficiency</td>
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<td>0.900</td>
<td>0.997</td>
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</tr>
</tbody>
</table>

source: (Beritelli, 2011c)

A first general result points to the fact that in terms of connectedness and LUB, the six destinations present rather high values. This is a first indication for some sort of hierarchy in the elite network. Particularly the high values for least upper boundedness indicate that there is a chief and that there are one or more lower levels of command. The two smallest networks in Saas-Fee and Toggenburg present a maximum value of 1.0. On one hand side, the probability for a high LUB increases with the decreasing size of the networks, as relationships between the actors are concentrated around few personalities. On the other hand side, it must be concluded that LUB actors indicate how differences or conflicts may be managed within the network. In networks with high LUB the chiefs have the potential position for settling or dealing with conflicts (Doreian, 1974; Krackhardt, 1994). The still relatively high LUB values for the other four destinations confirm the cascade-like order of relationships.

With respect to efficiency, Krackhardt expects "a curvilinear relationship between graph efficiency and organizational effectiveness, with the optimum graph efficiency value to lie between 0 and 1" (Krackhardt, 1994, p. 99), hence around 0.5. Again Saas-Fee presents the optimal value with a small network of optimally interlinked actors while Lucca and Montafon lack of effectiveness because of numerous redundant linkages and possibly due to the size of their elite network.
Finally, the hierarchy values differentiate the abovementioned observation on efficiency. As a matter of fact, under the point of view of hierarchy, Lucca and Montafon display the highest values because of the importance of the public sector in the elite network, while the low value of Appenzell confirms the destination's well-known strong culture for democracy and autarchy. Particular for the case of Appenzell is the existence of two contrasting destination management organizations (DMOs). Lenzerheide, a destination which currently experiences conflicts of interest between various stakeholder groups (ski area company, municipality, hotels, second home owners, DMO) presents a rather low hierarchy value just as Toggenburg, where the elite actors are still developing a relaunch strategy.

From the results above we can draw five conclusions:

1. Even though we often speak of informal organizations for the case of tourist destination communities, there are counter-intuitively high degrees of hierarchy. The degrees of hierarchy vary depending on the position and the interest of the stakeholder groups, on the current issues, and on the roles of the elite actors (e.g. interlocking directorates).
2. The different values of the GTD measures are additionally explainable through the current stage of development of the destination, cultural and administrative idiosyncrasies, and the number, role and degree of integration of the institutions and organizations.
3. The smaller the elite network is, the higher the degree of organization and hierarchy. Even for tourist destinations which are not fully depending on tourism, tourism network elites are clearly identifiable and present similar features as their counterparts in destinations with tourist monoculture.
4. Identifying the degree of hierarchy in elites, the chiefs in the hierarchy and the lines of command allows a more effective destination planning and management. Issues can be raised more effectively. Given the high values of least upper boundedness, conflicts could be more easily managed and consensus could be fostered.
5. A medium degree of efficiency ensures a higher organizational effectiveness. Therefore, redundancies of connections (e.g. in communication) during planning processes increase the consolidation of ideas, initiatives, and decisions. Planners are called to leverage on the advantage of redundant information.

4.3. Between formal and informal cooperative behavior

4.3.1. Problem statement and aim of research
Cooperative behavior in tourism destination communities is a condition for sustainable planning and development. However, evidence is lacking on how actors choose to cooperate. Thus far, most of the research on cooperation and cooperative behav-
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ior, in tourism destinations as well as in other industries, analyzes the institutional level and centers on the firms and stakeholder groups as the object of research. The study presented in this paragraph tests the relevance of two cooperation approaches which are often used as either complementary or substitutive, namely the formal, contract-based and the informal, relation-based approach. The paper investigates the importance of interpersonal versus professional connections and identifies the role of communication in the initiation and realization of cooperative action. (Beritelli, 2011a)

Cooperative behavior is worthwhile if there is a payoff based on a strategy (game theory) that maximizes advantages (rational choice theory). Actors must take into account that cooperative games take place in an institutional context with different norms and rules (institutional analysis) and different resource endowments, which cause different distribution of power (resource dependence theory). Cooperative behavior is also convenient if costs incurred over the whole process are minimized (transaction cost theory). Finally, cooperative behavior takes place in a social context in which the actors strive to gain reputation and rewards (social exchange theory).

Figure 5 illustrates the connection between the six theories and the formal contract-based versus the informal relation-based cooperation approach. While institutional analysis, rational choice theory, and transaction cost economics clearly point to the importance of formal contract-based cooperation, social exchange theory relates to the informal relation-based approach. Research based on the resource dependence theory as well as the game theory applies for formal as well as for informal cooperation. Reading figure 5 from top to bottom, the theory level indicates the specific mechanisms that are relevant in cooperation. The formal and the informal approach relate both to the dimensions which account for the theoretical mechanisms. Analyzing these dimensions helps operationalize the variety of possible cooperation mechanisms which occur in tourist destination communities, because as we see in the bottom circle, cooperation involves institutions, organizations, and individuals and cooperative behavior produces various forms and intensities of cooperation.
4.3.2. Research questions and methodology

For tourist destination communities there may be both formal contract-based as well as informal relation-based types of cooperation approaches, depending on the specificity of the agreement and the conditions and circumstances under which the actors convene. As the actors represent institutions and organizations, they are not only rational in their decision to cooperate but they also show a propensity to cooperate in a professional environment. Hence, we can assume that on one hand cooperative behavior is supported by professional acquaintance and institutional/organizational connections. On the other, we must assume that actors are likely to cooperate if they trust and understand each other, sometimes independently from their institutional/organizational affiliation. But which of the two assumptions is valid? Or are both equally relevant?

Based on the abovementioned considerations, two null hypotheses guided the empirical research of the study:
1. The approaches of formal contract-based and informal relation-based cooperation are not valid for the case of a tourist destination community.
2. Cooperative behavior is not depending on variables referring to formal or to informal cooperation.

For 171 cooperative relations between 42 actors in an Austrian tourist destination the author recorded eleven variables and first applied a principal component analysis to identify the relations between the variables and to group the eleven networks into dependent and independent constructs, as illustrated in figure 6. Then he performed a quadratic assignment procedure (QAP) to calculate the dependency of the construct 'cooperation and sympathy' on the constructs 'formal contracts', 'relational communication' and 'information exchange'.

**4.3.3. Results and discussion**
The results show that cooperative behavior in tourism destination transpires via interpersonal preferences, which likely override institutional agreements.

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**Figure 6: Confirmed constructs and influence on cooperation and sympathy**

![Diagram showing confirmed constructs and influence on cooperation and sympathy.](source: Beritelli, 2011a, all values significant at p < 0.01)
The results in the study point to a series of implications for practice and for research.

1. Cooperative behavior among actors and stakeholder groups in tourism destinations is an interpersonal business. Cooperative behavior is not based on clinical games and does not follow pure rational theoretic principles. This explains why alliances, mergers or simply collective initiatives and projects are not realized despite the logic based on rational economic principles. Hence, when selecting and approaching the appropriate constellation of representatives e.g. for destination planning and development, considering the people first, and secondly at the institutions they represent, is an effective and promising approach.

2. Tourist destination communities distinguish themselves less by formal rules and norms of cooperation and more by autonomous key actors, a phenomenon described in policy research with the help of actor-centered institutionalism (Scharpf, 1997) or collective memory (Rothstein, 2000), where past individual experiences affect future behavior more than the individual's affiliation to his institution. Formal, contract-based connections and cooperation may permeate small communities such as tourist destinations as well. In fact, companies develop and install cooperation agreements, while public institutions like municipalities create their norms and laws. Institutions are defined as "the rules of the game in a society, or, more formally, the humanly devised constraints that shape human interaction" (North, 1990). However, the origin of effective cooperation is "produced spontaneously in the course of social interactions in networks of personal relations," a less complex structure of personal interactions which generally occurs in smaller groups (Nee, 1998, p. 87). Communication intensity reinforced through multiple rounds of cooperation as well as effectiveness of getting in contact (in line with transaction cost economics) foster collaboration. Hence, in order to increase cooperation or launch collective action, planners must pay attention to previously installed bonds of trust and understanding among actors, recognizable through intense communication; a fundamental condition which has been described in an exploratory study, so far (Saxena, 2006).

3. Information exchange among actors leads neither directly to cooperation nor indirectly to trust or understanding. Launching a collective action between companies whose actors already exchange information but do not exhibit kinship would likely fail. The rule of social exchange theory, according to which anticipated reciprocity leads the actors to offer information in order to gain reputation and influence and a reward, works inversely. The more information exchange takes place, the less the involved actors will exhibit cooperative behavior, as they already feel that they have complied with the social norms, or they think that exchanging information with perceived competitors is the rule to follow if one wants to be accepted in the community. As a matter of fact, information exchange is a formal process under circumstances of interdependencies (Levine & White, 1961), in order for the actors to stay up to date.
4. Cooperation processes require reciprocal sympathy. Identifying and highlighting interdependencies among the actors and their institutions helps induce cooperative behavior. In fact, resource dependence plays a central role as cooperative actions take place. However, before and after the cooperative games occur, actors are locked in bounded rationality and are required to repeatedly learn from every experience with their counterparts. The interdependencies which lead to the necessary sympathy during the process are characteristic to community-structured tourism destination, as organizations and institutions are embedded in a system built on and affected by goods with public character.

4.4. Between consensus and dissent

4.4.1. Problem statement and aim of research
On one hand, it is commonly accepted that community-based tourism planning with a high level of collaboration involving relevant stakeholders increases effectiveness in formulating and implementing destination strategies (T. B. Jamal & Getz, 1994; Ritchie, 1999a, 1999b; Wang & Fesenmaier, 2007), even if some stakeholders compete with one another (Wang & Krakover, 2008). On the other hand, with reference to studies on resident perceptions and attitudes (Allen, Long, Perdue, & Kieselbach, 1988; Ap & Crompton, 1998; Aref, 2010; Lankford & Howard, 1994; Williams & Lawson, 2001), we must conclude that the formulation of a strategy and the subsequent decision-making processes are limited to a small group of representative actors or an elite (Pforr, 2006) and that the resulting outcomes are not always accepted by the whole community. In fact, even a multi-stakeholder approach with the aim of achieving consensus "is no guarantee that interests and concerns will be considered in the decision-making process, or that implementation of participants' recommendations and plans will follow smoothly" (T. Jamal & Getz, 1999, p. 290). Hence, there seems to be a lack of knowledge that resides between (1) the empirical findings and the concepts centered around collaborative community planning based on prescriptive contents and explicit strategy formulation processes and (2) the representative studies of perceptions of the local community and how they formulate strategic issues resulting out of the destination's context. In fact, there is no research focusing on an intermediate stage of the process, e.g. the implicit perception of strategic issues among decision-makers after the formulation of a strategy or even in the absence of a previously occurring strategy formulation process, just before or while action is being taken. Yet, could the single actions implemented by the numerous stakeholders be considered as part of a collective strategy?
4.4.2. Research questions and methodology
The study presented in this paragraph focuses on individual perceptions of prominent actors in four European Alpine destinations and the question of whether they implicitly agree upon selected strategic dimensions (Beritelli, 2011b). The following research questions guided the empirical research:

- Is there a formal consensus in networks of actors with regard to strategic issues, such as competitive advantages, competitors, and challenges?
- If there is formal consensus, which actors play an integrative role, that is, which actors know the strategic issues best and are most competent on matters pertaining to the issue?
- If there is dissent or only partial consensus, which actors contribute to the polarization of the opinions?

The existence of formal consensus was tested with the help of consensus analysis. Consensus analysis is a method that “provides a way to uncover the culturally correct answers to a set of questions in the face of certain kinds of intra-cultural variability. At the same time, it enables the researcher to assess the extent of knowledge possessed by an informant about a given cultural domain.” (Borgatti, 1997). Consensus analysis has been developed by Romney, Weller and Batchelder (1986). The method builds on three assumptions that are tested with a quantitative procedure.

1. The first assumption is that all respondents share one culture and that the variability of answers to a given issue stems from variations in the amount of individual knowledge. As a result, there must be individuals who know more than others and whose answers are closer to a kind of collective truth.
2. The second assumption is independence, which holds that every individual is driven to give the culturally correct answer and if he does not know the correct answer he makes up one independently of the others.
3. The third assumption refers to the principle of one domain according to which the questions must refer to one distinct and clearly understandable area or field (Borgatti, 1997).

Consensus analysis follows a predefined method. Respondents’ answers are coded and listed in a row, producing a person-by-question matrix. The person-by-question response matrix is then transformed into a person-by-person agreement matrix through standard binary multiplication (Borgatti, Everett, & Freeman, 2002). The procedure then performs a principal factor analysis on the person-by-person matrix, ignoring the diagonal values. The resulting eigenvectors are sorted in descending order by the eigenvalue. If the largest eigenvalue is at least three times as large as the second largest one, the method concludes that there is evidence for a common truth. At the same time the assumption for independence holds and the individual factor loadings can be interpreted as competence (Borgatti & Halgin, 2010). The respondents, often called “informants” in consensus analysis literature, display different competence values and therefore different levels of cultural competence or knowledge.
Tourist destination governance through local elites (Romney, et al., 1986). The results of a formal consensus analysis must be considered as a statistical artifact (Weller, 2007).

The empirical information was provided by the respondents through open questions during in-depth interviews. The following three questions were posed: (1) Please, name up to two main competitive advantages of your destination. (2) Please, name up to two main competitors of your destination. (3) Please, name up to two main challenges of your destination. Again, the analysis has been carried out for four selected tourist destination communities (i.e. Saas-Fee, Lenzerheide, Toggenburg, and MONTAFON) and their elite members.

4.4.3. Results and discussion
The results based on the formal consensus analysis and on the individual competence values of all the actors with regard to the three strategic dimensions, allow for a series of implications for research and practice.

1. Explicit consensus, even if achieved through various approaches of the planning processes, does not relate to implicit consensus. In fact, explicit consensus may reflect the continuing hegemony of a local elite or other inequalities among the stakeholders (Bramwell & Sharman, 1999; Goodwin, 1998; McArthur, 1995). Implicit consensus reflects the local culture which consists of shared cognitive representations (Romney & Moore, 1998).

2. Particularly when fostering collective action in tourist destinations, we must take into account that the necessary implicit consensus resides in individuals’ and groups’ perception and resembles a collective intelligence that enables mass collaboration (Tapscott & Williams, 2008). Therefore, in practice, planners are challenged to work at two levels: the explicit consensus-achieving planning process, and the implicit culture in terms of “common-truth-developing-process.” While the first one relates to technical, project-oriented tasks, the second one addresses the accompanying consensus-building and decision-making approach.

3. Strategic dimensions, as analyzed in this study, are of a different quality for the assessment of consensus. Most likely, the actors who represent different stakeholder groups find formal consensus on direct and common dimensions, such as the current challenges. The more specific and technical the dimension becomes, the less consensus is found because some actors polarize the opinions through their expertise. Hence, it is advisable to strictly differentiate planning from consensus building processes. While the cultural consensus-building process may be fostered across different stakeholder groups, the technical planning process, in which consensus must be found as well, is more easily realized in smaller groups with similar interests and expertise.

4. A consensus building approach, based on the new insights of this research, could pursue the following steps:
a) Define a set of central strategic dimensions. These must be easily comprehensible to the involved individuals and activate meanings and associations.

b) Identify the best informants in the destination. They are to be found among prominent actors but they are not the most influential ones. These opinion leaders know the collective truth best, even if they are not confronted daily with the respective issue.

c) Work with external actors and integrate them prominently in the actors’ network. They will destabilize symmetries and stalemate. In the early stage these individuals may cause clear dissent. However, at the end their intervention will have processed the glue which builds consensus.

d) Confront the top decision-makers with the different opinions and the collective truth. Ask them to reflect upon their deeply rooted beliefs concerning the various strategic dimensions and how those fit into the collective perception.

e) Increase consensus among the stakeholders. Let the decision makers learn the language of the collective and let the opinion leaders enrich their truth with additional information, given by the top decision makers as well as by external actors.

The above described last step is likely to make opinions converge, because the transition from an asymmetric regime to a symmetric regime is shown to be discontinuous (Lambiotte & Ausloos, 2007). "The addition of a few links between the communities or a small increase of the fluctuations inside the system may be sufficient in order to drive the system out of the asymmetric state" (Lambiotte & Ausloos, 2007, p. 12). By making opinions change, further changes will occur. Furthermore, the periods of frequent changes of opinions will be followed by periods of stagnancy (Sznajd-Weron & Sznajd, 2001), so that the initiatives and actions could be based on a commonly accepted strategy.

External actors play a central role in this regard, as they increase the openness of the community. But is there any indication for an involvement of externals outside of the common planning process?

4.5. Between closure and openness

4.5.1. Problem statement and aim of research
The analysis of interlocking directorates is a helpful approach to identify the integration of externals into the daily business of tourist destinations. A very recent study, proves that there is a trade-off between openness of a destination's elite network and the preservation of the local culture and consequently implicit governance mecha-
nisms and routines by looking at networks of interlocking directorates (Beritelli, Strobl, & Peters, 2011).

Interlocking directorates occur when persons affiliated with one organization sit in the board of another organization (Mizruchi, 1996). Mizruchi (1996) suggests that interlocks may form because of collusion (W. E. Baker & Faulkner, 1993; Pennings, 1980), or even cooptation and monitoring (Ornstein, 1984; Pennings, 1980; Pfeffer & Salancik, 1978; Stearns & Mizruchi, 1986). Other studies indicate that interlocks improve the reputation of a firm and hence increase legitimacy (DiMaggio & Powell, 1983; Parsons & Jones, 1960) or that they function at individual level by fostering career advancement (Stokman, Van der Knoop, & Wasseur, 1988; Zajac, 1988). Alternatively, interlocks may not only be caused by interorganizational or individual career purposes but more as a result of social ties, where a class or elite joins in the common ground of one or more boards (Mace, 1971; Mills, 1956; Useem, 1984).

In line with the theory that space is a constitutive dimension for social phenomena (Bourdieu, 1990; Foucault, 1977; Giddens, 1990; Harvey, 1985), more recent studies on interlocks focus on the geographical dimension, i.e. the relationship between the interlocks in the corporations and the location of the directors (Green, 1983; Kadushin, 1995; Kono, Palmer, Friedland, & Zafonte, 1998; Lincoln, Gerlach, & Takahashi, 1992). The studies confirm that there is a relationship between space and interlocks.

Hence, regions and places constitute per se the boundaries of one aspect of research on interlocking directorates. Distinguishing the directors in organizations which are located in one area, based on the director's place of living and working may explain the mechanisms that rule the community in the area.

The second approach used in the study refers to social capital. Putnam (1993) explains the failure to take collective action in societies with the lack of social capital, that could facilitate coordination and cooperation for mutual benefit. Particularly, communities (such as to be found in tourist destinations) are exposed to the dilemma of collective action (Olson, 1965). It is here that social capital must develop, by forming an according social structure that facilitates the development of common norms founded on mutual trust and obligations. Coleman (1988) suggests that closure in networks creates trustworthiness in a social structure. As a matter of fact, closure in social networks leads to reputation and eventually to the application of collective actions.

Consequently, as tourist destination communities in alpine areas consist of a rather closed structure, we may expect that on one hand side they exhibit a certain richness of social capital (i.e. the network of relationships that install common norms and mutual trust). On the other hand side, the interlocks are expected to be limited to a small number of local individuals. Otherwise, the individuals in the community and consequently its organizations were so strongly connected with the rest of the world that the local actors would reference to other than their local fellows; and therefore, through this openness exhibit a weak relationship to the local society and poor social capital. This expectation also relates to the concept of homophily in social network theory emphasizing that actors tend to relate to actors showing similar characteristics and thus forming a homogenous group (Blau, 1977; McPherson, Smith-Lovin, &
Cook, 2001). According to McPerson et al. (2001) geographic propinquity, families, organizations, as well as isomorphic positions are possible foundations for homophilous relationships. This is in line with theory regarding interlocking directorships presented afore.

4.5.2. Research questions and methodology
As a consequence of the above-explained trade-off, the following null hypothesis guided the research: There is no dependence between the place of residence of board directors in tourist destination communities and the network of their interlocks.

The object of research were the most salient organizations and institutions of selected tourist destinations. The selected cases Zermatt and Davos-Klosters (both located in Switzerland) as well as Stubai Tirol (the valley of Stubai) and Kitzbühel (both located in Austria) represent rather traditional and large tourist destinations, in which tourism has played an important role for more than one century and where the local communities have installed an own system of governance with idiosyncratic norms and rules.

For every destination, the most important organizations and institutions were identified. Besides the municipality / municipalities, the local destination management organization(s) and the ski area companies, additional tourist enterprises such as a congress center, a spa or important event organizers were included in the sample. Organizations and directors were linked to each other through a binary, two-mode matrix, with the organizations on the columns and the individuals on the rows.

In a first analysis, the interlock networks were discussed on the basis of a visualization technique. In addition they have been analyzed quantitatively, with the aim to test whether the link densities within and between the three groups differ from a random distribution across all pairs of nodes (Hanneman & Riddle, 2005). For the homophily test, the matrices were converted into one-mode networks through standard binary multiplication of the rows, so that the resulting matrices display the valued frequency of interlocks between the individuals. Finally, for the list of directors, a vector was created with differing values (locals vs. regional vs. national vs. international) depending on the place of work of the board directors. As the degree of internationalization of board directors was different in the destinations, the grouping criteria had to be differentiated.

4.5.3. Results and discussion
The networks of interlocking directorates in the destinations of Zermatt, Davos-Klosters, Stubai Tirol and Kitzbühel showed that interlocking directorates connect, despite their density, mainly local actors as well as non-local actors with their peers. The following conclusions can be drawn.
1. Interlocking directorates in close communities such as alpine tourist destinations reflect the affiliation of individuals to their own group. They do not really enhance interorganizational connections, which in return could increase legitimacy, improve knowledge, or strengthen the openness of the community with the outer areas.

2. The strong interlocks between local actors may be a result of the proximity and the kinship, which is an indication for reciprocal referencing and trust building and therefore for the creation of social capital.

3. If there is a negative trade-off between (a) the closure of a community with the resulting value of social capital and (b) the interlocks with non-local directors, a tourist destination or generally a community must ponder the benefits of either one of the aspects. That is, a closed community guarantees the preservation of reciprocal trust and the development of a locally grown and accepted governance. In contrast, by increasing the organizational connections with external directors in the boards, the enterprises may gain additional knowledge, new financial resources, etc. but they may undermine historically grown rules and norms as well as routines that are founded on reciprocal trust and a common identity.

4. The DMO's in all destinations are rather closed towards out-group individuals, possibly expressing the role of the institution which assures the local identity and therefore a common agency in the destinations.

4.6. **Synthesis**

From the intermediate results in destination governance research based on elite networks, we can draw the following conclusions.

1. Decisions and actions are taken by stakeholder groups via the individuals who represent them. These individuals in turn form elites of actors.
2. Destination community elites consist of few influential individuals who hold multiple roles.
3. Their influence is defined primarily through their knowledge.
4. The form of influence depends on the individual perspective (i.e. who is reckoning whom). The perspective is in turn affected by the individual's rationality, that is by the stakeholder group and its environment, in which the individual operates.
5. The elites have a strict hierarchy. There are chiefs and there is an implicit line of command.
6. For the formation of collective action, interpersonal bonds play a more important role than professional/institutional/political contacts.
7. Communication intensity and contact ease facilitate and fortify interpersonal bonds.
8. Initial interdependencies between individuals are a crucial condition for the development of relationships and collective action.
9. Apparently informal actions (i.e. information exchange) may not be an evidence for kinship or friendship. They could be an expression of formal aspects of governance.

10. Explicit consensus does not guarantee collective action as long as it does not come along with implicit consensus.

11. Individual expertise may polarize and challenge the development of implicit consensus. In contrast, individual expertise is needed for effective planning.

12. In the long term, externals increase the probability of reaching implicit consensus in the destination. In the short term, they may disturb the current consensus and situations of stalemate.

13. Interlocks with external directors do not necessarily strengthen the openness of the community.

14. The closer the community, the more particular the governance expressed through rules, norms and routines.

The conclusions may not perfectly join on each other, in order to draw a comprehensive picture. Still many pieces of the puzzle are missing. However, there are clear indications that underneath the explicit governance there is a dimension we may call implicit governance. It is defined through the multiplicity of relationships among relevant actors (internals and externals). Just like intra-firm reputations and the image of firms and individuals are subject to mutual non-contractual agreements (Bull, 1987), we must conclude that there is an analogous situation in communities consisting of inter-organizational relationships. As a matter of fact, explicit and implicit contracts must be seen as complements (G. Baker, Gibbons, & Murphy, 1993; Schmidt & Schnitzer, 1995). Actually, in situations of multiple long-term relationships and limited information, actors seem to prefer less complete contracts (Fehr & Schmidt, 2000; Hill & Jones, 1992).

The current state of research reveals that there are on one side aspects typically referring to communities of individuals (e.g. closure and openness, interdependencies, communication, trust, consensus). Yet, on the other side we clearly recognize features attributed to organizations (e.g. hierarchy, influence, knowledge, expertise). Independently from these two perspectives, it is the overall implicit governance that affects the formation of interest groups, of formalized routines and eventually of many locally developed elements of the explicit governance. The latter consists of the role of institutions (e.g. municipality, DMO) and of organizations as well as the creation of laws and rules.

As a consequence, destination management and planning are indirectly affected by the relationship network of the relevant individuals through the framework of explicit governance. The latter sets the rules of the game, in which the actors convene and bargain. Additionally, the same actor's network with the implicit governance is directly responsible for the coordination, continuation, and implementation of the collective plans and actions. The following figure illustrates the relationships between the three levels of implicit and explicit governance as well as effective destination management and planning.
management and planning
(strategic intent, coordinated plans, initiatives and actions, etc.)

explicit governance
(legal framework, institutional roles, stakeholder interests, etc.)

implicit governance
(multiple relationships funded on interdependencies, communication, trust, consensus, etc.)

Figure 7: The impact of implicit governance

source: own illustration
5. An outlook - the fruit?

So far, the contributions presented in this paper are only the cornerstones for a comprehensive picture that has to be further designed. Successive research points to the need for a longitudinal approach and therefore for a dynamic analysis of social networks in destination communities. Also, the results could be further validated through additional case destinations in Europe and in other regions of the world. However, beyond the methodological optimization of the current research, there are some manifest issues of research, which promise to lead to decisive findings:

1. Implicit governance research not only in the field of policy and planning but also with regard to production networks or service chains in the tourist industry as well as in other service industries. This would improve the current discussion on virtual service networks (Bieger & Beritelli, 2006).

2. The quality of interaction and communication between the individuals which allows to understand why actually relational preferences evolve.

3. The degree of liaison the individuals have to the institution(s) and stakeholder group(s) they represent. This will explain how independently they act in the network of relationships.

4. The influence of changes in the elite network on the creation or adaptation of formal governance, expressed through laws, norms and institutional roles. The detection of a proximate effect could indicate why there is an implicit and why there is an explicit dimension of governance.

5. The immediate relationship between changes in the network and decisions as well as actions, that are taken. In this way, not only single individuals may be seen as responsible for plans and actions, but it will be clear whether it is their embeddedness in the network that leads them to take decisions and to act.

6. The relationship between the elite and the rest of the population as well as the wider environment, comprising other elites in other destinations, visitors, competitors, etc. It is the quality of relationship of the elite that defines the sustainability of its actions and the coherent development of the destination.

Destination governance research focuses on clearly defined communities. While the limits of the object of research are rather well definable, the communities evolve as a system with a minimal openness, i.e. (1) new actors join the community, (2) old ones leave, (3) external individuals influence processes and outcomes. In this sense, destination governance research serves as a model to approach the small world problem (Milgram, 1967). It remains to be seen, whether the future findings of this area of research could help understand greater challenges in larger areas or whole countries and regions.
6. Bibliography


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