

Corporate Governance in Tourist Organizations

Four Papers on Board Roles, Boardroom Behavior,
and Public Sector Influence

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And now, thesis, off you go

Sandnes, June 2016

Solveig Garnes

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List of Papers

Paper I

Garnes, S., & Grønhaug, K. (2011). The role of boards of directors in tourist organizations. *Scandinavian Journal of Hospitality and Tourism, 11*(2), 115–134.

Paper II

Garnes, S., & Mathisen, G. E. (2012). Research note: Destination decision-makers: Developing a strategic orientation scale. *International Journal of Tourism Policy, 4*(3), 261–271.

Paper III

Garnes, S., & Mathisen, G. E. (2014). Organizational commitment of directors in collaborative tourist organizations: Mediating effects of boardroom behavior. *Journal of Travel Research, 53*(4), 448–461.

Paper IV

Garnes, S. (2014). Tourist organizations and the power of the public sector: a corporate governance perspective. *Scandinavian Journal of Public Administration, 18*(1), 41–62.

Summary

The purpose of this thesis is to study corporate governance practice, the roles and behavior of the boards of directors of tourist organizations, and the influence of the contextual characteristics of tourism and tourist organizations on these aspects. The thesis treats tourist organizations as corporate entities, and corporate governance as the structuring and direction of tourist organizations. Tourist organizations are typically destination-based, and are composed of a number of stakeholders with interests in tourism activities in a specific geographical area.

This thesis consists of four papers comprising common and current aspects of corporate governance. It is a study of what boards of directors in tourist organizations do, whom directors see themselves working for and their strategic orientations, how external contingencies and boardroom behavior influence their organizational commitment, and finally of public sector power in the system of corporate governance. The studies were designed to gather information on corporate governance using multiple theoretical perspectives and methodological approaches. Norway was the research setting.

In summary, the findings indicate that contextual contingencies have the potential to affect the internal affairs and boards of tourist organizations. Traditional board roles—strategy, service, and control—can be found in these boards. The results indicate that divergent views among directors concerning whom they work for influence their strategic thinking. The Strategic Orientation Scale developed in this study revealed two dimensions: a holistic orientation focusing on the common benefits of a destination, and a stakeholder orientation toward specific groups or interests. The results support the view that boardroom behavior influences directors' organizational commitment. A holistic perspective has a direct effect on directors' commitment; in addition, it decreases their perceptions of intragroup conflict and positively influences their effort norms. The expected influence of directors' stakeholder orientation was not found. Finally, the public sector power that was found seems to be strongly associated with aspects of corporate governance—public shareholding and public directorships—in addition to public resource dependence.

1 Introduction

This thesis is about decision-makers in the tourism sector, focusing on boards of directors and investigating tourist organizations from a corporate governance perspective. The formal control of a corporation is commonly considered to be divided between three bodies: shareholders, the board of directors, and management. Corporate governance concerns how these key actors operate within a system, and the ways in which corporations are structured and directed (Monks & Minow, 2011). This thesis addresses the structure and direction of tourist organizations; more precisely, it focuses on their boards of directors and how the directors operate within systems of corporate governance.

The role of the board of directors is of great importance, yet demanding, as illustrated by Monks and Minow (2011).

Every strategy, every innovation in product, operations, and marketing, every acquisition and divestiture, every decision about asset allocation, finance, joint ventures, financial reports, systems, compensation, and community relations—every decision and every one of the thousands of decisions within each one—is determined by some part of the system of corporate governance. Every one of those decisions can be made consistent with long-term, sustainable value creation for investors, employees, and the community or for the short-term benefit of one group regardless of the consequences of others (p. xviii).

Regardless of context, system of corporate governance, and type of organization, boards of directors can be understood as strategic decision-making groups: “large, elite and episodic decision-making groups that face complex tasks pertaining to strategic-issue processing” (Forbes & Milliken, 1999, p. 492). According to Forbes and Milliken (1999), the very existence of a board as an institution is rooted in the belief that effective oversight of an organization exceeds the capabilities of any individual, and that collective knowledge and deliberation are better suited to this task. This thesis treats boards as groups of people making decisions together for tourist organizations and studies individual decision-makers in the light of corporate governance theories, while taking the contextual factors of tourism into account.

Collaboration among stakeholders in tourism is common, yet it has features that may further complicate corporate governance and the role of boards in tourist organizations. There are many stakeholders and a number of external elements that affect tourism and tourist organizations, many of which are beyond the control of formal governance bodies (Laws, Richins, Agrusa, & Scott, 2011; Sautter & Leisen, 1999; Sheehan & Ritchie, 2005). Tourism stakeholders include establishments of different sizes from various areas of business. These independent service providers operate according to a variety of business logics, with individual systems of corporate governance (Beritelli, Bieger, & Laesser, 2014), and in diverse markets (Tkaczynski, Rundle-Thiele, & Beaumont, 2009). The public sector is also a salient stakeholder in tourism. The destination can be seen as an open-social system of interdependent and multiple stakeholders (d'Angella & Go, 2009), and the organizational structure of the destination as a network of interdependent stakeholders (Cooper, Scott, & Baggio, 2009). With reference to collaboration among stakeholders in destinations, Beritelli (2011) claims: "Achieving consensus over strategic issues inside one corporation is a challenging task. Creating consensus among different stakeholder groups, consisting of private and public actors, seems even more difficult" (p. 222). With such characteristics of tourism as my point of departure, examining how such aspects can influence corporate governance in collaborative tourist organizations is a relevant research avenue.

There is little consistency in the terms used for collaborative arrangements in tourism (Bramwell & Lane, 2000; Pike, 2004; Pike & Page, 2014). "Tourist organizations" is used as a collective term in this thesis to refer to destination-based organizations that draw together stakeholders with an interest in tourism in a specific geographical area (Pearce, 1992; 2000). "Destination management organization" (DMO) is a related and common term describing an entity mandated to manage tourism destinations (Anderson, 2000; World Tourism Organization (WTO), 2007). Formal establishment and a structure that includes a board of directors were criteria for the organizations studied, and tourist organizations are treated as corporate entities. According to Monks and Minow (2011), a "purely descriptive definition" of a corporation would state "that a corporation is a structure established by law to allow different parties to contribute capital, expertise, and labor for the maximum benefit of

them all” (p. 6). Based on a multilayered view of tourism governance, Pechlaner and Volgger (2013) consider corporate governance to be *business oriented* concerning the governance of firms and tourist organizations, as opposed to *territorial governance* in relation to destination governance as well as regional, state, and global governance. This defines the framework of this thesis; the boards of directors as decision-makers in tourist organizations are the center of attention, not the tourist organizations per se or their general influence on destinations or tourism planning.

Corporate governance of tourist organizations has been studied both theoretically and through empirical analysis in recent years, and corporate governance theories have been found to be suitable for exploring and explaining them (Beritelli, Bieger, & Laesser, 2007; Pechlaner, Raich, & Kofink, 2011; Pechlaner, Volgger, & Herntrei, 2012). However, there is still a lack of knowledge of the operational reality of destination governance, such as studies of directors, their work, and their working environment (Beritelli et al., 2007). In tourism research, and particularly in research on tourist organizations, little attention has been given to boards of directors. The main purpose of this thesis is to contribute to knowledge on corporate governance in tourist organizations, particularly regarding board roles and boardroom behavior.

Knowledge of tourist organizations and their environments is of great importance in this endeavor. Elements that exist beyond the boundaries have the potential to affect all or part of an organization (Daft, 2004; Duncan, 1972). Contextual contingencies have been emphasized by several researchers both of tourism (Bornhorst, Ritchie, & Sheehan, 2010; Palmer & Bejou, 1995; Pechlaner & Fuchs, 2002; Sautter & Leisen, 1999) and of corporate governance (Pettigrew, 1992; Pye, 2004; Pye & Pettigrew, 2005; Zahra & Pearce, 1989), who identify a need to consider external factors to understand and explain internal processes. The more tourist organizations become aware of their altered environment, the more likely they are to be convinced of the vital importance of efforts devoted to internal organizational developments and investment in internal affairs (Pechlaner & Fuchs, 2002).

Early corporate governance research focused on direct relationships between board characteristics and outcome measures on the organizational level, such as effectiveness and performance (Johnson, Ellstrand, & Daily, 1996; Pettigrew, 1992; Zahra & Pearce, 1989). Zahra and Pearce (1989) developed an integrative model that synthesized past research and the relationships between board characteristics and performance. The model consists of a set of external and internal contingencies of organizations, such as environmental variables and industry type, phase of life cycle, size, and resourcing. Such contingencies may influence and determine the mix of board attributes, roles and performance, as well as a board's contribution to organizational performance. A core feature of Zahra and Pearce's (1989) work is this explicit recognition of contextual contingencies.

More recent research on corporate governance has drawn attention to the lack of studies of actual boardroom behavior and the dynamics in and around the boardroom (Forbes & Milliken, 1999; Huse, 1998; 2000; Pettigrew, 1992). The assumption was that opening the "black box" of boardroom behavior would increase understanding of how boards work, and better explain outcomes such as board effectiveness and company performance. This present research includes both contextual contingencies and the boardroom behavior perspective. This is done by applying the early, yet influential, work by Zahra and Pearce (1989) to take contextual contingencies into account, and to include the behavioral perspectives of Forbes and Milliken (1999) on board roles and boardroom behavior in tourist organizations. These seminal contributions underpin the analytical framework for this research (Figure 1) and illustrate a basic premise of this research: that relationships among board variables depend on contextual contingencies.

When this thesis was planned and initiated (2007), little research on internal affairs and corporate governance in tourist organizations existed. Thus, it was appropriate to begin with an explorative approach, followed by a justification phase. Qualitative and quantitative methods were combined. There are few theoretical and conceptual frameworks for the study of tourist organizations, so this thesis combines corporate governance models of board roles and behavior with theoretical elements from tourism research. Research on collaborative arrangements in tourism tends to be dominated by case study

research, often limited to one or a few destinations. This study was conducted with Norway as the research setting, and it includes all Norwegian tourist organizations.

The four papers of the thesis investigate key aspects of the operational reality of corporate governance, making this study a timely and important insight into the internal affairs of tourist organizations.

1.1 Structure of the Thesis

The structure of the thesis is as follows. Chapter 2 of Part 1 continues with a more extensive presentation of the overall aim of the thesis, the problem areas, the analytical model, and the theoretical consistency of the thesis. Chapter 3 presents the theoretical background, beginning with tourist organizations, followed by a section on corporate governance in which the theoretical approaches chosen for the study are discussed. The theoretical chapter ends with reflections on outcomes, in terms of both corporate governance studies and tourism research. This is followed by a brief introduction to the research setting in Chapter 4, which describes the structure of Norwegian tourist organizations and corporate governance in Norway. Chapter 5 describes and justifies the choices of design and methods. The findings of the four research papers are then presented in Chapter 6. Chapter 7 discusses the quality of the research design and the main contributions, placing the conclusions of the individual studies in a more holistic context. Some concluding remarks regarding practical implications and future research are offered in Chapter 8. Part 2 presents the four published journal articles, which represent the core and most important part of the thesis.

2 Aims and Problem Areas

The introduction indicates the need for more knowledge about internal affairs in tourist organizations relating to corporate governance practice and boards of directors. The overall aim of this thesis is to study corporate governance practice, board roles, and boardroom behavior in tourist organizations, and to examine the influence of contextual characteristics on such matters. To achieve this overall aim, four main problem areas have been studied empirically, with the results reported in four papers:

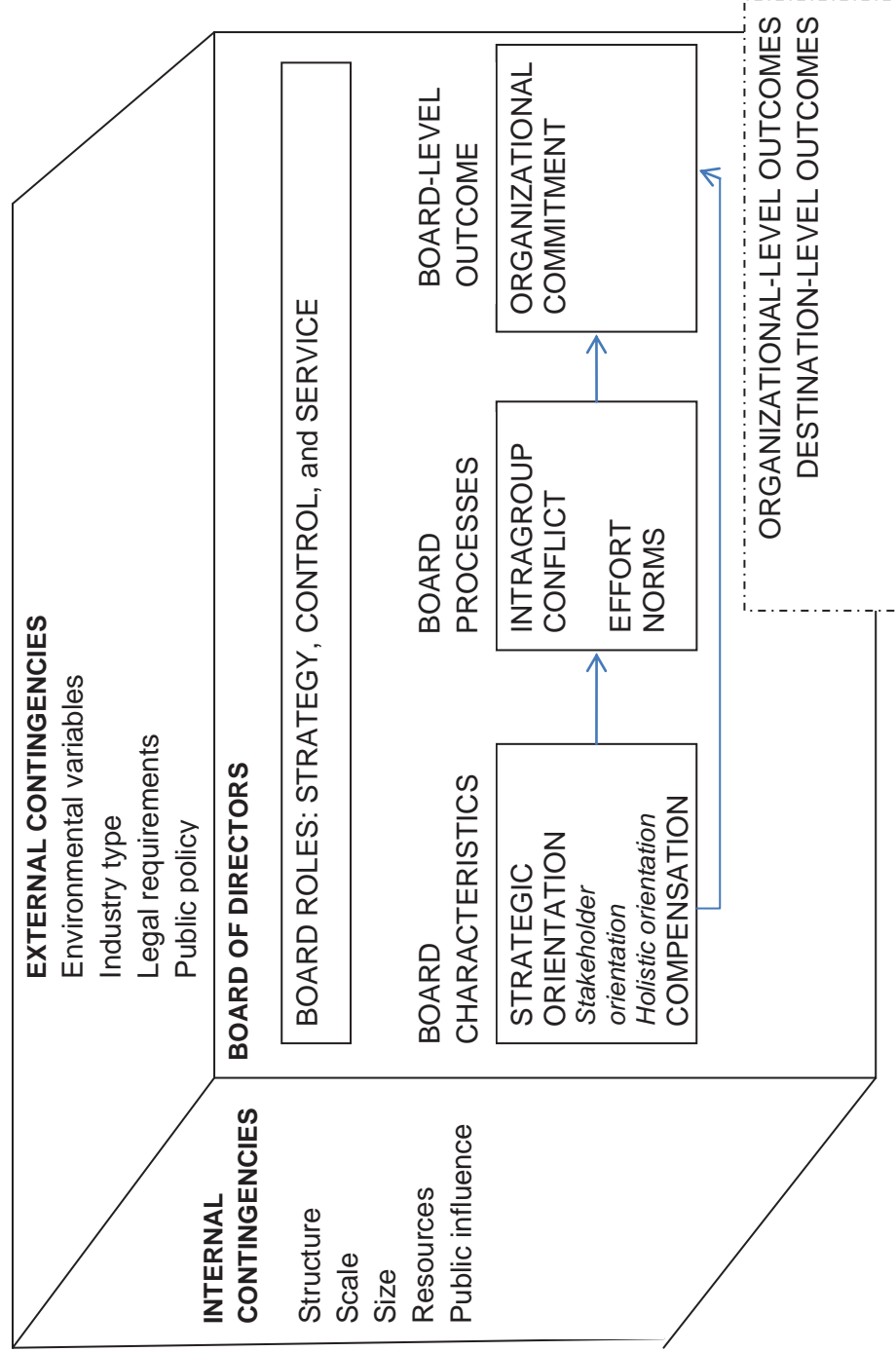
1. What do boards of directors in tourist organizations do, and whom do directors see themselves working for?
2. What are the strategic orientations of directors of tourist organization boards?
3. How do external contingencies and boardroom behavior influence the commitment of directors of tourist organization boards?
4. What power does the public sector possess over the corporate governance systems of tourist organizations?

This section and Figure 1 illustrate the analytical model and summarize the theoretical consistency of the thesis.

2.1 Analytical Model

The analytical model in Figure 1 is based on the three-dimensional integrative Model of Board Attributes and Roles by Zahra and Pearce (1989, p. 305). A major reason for the choice of model and its suitability for the current context is its integrative approach; it explicitly recognizes how relationships among board variables depend on several contextual contingencies. In combination, internal and external contingencies determine the mix of board attributes and roles, corporate governance practice, and ultimately organizational performance (Zahra & Pearce, 1989). In this regard, the model concerns the context in which boards of directors of tourist organizations operate. This seminal model of corporate governance theory has been adapted to suit the present study, as well as the industry type and context.

Figure 1 Analytical Model and Theoretical Consistency of the Thesis



External and internal contingencies

The context includes a number of contingencies that may have an impact on tourist organizations, corporate governance practice, and boards of directors. In this thesis, characteristics of the tourism industry—especially environmental variables related to the destination—are of substantial importance, and these receive close attention in Section 3.1 of the theory chapter. Legal requirements for corporate governance (company law) and public policy concerning tourist organizations are other external factors to consider.

Internal contingencies may be found at the organizational level, and these are likely to have an impact on corporate governance practice, board roles, and boardroom behavior. Key characteristics of tourist organizations considered in this thesis are organizational structure, geographical scale of organizational operations, size in terms of number of members or shareholders and man-labor-years, resource situation, and the share and nature of public sector power. These features are derived from either Zahra and Pearce (1989) or the conceptual framework for analyses of tourist organizations proposed by Pearce (1992).

It is debatable whether certain contingencies are explicitly external or internal, for instance, geographical scale and public sector influence. In their theoretical review, Zahra and Pearce (1989) consider contingencies in combination and then categorize them as either external or internal in their integrative model. The analytical model for this thesis categorizes contingencies from the perspective of a board of directors, as illustrated in Figure 1.

Boards of directors—board roles

The core of the analytical model is related to the board of directors, and this thesis commences by focusing on board roles and responsibilities. The question of what boards do is fundamental to corporate governance research, and board roles have been studied and discussed since the origin of this research tradition (e.g., Mace, 1986; Mintzberg, 1983). Board roles are a key feature of the integrative model of Zahra and Pearce (1989), and they are a good starting point for exploring the operational reality of corporate

governance in tourist organizations. Subsequently, because of the contextual contingencies of these organizations with multiple stakeholders characterized by varying interests and objectives, an investigation was undertaken of the first problem area of board roles and responsibilities in tourist organizations, and to determine whom directors see themselves working for. Paper I addresses these explorative research questions.

Boards of directors—board characteristics

Directors' strategic orientation was considered an important board characteristic, again on the basis of multiple stakeholders with various interests. Beritelli (2011) questioned whether prominent stakeholders really agree on strategic issues and studied their perceptions, which may be biased by their individual functions and roles. The findings of Beritelli (2011) indicate that the more stakeholders are concerned with specific strategic dimensions, the more likely they are to perceive and formulate a differentiated picture. Among collaborators in tourism, one can find potential conflicts of self-interest with more holistic views and community mindsets (Wang, 2008; Wang & Xiang, 2007). The strategic thinking of stakeholders can be influenced either by a micro perspective of personal individual businesses and interests or by a macro perspective of the common benefits of the destination (Wang & Krakover, 2008). Findings in the explorative phase reported in Paper I support the view that these claims apply to directors in tourist organizations and justify a focus on directors' various strategic orientations as a board characteristic in research into boardroom behavior. Hence, a study was made of the second problem area of the dimensions of the strategic orientation of directors in tourist organizations and a scale developed to measure the strategic orientations of directors as destination decision-makers. Paper II reports the dimensions found in directors' strategic orientations, and the procedures for the development of the strategic orientation scale.

Boards of directors—boardroom behavior

Figure 1 models boardroom behavior, in line with the Model of Board Processes by Forbes and Milliken (1999), as a general input–process–output model. The research in this thesis focuses on directors' various strategic orientations, along with compensation, as input variables. Intragroup conflict and effort norms were chosen as relevant board processes because of key

characteristics of tourism and tourist organizations boards—for example, the fragmented nature of the tourism industry, the relationship between collaboration and competition, multiple stakeholders that do not necessarily have mutual interests, public sector interests in the industry, and the range of elements beyond the formal governance bodies' control that affect tourism and tourist organizations. Hence, an analysis was conducted of the third problem area of the possible influence of certain characteristics that have been proposed as particularly relevant (namely, directors' strategic orientations and compensation) on directors' organizational commitment while considering the mediating effects of directors' perceived boardroom behavior by including intragroup conflict and effort norms as important process variables. Paper III addresses these research questions.

Structure and public sector power

The power of the public sector in tourist organizations was the fourth problem area. The thesis explores and discusses what power the public sector possesses in the systems of corporate governance in tourist organizations. Previous research and my empirical findings underline the public sector's importance in this setting, as a legitimate authority in society (Mintzberg, 1983), as a key actor in corporate governance as a shareholder or director (Monks & Minow, 2011), and as an influential stakeholder in tourism. As indicated in Figure 1, public power was studied in terms of both external contingencies such as legal requirements and public policy and internal contingencies such as organizational structure and resources. The question of whether the public sector is represented in the boardroom is also central. The following three research questions were raised: What power does the public sector possess in the system of corporate governance in tourist organizations? What are legitimate claims of the public sector? Finally, what recent changes can be recognized in terms of public power? Paper IV addresses these research questions.

Outcomes—at the board, organizational, and destination levels

Organizational commitment was chosen as a relevant outcome measure, because commitment has been shown to be a key characteristic of successful collaboration in tourism. Selin and Chavez (1995) found that a high level of commitment was an important factor in successful tourism partnerships, and

in Palmer's (2002) study of tourism marketing associations, commitment was an antecedent of successful cooperative marketing. Björk and Virtanen (2005) identified commitment as the main facilitator for the success of tourism collaboration. Interorganizational commitment was considered the long-term goal for tourism partners in networks by Pesämaa and Hair (2008) and Pesämaa, Hair, and Haahti (2010). Finally, Wang and Xiang (2007) included commitment in their framework for destination marketing alliance formation, because of its importance in balancing cooperation and competition in tourism.

Given its importance, there is reason to study organizational commitment among directors in tourist organization boards. This thesis applies the widely used definition by Porter, Steers, Mowday, and Boulian (1974) in terms of the strength of directors' identification with and involvement in a particular tourist organization. They characterized organizational commitment by three factors: (1) a strong belief in and acceptance of the organization's goals and values; (2) a willingness to exert considerable effort on behalf of the organization; and (3) a definite desire to maintain organizational membership. For boards of directors, commitment can be understood as the extent to which members of a strategic decision-making group accept strategic decisions and intend to cooperate in implementing them (Korsgaard, Schweiger, & Sapienza, 1995).

This study does not consider outcomes at the board, organizational, and destination levels. However, the analytical model (Figure 1) indicates an assumed connection between directors' commitment, board-level outcomes, organizational performance, and destination success. A further reflection on outcomes is provided in Section 3.4.

3 Theoretical Background

To achieve the overall aim of this thesis, the empirical studies are guided by theoretical contributions from different disciplines. The area of study has no unified theoretical foundation, but crosses two different and independent streams of literature: the corporate governance literature, mainly founded on economics and strategy, and the tourism literature characterized by interdisciplinarity.

In a discussion of approaches to tourism theory with reference to a destination, Framke (2002) questions whether tourism research has theory and methods suitable for investigating the structure of the tourist industry. Interaction, cooperation, networking, and social practice are all crucial activities in describing a destination in terms of its content, relationships, and tourists (Framke, 2002). Because such relationships in other fields of production have been analyzed for many years by researchers from more financially oriented disciplines, Framke (2002) questions why such researchers very rarely examine tourism. This thesis responds by applying an economic perspective—corporate governance—and utilizes theories and models from corporate governance research in a study of the internal affairs of tourist organizations. The use of corporate governance models and theories adds an innovative aspect to this research.

This theory chapter first presents tourism literature on tourist organizations and their contingencies, followed by perspectives on corporate governance and boards of directors. The chapter finishes with a presentation of the different theoretical perspectives applied in this thesis and some reflections on outcomes.

3.1 Tourist Organizations

This section starts with conceptual clarifications regarding terms and definitions of collaborative arrangements in tourism and continues with a description of the outer parts of the analytical model, more precisely the external and internal contingencies of tourist organizations. Finally, I review

previous research on corporate governance and internal affairs in tourist organizations.

3.1.1 Terms and Definitions

Collaborative arrangements in tourism concern various forms of connections between relevant stakeholders in a geographic area (destination). Yet there is a lack of consistent descriptions or definitions of such collaborative arrangements. Various terms have been suggested, including collaborations, coalitions, forums, alliances, networks, partnerships, and organizations (Bramwell & Lane, 2000). In Wang and Xiang's (2007) taxonomy of concepts for collaborative relationships at destinations, they are classified based on level of formality, integration, and structural complexity, resulting in a continuum of affiliation, cooperation, coordination, collaboration, and strategic networks. Formal collaborative bodies are given a myriad of names, including agencies, authorities, boards, bureaus, centers, commissions, companies, and corporations (Pike, 2004). Pike and Page (2014) claim that no widely accepted model of their structure exists.

Table 1 shows examples of common terms and definitions of collaborative arrangements in tourism. The examples illustrate how numerous definitions with overlapping conceptual relevance are applied in the tourism literature.

In this thesis, "tourist organization" was selected as a collective term, describing what I understand to be destination-based organizations that draw together stakeholders with interests in tourism in a specific geographical area (Pearce, 1992; 2000). This is a rather broad definition in which a number of different collaborative arrangements can be included. The term originates from Pearce's (1992) comparative study of tourist organizations in six countries, which remains one of the few comparative studies of tourist organizations across borders. This was later supplemented with studies from other countries and areas (Pearce, 1996a; 1996b; 1997; 1999).

Table 1. Terms and Definitions of Collaborative Arrangements in Tourism

Pearce (1992)	Tourist Organizations	“Broadly based organizations located in a specific geographical area which draw together different sectors of the industry. Planning, development and marketing are all functions which are characterized by interdependence and which might therefore be reflected in the goals of these organizations.”
The Encyclopedia of Tourism (Pearce, 2000)	Tourism Organizations	“Tourism organizations are established to foster and manage the growth and development of tourism through the pursuit of common goals by joint action. The term is generally used to refer to destination-based organizations [...]”
The Encyclopedia of Tourism (Anderson, 2000)	Destination Management Organizations	“Destination management organization (DMO), also known as a destination marketing organization, refers to either a convention and visitors bureau, a state/provincial/regional tourism office, or a national tourist organization/administration. These organizations are the entities mandated to undertake the process of tourism destination management.”
World Tourism Organization (2007)	Destination Management Organization	“The destination management organization’s role should be to lead and coordinate activities under a coherent strategy. They do not control the activities of their partners but bring together resources and expertise and a degree of independence and objectivity to lead the way forward. It follows that DMOs must develop a high level of skill in developing and managing partnerships. Though DMOs have typically undertaken marketing activities, their remit is becoming far broader, to become a strategic leader in destination development.”
Bramwell & Rawding (1994)	Tourism Marketing Organizations	“The main tourism agencies charged with marketing the range of products comprising the wider tourist destination. These agencies commonly are a local authority tourism department, a tourism association or a visitor and conference bureau.”
Pike (2004)	Destination Marketing Organizations	“Any organization at any level, which is responsible for the marketing of an identifiable destination.”
Gretzel, Fesenmaier, Formica, & O’Leary (2006)	Destination Marketing Organizations	“Non-profit entities aimed at generating tourist visitation for a given area.”

Palmer & Bejou (1995)	Tourism Destination Marketing Alliances	“A joining together (by means of dependency and collaboration) of two or more organizations over a given time period in order to gain a competitive advantage.”
Palmer (2000)	Cooperative Marketing Associations	“Groups of independent businesses that recognize the advantages of developing markets jointly, rather than in isolation, but which may be unable to appropriate the benefits of cooperative activities directly”
Bramwell & Lane (1999; 2000)	Collaborative Arrangements or Partnerships	“Regular, cross-sectoral interactions between parties based on at least some agreed rules or norms, intended to address a common issue or to achieve a specific policy goal or goals.”
Wang (2008)	Collaborative Destination Marketing Arrangements	“A number of stakeholders (both public and private) working interactively on a common issue or problem domain through a process of exchange of ideas and expertise and pooling of financial and human resources.”
Wang & Fesenmaier (2007)	Convention and Visitors Bureaus	“Entities who are charged with developing an image which will position their destinations in the marketplace as a viable destination for meetings and visitors.”
Selin & Chavez (1995)	Tourism Partnerships	Adapted from Gray (1985): “A voluntary pooling of resources (labor, money, information, etc.) between two or more parties to accomplish collaborative goals.”
Harrill (2005)	Convention and Visitors Bureaus	“Nonprofit organizations that represent a city or geographic area in the solicitation and servicing of all types of travelers to the city or area; CVBs receive most of their operating funds from public sources and private donations.”
	Destination Management Organization	“Organizations that lead a community’s hospitality and tourism industry and are often a driving force behind local economic development plans. These groups are occasionally called destination marketing organizations, but have moved to a more holistic approach that now includes research, human resources, and technology.”

“Destination management organization” is another frequently applied collective term, both in the tourism industry and in research. Such organizations are defined in the Encyclopedia of Tourism as “entities mandated to undertake the process of tourism destination management” (Anderson, 2000). Furthermore, the Encyclopedia defines convention and visitors bureaus, state/provincial/regional tourism offices, and national tourist organizations/administrations as DMOs. The term “Convention and Visitors

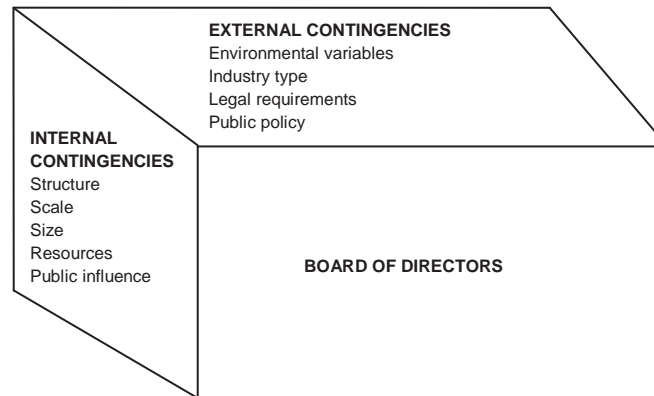
Bureau” (CVB) originated in the USA (Lee, Morrison, & O’Leary, 2006), in which context it remains common, but this term is not frequently applied in other countries. Tourism researchers also apply terms that refer to the geographical scale at which the organizations operate, for example, Regional Marketing Alliances (Reid, Smith, & McCloskey, 2008) or Regional Tourist Organizations (Zahra & Ryan, 2005; 2007). National tourist organizations and administrations in the definition are beyond the scope of this thesis in terms of both level and structure.

The World Tourism Organization, WTO (2007), uses the term DMO and acknowledges that destination management requires a coalition of many organizations and interests working toward a common goal, for which purpose the DMOs should lead and coordinate activities under a coherent strategy. “Though DMOs have typically undertaken marketing activities, their remit is becoming far broader, to become a strategic leader in destination development” (WTO, 2007, p. 2). The abbreviation “DMO” is also used for destination *marketing* organizations (e.g., Gretzel et al., 2006; Pike, 2004). Neither was considered an appropriate term in the present research setting, as both practitioners and researchers in Norway refer to DMOs when describing organizations with an explicit organizational structure at a specific geographical level. More precisely, the term is used for public–private partnerships at a regional level in which two or more communities collaborate. Hence, this term was not considered an appropriate collective term for organizations with different structures on a variety of scales, especially with Norway as the research setting. For these reasons, Pearce’s (1992, 2000) broad definition and the term “tourist organization” was considered more appropriate for this research.

3.1.2 Contextual Contingencies of Tourist Organizations

The theoretical background of this thesis includes elements from tourism research, for the most part to describe contextual characteristics of tourism and tourist organizations and explain their possible influence on corporate governance issues. In the following sections, I discuss the outer parts of the analytical model, as illustrated in Figure 2.

Figure 2 Analytical Model: Contextual Contingencies



Contextual contingencies are either external or internal contingencies that have the potential to affect boards of directors and corporate governance. The contingencies described here are either derived from the original work by Zahra and Pearce (1989) or taken from previous tourism research by the author. The conceptual framework for interorganizational analyses of tourist organizations by Pearce (1992) should be mentioned as particularly relevant, as it provides key characteristics of tourist organizations that ought to be included. The framework draws on ideas and theories from organizational literature and comprises many of the factors to consider when studying tourist organizations, such as environmental features, tourism characteristics, goals, functions, structures and funding, scale, and interorganizational interaction. Pearce's primary interest in developing the framework was to elucidate what tourist organizations actually do, with a focus on goals and functions (Pearce, 2012); hence, the framework is most suitable for descriptive studies. Pearce's work has been disputed and criticized for having a weak theoretical framework (Getz, 1995) and for being unsuitable for, and irrelevant to, other tourism organizational settings (Jenkins, 2000). However, it still stands as one of a few theoretical frames for the study of tourist organizations and is based on a comparison of organizations in different economic, social, and political settings.

3.1.2.1 External contingencies

The external contingencies treated in this thesis are environmental variables, industry type, legal requirements, and public policy. The legal requirements for Norway regarding corporate governance are presented in Chapter 4, which describes the research setting. Public policy on tourism in Norway is outlined thoroughly in Paper IV. Thus, most of this section is devoted to environmental variables and industry type.

The external environment of most tourist organizations is diverse. The tourism industry consists of many suppliers, which cater in one way or another to the needs of the tourist. When people travel to and stay in places outside their usual environment (cf. WTO's definitions of tourist and visitor, 2014), the travel-and-stay aspect creates demand for a wide range of goods and services. Thus, the supply side includes many different subsectors. Tourism stakeholders include establishments of different sizes from various types of businesses, such as hotels, camping and other accommodation, transport companies, restaurants, museums, tour operators, and stores (Goeldner & Ritchie, 2006). Although business owners for the most part want an increase in numbers of visitors and income, some stakeholder interests are not exclusively "touristic," such as banks and shops (Sautter & Leisen, 1999). The private sector's prime motivation in tourism is profit maximization, but the public sector is also a salient stakeholder in tourism. Hall (2008) identified eight areas of public sector involvement in tourism: coordination, planning, legislation and regulation, entrepreneurship, stimulation, promotion, social tourism, and a broader role for public interest protection. The rationales for public sector involvement in tourism follow from the complexity of the tourist product with its heterogeneous nature: common goods and services, and guardianship of common resources (Wanhill, 2001).

Destinations are key components of the tourism system (Leiper, 1979), as tourism presumes temporary movement of people from an origin to a destination (or destinations). The total product offering of a tourism destination is complex, and tourists may typically select among destinations on the basis of the total set of destination attributes (Palmer & Bejou, 1995), of which noncommercial elements are often just as important (Gunn & Var, 2002). The destination can be seen as an open-social system of interdependent

and multiple stakeholders (d'Angella & Go, 2009), and the organizational structure of the destination as a network of interdependent stakeholders (Cooper, Scott, & Baggio, 2009). Many destinations embrace geographical areas with many subdestinations, several political and administrative units, and different local societies. An area may have a variety of qualities in terms of landscape, culture, history, activities, adjustments, and accessibility, increasing its level of heterogeneity.

The tourism market is diverse. Tourists by no means constitute a homogeneous mass market; rather, an increasingly segmented demand for tourism products can be seen. Stakeholders at the same destination can operate in different markets with a very diverse range of customers in terms of factors such as travel pattern, length of stay, motivation and interests, country of origin, and solvency (Tkaczynski et al., 2009). In addition, these markets are shifting, and coping with shifting markets can be considered one of the inherent challenges of destination management (Beritelli et al., 2014).

Hence, multiple and heterogeneous stakeholders are involved in tourism at destinations for a variety of reasons, and they are interdependent. Jenkins (2000) illustrates the heterogeneity of stakeholders in his overview of key stakeholders in regional tourist organizations in Australia, and recognizes the complexity of local competition, different values, needs and experiences, autonomy and independence, fragmentation, and differing ideologies among diverse groups. A number of frameworks for collaborative tourism planning and policy-making describe similar challenges in relation to aspects such as formation of destination marketing alliances (Wang & Xiang, 2007, p. 79), tourism partnerships (Selin & Chavez, 1995, p. 848), tourism planning and policy (Dredge & Jenkins, 2007, p. 16), community-based tourism planning (Jamal & Getz, 1995, p. 190; Reed, 1997), and local collaborative policy-making (Bramwell & Sharman, 1999). Researchers refer to the tourism context as fragmented (Elbe, Hallén, & Axelsson, 2009; Fyall, Callod, & Edwards, 2003; Sainaghi, 2006) and complex (Baggio, Scott, & Cooper, 2010; McKercher, 1999; Palmer & Bejou, 1995; Presenza & Cipollina, 2010; Zahra & Ryan, 2007). The review above describes conditions that justify the inclusion of the environmental variables and characteristics of the tourism industry in studies of corporate governance.

3.1.2.2 Internal contingencies

The above description of external contingencies entails the presumption that a specific destination is strengthened by collaboration and a high degree of cooperative interaction between stakeholders. Destinations and organizations may gain competitive advantages by pooling knowledge, expertise, capital, and other resources from several stakeholders (Kotler, Rein, & Haider, 1993). Businesses that successfully adopt a collective market orientation seem to gain competitive advantages over networks without such strategies (Silkose, 2004). Thus, their interest in partnerships increases (Bramwell & Lane, 2000), and they need to manage stakeholder interactions in an increasingly systematic manner, and so legal forms of organization are instituted (Selin & Chavez, 1995). The degree of formalization varies, as Wang and Xiang (2007) illustrate in their taxonomy of collaborative relationships at destinations.

This section describes central internal contingencies for tourist organizations. The variables that receive most attention in the four papers are organizational structure, the geographical scale at which organizations operate, size in terms of number of members or shareholders and man-labor-years, financial resources, and share and nature of public sector influence. Paper IV provides a comprehensive overview of these internal contingencies for Norwegian tourist organizations, and so this review is short and primarily supplemental.

The focus of early research on tourist organizations was on structure, roles and responsibilities, functions, and funding (e.g., Getz, Anderson, & Sheehan, 1998; Morrison, Bruen, & Anderson, 1998; Pearce, 1992). Generally, the early studies are descriptive and outline the nature and role of tourist organizations with little analysis of their operations or accomplishments. In addition, a common conclusion is that each destination and organization is unique and needs to be considered separately; for example, Pearce (1992) concludes that there is no single best type of organization, and a system must evolve in each country that best reflects the local, regional, and national conditions.

Pearce (1992) classified tourist organization functions into the following categories: marketing, visitor servicing, development, planning, research, coordination, and lobbying. More recent studies support the view that these are key activities (Ford & Peeper, 2008; Jenkins, 2000; Pechlaner & Fuchs,

2002; Presenza, Sheehan, & Ritchie, 2005; Wang, 2008; Zahra & Ryan, 2005), including studies in Norway (NHO Reiseliv, 2011; Viken, 2008). Research has tended to focus on one variable at a time (Bornhorst et al., 2010), most commonly on aspects of marketing/promotion functions.

Many tourist organizations are established as public–private partnerships. In most countries, the tendency to privatize and commercialize functions once performed by government has affected governments’ involvement in tourism (Hall, 2008). Governance through public–private partnerships became more common in the 1980s, replacing the traditional public administrative model (Bramwell & Rawding, 1994; Hall, 1999), with increased use of public–private partnerships for tourism marketing and other tourism activities (Hall, 2005; Pike & Page, 2014). Of the 241 tourist organizations in 29 countries in the WTO’s (2004) survey, 24% are public–private partnerships, 33 % of the organizations at the city level. Bramwell and Lane (2000) call for research on the legal, financial, and influential power of governments in such collaborative partnerships. In Zapata and Hall’s (2011) study of partnerships in Spanish tourism, the pursuit of legitimacy could partly explain the processes of public–private collaboration and organizational evolution (which are also affected by a general dependence on public funding), eventually resulting in structurally similar organizations. Strong reliance on political support and public money is rather common for tourist organizations (Bieger, Beritelli, & Laesser, 2009; Kerr, Barron & Wood, 2001; Pearce, 1992; WTO, 2004; Zapata & Hall, 2011).

Not all businesses operating at a destination choose to join their local tourist organization. Interdependence alone is not sufficient to engender collaboration (Palmer & Bejou, 1995). Businesses must recognize the advantages of attending to resource-demanding functions jointly rather than in isolation, and must believe that coordinated marketing, planning, and development will enhance the long-term competitiveness of the destination. The collaborators must not simply recognize the benefits of joint attempts but should perceive that such benefits outweigh the costs and loss of autonomy that they must relinquish to partners (Palmer & Bejou, 1995). Free riders (stakeholders who benefit from the tourist organizations’ activities without contributing to covering the cost of the benefit) are common in this setting (d’Angella & Go, 2009; Elbe et al., 2009; Getz et al., 1998; Silkoset, 2004;

Wang, 2008). This challenges managers to maintain the willingness of stakeholders to participate in and implement common plans. Thus, commitment and trust become important and are applied as variables in research on collaboration and tourist organizations (Björk & Virtanen, 2005; Naipaul, Wang, & Okumus, 2009; Palmer, 2002; Pesämaa & Hair, 2008; Pesämaa et al., 2010; Wang, 2008).

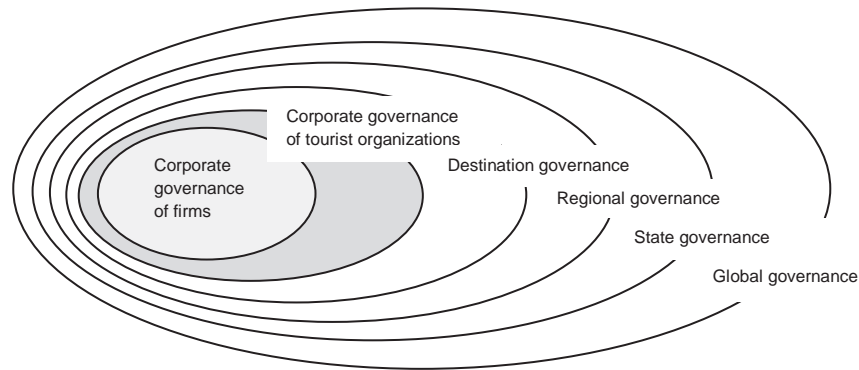
This thesis examines how contextual contingencies of tourist organizations—characterized by diversity, interdependence, complexity, and heterogeneity as described above—influence corporate governance practice, board roles, and boardroom behavior.

3.1.3 Corporate Governance in Tourist Organizations

Tourism is considered a particularly interesting context in which to study governance, as it lies at the intersection of the public, private, and community sectors (Pechlaner & Volgger, 2013; Ruhanen, Scott, Ritchie, & Tkaczynski, 2010). “Tourism governance is a complex issue involving multiple stakeholders in numerous relationships at a range of levels” (Zahra, 2011, p. 534). Destination governance comprises “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, p. 96). The most commonly used terms regarding governance in tourism are “tourism governance” and “destination governance” (Ruhanen et al. 2010). Yet, there is no single accepted definition of governance in the tourism sector literature, but a variety of approaches (Hall, 2011a).

To understand the theoretical basis for this thesis, it is necessary to distinguish between types of governance in tourism, especially destination governance on the one hand and corporate governance in tourist organizations on the other. Figure 3 illustrates several perspectives on governance in tourism. The model in Figure 3 is based on Pechlaner and Volgger’s (2013) multilayered view of tourism governance, and Pechlaner et al.’s (2011) view that different types of governance are dependent on different institutional contexts.

Figure 3 Comprehensive View of Tourism Governance



Pechlaner and Volgger (2013), who integrate the tourism service firm into the framework, capture the interdependencies between the various levels. In addition, they make an important distinction between territorial governance and corporate governance. Destination, regional, state, and global governance is political, and described by Pechlaner and Volgger (2013) as territorial governance, whereas corporate governance is business oriented and concerns the governance of firms and tourist organizations (DMOs). The interplay between the world of government and world of management can be observed at its fullest at destinations, thus frequently putting destinations at the center of debates on tourism governance (Pechlaner & Volgger, 2013).

This thesis takes a business perspective, represented in the innermost layers of Figure 3. It examines corporate governance in tourist organizations and treats tourist organizations as corporate entities that define their institutional context.

Present knowledge of corporate governance in tourist organizations is rather limited. Reviews reveal even fewer studies of boards of directors. In a recently published review of literature on tourist organizations, Pike and Page (2014) refer to four contributions on the role of the board: Bowes, 1990; Gee and Makens, 1985; Lathrop, 2005; and Palmer, 1998—two contributions in peer-reviewed publications and only one after the year 2000. Table 2 shows empirical journal publications on aspects of corporate governance, boards, and directors in tourist organizations to provide an overview of peer-reviewed publications in recent decades.

Table 2 Peer-Reviewed Publications on Corporate Governance (1998–2014)

Journal	Authors	Title
Anatolia: An International Journal of Hospitality & Tourism Research	Pechlaner, Volgger & Herntrei (2012)	Destination management organizations as interface between destination governance and corporate governance
Annals of Tourism Research	Palmer (1998)	Evaluating the governance style of marketing groups
	Sheehan & Ritchie (2005)	Destination stakeholders: Exploring identity and salience.
International Academy for Case studies	Ristig (2008)	The mid-city convention and visitor's bureau (CVB)
International Journal of Contemporary Hospitality Management	Ford (2011)	Friends to grow and foes to know: Lessons in successful stakeholder management from Orlando. An interview with William C. Peeper, President (retired), Orlando/Orange County Convention and Visitors Bureau
International Journal of Globalisation and Small Business	Pechlaner & Volgger (2013)	Towards a comprehensive view of tourism governance: Relationships between the corporate governance of tourism service firms and territorial governance
International Journal of Tourism Research	Elbe, Hallén & Axelsson (2009)	The destination-management organisation and the integrative destination-marketing process
Journal of Destination Marketing & Management	Beritelli & Laesser (2014)	Getting the cash-cow directors on board—An alternative view on financing DMOs
Journal of Marketing Management	Palmer, Barrett, & Ponsonby (2000)	A behavioural analysis of co-operative marketing organisations
Journal of Strategic Marketing	Palmer (2002)	Cooperative marketing associations: An investigation into the causes of effectiveness
Journal of Sustainable Tourism	Zahra (2011)	Rethinking regional tourism governance: The principle of subsidiarity
Journal of Travel Research	Beritelli, Bieger, & Laesser (2007)	Destination governance: Using corporate governance theories as a foundation for effective destination management
	Beritelli, Bieger, & Laesser (2014)	The new frontiers of destination management: Applying variable geometry as a function-based approach

Tourism Analysis	Beritelli (2011)	Do actors really agree on strategic issues? Applying consensus analysis of stakeholder perceptions in tourist destination communities.
Tourism Management	Reid, Smith, & McCloskey (2008)	The effectiveness of regional marketing alliances: A case study of the Atlantic Canada Tourism Partnership 2000–2006
	d'Angella & Go (2009)	Tales of two cities' collaborative tourism marketing: Towards a theory of destination stakeholder assessment
Tourismos: An International Multidisciplinary Journal of Tourism	Pechlaner, Raich, & Kofink (2011)	Elements of corporate governance in tourism organizations
Tourism Review	d'Angella, De Carlo, & Sainaghi (2010)	Archetypes of destination governance: A comparison of international destinations
	Franch, Martini, & Buffa (2010)	Roles and opinions of primary and secondary stakeholders within community-type destinations
	Ford, Gresock, & Peeper (2011)	Board composition and CVB effectiveness: Engaging stakeholders that can matter
	Pechlaner, Herntrei, Pichler, & Volgger (2012)	From destination management towards governance of regional innovative systems—the case of South Tyrol, Italy
	Beritelli & Bieger (2014)	From destination governance to destination leadership—defining and exploring the significance with the help of a systemic perspective
Tourism Tribune	Wang & Li (2013)	Review on tourist destination governance in foreign countries

When this study was planned and initiated (2007), little research on the internal affairs and corporate governance of tourist organizations existed. Palmer's (1998; 2002) studies of governance style were early and important contributions on the internal affairs of tourist organizations. Research on corporate governance has evolved from there and is dispersed among various journals focusing on tourism, with a few papers in marketing and management journals. What lessons can be drawn from previous studies?

Corporate governance theories suitable for the study of tourist organizations

Beritelli et al. (2007) derived dimensions from corporate governance theories to operationalize the governance structures of destinations, among which were board size and personal and institutional representation on these boards. Acknowledging the applicability of corporate governance theories, and the fact that research on corporate governance in destination management remains rather limited, Beritelli et al. (2007) called for research into the operational reality of destination governance, with studies of directors, their work, and working environment as examples.

Pechlaner et al. (2011) analyzed the present state of corporate governance in tourist organizations, level of awareness of the usefulness of corporate governance elements, and actual use of certain elements. The results cover the following elements: 1) effective leadership, 2) application of governance tools, and 3) knowing and tending to stakeholders. In recent studies, Pechlaner and colleagues continue to apply the corporate governance concept to tourist organizations (Pechlaner, Herntrei, Pichler, & Volgger, 2012; Pechlaner, Volgger et al., 2012). Addressing the question of how corporate governance in tourist organizations influences the governance of destinations, Pechlaner, Volgger et al. (2012) make three suggestions. First, tourist organizations may have a positive effect on destination governance. Second, the extent to which such organizations can affect destination governance is strongly linked to the acceptance of tourist organizations by stakeholders. Third, corporate governance of tourist organizations characterized by broad stakeholder involvement, efficiency, and visible performance is positively correlated with frequency of cooperation.

Using a model originally devised to analyze firm governance, d'Angella et al. (2010) analyzed the governance structure of 13 international destinations. A business model of tourist organizations, which showed the types and number of these stakeholders included in the decision-making processes, proved useful in explaining collaborative relationships among stakeholders in destination governance and their influence over governance functions (d'Angella et al., 2010). Based on theoretical and empirical contributions described above, a reasonable conclusion is that corporate governance theories are suitable for studying tourist organizations.

Corporate governance matters to tourist organizations

Previous empirical research supports the idea that corporate governance matters. Palmer (1998; 2002) found a significant positive relationship between the effectiveness of a tourism destination marketing association and having a formal governance style. A formal governance style was found to be the most significant cause of effectiveness, followed by high levels of commitment from members (Palmer, 2002). A significant negative relationship was found between the effectiveness of an organization and the level of internal compatibility among members (Palmer, 1998).

Referring to what Palmer and Bejou (1995) characterized as the *mode* of an alliance, that is the intrinsic working relationship among members, Reid et al. (2008) considered effective tourism marketing alliances, including the significance of internal structures. They concluded that successful partnerships in tourism must have an explicit mode of operations whereby members work together. A key issue in that regard is shared decision-making authority “It [board membership] may be viewed as both a contribution and a reward, because such a position gives them not only perceived legitimacy but also a responsibility to participate in the DMO strategic choice-making process at the destination level” (d’Angella & Go, 2009, p. 436). Furthermore, “Individuals in governance bodies have positions of influence and are ultimately responsible for dealing with substantive issues and the identification and delivery of outcomes” (Zahra, 2011, p. 547).

In Sheehan and Ritchie’s (2005) study of the relationship between tourist organizations and their stakeholders, the majority of the tourist organizations studied (86%) were governed by a board of directors. This study classified stakeholders according to their potential to threaten and cooperate with the organizations. However, when managers were asked to assess their stakeholders’ salience, only 10 of 91 respondents identified their board among the three most salient stakeholders (Sheehan & Ritchie, 2005). Hotels/hotel associations appeared to be the most important, followed by city/local government, and regional/county government. The stated reasons for their importance were that they supply or facilitate funding, provide the tourism superstructure and product, participate in or generally support programs, or influence governance. A similar pattern can be found in an analysis of

differences in power by Franch et al. (2010). Identification of relevant stakeholders and analyses of their salience vary according to perspective, and boards themselves do not necessarily consider themselves to be key (d'Angella & Go, 2009; Ford, 2011). However, most tourist organizations have a governance structure that includes a board of directors; these directors are decision-makers in tourism by virtue of their formal positions, and the ways in which boards of directors act together as strategic decision-making groups seem to be significant. Although limited in number, these empirical studies provide a basis for concluding that corporate governance is a proper perspective for my research.

Characteristics of corporate governance studies of tourist organizations

Research on tourist organizations, and internal affairs in particular, is dominated by case study research of single cases, with one or a few organizations or destinations being included (Zahra, 2011). Beaumont and Dredge (2010) characterized the growing body of case study research on networks, collaboration, and organizational complexity in tourism as “exploratory and descriptive with limited considerations of effectiveness” (p. 9). Case studies have been vital in establishing current knowledge and theoretical frameworks for tourist organizations (e.g., Palmer & Bejou, 1995; Wang & Fesenmaier, 2007; Zach & Racherla, 2011). These examples are conducted in an American setting, with an Anglo-Saxon system of corporate governance and organizational structures for tourism that differ from the systems in Norway. Ruhanen et al. (2010) list case studies of governance in tourism using dimensions that are pertinent to the context of the respective researchers' particular study. A consequence of the case orientation in tourism research is that empirical knowledge is mainly related to those areas where the cases are situated and the research has been performed.

In their review of tourist destination governance studies, Wang and Li (2013) found mainly applied research at the local level in European countries, and only three theoretical contributions. Based on a review of destination marketing research structured around tourist organizations, Pike and Page (2014) claim that the field has been characterized by fragmented applied research rather than theory building, and by a lack of conceptual ideas and replication studies to retest findings. They relate this to a general lack of

comparative research in the tourism field. Pearce's (1992) comparative study of tourist organizations pays little attention to internal affairs and does not emphasize corporate governance. D'Angella et al. (2010) provide one of the few comparative studies on internal affairs, comparing 13 European destinations. Furthermore, two research communities in Central Europe have contributed greatly to research on corporate governance issues in tourist organizations during the period when this thesis was prepared. Beritelli and colleagues, with affiliations in Switzerland, and Pechlaner and colleagues, with affiliations in Italy and Germany, conducted studies of corporate governance in destinations in those areas.

Qualitative methods and personal interviews in particular dominate empirical studies of internal affairs in tourist organizations (e.g., Beritelli et al. 2007; Ford, 2011; Ford et al., 2011; Reid et al., 2008). In quantitative studies, data are primarily collected through questionnaires addressed to CEOs, managers, employees, or members affiliated with organizations (e.g., Palmer, 1998; 2002; Pechlaner et al., 2011; Sheehan & Ritchie, 2005). Beritelli and Laesser (2014) applied secondary sources, such as yearly reports, trade registers, and profit and loss statements. There are few studies based on responses from directors. This can be seen as a weakness, as present research does not fully embrace perspectives from all key actors with formal control of the systems of corporate governance: managers, shareholders, and boards of directors.

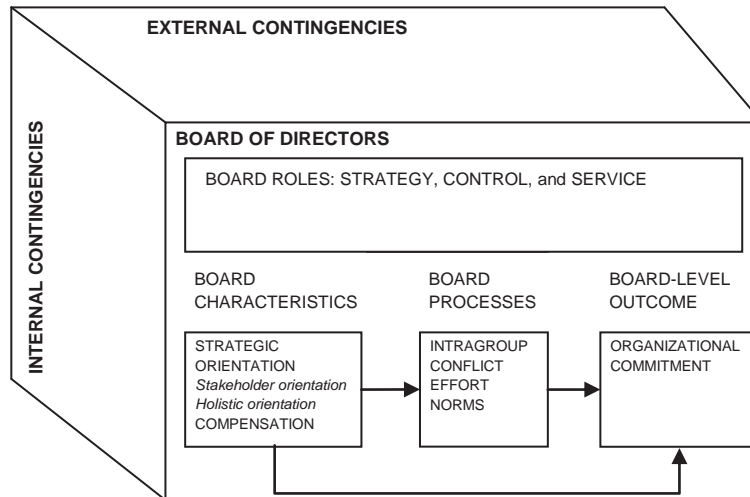
Compared with previous tourism research on internal affairs, this thesis represents something new. It expands the common perspective on tourism research from one or a few destinations to studying corporate governance issues in general within the social, economic, legal, and political frame of an entire country. Applying both qualitative and quantitative methods in a research project, this thesis provides a thorough understanding of the research problems. This research has a comparative element, as it compares tourist organizations based on differences in contextual contingencies. It also has a historical dimension. Finally, the present research is directed at the innermost core of decision-makers: directors.

3.2 Corporate Governance and Boards of Directors

Early research on boards focused on board roles and direct relationships between board characteristics and outcome measures at the organizational level, such as effectiveness and performance, as demonstrated in seminal review papers (Forbes & Milliken, 1999; Huse, 2000; Johnson et al., 1996; Pettigrew, 1992; Zahra & Pearce, 1989). Thus, the authors of these reviews called for greater understanding of boardroom behavior (Zahra & Pearce, 1989), more knowledge of the relational dynamics in and around the boardroom (Pettigrew, 1992), and the right research methods for studying boards (Johnson et al., 1996). Moreover, they underscored the need for research on the processes that link board characteristics with performance (Forbes & Milliken 1999; Huse, 2000). Their assumption was that opening the “black box” of board processes, including boardroom behavior, would better explain outcomes such as effectiveness and company performance than the previous unilateral focus on board characteristics. Therefore, in recent years, there has been increased interest in these “black box” aspects of governance (e.g., Gabrielsson & Winlund, 2000; Huse, 2005; Pye & Pettigrew, 2005; Roberts, McNulty, & Styles, 2005; Van Ees, Gabrielsson, & Huse, 2009). This thesis takes a further step along this path in a study of these black-box aspects in the specific context of tourist organization boards.

The analytical model in Figure 4 combines elements from two influential theoretical models. The integrative Model of Board Attributes and Roles by Zahra and Pearce (1989) forms the basis for the model. A major reason for this model’s suitability for the current context is that it explicitly recognizes the dependence of relationships among board variables on contextual contingencies. The behavioral perspective is adapted from the Model of Board Processes by Forbes and Milliken (1999), who put greater emphasis on the internal processes on the board and take board-level outcomes into account. A combination of their models illustrates the totality of this thesis.

Figure 4 Analytical Model: Boards of Directors



An alternative model would be the framework for exploring behavioral perspectives of corporate governance by Huse (2000; 2005; 2007). This is also a framework for studying board behavior; it includes the use of a contingency approach, and is composed of relevant concepts. Huse (2005, 2007) combines elements from several seminal board review articles (Forbes & Milliken, 1999; Johnson et al., 1996; Pettigrew, 1992; Zahra & Pearce, 1989). Huse is also concerned with board roles and the link between board composition and corporate financial performance. He applies theories from group and cognitive psychology to understand board decision-making, and views the board as an open interacting system with various influence and power relations among the actors. Huse (2007) considers corporate governance to be the interactions between various internal and external actors and the board members in directing a corporation for value creation (Huse, 2007). A corporation is furthermore defined as a set of relationships and resources within this framework, and the purpose of a corporation is to create value (Huse, 2005). The framework is presented as an expanded and alternative framework, an alternative to the frequently applied input–output models in corporate governance research (Huse, 2005). This alternative framework contains a large research agenda with various research themes and questions, some that according to Huse (2005) require data that are not easily available and that may need “venturesome or alternative research methods”

(p. S75). A focus on value creation and the relationships between internal and external actors is complicated in a tourism research setting, particularly in a comprehensive study of all tourist organizations in a country. Thus, Huse's framework was not considered suitable for my research.

I consider my research to be an early contribution to corporate governance research in tourism, making it appropriate to start with basic questions. The thesis covers common and current aspects of corporate governance in the context of tourist organizations: board roles (Paper I), board characteristics (Paper II), board processes and behavior (Paper III), and structure and power (Paper IV). In the following sections, the theoretical backgrounds for these problem areas are described.

3.2.1 Context in Corporate Governance Studies

In this thesis, context is taken into account to elucidate and explain internal processes in the boards of directors of tourist organizations. Activities in the boardroom are influenced by an array of contingency factors outside this arena (Pye, 2004; Pye & Pettigrew, 2005). The roles of boards may vary, depending on the organizations' external and internal context (Gabrielsson & Huse, 2004). Thus, context is important for understanding boardroom behavior (Pye, 2004):

The decision-making microcosm of a board exists in a complex network of relationships between [...] multiple external and internal stakeholders. These relationships have different value and importance and impact on shaping board behavior in various ways and at different times, yet boards are usually treated in board theorizing as static, homogeneous groups (p. 63).

The importance of context has been a persistent theme in research on corporate governance, although to what extent and how the context is accounted for varies both in theory and in practice (Gabrielsson & Huse, 2004). Zahra and Pearce (1989) pointed out that a lack of controls for the impact of contextual forces was a limitation in previous research. The recognition of contextual factors was also central for Pettigrew (1992), who called for basic descriptive findings about boards and their directors, yet drew attention to studies of power, the need to know more about behavioral

patterns, and the relational dynamics in and around the boardroom. Contextual variables were included by Pettigrew and McNulty (1998) in their study of the determinants of boardroom power. Pye (2004) used the lens of social capital to capture the complexity of boardroom behavior and to include the impact of both external and internal relations. Pye & Pettigrew (2005) focus on context to understand board dynamics and discuss how variations in context reveal differences in the dynamic interplay of practices, processes, and performance over time. They call for research that explores variation in board processes and director effectiveness in different organizational contexts. National, geographical, and cultural differences, industry and industrial environment, ownership dispersion and type, firm size, life-cycle variations, and management characteristics were identified by Huse (2005) as the contextual factors most commonly applied in corporate governance research.

Although there has been some attention in the general corporate governance literature about the importance of contextual factors, this is an unexplored field in studies of tourist organization boards.

3.2.2 Board Roles

The starting point for this study was the key question: What do boards in tourist organizations do? Moreover, whom do the directors see themselves working for? Board roles and board responsibilities have been studied extensively, as summarized in review articles such as Daily, Dalton and Canella (2003), Huse (2000), Forbes and Milliken (1999), and Zahra and Pearce (1989). Board role research tends to take a universalistic approach, treating boards as homogeneous groups, and often fails to differentiate between organizational contexts (Pye, 2004). Zahra and Pearce (1989) called for more research on how executives, directors, shareholders, and public policy-makers perceive the role of the board. Johnson et al. (1996) also emphasized the importance of directors' roles and called for better conceptualizations of board roles.

Our study, reported in Paper I, focuses on directors' perceptions of board roles and responsibilities, and whom they work for in this organizational context. The role of the board (categorized by Zahra and Pearce (1989) into service, control, and strategy) was considered to be a good starting point for exploring

the operational reality of corporate governance in tourist organizations, and a key board attribute in the analytical model of the thesis.

3.2.3 Board Characteristics

The second aim of this thesis is also related to describing directors of tourist organizations: What are the strategic orientations of directors in tourist organizations? The composition of the board and the directors' characteristics could affect the function of boards of directors as decision-making groups. Such characteristics are likely to be a significant predictor of boardroom behavior (Forbes & Milliken, 1999).

In descriptions of boards and directors, a common distinction is often made between board composition and board characteristics. Zahra and Pearce (1989) denote board composition as the size of the board and the mix of director types (i.e., insiders versus outsiders). Board characteristics concern both directors' individual backgrounds (e.g., age, educational background, values, and experiences) and the collective characteristics of the board: style and mode of operation. Huse (2005) describes board members according to composition, competence, characteristics, and compensation. Forbes and Milliken (1999) refer to board characteristics to reflect board demography (functional background, industry background, educational background, proportion of outsiders, board size, and tenure), and presence of knowledge and skills. Paper II emphasizes the directors' strategic orientation as an important board characteristic related to directors' individual backgrounds. For whom do directors in tourist organizations consider themselves to be working? What are their strategic orientations? Furthermore, Paper III asks how do these board characteristics influence boardroom behavior and outcomes?

The study reported in Paper III proposes compensation as a relevant board characteristic in the context of tourist organizations. Compensation refers to incentives for directors to become and remain board members (Huse, 2005), and is treated as remuneration in this thesis. Funding is a general concern for tourist organizations, and it influences an organization's success and its stakeholders' salience. Because of limited means, payments for participation on such boards are rare and rather low, and thus are unlikely to be the main

motivation for becoming a director. However, it is interesting to study this characteristic as a predictor of boardroom behavior and how variations in compensation can affect directors as decision-makers. In addition, we controlled for ownership and tenure in the third study, because these board characteristics are commonly associated with behavior and outcomes.

3.2.4 Board Processes

Paper III is a study of boardroom behavior and commitment among directors in tourist organizations. Following calls for studies of boardroom behavior, Forbes and Milliken (1999) utilized an input–process–output approach to identify aspects of board performance and proposed a process-oriented model that links board characteristics with certain outcomes. The processes that Forbes and Milliken (1999) discuss are those that they believe enable boards to achieve their full potential as strategic decision-making groups. The model includes board characteristics as an important input: effort norms, intragroup conflict, and use of knowledge and skills as key board processes, task performance, and cohesiveness as board-level outcomes, and firm performance as a firm-level outcome.

Forbes and Milliken’s model is an example of how lessons from psychology could be used to understand boardroom behavior by applying concepts such as conflict, cohesiveness, creativity, and commitment to the board’s decision-making culture (Forbes & Milliken, 1999; Huse, 2005; Roberts et al., 2005). The amount of empirical evidence based on behavioral perspectives and process-oriented models is increasing, although there is still a need for more research to understand board dynamics fully (Huse, Hoskisson, Zattoni, & Viganò, 2011; Pye & Pettigrew, 2005; Van Ees et al., 2009). Support for the importance of opening the “black box” in board research was found in a study of small and medium-sized industrial firms in Sweden, when Gabrielsson and Winlund (2000) examined the effects of boards’ working style (involvement, structure) on their task performance (service and control), and controlled for contingencies and demography. Neither traditional board demographic variables nor contextual contingencies could explain task performance. However, Gabrielsson and Winlund (2000) found a significant relationship between formal routines, independence, and preparation and commitment on the one hand, and task performance on the other, lending empirical support for

the importance of an effective and clearly defined working style in the board. Zona and Zattoni (2007) tested the relationship between board processes (cognitive conflict, effort norms, and use of knowledge and skills) and board task performance (service, monitoring, and networking), and found that (a) process variables significantly influence board task performance, (b) board processes have differing impacts on each board task, and (c) performance varies depending on firm and industry characteristics. On the basis of a survey of charity boards, Cornforth (2001) examined the relationship between board inputs (skills, experience, and time), structures (such as size, frequency of meetings, and attendance), processes (e.g., meeting practices), and effectiveness in nonprofit organizations. A clear understanding of roles and responsibilities, a common vision among board members, management of the ways in which goals were achieved, and periodical reviews of the cooperation between the board and management were important process variables in explaining board effectiveness. The important input variables were board members' time, skills, and experience required to do the job.

With these lessons from corporate governance research and the contextual contingencies of tourism as its starting points, Paper III focuses on the relationships between the following variables in a study of boardroom behavior in tourist organizations: strategic orientation and compensation as board characteristics, intragroup conflict and effort norms as process variables, and organizational commitment as a board-level outcome. The rationale for this choice of variables is fully explained in Paper III, and their relationships are illustrated in Figure 3.

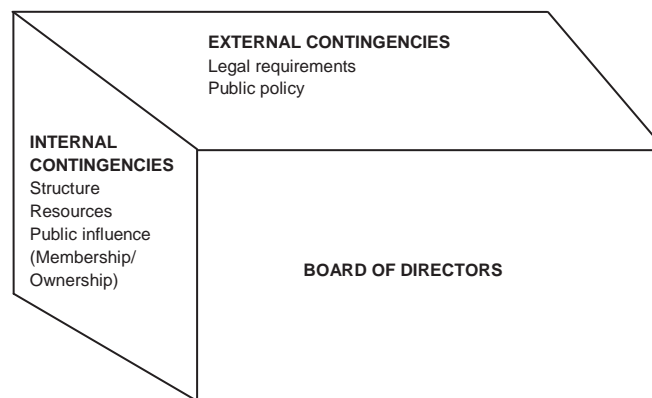
3.2.5 Structure and Public Sector Power

The final problem area of this thesis is related to the structure and the power of the public sector in the system of corporate governance in tourist organizations.

Corporate governance concerns the structure and direction of corporations, the operations of the key actors (Monks & Minow, 2011), and the structures through which objectives are set (OECD, 2004). Corporate governance is associated with power, responsibility, and accountability in this system (Gourevitch & Shinn, 2005). Pettigrew (1992) drew attention to studies of

power in and around the boardroom, as boards are also shaped by a range of contextual forces and processes emanating from economic, political, and industrial sector conditions. Paper IV studies public power in terms of external contingencies such as legal requirements and public policy, internal contingencies such as organizational structure and resources, and board characteristics (Figure 5).

Figure 5 Analytical Model: Structure and Public Power



Mintzberg (1983) claimed that governments in various forms have special power over all organizations, because they represent the highest legitimate authority of society and establish the laws and regulations under which every formal organization must function. Corporate governance systems reflect public policy choices (Gourevitch & Shinn, 2005). The formal control of a corporation is commonly considered to be divided between three bodies: shareholders, a board of directors, and management. Whether representatives of the public sector hold formal positions is an important aspect of the structure and power of corporate governance. In the field of organizations, it is inevitable that the concept of power is associated with formal roles. It refers to a characteristic of, and the official or formal rights attached to, a position in the chain of command (Handel, 2003). Contextual contingencies were included by Pettigrew and McNulty (1998) as determinants of boardroom power and influence, together with structure, power sources, and the will and skill to use power to deliver intended results.

Public sector power in tourist organizations

The public sector is a salient stakeholder for most tourist organizations and a provider of both external and internal premises. Previous research and findings from this study support its importance for tourist organizations. Mitchell, Agle, and Wood (1997) combine the concepts of power, urgency, and legitimacy to determine stakeholder salience. The most salient stakeholder would have an urgent claim against the organization and the power to enforce its will on it; exercising that power would be perceived as legitimate. Power can be considered a function of dependence. The more the organization depends on the stakeholder, the greater the stakeholder's power (Savage, Nix, Whitehead, & Blair, 1991).

Tourism research has primarily focused on identifying and classifying relevant stakeholders, with less emphasis on behavioral patterns and actual influence (e.g., Araujo & Bramwell, 1999; Bramwell & Sharman, 1999; Currie, Seaton, & Wesley, 2009; Sautter & Leisen, 1999). Recent research has broadened its perspectives by focusing on salience (Cooper et al., 2009; Sheehan & Ritchie, 2005) and interpretations of the influence and power of key stakeholders (Beritelli & Laesser, 2011). By differentiating stakeholders based on their potential to threaten and to cooperate, Sheehan and Ritchie (2005) found that criticality of funding was the most common reason for salience. Considerations of the power of stakeholders, power imbalances, and discussions on whether and how relevant stakeholders have a voice are key collaborative activities in local tourism policy-making (Bramwell & Sharman, 1999). Influence and power (associated with either resource dependence or knowledge) have been identified as useful dimensions for further research on destination governance and leadership (Beritelli & Laesser, 2014). Beritelli and Laesser (2011) found that interpretation of power in tourist destinations must be regarded as both a perceptual and structural concept, as it varies across stakeholder groups, including the public sector. Knowledge was found to be the dominant power dimension, although public sector representatives also emphasize power over processes. Hall (2007; 2010; 2011b) calls for studies of power arrangements in tourism studies that capture issues of power and politics in line with Lasswell's (1936) comment: who gets what, where, how, and why?

This thesis responds to these calls for considerations of power of stakeholders, power dimensions, and power arrangements by focusing on the public sector, and exploring power within the system of corporate governance. Studies of power in and around the boardroom in a tourist organization setting entail studies of the public sector. Thus, Paper IV explores what power the public sector possesses in the system of corporate governance in tourist organizations. Formal roles and legitimacy are essential when it comes to organizations and corporate governance, and this study seeks to shed light on legitimate claims for the public sector. Finally, the study's historical dimension makes it possible to take into account changes in legal requirements and public policy, and to study the possible consequences of public policy choices on corporate governance structure and public sector power, by asking: which changes of power can be recognized in recent times?

3.3 Multiple Theoretical Perspectives

This thesis applies multiple theoretical perspectives to examine some of the mechanisms and structures involved in corporate governance. Recent calls for new perspectives in research on boards have promoted the use of such multitheoretical approaches (Daily et al., 2003; Stiles & Taylor, 2001; Viganò, Zattoni, Hoskisson, & Huse, 2011). Sir Adrian Cadbury emphasized “the difficulty of arriving at any general theory of corporate governance, given the inherent complexity of the subject” (p. ix), in the foreword to an overview of the philosophical foundations of corporate governance (Clarke, 2004). Governance structures are important, yet so are the individuals who make these structures work. The diversity of governance systems and processes around the world is another feature of this complexity. Finally, the corporate field is a process in motion, with changes in structure, process, and the balance of power between the lead players (Cadbury, in Clarke, 2004).

The theoretical framework for this thesis includes elements from agency theory, stakeholder theory, and resource dependence theory, in addition to a shareholder perspective dealing mainly with the legal responsibilities. Table 3 summarizes the contributions of each perspective chosen for the four papers.

Table 3 Theoretical Perspectives of the Four Papers

Perspective	Applied in	Key theoretical references
Agency perspective	<p>Paper I to explore and discuss board roles and responsibilities, and to determine and discuss whom directors see themselves working for.</p> <p>Paper IV to explore and discuss the power of the public sector in tourist organizations from a corporate governance perspective.</p>	Eisenhardt, 1989; Fama & Jensen, 1983; Jensen & Meckling, 1976
Shareholder perspective (legalistic)	<p>Paper I to explore and discuss the question of whom directors work for.</p> <p>Paper IV to explore and discuss public policy, structures and power established by law, and the power of the public sector as a shareholder or member.</p>	Addressed in Section 4.2.
Stakeholder perspective	<p>Paper I to explore and discuss whom directors work for.</p> <p>Paper II to identify and analyze aspects of directors' strategic orientations.</p> <p>Paper III to study the possible effects of directors' strategic orientations on processes and outcomes.</p> <p>Paper IV to explore and discuss the power of the public sector in tourist organizations from a corporate governance perspective.</p>	Freeman, 1984; Mitchell et al., 1997; Sautter & Leisen, 1999
Resource dependence perspective	<p>Paper IV to explore and discuss the power of the public sector in tourist organizations in terms of relationships and resources.</p>	Hillman, Cannella, & Paetzold, 2000; Hillman, Withers, & Collins, 2009; Pfeffer & Salancik, 2003

The chosen perspectives have their origin in various theoretical traditions—economics and finance, organization theory, and sociology—and thus illustrate different facets of corporate governance practice, board roles, and boardroom behavior. In addition, they represent major theoretical traditions in corporate governance research.

The agency perspective is applied in Paper I to explore board roles and responsibilities, and to determine for whom directors see themselves working. It is also applied in Paper IV to examine aspects of the formal power of the public sector in tourist organizations.

Agency theory concerns the agency relationship between one party (one or more principals) that delegates work to another (an agent), who performs that work on the principal's behalf (Jensen & Meckling, 1976). Agency theory describes this relationship using the metaphor of a contract (Eisenhardt, 1989; Jensen & Mecklin, 1976), but the term "contract" is to be interpreted in a broad sense (Rees, 1985). Agency theory assumes the pursuit of self-interest at the individual level (Eisenhardt, 1989), and that the interests of principals and agents diverge (Hill & Jones, 1992). "If both parties to the relationship are utility maximizers there is good reason to believe that the agent will not always act in the best interests of the principal" (Jensen & Mecklin, 1976, p. 308).

The board of directors becomes a mechanism to ensure that management actions accord with shareholder interests. Agency theory argues that boards should monitor the actions of agents (managers) on behalf of their principals (shareholders) (Eisenhardt, 1989; Fama & Jensen, 1983). Thus, agency theory places the board at the heart of corporate governance (Pettigrew & McNulty, 1998), where it may face two agency problems—an external agency problem concerning the relationship between the shareholders and the board, and an internal agency problem concerning the relationship between the board and the manager. The external relationship is particularly interesting in tourist organizations, as the directors may act not only in their personal interests but also in the interest of the institution they own or work for (Beritelli et al., 2007), and thus act as an agent for a few, while they can be considered as principals for shareholders or members.

Agency theory is among the most widely recognized perspectives in research on corporate governance (Zahra & Pearce, 1989). Even though it is strongly represented in the corporate governance debate, some of the assumptions of the theory need to be questioned, particularly concerning opportunism and self-seeking behavior (Huse, 2007; Stiles & Taylor, 2001). With this view of human nature as the underlying principle of decision-making, agency theory

does not take into account that individuals are social beings, with social obligations such that decision-making may be based on fellowship, trust, and commitment (Huse, 2007). Eisenhardt (1989) recommends combining agency theory with complementary theories, as “agency theory presents a partial view of the world that, although it is valid, also ignores a good bit of the complexity of organizations. Additional perspectives can help to capture the greater complexity” (p. 71). The call for alternative theoretical lenses to agency theory is frequently accompanied by a call for multiple-theoretical approaches (Viganò et al. 2011).

The shareholder perspective is applied in Paper I to investigate the question of whom directors work for, and in Paper IV to explore public policy, structures, and power established by law, and the power of the public sector as a shareholder or member.

This perspective is closely related to a legal view of boards. It is founded on the three-tier structure in company law, where the formal control of a corporation is divided between three bodies: shareholders, board of directors, and management. The traditional shareholder perspective regards the corporation as a legal instrument with which shareholders maximize their own interests (Letza, Sun, & Kirkbride, 2004), and focuses on the protection of shareholders’ interests. This perspective mainly deals with board roles and responsibilities as explicitly stated by law. The legal perspective for this present research context and legal requirements for boards are briefly described in Section 4.2.

The stakeholder perspective can be considered superior in this thesis, and it is applied in all papers: In Papers I and IV as described above, and in Papers II and III to identify and analyze aspects of directors’ strategic orientations, and to study the possible effects of directors’ strategic orientations on processes and outcomes.

The stakeholder perspective sees the organization in relation to its stakeholders, with responsibilities over and above its legal responsibility to shareholders; thus, it is broadly categorized as a contrasting paradigm to the traditional shareholding perspective (Letza et al., 2004). Stakeholder theory

broadens the domain of corporate governance beyond shareholders to other external stakeholders.

The stakeholder theory of governing boards is based on the notion that there are many groups in society besides owners and employees to whom the corporation is responsible. The objectives of a corporation should only be achieved by balancing the often conflicting interests of these different groups (Hung, 1998, p. 106).

The stakeholder theory is generally credited to Freeman, and his book *Strategic Management: A Stakeholder Approach* from 1984, where a stakeholder is defined as "...any group or individual who can affect or is affected by the achievement of the organization's objective" (p. 46). Shareholders, customers, suppliers and distributors, employees, and local communities are all examples of groups or individuals that may have relationships with the organization and can affect or are affected by the achievement of the organization's objectives. The stakeholder concept has led to new perspectives on corporate governance, governance mechanisms, board roles, and responsibilities (Freeman & Evan, 1990; Freeman & Reed, 1983). At issue in stakeholder theory is the task of identifying and classifying relevant stakeholders, and subsequently identifying their salience and strategic orientation (Freeman, 1984; Mitchell et al., 1997; Sautter & Leisen, 1999).

In their empirical study of stakeholder orientations of board of directors, Wang and Dewhirst (1992) found that directors do not believe that the shareholder is the only constituent to whom they are responsible. In this study of large publicly held companies in the United States, the directors perceived the following distinct stakeholder groups in order of their importance: customers, government, shareholders, employees, and society. The directors were very conscious of the various stakeholder needs and expectations and recognized that part of their role was to consider responses to key stakeholder groups (Wang & Dewhirst, 1992). Finally, the results indicate that directors view stakeholders differently, which underlines the importance of board composition.

Luoma and Goodstein (1999) studied the relationship between institutional influences and stakeholder representation on boards, and found significant

growth from 1984 to 1994 in the overall proportion of stakeholders represented among directors. Public stakeholder representation, such as government officials, academics, and community representatives, increased over the period of the study. Variations in legal environments, industry regulations, and firm size were associated with stakeholder representation on boards in this study.

The dynamics of board–stakeholder relations were studied through participant observation by Huse (1998). His study illustrates how interactions between the board and external and internal stakeholders influence board roles, and that trust and emotions affect effectiveness. Consequently, board composition, roles, structures, and processes are suggested as areas for future research “aimed at understanding and exploring the dynamics and processes which occur inside and outside the boardroom” (Huse, 1998, p. 225). Huse highlights that differences in stakeholder perspectives on boards are hardly discussed or studied, though performance is evaluated differently by different stakeholders. Tourism and tourist organizations have characteristics that make stakeholder theory highly relevant for research on board roles and boardroom behavior.

Taking agency theory and stakeholder theory as their points of departure, Hill and Jones (1992) propose a stakeholder agency theory. Stakeholder agency theory can be viewed as a modification of agency theory (Hill & Jones, 1992), wherein shareholders are substituted with stakeholders, and the task of the board is to act on their behalf (Huse, 2007). Many of the concepts and much of the language of agency theory can be applied to stakeholder–agent relationships, as there is a parallel between stakeholder–agent relationships and the principal–agent relationships in agency theory (Hill & Jones, 1992). Stakeholder agency theory entails an increase in the number of principals and an acknowledgement that principals are of various types and have different stakes and types of power. It accommodates theories of salience and power, with assumptions concerning power differentials between the parties in the stakeholder–agent relationships (Huse, 2007). This perspective is particularly relevant for boards of directors in tourist organizations because of their multiple principals, and the many stakeholder–agent relationships in this setting.

The resource dependence perspective is applied in Paper IV on the power of the public sector in tourist organizations in terms of relationships and resources.

Resource dependence theory places resources at the heart of corporate governance. According to resource dependence theory, the organization is an open system, dependent on contingencies in the external environment (Hillman, Withers, & Collins, 2009). Pfeffer and Salancik (2003) drew on Emerson's (1962) theory of power–dependence relations in their seminal book on the resource dependence perspective, claiming that A has power over B to the extent that A has control over a resource that B badly needs, B does not have access to many alternative sources of supply, and B has no countervailing power over A. Resource dependence theory emphasizes power, and understands the concept of power as control over vital resources (Hillman et al. 2009; Pfeffer & Salancik, 2003). The organization must interact with those who control vital resources to survive (Pfeffer & Salancik, 2003). Unlike agency theorists, resource dependency theorists do not assume that managers and owners have differing interests (McNulty & Pettigrew, 1999).

Resource dependence theory is concerned with the external control of organizations, focusing on the external challenges of corporate governance in terms of building relationships and securing resources (Pfeffer & Salancik, 2003). Instituting a board of directors is one option proposed by Pfeffer and Salancik (2003) by which organizations can minimize environmental dependence. Directors bring four benefits to the organizations: information in the form of advice and counsel, access to channels of information, preferential access to resources, and legitimacy (Pfeffer & Salancik, 2003). From the resource dependence perspective, attention is directed to the role of the board in acquiring resources, with less consideration of their actual use (McNulty & Pettigrew, 1999). Thus, a board of directors is considered to be primarily a mechanism for reducing environmental uncertainty.

Board composition is important from the resource dependence perspective. It is not the number but the type of directors on the board that matters (Hillman et al. 2009). The need for environmental linkage is presented by Hillman, Cannella, and Paetzold (2000) as a direct function of the level and types of dependence facing an organization, but the common classification of directors

as insiders or outsiders explains little of the resource dependence role of boards. To study the role of directors, Hillmann et al. (2000) propose a taxonomy with the following classes: insiders, business experts, support specialists, and community influentials. Each director category brings different kinds of resources and linkages to the board. Board composition is a continuing consideration, as organizations must adapt to changes in their political and funding environments. Strategic adaption of board composition is needed in response to environmental change (Hillman et al., 2000). This perspective is relevant in tourist organization boards in Norway, which are largely dependent on the public sector for resources.

3.4 Some Reflections on Outcomes

No outcomes, either at the organizational level or at the destination level, were studied for this thesis. However, the analytical model indicates an assumed connection between board-level outcomes, organizational performance, and destination success. It is therefore appropriate to reflect briefly on outcomes in studies of corporate governance and those of tourist organizations.

3.4.1 Outcomes in Corporate Governance Studies

Early research on boards of directors was dominated by a tradition relating board composition directly to financial performance as the outcome variable (Dalton, Daily, Ellstrand, & Johnson, 1998; Dalton, Daily, Johnson, & Ellstrand, 1999; Johnson et al., 1996). The vast majority of this early research was conducted on samples of large corporations, usually subsets of the Fortune 500 (Dalton et al., 1998), where performance relied on accounting- or market-based indicators, or a combination of both (Dalton et al., 1998; Dalton et al., 1999). A meta-analysis of empirical research on board composition, leadership structure, and financial performance by Dalton et al. (1998) provided little evidence of systematic relationships between these variables. This is one reason for requests for more process-oriented research (Forbes & Milliken, 1999; Huse, 2000; Pettigrew, 1992; Zahra & Pearce, 1989), and the need to acknowledge the complexity of performance measurements (Zahra & Pearce, 1989). Furthermore, there is reason to question whether results from

such corporate governance research can be generalized to smaller organizations and to those with less financially driven objectives. Organizations are commonly defined as instruments of purpose, and evaluations and comparisons of outcomes depend on the type of organization in question (March & Sutton, 1997). In that respect, it is important to reflect on outcomes in those organizations whose purpose is less directly related to financial performance, for instance, tourist organizations.

3.4.2 Outcomes in Studies of Tourist Organizations

Researchers often face problems in operationalizing outcomes in studies of tourist organizations. Tourist organizations' goals are generally related to the success of a destination, and observed effects could be the result of the organization's efforts, the efforts of individuals acting alone, or completely extraneous factors (Palmer, 1998). According to Pike and Page (2014), there is no general model to quantify the relationship between a tourist organization's work and destination competitiveness. There has been a call for appropriate performance measurements and benchmarking methodologies (Gretzel et al., 2006). Few theoretical frameworks for collaboration in tourism focus on outcomes, and those that do (e.g., Selin & Chavez, 1995; Wang & Fesenmaier, 2007; Wang & Xiang, 2007) are yet to be studied empirically. Empirical research related to tourist organizations' outcomes (e.g., performance, satisfaction, effectiveness, competitiveness, success, or failure) remains somewhat limited.

In an examination of indicators of effectiveness, Pike (2004) distinguishes between the evaluation of market performance and organization performance. Of the organizations surveyed by the WTO (2004), 74% reported quantitative performance evaluations, with key indicators such as tourist nights/overnight stays, number of tourists and visitors to special events/attractions, periods of stay, occupancy, tourist tax income, number of guided tours, new investments, and number of visitors in information centers. Several factors extraneous to the tourist organizations' activities may be the underlying drivers of performance on such indicators (Mazanec, Wöber, & Zins, 2007). Woodside and Sakai (2003; 2009) use audit reports to analyze performance and conclude that the audits themselves are shallow and often fail to provide information on actions and outcomes. Furthermore, Woodside and Sakai (2003; 2009)

indicate that tourist organizations frequently perform poorly and fail to assess their impact adequately.

Bornhorst et al. (2010) examined success related to both destinations and tourist organizations. They found that many previous studies expected a correlation between the success of a tourist organization and that of the destination. Second, they studied the determinants of success by asking managers and stakeholders: “how would you define a successful tourism destination?” and “how would you define a successful tourist organization?” Success of destinations was determined by economic success, product and service offerings, effective marketing, quality of visitor experiences, and internal stakeholder interaction. Determinants of the success of tourist organizations were internal stakeholder relations, operational activities, resources (in terms of funding, personnel, and knowledge), and performance measures (factors that indicate results from the organization’s activities).

Volgger and Pechlaner (2014) investigated the implied assumption by Bornhorst et al. (2010), and their cross-sectional data indicate a positive correlation between destination success and the success of tourist organizations. Volgger and Pechlaner (2014) took perceptions as indicators of performance by asking managers to evaluate the success of their tourist organization and destination. There are several examples of such perception-based measurements; e.g., effectiveness as perceived by members of marketing associations (Palmer, 1998; 2002), overall experience with tourist organizations (Zach & Racherla, 2011), and collaborative member satisfaction (Yodsuwan & Butcher, 2011). Volgger & Pechlaner (2014) justify their methodological choices by stating that the question of which criterion is appropriate for measuring performance and competitiveness has not been answered satisfactorily for destinations, let alone for tourist organizations. This is an important avenue for further research, but is not feasible within the scope of this particular study.

4 Research Setting

4.1 Tourist Organizations in Norway

The research setting for this thesis is Norway, where there are approximately 150 tourist organizations (Ministry of Trade and Industry, 2007). The structure of regional or local tourism is not politically determined; each region or destination is free to establish any appropriate organization. Hence, there is a mixture of organizational structures, goals, and functions (Viken, 2008). Limited companies have become increasingly important as structures for tourist organizations, because the Norwegian Government encouraged the tourism industry to structure its collaborations through limited companies in the 1990s (Ministry of Trade and Industry, 1989). Additionally, organizations in Norway can be based on membership, and are often structured as cooperative societies, associations, or foundations. In most destinations, public authorities either collaborate with or join their local tourist organizations, and many tourist organizations are public–private partnerships.

Empirical knowledge about tourist organizations in Norway is currently limited. Early evaluations called attention to key challenges for Norwegian tourist organizations: the need for clarification of strategy and a division of tasks between organizations at different geographical levels, problems with free riders, and lack of market orientation (Nesheim & Mjør, 1994). Jacobsen, Dybedal, and Skalpe (1996) characterize successful tourist organizations in Norway as not too small, supported and highly regarded by local businesses, and associated with a distinct and definable tourism industry. Tourist organizations in Norway place a high priority on profiling, marketing, and visitor services (NHO Reiseliv, 2011). The ability to finance such activities remains a challenge for many Norwegian organizations (Farstad, Skalpe, & Troye, 2001; Jakobsen, 1994; 1998; 2006; Viken, 2008).

Paper IV describes Norwegian tourist organizations in terms of structure, ownership, governance, size, funding, and functions. It also provides a historical dimension because it presents data on these characteristics from two points in time (1996 and 2008) and describes differences in public policies from 1990 to the present. The period studied in this paper is characterized by

quite different policies and varying conditions prescribed by the central government regarding the organization of tourism. The pendulum has swung from public policies with few general recommendations in the 1980s to active government involvement in the 1990s, then to a focus on solutions initiated by industry from 2000, and thereafter back to active public involvement.

The topic of this thesis is of current interest, as the reorganization of tourism in Norway was a priority area in the tourism strategy launched in 2012 by the Ministry of Trade and Industry (Nærings- og handelsdepartementet, 2012). The Ministry established a five-year project to implement major restructuring of the tourist organizations (Nærings- og handelsdepartementet, 2013), which is pursued by the present government in a slightly modified form (Nærings- og fiskeridepartementet, 2014).

4.2 Corporate Governance in Norway

A system of corporate governance is a generally country-specific framework of legal, institutional, and cultural factors (Weimer & Pape, 1999). To categorize corporate governance research in an international setting, Weimer and Pape (1999) proposed a taxonomy of corporate governance systems, from which four types of system emerged: Anglo-Saxon, Germanic, Latin, and Japanese systems. The present study was conducted in Norway, which is classified as having a Germanic system.

Corporate governance in the Nordic countries shares many common aspects: strong general meeting powers, shares with multiple voting rights, strong minority protection, effective individual shareholder rights, nonexecutive boards, use of board committees, auditors appointed by and accountable to the shareholders, an active governance role of major shareholders, and transparency (Corporate governance in the Nordic countries, 2009). A comparison of the Germanic and Anglo-Saxon systems of corporate governance should take into account that Germanic company legislation stipulates that the chief executive of a company may not be the chairperson of its board of directors, and executive personnel are not normally part of the board. Moreover, significant aspects of corporate governance in the Nordic countries are regulated through binding regulations, unlike other countries

where the corresponding aspects are regulated through codes on a comply-or-explain basis.

The organizations in this study are sorted by structure according to the Norwegian Register of Business Enterprises. Limited companies, cooperative societies, and associations and foundations engaged in business activities have a duty to register. The form of a corporation is important in relation to liability, risk, tax, rights, and duties. Corporate governance in Norway is based on national legislation, EU regulations, and corporate governance codes. Legally mandated responsibilities in limited companies were established by the Norwegian Company Legislation (*Aksjeloven*) of 1997. Norwegian tourist organizations categorized in the Register of Business Enterprises as cooperative societies (*samvirkeforetak*) fall under the Cooperative Societies act, and foundations (*stiftelse*) under the Foundations Act. They all have boards of directors and their corporate governance practices have many similarities.

Under Norwegian Company Legislation, shareholders exercise their supreme power in a general assembly (§ 5), where board members are usually elected (§ 6). The manager executes day-to-day management of the organization based on instructions and orders from the board (§ 6). The board of directors employs a manager, has the ultimate responsibility for the management of the company, and supervises general day-to-day management and activities (§ 6). Hence, management of daily operations can be delegated to executive management, but representatives of the executive management are not normally elected to the board.

The Code of Practice of the Norwegian Corporate Governance Board (2009) makes recommendations for good corporate governance that regulate the division of roles between shareholders, the board of directors, and management more comprehensively than required by legislation. It requires the board to play an active high-level management role in matters of an extraordinary nature or of major importance. “The board’s management responsibility also includes drawing up strategies, budgets and guidelines for the company’s activities” (p.7).

5 Methods

5.1 *The Philosophical Frame of the Research*

The natural starting point for a discussion of methods is a reflection on the philosophical frame of the research. “The positions scientists take on answers to philosophical questions determine the questions they consider answerable by science and choose to address, as well as the methods they employ to answer them” (Rosenberg, 2012, p. 3). This section presents basic reflections on the research process, the very acquisition of knowledge, and considerations of epistemology (Hollis, 1994).

In terms of epistemology, the core of this research is influenced by the critical rationalism philosophy advanced by Karl Popper. Popper’s view is that all science starts with a problem that crystallizes in research questions and theories that can explain phenomena. The researcher tries to disprove or falsify theories using empirical studies. “The criterion of the scientific status of a theory is its falsifiability, or refutability or testability” (Popper, 1969, p. 37). Falsifiability is a strict requirement, but Popper’s quest for falsification can be linked to a critical attitude. Popper was close to empiricism and hypothetico-deductivism, also associated with logical positivists (Rosenberg, 2012), but Popper’s emphasis was on the importance of methodological rules in science.

Popper belonged to the school of “conjectures and refutations,” claiming this should also be applied within the social sciences; all science is amenable to the same scientific method (Hollis, 1994). When he was met with the objection that what the social sciences explore—human actions and interactions—are complex phenomena, he replied that no social predictions have an unconditional nature. Both natural sciences and theoretical social sciences make conditional predictions about what occurs under certain conditions. Such predictions assume that we know the initial conditions and that the general laws on which they are based are testable. It is unclear whether Popper’s beliefs may apply as testable laws in social science. However, this reasoning underlies the aim and design of this study. To study corporate governance in tourist organizations, and the possible influence of

contextual characteristics, we have chosen a design with exploration and justification phases. We gain knowledge of certain contextual characteristics and their impact from explorative study, so that we can then study how they affect human actions and interactions. Following Popper, established theory of corporate governance acts as a “general law” on which to base conditional predictions. The chosen seminal frameworks are testable, and we use statistical techniques to test the hypotheses.

A final philosophical matter, which has an impact on the choice of theoretical and methodological perspectives, is the choice of primary explanatory factors in social science (Rosenberg, 2012). It is common to distinguish between two perspectives, holism and individualism. The former attempts to explain social phenomena while the latter explains individual actions. It is essential to distinguish the direction of explanation. Popper was a supporter of methodological individualism. Social phenomena, including collectives, ought to be analyzed on the basis of individuals’ actions and relationships.

This research is primarily influenced by individualism, and is mainly based on studies of individual directors. The alternative, holism, can also be applied in studies of corporate governance. Such approaches have a bearing on some research questions concerning corporate governance, but do not always go down to the individual level and reveal anything about the individual decision-maker. The final paper of this thesis differs to some extent from the others in its methodological approach and in how it approaches corporate governance. It is a case study of structures and powers, based on various data from individual, group, and organizational levels. Bhaskar (2013) argues that the social world operates as a multidimensional open system, which cannot be described in terms of “constant conjunctions” between events. Causation derives from the powers of structures, whether natural or social. To explain something is to identify the structures and powers that produced it (Gorski, 2013). This is at the core of the philosophical position referred to as critical realism, proposed as an alternative by Johnson and Duberley (2000) in management and organizational research, which allows for the use of multimethodological approaches to enhance detailed and accurate analyses.

Table 4 Methodological Overview of the Studies

Paper	Research questions	Main focus	Type of data	Methods	Level of analysis
I: The role of boards of directors in tourist organizations.	Investigate what boards of directors in tourist organizations do, and determine whom they see themselves working for.	<i>Exploring</i> the roles and responsibilities of boards of directors in tourist organizations	Qualitative	Focus group interviews	Individuals and groups
II: Research note: Destination decision- makers: Developing a strategic orientation scale.	Study the dimensions of the strategic orientation of directors in tourist organizations, and develop a scale measuring their strategic orientation.	<i>Developing a scale</i> measuring directors' strategic orientations	Qualitative & Quantitative	Focus group interviews and survey	Individuals
III: Organizational commitment of directors in collaborative tourist organizations: Mediating effects of boardroom behavior.	Taking the mediating effects of boardroom behavior into account, how do external contingencies influence commitment?	<i>Analyzing</i> the organizational commitment of directors in tourist organizations	Quantitative	Survey	Individuals
IV: Tourist organizations and the power of the public sector: A corporate governance perspective.	What power does the public sector possess in the system of corporate governance in tourist organizations? What are legitimate claims for the public sector? What changes can be recognized in recent times?	<i>Exploring</i> and <i>discussing</i> the power of the public sector in tourist organizations from a corporate governance perspective	Qualitative & Quantitative	Case study: Surveys, interviews, and archival data	Individuals, groups, and organizations

The methodological overview of the studies in Table 4 summarizes the choices made in the four papers and explains how each paper contributes to the overall aim of the thesis. Table 4 includes information on the levels of analysis, which are further discussed in Section 7.1.1.

5.2 Mixed Methods

The studies in this thesis are designed to gain information about corporate governance practice, board roles, and boardroom behavior in tourist organizations using multiple means and methodological approaches. In this respect, it is mixed-methods research as it focuses on collecting, analyzing, and mixing quantitative and qualitative data in a series of studies, with the premise that the use of both approaches in combination provides a better understanding of research problems (Creswell & Clark, 2007). When this thesis was initiated and planned (2007), little research on internal affairs and corporate governance in tourist organizations existed. Approaching these topics from multiple angles in multiple studies provided a more holistic perspective on corporate governance issues in tourist organizations.

The overall design of the thesis involves both a sequential and concurrent integration of qualitative and quantitative data (Creswell & Clark, 2007). First, focus group interviews with boards of directors were conducted to explore the research area of corporate governance in tourism and to develop an understanding of directors' roles and responsibilities in tourism organizations. The information gained was then used to construct an instrument to measure directors' strategic orientations. The follow-up survey was applied to the analysis of the organizational commitment of directors in tourist organizations while taking into account the mediating role of boardroom behavior. Finally, I took advantage of the flexibility provided by a case study design to explore the power of the public sector in tourist organizations from a corporate governance perspective. Each of the papers provides detailed descriptions and discussions of the choice of methods.

5.3 Pilot Study

The purpose of the pilot study was to form a basis for further planning of the thesis and to establish a basic knowledge of Norwegian tourist organizations

and their characteristics. Data from the pilot study were also used in the case study reported in Paper IV. A sample of 12 tourist organizations was systematically examined by means of documents provided by the organizations. The selected organizations constituted a convenience sample, yet varied in terms of age, size, scale, function, structure, and location, and thus provided a selection of “typical cases” (Miles & Huberman, 1994). The 12 organizations were (names at that time in Norwegian): Bergen Reiselivslag, Reismål Ryfylke AS, Finnmark Reiseliv, Suldal Reiselivslag, Visit Horten, Region Stavanger BA, Lillehammer Turist AS, Vesterålen Reiseliv, Region Mandal, Destinasjon Ålesund og Sunnmøre, Visit Oslo AS, and Destinasjon Tromsø.

The fields of interest for the pilot study were: (1) to explore and map the organizations regarding structural characteristics—for example, ownership/membership, funding, goals and objectives; (2) to explore aspects of corporate governance, such as board composition and structure, and (3) to examine the extent and type of reporting on performance. The pilot study was based on bylaws, strategic plans and market plans current in 2006, and annual reports from the year 2005. The relevant documents were either available online or provided by the organizations’ administrators.

5.4 Focus Group Interviews

Focus group interviews can be seen as group discussions arranged to explore a specific set of issues (Kitzinger, 1994). In social science research, there are three basic uses for focus group interviews (Morgan 1997), which have all been applied in this thesis: as the primary means of collecting data (Paper I), as a supplementary source of data (Paper II), and as a multimethod case study (Paper IV).

Focus groups as the principal source of explorative data (Paper I)

Focus groups may be an appropriate place to begin when the research area is relatively unexplored. Because of the discovery-oriented nature of the first research questions, I began with an explorative approach and collected data through focus group interviews. Focus groups may be valuable when researchers are not entirely sure what categories, links, and perspectives are

relevant (Macnaghten & Myers, 2004). Focus groups can also be used to gain new insight into existing beliefs, behaviors, and attitudes (Byers & Wilcox, 1991; Macnaghten & Myers, 2004), when self-reporting and observations are difficult (Byers & Wilcox, 1991).

The major advantages of focus group interviews, and the main reasons for choosing this method, are that they offer the opportunity to observe a large number of interactions in a limited time, concentrated on a specific topic of interest to the researcher (Morgan & Spanish, 1984). The interaction within the group was considered an advantage of focus group interviews, compared with informant interviewing and observation, which were other methods considered for this explorative part. Focus group interviews allowed respondents to react to, and build upon, the responses of other board members. Focus groups also allowed me, the researcher, to interact directly through moderating and leading the group discussions. The open-response format of the interviews provided opportunities to probe deeply when necessary, to clarify responses, to skip over areas that had already been covered, to ask follow-up questions, and to probe responses. In addition to verbal data, it was possible to observe nonverbal responses such as smiles and gestures, which may carry information that supplements—and, on occasion, even contradicts—the verbal responses (Stewart, Shamdasani, & Rook, 2007).

Time constraints and budget issues are two important factors to consider when planning qualitative research. Obtaining responses from several directors in a focus group lasting for one to two hours was considered more “time effective” than interviewing the same number of people individually.

Focus groups used to generate survey questions (Paper II)

An advantage of using focus group methodology is the opportunity for survey researchers to use the group discussion as a tool to generate relevant questions (Morgan & Spanish, 1984). Conducting focus group interviews prior to surveys provides the opportunity to ensure that respondents’ own thoughts and theories about a topic receive fair weight in comparison with hypotheses derived from prior theory and research (Morgan & Spanish, 1984). Morgan (1997) presented three basic ways in which focus groups can contribute to the creation of survey items: (1) by capturing all the domains that need to be measured in the survey, (2) by determining the dimensions that make up each

of these domains, and (3) by providing item wordings that effectively convey the researcher's intent to the survey respondent. This is consistent with Churchill's (1979) procedure for developing valid measures of constructs, followed in Paper II.

Focus groups as part of a multimethod case study (Paper IV)

Data from the focus group interviews are also used for the case study in Paper IV. In that regard, the focus group interviews provided an opportunity for triangulation in this research (Morgan & Spanish, 1984).

5.4.1 Focus Group Sample

Complementary information about the sample and the composition of the focus groups is given in Paper I, particularly in Tables 1 and 2. A total of 37 directors participated in seven focus groups.

Directors were interviewed collectively as actual boards. Inclusion of strangers rather than acquaintances is one of several sampling concerns when determining the composition of a focus group (Morgan, 1997). Studying boards of directors makes acquaintanceship unavoidable. Boards of directors are established groups—clusters of people who know each other through working and socializing. Group size is another given factor in the context of the boardroom—the focus groups being the actual boards. According to Stewart et al. (2007), focus group interviews generally involve eight to 12 participants, which is in excess of average board size for most tourist organizations (average board size = 6.31, SD = 1.64 in the survey). Thus, we decided that a minimum of five directors should be present to gain the necessary information and data quality from group discussions. This was not fully attained, although the number of participants in each group reflects the actual number of directors on each board.

A decision was required on whether managers should attend focus group interviews. Generally, managers are present at board meetings, which indicated that they ought to be present in interviews. However, in corporate governance, the role of managers is different from that of directors. Early contact with managers in Norwegian tourist organizations indicated that they would generally have strong opinions regarding board roles and

responsibilities, and this was a reason to be concerned about their influence on the interviews. Moreover, the research questions do not require managers to be present. With this in mind, we decided to exclude managers.

The target number of groups was set at 10 in the planning stage. Judgment was used to obtain a sample that was representative of Norwegian tourist organizations. Secondary data, such as annual reports and strategy documents, provided additional background information about the organizations and guided selection. Organizations were selected not only because of their ability to contribute to the study but also to secure variation within the sample (Miles & Huberman, 1994). In that respect, the sampling strategy was based on theory. The final sample covers several important dimensions: various geographic locations and scales, and various forms of organizations, ownerships, and management (as identified by Bramwell & Lane, 1999; Pearce, 1992; Pearce, 1996b; Zahra & Ryan, 2005). In addition, it includes organizations that were referred to as either “successful” or “unsuccessful” by public sector and industry representatives.

The goal was to achieve saturation and to stop collecting data when nothing new emerged from the interviews. The degree of structure in the interviews is a factor that affects the number of groups. According to Morgan (1997), less standardized interviews and lower levels of involvement by the moderator require more groups. Both of these factors increase the variability from group to group. The goal was to conduct as many interviews as required to provide trustworthy answers to the research questions.

5.4.2 Focus Group Procedure

The focus group interviews were conducted as part of regular board meetings. Placing the interview as the first item on the agenda ensured the presence of most directors. It also reduced the possible influence of other issues on the agendas. The semistructured interview guide shown in Table 5 was used to gather information. Each interview lasted for about one hour and was recorded.

Table 5 Interview Guide

(Information about the interviewer, the project, and the procedure)
Introduction Initially, there is a short introduction of the board members, in which you all briefly tell me who you are, about your daily work, and how long you have been on the board. We begin with the chairperson.
First, some general questions: Think of tourist organizations generally as you know them <ol style="list-style-type: none">1. In a tourist organization, what is the role of the board?2. Whom does the board of a tourist organization work for?3. Why do you think that boards in some tourist organizations do not function well?4. What makes a good board of directors?5. What are the possible consequences of a bad board for a destination?
Then, some questions specifically about this board <ol style="list-style-type: none">6. Would you characterize this as a good board? In what way?7. What is the most difficult issue that this board has dealt with in the past year? Why was this difficult?8. What is the main issue that this board has dealt with in the past year? Why was this important?9. What are some reasons that someone would not want to be on this board?10. Why are you on this board?
Ending Finally, do you have any closing comments? Is there anything that you want to add?
(Information about the further plans of the project, and the survey)
Thank you and good luck!

The interview guide was created based on an idea by Morgan (1997): the basic method for determining what participants think is important is to ask them. Thus, the interview guide was mainly developed to establish what boards of directors do, and for whom directors believe they work. These research questions were approached from different angles, both in general and specifically for each board. Questions were ranked by their relative importance to the research agenda, as recommended by Stewart et al. (2007). At the same time, as a general principle, and as they also recommend, questions were arranged from general to specific. The interview guide also included questions as to how the directors themselves ranked the importance of the elements. Although the guide was generally followed in the same order

for each group, the interviews took different directions because of interactions between participants.

I conducted the interviews. I had previously moderated interviews, the issue at hand was familiar, and the knowledge acquired through the pilot study proved to be useful in the interview situations. Special skills, such as familiarity, are critical for producing reliable results from focus groups, along with the nature of raw data and clear recording instructions (Stewart et al., 2007).

Two test interviews with boards of a local organization and a regional organization yielded valuable information about how the interviews ought to be structured. Pretesting of the interview guide provided an opportunity to determine whether the wording and order of questions were appropriate and comprehensible, and that they stimulated discussion (Stewart et al., 2007). Minor changes were made based on the directors' responses. Respondents involved in the pretests were representative of those who participated in the actual focus groups. Hence, the two test interviews with organizations A and B are part of the final sample. The interviews were conducted from September to early December 2007.

5.4.3 Analyses of Focus Group Interviews

As a first step, the interviews were transcribed before analysis. These first transcripts do not reflect the entire character of the discussions, as they disregard nonverbal communication, gestures, and behavioral responses. The author's moderation of groups ensured that data from observational notes of interactions could be used to complement the transcripts. The discussion in focus groups, as in boards, depends on both the individuals that make up the group and the group dynamics as a whole (Morgan, 1997). Hence, the unit of analysis was both the groups and the individual directors—and the interaction between them.

Our point of departure was an overview of points worth noting in interactions, as described by Morgan and Spanish (1984): (1) the opportunity to observe what participants choose to present, or not present, in the groups (in this connection, I observed whether issues were pursued in later discussion or dropped), and (2) the importance of asking and answering questions among

respondents as an indicator of differences in their frames of reference. Questioning can also be considered a specific case of a more general aspect of interaction—interruptions. A major advantage of focus group interviews in the current context was the chance to observe and analyze such interactions among the directors. The participants related each other's comments to actual incidents in their shared history and challenged each other on contradictions between what they professed in the group interviews and how they had actually behaved earlier in similar situations.

A central idea in content analysis of a focus group interview is the classification of the text into content categories. Each category may consist of one, several, or many words. In the analyses, we followed the principles proposed by Morgan (1997) and Silverman (2001). The transcripts were reviewed repeatedly to search for topics that were relevant for each particular part of the study. All statements on a given topic were noted. The next step was to develop a coding scheme. The analytic strategy gradually shifted from open coding to comparative analysis. The information was clustered, sorted, and linked. Word and Excel served as the data management tools. To make valid inferences from the text, it is important for the classification procedure to be reliable in the sense of consistency; different people should code the same text in the same way (Weber, 1990). The written records of the interviews, with an analysis of interactions, were shared with the coauthor; this technique served to validate results.

5.5 Survey

This part describes the surveys used for Papers II, III, and IV. Three different questionnaires were designed: one for managers, one for directors, and one for the chairperson of the board in those organizations that did not employ a manager or where the manager was unavailable at the time. The survey asked about structural information regarding the organizations, activities, local tourism, corporate governance, leadership, boardroom behavior, and demographic information of the respondents. In general, the designs of the three questionnaires were similar. Managers' questionnaires included more questions about structural factors, and directors' questionnaires included more questions about boardroom behavior. The questionnaire for the chairperson of organizations without managers was a combination of the other two.

5.5.1 Survey Sample

Directors of 153 Norwegian tourist organizations were invited to participate, and this included the universe of tourist organizations in Norway at that time (2007). In 2007, no national database or public lists of tourist organizations existed; thus, I established a database using information from numerous public and private sources, crosschecked against each other.

The database was derived from the following sources.

- (1) Lists of public tourist information offices from Innovation Norway
- (2) Membership of the Norwegian Hospitality Association (NHO Reiseliv)
- (3) Records from the Brønnøysund Register Centre, the Norwegian Central Coordinating Register for Legal Entities
- (4) A list from a 1996 doctoral study of tourist organizations (Jakobsen, 1998)
- (5) Lists of organizations within each county checked by representatives from the county administrations.

This was supplemented by Internet searches and other public sources. When the list was completed in January 2008, it consisted of 229 organizations. All 229 organizations or other representatives in the same geographical area were contacted by telephone (January and February 2008), and 76 organizations were removed from the database for various reasons: discontinued, liquidated or inoperative organizations, overlapping, or irrelevant to the study (regular businesses, solely project partnerships, or those with a structure that did not require a board). This reduced the database to 153 organizations. This number was consistent with that provided by the Ministry of Trade and Industry in the National Strategy of Tourism launched in December 2007, which stated that there were approximately 150 tourist organizations in Norway at that time.

5.5.2 Survey Instruments

Table 6 provides an overview of the topics covered by the survey, the instruments and items used, the people who answered the questions, and the papers in which they were used.

Table 6 Instruments in Survey

Topic: Instrument	Items	Questions for Directors (D), Manager (M), or Chairperson (C)	Used in paper
Strategic orientation: The Strategic Orientation Scale by Games & Mathisen (2012) Scale items derived from the focus group interviews	How much importance do you lay on the following in relation to your work in this board? That what I do will be: For the benefit of the business I work in daily. Useful for companies that I have much contact with. For the benefit of the group I represent in the board. In line with expectations from owners/shareholders. For the good of the local community. To the delight of guests visiting this destination. In line with my formal responsibilities as director.	D	II, III
Organizational commitment: Adjusted version of the Organizational Commitment Questionnaire by Porter et al. (1974)	I am willing to put a great deal of effort beyond that normally expected in order to help this organization be successful. I feel very little loyalty to this organization. I find that my values and the organization's values are very similar. I am proud to tell others that I am part of this organization. It would take very little change in my present circumstances to cause me to leave this organization. I am extremely glad that I chose this organization over others I was considering at the time I joined. There is not too much to be gained by sticking with this organization indefinitely. I really care about the fate of this organization.	D, M, C	III

Methods

<p>Intragroup conflict: Adjusted version of the Intragroup Conflict Scale by Jehn (1995)</p>	<p>There may be friction among members of the board. There may be personality conflicts evident in the board. There is tension among members of the board. There are emotional conflicts among members of the board. There may be conflicts about ideas in the board. There may be conflict about how work in the board should be done. There are often differences of opinion in the board.</p>	<p>D, M, C</p>	<p>III</p>
<p>Effort norms: Forbes & Milliken (1999), and Wageman (1995)</p>	<p>In this board, there are strong expectations that: Everyone goes through documents prior to meetings. We actively examine issues relevant to the organization. We take notes during meetings. We participate actively during meetings.</p>	<p>D, M, C</p>	<p>III</p>
<p>Compensation:</p>	<p>Do you receive payment for your participation in this board? No/Yes, Annually/per meeting/per hour/a combination. Amount given as an open response.</p>	<p>D</p>	<p>III</p>
<p>Ownership/membership:</p>	<p>Are you or your company a member/shareholder of this tourist organization? Yes/No.</p>	<p>D</p>	<p>III</p>
<p>Tenure:</p>	<p>How long have you been in this board?</p>	<p>D</p>	<p>III</p>
<p>Key figures of boards:</p>	<p>Number of directors, public sector representatives, members/shareholders, gender, age, tenure.</p>	<p>D, M, C</p>	<p>IV</p>
<p>Key figures of tourist organizations: Jacobsen (1998)</p>	<p>Structure, number of members/shareholders, founding year, restructuring, revenues, funding by sources, man-labor-years, geographical scale.</p>	<p>M, C</p>	<p>IV</p>

Strategic orientation was measured using the Strategic Orientations Scale, developed for this thesis as reported in Paper II. The scale has two factors: a holistic orientation toward the destination, the collaborative organization, and its goals, and a stakeholder orientation toward specific groups or interests. The Cronbach's alpha coefficient for the scale was .73, with .72 for stakeholder orientation, and .68 for holistic orientation.

Organizational commitment was measured using an adjusted version of the Organizational Commitment Questionnaire (OCQ) developed by Porter, Steers, Mowday, & Boulian (1974). The Cronbach's alpha coefficient was .80 for organizational commitment.

Intragroup conflict was measured by an adjusted version of the intragroup conflict scale developed by Jehn (1995). The Cronbach's alpha coefficient was .89 for intergroup conflict.

Effort norms were measured along the lines of Wageman's (1995) example, and in line with Forbes and Milliken's (1999) recommendations. The Cronbach's alpha coefficient was .84. The procedure for adjusting the above instruments to the present context, and the development and assessment of the Norwegian versions, are reported in Paper III.

Compensation was measured by asking directors whether they had received a directors' fee for being on the board, and whether compensation was annual, per meeting, or a combination. The amount was given as an open response.

Ownership/membership was measured by asking directors whether they or their companies were members/owners of the current organization.

Position tenure was measured as the number of years of board membership.

Key figures of boards were identified by asking managers about the total number of directors on the board, the number of public sector representatives, and the number of directors who were members or shareholders of the organizations. Directors reported whether they were deputies, public sector representatives, or members/shareholders of the organizations, in addition to their gender and age.

Key figures of tourist organizations were identified by asking managers about organizational structure, number of members/shareholders, founding year, whether there had been any restructuring, with character of the restructuring given as an open response, total revenues and funding from sources, number of man-labor-years, and the geographical scale of the organization.

5.5.3 Survey Procedure

The surveys were designed with the use of an online survey program, provided by Questback®, and the data were collected through its self-administered system for web-based surveys. Pretests were performed prior to launching the survey and starting the data collection. The tests were conducted with five directors of one board that had participated in the focus group interviews, and six directors and the manager of one that had not, who responded to the questionnaire online. In a subsequent phone call, we discussed the survey, their understanding of its topics and questions, its relevance, and so forth. Based on the participants' feedback, only minor revisions were made.

The subsequent procedure for the data collection was as follows. The managers were contacted by telephone and given brief information about the project and the procedure. The total number of directors in the organizations was obtained through these phone calls. Their correct e-mail addresses were noted, whereupon they received an email. The email gave further information about the survey and the project, and had links to the electronic questionnaires. In addition, Microsoft Word versions were attached for those not familiar with online survey solutions or those who wanted to see all questions before answering. In those organizations without hired managers or administrators, the same procedure was followed with the chairperson. All managers or chairpersons consented to receive the first email. Many expressed great interest in the project and wanted to participate to shed light on what they considered an important topic.

The email referred to both managers and directors. It was forwarded by each manager to all directors in their organizations. This two-step procedure was chosen because of difficulties in gaining direct access to the directors. Changes in board composition throughout the year made a complete database

with correct contact information about 1,000 directors difficult to establish and maintain. By contacting directors through managers and chairpersons, the participation of the current directors was ensured. In addition, they received the survey via the email account that they preferred, from the manager in their own organizations. Thus, the procedure made it possible to reach directors who might otherwise not have participated, and increased the number of participants.

A one-week deadline was set, and a reminder was sent by email after approximately 10 days. The procedure was the same—managers forwarded the reminder to their directors. The first reminder led to new responses from both directors and managers, although some stated that they did not want to participate in the study. A second reminder led to new answers. Organizations with three or more answers were excluded from this second round. Finally, managers of organizations that provided few answers were contacted by telephone and urged to contribute. The data collection began in January 2008. Because many organizations hold their general assembly in spring and thus change directors, the online survey was closed and data collection ended in March 2008.

Table 7 Population, Answers, and Response Rates

	Population	Responses	Response rate
Managers	153	87	63%*
Chairpersons		10	
Directors	891	307	34.5%
Boards (≥ 3)	153	63	41.2%

* The number of organizations without managers is unidentified.

Table 7 reports numbers in the population, numbers of responses, and response rates. We received 404 responses. From 63 boards, we received responses from three or more directors, or at least half of the directors, which was one of the expressed goals for the study and will enable future aggregated data analysis of the boards.

5.5.4 Analyses of Survey Data

The data analyses were performed with the Statistical Package for the Social Sciences (SPSS) version 18 for Windows (SPSS, 2009). The studies of the

thesis applied various types of data analyses, as appropriate for the research questions of each particular study. Papers II, III, and IV provide more detailed descriptions of the analyses of the survey data.

The purpose of Paper II was to study the dimensions of the strategic orientation of directors in tourist organizations and to develop a scale measuring the strategic orientations of directors as destination decision-makers. The analyses included descriptive statistics, reliability statistics, tests of suitability for factor analysis, and a principal components analysis.

The purpose of Paper III was to analyze the possible influence of certain contextual contingencies proposed as being particularly relevant; namely, the influence of directors' strategic orientations and compensation on their organizational commitment, while considering the mediating effects of boardroom behavior by including intragroup conflict and effort norms as important process variables. The analyses included product-moment correlations, multiple regression analyses, and mediation analyses.

The purpose of Paper IV was to explore and discuss the power of the public sector in tourist organizations from a corporate governance perspective. Public power was studied in terms of both external and internal contingencies. Thirteen questions from the surveys were used, with mainly descriptive analyses.

5.6 Case Study

This part describes the case study conducted for Paper IV, for which multiple sources of data were combined. Table 8 summarizes data sources, their characteristics, and analyses. In-depth information about the case and its historical dimensions were acquired by combining the survey data, interviews, and archival data into one case description.

Table 8 Data Sources and Analyses in the Case Study

Sources		Characteristics	Analyses
Surveys	1996: archival records (Jakobsen, 1998)	240 organizations 122 responses from managers	Structural characteristics Descriptive analyses with SPSS
	2008: by the author	153 organizations 97 (63%) responses from managers	
	2010: archival records (NHO Reiseliv, 2011)	100 respondents (managers, marketing directors, etc.)	
Interviews	Focus group interviews	37 directors in seven organizations (Classified as Organization A-G) Semistructured	Recorded and transcribed Analyzed board composition and structural characteristics Registration and categorization of statements
	Managers	Open-ended conversations In person and by telephone Facts and opinions Elaborate on directors' opinions	
Archival data	Tourist organizations	12 "typical cases" Examined by means of by-laws, annual reports, strategic plans, and market plans Public sector strategies and plans from the corresponding regional and local authorities	Content analysis Categorization and classification of relevant statements Chronologies Background information
	Newspaper clippings and other media material	Three-year period, 2007–2009 69 units	
	National public policies	Action plans, public strategies, official white papers, public reports, evaluation reports	

Data from the survey were compared with archival records from 1996 (Jakobsen, 1998) and 2010 (NHO Reiseliv, 2011) concerning Norwegian tourist organizations. These were not panel data; that is, the same respondents and organizations could not be connected across the data sets. However, questions on key figures in 2008 were formulated in the same manner as by Jacobsen (1998), and economic figures were recalculated to 1996 values by means of the Consumer Price Index (www.ssb.no/kpi/) to enable comparisons.

The focus group interviews, conversations with managers (both in person and by telephone), and information from the pilot study were used to acquire facts and opinions regarding public influence on tourist organizations. The influence of specific incidents was exemplified in 69 newspaper clippings and other media materials collected over a three-year period. Finally, action plans, public strategies, official white papers, and public reports concerning national public policies for tourism were selected and analyzed to capture aspects of public sector influence at a higher level. These documents were used for content analysis, which involved categorizing and classifying statements about public sector power in tourist organizations. Public policies and their expected implementation (as they appear in empirical evidence from documents and archival records) were placed into one chronology (Yin, 2003).

5.7 Validity and Reliability Concerns

The purpose of using mixed methods was to gain a broader understanding of the overall research subject, and to overcome some of the shortcomings of each method (Creswell & Clark, 2007; Jick, 1979; Yin, 1999). The various methods of this thesis (focus group interview, survey, and case study) do not entail the same assessments of validity. Validity can be widely defined as “the extent to which conclusions drawn from a research provide an accurate description of what happened or a correct explanation of what happens and why” (Jupp, 2006, p. 311). Yet, the strategies to deal with validity issues are not the same for quantitative and qualitative designs (Maxwell, 2005). In qualitative research, validity is the “correctness or credibility of a description, conclusion, explanation, interpretation, or other sort of account” (Maxwell, 2005, p. 106), and involves the application of “understanding” (Maxwell, 1992), “credibility” (Kvale & Brinkmann, 2009; Maxwell, 2005), and “trustworthiness” (Eriksson & Kovalainen, 2008; Kvale & Brinkmann, 2009) as alternative concepts. On the other hand, quantitative research—including survey research—is particularly concerned with the validity of instruments, and emphasizes construct validity. However, “validity is not about the instrument, the test or the measure but rather about the inference, the claims, or decisions one makes based on the scores” (Zumbo & Chan, 2014, p. 4).

The research questions of this thesis require a mixed process of validation, using both qualitative and quantitative approaches to validation.

5.7.1 Qualitative Research

5.7.1.1 Focus Group Interviews

Focus group interviews were used as a source of data for Papers I, II, and IV. Focus group research is vulnerable to weaknesses in the working process, in the progression from planning and design, through the actual data collection, to data analysis and interpretation. This discussion focuses primarily on descriptive, interpretive, and theoretical validity (Johnson, 1997). Descriptive validity refers to the factual accuracy of an account as reported by the researchers. Interpretive validity refers to the degree to which the research participants' viewpoints, thoughts, feelings, intentions, and experiences are accurately understood and reported by the researcher. Finally, theoretical validity refers to the degree that a theoretical explanation developed from a research study fits the data, and therefore is credible and defensible (Johnson, 1997).

Descriptive validity: The recording of interviews and transcription of recordings helped to ensure descriptive validity. The written records were supplemented with observations of interactions from notes. There was a risk of omitting points that were essential for understanding the interviews (Maxwell, 1992). Analyses of interactions in the interviews also included the groups' possible conformity and conceivably false consensuses. Accuracy in the records of what was said and done was important to ensure descriptive validity (Johnson, 1997).

Interpretive validity: Researcher bias, the risk of allowing personal views and perspectives to affect data collection and interpretation through selective observations and selective recording of information (Johnson, 1997; Maxwell, 2005) was relevant to this research, because of my former experience as a manager of a tourist organization, with regular contact with directors. I should not influence the respondents in the sense of asking leading questions or expressing questions and comments in leading ways, such as bringing my own opinions or experiences into the interviews. Reflexivity, in terms of

critical self-reflection, was necessary to deal with potential biases and preconceptions (Johnson, 1997). For this reason, the moderator's role in the focus group interviews formed a natural part of the analyses, to reduce bias stemming from my role.

On the other hand, my personal background from this part of the tourism industry and former experience with corporate governance made it easier to ask relevant questions and follow up on what was said during the interviews. Formulating questions and statements, rephrasing what participants had said in their own words, proposing views to elicit a response, and selecting and challenging speakers are important techniques to keep the group on topic, to push the topic beyond what has already been said, and to explore the underlying conditions systematically (Macnaghten & Myers, 2004). However, if the opinions expressed by the participants appear to have been planted by the moderator directly or through some implicit influence, then validity is called into question. Associated with this research was a risk of reactivity, the influence of the researcher on the setting or individuals studied (Maxwell, 2005). Explicitness about such inevitable researcher biases is a minimum requirement (Miles & Huberman, 1994). Zahra and Ryan (2005) reflect on the researcher as an actor and audience in the world of tourist organizations, stating that "knowledge acquisition becomes a process of agenda setting, and the researcher becomes an actor as well as observer, participant as well as bystander, yet traditionally research requires detachment" (p. 2).

Collaboration with a coauthor lacking similar familiarity with the research context reduced the effect of researcher bias through investigator triangulation (Johnson, 1997). We determined the interview content and developed the interview guide together, reviewed transcripts, and discussed parts of data coding and analyses together. I was challenged on the basis of explicit interpretations and results on a couple of occasions, but we found few significant reasons to fear researcher bias or reactivity in the results.

Participants in a group interview may be motivated to provide socially acceptable responses to conform to group norms. Because the focus group interview is an artificial setting, false consensus among the participants is a possible effect (Stewart et al., 2007). This effect may be greater in a group than in anonymous survey questionnaires or individual interviews, and it may

be even greater among directors when someone with dominant influence (moderator, manager, or other respondent) is present. The exclusion of managers from interviews was intended to reduce this source of error. However, this removed the possibility of observing interesting differences of opinion between directors and managers.

It is difficult to predict in advance effects such as reactivity, socially acceptable responses, false consensus, domination by key respondents, or the possible ways in which respondents adjust. To minimize this risk of bias, we chose groups for the interviews that I did not know personally. Furthermore, we chose to do the interviews with established board groups, where the interviews allowed respondents to react and build upon the responses of other board members. This is what naturally occurs in the boardroom, as board members are expected to discuss and challenge proposed decisions independently and to contribute to the success of board meetings (Epstein & Roy, 2004). In the boardroom, and in the focus group, respondents presented, defended, and justified their proposals, and met counterarguments from other directors. On the other hand, running focus groups in a board during a board meeting could activate the usual group dynamics in the board, which in itself could affect the answers and be a possible source of bias. The validity of focus group data is affected by the extent to which participants feel comfortable about openly communicating their ideas, views, or opinions (Stewart et al., 2007).

Group-to-group validation guided the interpretation of data. By analyzing how many groups or people in each board mentioned a topic, and how much energy a specific topic generated among the participants, topics were identified that deserved emphasis (Morgan, 1997). Group-to-group validation gave grounds for highlighting the unanimity on board roles and responsibilities as a key finding of this study, and discussing topics related to funding and resources. This type of validation is a way to identify both consensus and controversies. In terms of interpretive validity (Johnson, 1997), direct quotations are used frequently in Paper 1, both verbatim from individual directors and low inference descriptors of conversation between several directors.

Theoretical validity: In terms of theoretical validity, the research questions that the focus group study seeks to answer are treated in two ways. The interpretation of what boards of directors in tourist organizations do was guided by the categorization of board roles by Zahra and Pearce (1989), while the question of whom the directors see themselves working for was analyzed by means of elements of three theoretical perspectives; agency, stakeholder, and shareholder. The first entailed the possibility of exploring whether this common categorization of board roles was present in corporate governance of tourist organizations. The latter can be considered theory triangulation, which provides insights and explanations that are more cogent (Johnson, 1997).

5.7.1.2 Case Study

The case study presented in Paper IV differs slightly from the others in its methodology and approach to corporate governance. The validity of the case study is here assessed against what Gibbert, Ruigrok, and Wicki (2008) regard as rigorous case studies, giving attention to internal validity, construct validity, external validity, and reliability. However, validity concerns are not presented very thoroughly in the published paper, making this study the weakest in the thesis in this aspect. This study has a rather descriptive character, and the theoretical value of Paper IV would undoubtedly be raised if it discussed validity and reliability issues explicitly. Descriptive validity (Johnson, 1997) is strengthened through the accuracy of descriptions, use of low inference descriptors, and tables to present data.

Internal validity: Internal validity refers to the casual relationships between variables and results (Gibbert et al. 2008): “the issue is whether the researcher provides a plausible causal argument, logical reasoning that is powerful and compelling enough to defend the research conclusions” (p. 1466). According to Gibbert et al. (2008), a clear research framework, pattern matching, and theory triangulation can enhance the internal validity of case studies. In all these areas, improvements could have been made to raise the case study beyond the descriptive. The use of multiple researchers (investigator triangulation), particularly in the interpretation of data, would have helped strengthen the conclusions and increase the study’s trustworthiness (cf. Kvale & Brinkmann, 2009). That said, Yin (2003), claims that internal validity is less relevant for descriptive and explorative case studies such as this.

Defining an analytical framework, as presented in Section 2.1, and specifying theoretical propositions do not mean that studies must follow a rigid research design (Yin, 1999). On the contrary, this last study of public sector power was included in the thesis partly because of initial evidence from the previous studies. Case studies are considered most appropriate when key variables and their relationships are explored in the early phases of a new management theory (Gibbert et al. 2008). Despite its established position in management theory, corporate governance has not been the focus of much research on tourist organizations, and especially not in studies of the influence of the public sector. A case study examines phenomena in their contexts, rather than independently, which Gibbert et al. (2008) emphasize as a key difference from other research methods. The pilot study and the initial explorative interviews with directors discovered that the public sector is of crucial importance to the tourist organizations' corporate governance, and support for this finding was found in previous research. Thus, a case study design was chosen for Paper IV to investigate public sector power at a macro level, focusing on the system of corporate governance in a country.

Construct validity: According to Gibbert et al., (2008), construct validity in qualitative research refers to the extent to which a study investigates what it claims to investigate, the conceptualization or operationalization of relevant concepts. "Power" and "public sector" are key concepts in Paper IV, conceptualized within the corporate governance frame as follows:

In the field of organizations, and in this study, it is inevitable to associate the concept of power with formal roles; it refers to a characteristic of, and the official and formal rights attached to, a position in the chain of command (Handel, 2003) (Garnes, 2014, p. 41).

It can be difficult to distinguish the activities of elected officials from those of the public administration and authorities (Hall, 2005). Thus, this study uses "public sector" as a collective term that embraces public authorities on all levels as well as bureaucracies or agencies that enact and implement the decision of politicians (Garnes, 2014, p. 45).

Ascribing power to formal roles and treating the public sector as a unitary structure define the study's focus. Broader definitions of power could have helped in identifying matters that could be just as significant. Furthermore, it

would also be valuable to distinguish between public actors. Wider conceptualization would thus be interesting, but the selected definitions are not a threat to validity; quite the contrary is true in terms of their operationalization. Construct validity is further increased by using multiple sources of data and multiple research methods, data triangulation, and methods triangulation (Johnson, 1997).

External validity: Generalizability in a strict sense was not the purpose of either of the qualitative studies in this thesis. Where statistical generalization refers to the generalization of empirical data to a population, the external validity issue in this case is whether it is possible to generalize the results to a broader theory (Gibbert, 2008; Yin, 2003). On one hand, the case study in paper IV can be seen as a multiple case study, using data from various organizations. On the other hand, the contextual factors at the macro level are related to a single case, in one country. Analyses and results are closely linked to this country, and few attempts are made to raise the analysis to a more general and theoretical level. The descriptive character limits the case study in terms of external validity, and it can only be considered a starting point for theory development concerning corporate governance and public sector influence.

Reliability: A recommendation to enhance the reliability of the analyses and enhance case study quality is to construct a case study database and to separate the evidence from the researcher's interpretation in findings (Gibbert et al., 2008; Yin, 1999). The qualitative data were organized in Word and Excel files, and the quantitative data in an SPSS file. Documents were used for content analyses that involved categorizing and classifying statements, and making chronologies with relevant information (Yin, 2003). For Paper IV, the survey data, interviews, and archival data were placed into one case description. In the paper, the findings were presented in the results sections with interpretations of findings in the discussions sections, to distinguish them clearly (Yin, 1999).

5.7.2 Quantitative Research

The key quantitative component of this thesis is the survey. For survey design, much of the validity and reliability lies in the construction of the

survey items, although questions of validity of samples, procedures, and analyses can arise in all phases of research.

The design of the survey and the procedure may have influenced the response rates and response patterns. This could be either in the sense that respondents found the rather long questionnaires too comprehensive and time-consuming, or in the sense that the procedure (managers forwarding the survey to their directors) meant that directors interested in participating in the survey did not receive the initial information and the link. However, the response rates from both managers and directors were satisfactory. The managers followed up by sending reminders to their directors, and it is reasonable to expect that the vast majority of directors were given an opportunity to participate. This was conducted as a web-based survey. Precontact communication, personalized contact, and number of contacts (follow-up reminders) are factors associated with higher response rates in such research (Cook, Heath, & Thompson, 2000).

Response representativeness is another important aspect (Cook et al., 2000). The survey was addressed to all Norwegian tourist organizations. The procedure that was chosen, starting with direct telephone contact with all the organizations, gave a good basis for identifying the organizations and managers who chose not to participate. In most cases, the data log contained explanations for lack of participation. These explanations were systematized, which showed that lack of time and low activity in the board of directors were common causes. Based on existing knowledge of the organizational data of the missing respondents, there is no reason to suspect a nonresponse bias for managers. Regarding directors, I have insufficient knowledge of the potential responses of those who did not answer, and nonresponse bias (e.g. participation bias), cannot be ruled out.

The survey consisted mainly of standard items that have been tested for reliability and validity in previous surveys. "Validation is an ongoing process in which various sources of validity evidence are accumulated and synthesizes to support the construct validity of the interpretation and use of instruments" (Zumbo & Chan, 2014, p. 4). The use of standard items reduced the risk of biased language, double-barreled questions, and unbalanced categories often associated with survey research. We employed back translation; the

instruments were translated from the source language (English) into Norwegian by one translator, and then translated back into English by another (Guthery & Lowe, 1992). The survey was pretested on two boards of directors.

Analyses of the survey data included descriptive statistics, reliability statistics, tests of suitability for factor analysis, principal components analysis, product-moment correlations, multiple regression analysis, and mediation analysis, as presented in Papers II and III.

Paper II reports the development of the Strategic Orientation scale, following the procedure suggested by Churchill (1979) for developing better measures. These suggested steps were followed: specifying the domain of the construct through reviewing literature, generating items to capture the domain through focus group interviews with boards, and collecting survey data from directors in organizations to further assess and improve the measurement. This resulted in the scale measuring strategic orientations, with a Cronbach's alpha coefficient for the scale of .73, with .72 for stakeholder orientation and .68 for holistic orientation. Alpha coefficients below .70 ought to be interpreted with caution. Churchill's (1979) view on alpha is in line with that of Nunnally (1978), who indicated that newly developed measures can be accepted with an alpha value of .60; .70 should be the threshold.

The dimensions found are consistent with proposals in recent tourism research (Beritelli, 2011; Wang, 2008; Wang & Krakover, 2008; Wang & Xiang, 2007). With satisfactory coefficient alphas, and when dimensions that agree with those have been conceptualized, the measure is said to have acceptable content validity (Churchill, 1979). What Churchill (1979) then recommends, and Paper II lacks, is additional testing for which a new sample of data should be collected to take into account errors caused by factors external to the instrument. The financial and temporal frame for this research allowed no room for additional data collection, and the paper thus lacks the final steps in the suggested procedure: assessment of reliability, convergent validity, and discriminant validity by means of additional data collected from a new sample of subjects (Churchill, 1979). An alternative could have been to divide the dataset into two to cross-validate (split sample validation). However, an argument against this would be that the sample is a little too small.

Owing to these shortcomings, we chose to publish the results as a research note. Paper II would have benefited from giving explicit attention to the lack of assessment of construct validity. Churchill (1979) notes that applied research in particular can benefit from executing the first four stages of his procedure to get an indication of the quality of a measure, although he is concerned about the shortcomings this entails. It is on this basis that the scale was developed and published as a research note in Paper II.

In Paper III, we studied a multiple mediation model. Mediation can be tested by various statistical methods. We considered Baron and Kenny's (1986) renowned steps for mediation, but chose to apply Zhao, Lynch, and Chen's (2010) recommended steps for mediation analysis, generating bootstrap results by means of the Preacher and Hayes (2004; 2008) SPSS script. The Baron and Kenny (1986) and Zhao et al. (2010) approaches are similar as they use regression analysis to investigate how the independent variables influence the mediating variables (*a* path), and how the mediating variables influence the dependent variable (*b* path). They both test whether the influence on the independent variable disappears when the mediating variables are included. The main argument of Zhao et al. (2010) for replacing Baron and Kenny's (1986) procedure is that no significant zero-order effect of the independent variable on the dependent variable (*c* path) is needed to establish mediation (cf. Baron and Kenny's first criterion). All that matters is that the indirect effect (*a* x *b* path) is significant. Zhao et al. (2010) recommend using the Preacher and Hayes (2004; 2008) SPSS script (later named PROCESS), which calculates total, direct, and indirect effects (total and specifically for each mediator). This approach extends Baron and Kenny's (1986) causal steps as it formally tests the significance of the hypothesized mediated effects by means of bootstrapping. Bootstrapping is preferable because it does not assume normality of the distribution of the indirect effects, and hence provides stronger protection against type 2 errors. Structural Equation Modeling (SEM) was considered, but not utilized because of the sample size. SEM is based on covariance, which is only stable when estimated from large samples. Models with very complex structures can be measured with SEM, but even small models require large samples, making sample size the greatest limitation for SEM. The study ($N = 307$) does not match sample size requirements, calculated by means of an algorithm and software developed by

Westland (2010) for computing lower bounds on sample size in SEM. The Partial Least Square (PLS) approach was a possible option because this method is not as dependent on large samples. As PLS analyzes relationships in structural models and is fairly robust with smaller samples (Chin, 1998), this approach should have been considered for this study.

Furthermore, mediation was tested using cross-sectional data, despite the facts that mediation consists of causal processes that unfold over time and that such cross-sectional examinations of mediation have been questioned for both partial and complete mediation (Cole & Maxwell, 2003; Maxwell & Cole, 2007; Maxwell, Cole, & Mitchell, 2011). However, cross-sectional tests of mediation are still the norm in premier journals in a range of psychological disciplines (Maxwell & Cole, 2007). Because this study is one of the few on boards of tourist organizations, we consider it primarily to be a starting point for studying the mediating role of boardroom behavior, and cross-sectional data were utilized to test mediation empirically.

Finally, the quantitative papers of this thesis rely on data collection concerning multiple constructs from a single source. Despite being quite common in social and behavioral sciences, such research may be associated with single-source effects and common methods variance (Avolio, Yammarino, & Bass, 1991). Variance that is attributable to the measurement method rather than to the constructs the measures represent is a potential problem in behavioral research, as one measures not real relationships between phenomena but the response consistency and memory of individuals (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). In retrospect, the use of single sources in the quantitative parts of the thesis, and lack of procedural and statistical controls for such methods biases, should be mentioned as limitations of this research.

6 Results

This section summarizes the results of the studies in the thesis. More detailed results can be found in the four papers reporting the studies.

6.1 Findings Reported in Paper I

The first article is entitled “The role of boards of directors in tourist organizations” and was published in the *Scandinavian Journal of Hospitality and Tourism*. The aim of the study reported in the first paper was to investigate what boards of directors in tourist organizations do and to determine whom directors see themselves working for. The study was based on elements of agency theory, shareholder theory, and stakeholder theory, and data from seven focus group interviews with 37 directors were analyzed.

An extensive list of responsibilities for boards of directors in tourist organizations was found, which were in accordance with the classical categorization of board roles by Zahra and Pearce (1989): strategy, service, and control. Hence, traditional board roles were found in the contexts of tourist organizations. In general, directors agreed on board roles and responsibilities. Tasks related to strategy were strongly emphasized in most interviews. Moreover, control of finances was considered an ongoing and important task.

There appears to be a gap between what directors first stated as important responsibilities and the actual level of attention given to specific tasks; this is particularly true for strategic planning. In reality, the organization’s financial state was the issue on which most boards focused; it was highlighted as an important, difficult, and time-consuming task. Agency theory considers the monitoring of management activities to be a main task for boards, but control of managerial actions and performance were given little attention in the interviews.

Yet, agency theory was found to be relevant, as a potential agency problem can occur because of the prevailing view that directors expressed when asked whom boards of directors work for—they do not work solely for the organization’s owners. A traditional shareholder perspective, which regards

the organization as an instrument of shareholders, was present, yet it was limited in the context of tourist organizations. At the same time, a broader stakeholder perspective was taken when relations to several additional stakeholder groups were identified. The ways in which directors expressed themselves indicated that they saw themselves as representing certain groups, which may cause an agency problem if directors act as agents for a few, while their formal role as directors is supposed to be on behalf of shareholders.

6.2 Findings Reported in Paper II

The second paper, published in the *International Journal of Tourism Policy*, is entitled “Research note: Destination decision-makers: developing a strategic orientation scale.” The study follows up on findings in Paper I; thus, the aim of this second paper was to report a study of dimensions of the strategic orientations of directors in tourist organizations and to develop a scale measuring this among destination decision-makers.

This study uses the same qualitative dataset as Paper I to generate items that capture the domain. Subsequently, survey data from directors in the quantitative study were utilized to test and validate the instrument.

The study revealed two factors. The content captures two contrasting strategic orientations among directors of tourist organizations: first, a holistic orientation toward the destination, the collaborative organization, and its goals; and second, a stakeholder orientation toward specific groups or interests. In that respect, the strategic orientation scale provides an instrument for measuring the bidimensional relationship between benefits for individual businesses and those for the destination as a whole.

6.3 Findings Reported in Paper III

The third study, published in the *Journal of Travel Research*, is entitled “Organizational commitment of directors in collaborative tourist organizations: Mediating effects of boardroom behavior.”

This paper addresses the following research question: How do external contingencies and boardroom behavior influence commitment among

directors of tourist organizations? The aim of this study was to investigate the possible effects of strategic orientations and compensation on directors' organizational commitment in collaborative tourist organizations, while taking into account the mediating effects of boardroom behavior, specifically the directors' perceptions of intragroup conflict and effort norms. We applied the strategic orientation scale developed in Paper II, and the study uses quantitative data from the survey.

The results support the view that boardroom behavior is a factor that influences directors' organizational commitment. The influence of directors' strategic orientation and compensation on organizational commitment depends on how directors act together as decision-makers. Their perceptions of intragroup conflict and effort norms have a significant influence. Furthermore, the effect of boardroom behavior can be both negative (intragroup conflicts) and positive (effort norms) for directors' organizational commitment.

The findings support the view that a holistic orientation toward the destination, the collaborative organization, and its goals is important, as this has a direct influence on organizational commitment. The results of the mediation analyses provide additional evidence that this relationship is partially mediated by boardroom behavior, because a holistic orientation decreases the degree of intragroup conflict perceived by directors and increases effort norms. The findings do not support the hypothesis of a negative influence of stakeholder orientation on organizational commitment, as they show neither direct nor indirect effects of stakeholder orientation on organizational commitment.

Finally, the findings show that whether a director receives compensation (of modest amounts in this study) has no significant direct effect on organizational commitment. Nevertheless, the results of the mediation analyses reveal indirect mediation through effort norms. Receiving compensation for board membership will have a positive influence on effort norms, which in turn will influence the director's organizational commitment.

6.4 Findings Reported in Paper IV

The fourth study is entitled “Tourist organizations and the power of the public sector: A corporate governance perspective.” It was published in a special issue on public administration and tourism in the Nordic countries in the *Scandinavian Journal of Public Administration*.

The aim of this study was to explore the power of the public sector in tourist organizations from a corporate governance perspective, with the following research questions: What power does the public sector possess in the system of corporate governance in tourist organizations? What are legitimate claims for the public sector? Finally, what changes in power and legitimate claims can be recognized in recent times?

This is a case study using the qualitative and quantitative data from the focus group interviews and the surveys, along with relevant archival data and documents. The study combines a legal perspective with agency theory and resource dependence theory.

The public sector was found to have power within Norwegian tourist organizations, and must be considered an important stakeholder. The public sector’s power to influence tourist organizations seems to be strongly associated with corporate governance through public shareholding and public sector representatives on boards of directors. Moreover, public resource dependence plays a decisive role for Norwegian tourist organizations.

7 Discussions

This thesis is about decision-makers in the tourism sector. By virtue of their position in the system of corporate governance, directors are important decision-makers. The studies reported in this thesis have contributed to new knowledge of directors of tourist organizations, their work, and their working environment (Beritelli et al., 2007). The overall aim of this thesis was to gain insight into corporate governance practice, board roles, and board behavior in tourist organizations, which are important for understanding the strategic role of tourist organizations and their processes of destination management and governance.

The findings of this thesis indicate compliance with classical categorization of board roles into service, strategy and control (Zahra & Pearce, 1989) in investigation of what boards of directors in tourist organizations do, while the individual directors express quite different perceptions of whom they work for. The findings thus give reason to believe that board groups in tourist organizations, as strategic decision-making groups (Forbes & Milliken, 1999), consist of decision-makers with different perceptions of board roles and responsibilities and diverse strategic orientations. This does not necessarily have a bearing on “the operational reality of destination governance” (Beritelli et al., 2007), but it is reason to expect a certain influence as boards act as "decision-making groups that face complex tasks pertaining to strategic-issue processing" (Forbes & Milliken, 1999, p. 492).

This thesis has contributed more knowledge on two contrasting strategic orientations of directors as destination decision-makers: a holistic orientation and a stakeholder orientation. In addition, an instrument measuring this was tested and validated. The development of the scale gave the opportunity to study the possible effects of such strategic differences among the decision-makers, which was accomplished in a study of organizational commitment and boardroom behavior. The findings support the need to take contextual contingencies into account when opening the “black box” of boardroom behavior, in attempts to understand and explain internal processes.

Finally, in addition to these contributions relating to directors as decision-makers and boards as decision-making groups, in this thesis I have studied the public sector's position in the system of corporate governance in tourist organizations. The public sector's power and legitimate claims are related to public ownership and board membership, in addition to public funding. The public sector has influence over corporate governance in tourist organizations, and the intersection of the public, private, and community sectors (Pechlaner & Volgger, 2013; Ruhanen et al., 2010) can be found at this level of governance in tourism. The degree of such public power, and its consequences, will vary within and between organizations, and to provide additional insight into this, further research is needed.

The findings reported in this thesis have contributed to increased knowledge of corporate governance in tourist organizations. Through the studies of the four chosen problem areas, we now know more about board roles, boardroom behavior, and public sector influence in such organizations. This knowledge arose through rigorous empirical studies, characterized by triangulation of methods, data, and theory, which is associated with enhanced quality of research (Yin, 1994).

This discussion continues by addressing the quality of the research design, then attending to two aspects of the theoretical background of the study: first, a conceptual clarification and choice of tourist organizations as a collective term, and second, the applicability of corporate governance theories to studies of internal affairs in tourist organizations. The following sections are then structured around contributions to research, wherein I summarize and compare the research questions and conclusions presented in the individual studies, thereby placing these in a holistic context.

7.1 The Quality of the Research

The studies in this thesis are designed to gather information about corporate governance using multiple means and methodological approaches. With reference to the overall design of the thesis, its major strength is the combination of qualitative and quantitative methods, with direct access to boards and directors. As corporate governance research, the studies, with their methodological approaches, represent something new. In addition, it expands

the common perspective in tourism research from one or a few destinations to a study of corporate governance issues in general within the social, economic, legal, and political frame of a whole country. Finally, the fact that this research, as presented in the four papers, have been reviewed and published, strengthens the thesis and its overall quality.

In combination, this is a mixed methods study. It collects, analyzes, and mixes quantitative and qualitative data in a series of studies (Creswell & Clark, 2007). The combination of qualitative and quantitative methods reveals the complexity of corporate governance in tourist organizations, allows for different perspectives, and enables theory development and studies of causal relationships. The complementarities between the different methods lead to both depth and breadth. This thesis combines corporate governance models with multiple theoretical perspectives in a study of corporate governance in tourist organizations. A review of previous corporate governance research (Gabrielsson & Huse, 2004) shows that the thesis' overall design is innovative and underlines the importance of the key strengths and contributions of this present research. In their review study, Gabrielsson and Huse (2004) concluded that previous corporate governance research was dominated by the following characteristics. The reported studies favor large samples, and most studies rely on archival data-gathering techniques (72%). A broad variety of theoretical perspectives were employed (e.g., resource dependence theory, social network perspectives, legal perspectives, institutional theory, stewardship theory, stakeholder theory, gender, and diversity theory), although the majority of the articles (54%) employed agency theory as the main theoretical perspective. Almost 90% of the articles reviewed were input–output studies of direct relationships, by means of mainly quantitative analysis techniques. North America dominated the research setting, in terms of both the affiliations of the authors (83%, of whom at least half had a North American affiliation), and the origins of the samples (77%) (Gabrielsson & Huse, 2004). Thus, this present study contributes simply by being conducted outside the USA with Norway as the research setting and identifying Norwegian tourist organizations as the unit of analysis. This study included the universe of Norwegian tourist organizations.

Moreover, research on collaborative arrangements in tourism is dominated by case study research, often limited to one or a few destinations. Although the

response rates of my survey were 63% for managers and 34.5% for directors, the study included a representative sample of tourist organizations from all regions of Norway. In general, those researching boards of directors have had difficulty gaining access to boardrooms and directors (Huse et al., 2011; Leblanc & Schwartz, 2007; Pye & Cam, 2003). The lack of studies focusing on the internal affairs of tourist organizations is also explained by difficulties in gaining access to the inner sanctum of decision-making (Pike & Page, 2014; Volgger & Pechlaner, 2014). Thus, a key strength of this study is its direct access to the boardroom and the directors, as this study approaches boards of directors as decision-making groups in the focus group interviews, and both managers and individual directors through the survey.

7.1.1 Level of Analysis

This thesis encompasses topics covering several levels of theory and analysis, including the individual, board, as well as organizational level. First, the outset of this thesis states that the thesis is about decision-makers in tourism. Each director can be seen as an individual decision-maker in a board group, with influence on tourism matters, which again makes it interesting to study their individual perceptions and actions. Furthermore, this research takes the board of directors as the focus of attention. “Board of directors” is a group-level construct because it seeks to describe a collective of people: groups of people making decisions together (cf. Forbes & Milliken, 1999). In addition, the thesis concerns the boards of tourist organizations. Organizations are acknowledged to be multilevel systems that can be studied from at least three distinct points of view: organizational, group, and individual (Klein & Kozlowski, 2000). Collaboration and the organization of several stakeholders as typical characteristics of tourist organizations makes interorganizational relationships relevant to this research setting, further expanding the potential levels of analysis (Klein, Palmer, & Conn, 2000).

Paper 1 reflects how discussions in focus groups, as in boards, depend on both the individuals that make up the group and the group dynamics as a whole (Forbes & Milliken, 1999; Morgan, 1997). When analyzing and interpreting these data, it was essential not just to identify and analyze *what* was being said but also to analyze *who* was speaking, and *how* the other directors in the

group reacted to statements. Hence, the unit of analysis for this study was both individuals and groups.

The choice of individualism, with individuals as primary explanatory factors (Rosenberg, 2012), is particularly evident in Papers II and III. Governance structures are important, yet so are the individuals who put these structures to work (Cadbury, in Clarke, 2004). We draw conclusions about the board of directors based on individual concepts, characteristics, and actions. Hence, it becomes necessary to identify statistical patterns and to include terms such as agency, contracts, and power to explain boards as a social phenomenon. The level of analysis should match the level of theory (Klein & Kozlowski, 2000). The conceptual model for Paper III includes two mediating variables from a behavioral perspective of boards: intragroup conflict and effort norms. Such process variables are expected to influence boards as decision-making groups, and thus treat the board as a group-level construct. This study measures perceived intragroup conflict and effort norms on an individual level. In retrospect, I see that it may have been more appropriate to aggregate the data to the board level because the study concerned board-level variables. An alternative approach was to run a two-level analysis because organizational commitment can be regarded as an individual variable, while conflict and effort norms can be more accurately defined as board-level variables. However, because the study concerns perceptual variables it also makes sense to analyze individual-level data. One limitation of this work is that we were not sufficiently explicit in our choices of level of data and analysis.

The case study in paper IV entails analysis of data on a macro level. Paper IV changes the thesis's focus from directors and boards to more structural factors by exploring the power of the public sector and legitimate claims in the system of corporate governance. Yet the study uses individual, group, and organizational-level data to illustrate and exemplify power in the system. Thus, this work differs from the others both in terms of philosophical perspective, methodology, and level of analysis.

The level of theory and analysis in this thesis could have been more explicit. Board behavior in the analytic framework in Figure 1 is problematic with regard to level, as the headings over the boxes illustrating board behavior (board characteristics, board processes, and board-level outcomes) indicate

that these elements were studied at the board level, although I mostly studied this at the individual level. A proposed change in the analytical framework because of the level issue is to change the headings to “input,” “process,” and “output,” which are more independent of level.

Awareness of level of theory and level of analysis seems to be a more general need in this field of research. Klein and Kozlowski (2000) argue for the development of a paradigm in organizational science toward multilevel theory, research, and methods in organizations. A multilevel approach is also beneficial for corporate governance research and theory. This thesis takes a multilevel perspective on corporate governance and internal affairs in tourist organizations, which is a new approach in a research field dominated by single-level perspectives. Pechlaner and Volgger (2013) model the multilayered view of tourism governance, and distinguish between territorial governance and corporate governance. Future research on the latter would benefit from a multilevel model for research on boards of directors in tourist organizations: a model with directors as individual decision-makers at the individual level, boards as decision-making groups at the group level, and an organizational level that defines the institutional context.

7.1.2 Summary of Main Limitations

The limitations of this research are discussed in the respective papers and in Section 5.7, where validity and reliability concerns are addressed. This part provides a brief summary of important limitations of the thesis. First, there is the issue of scale associated with this research and whether the level of analysis fully matches the level of theory (Klein & Kozlowski, 2000), as described above. Second, the quantitative parts of this research rely on data from a single source, which is associated with potential bias. Finally, one has the common limitation of studies of destinations and tourist organizations, namely, that performance outcomes at the organizational level are difficult to apply. These limitations, all at the intersection of theory and methodology, should be mentioned as part of the discussion of findings.

7.2 Conceptual Clarification

In this thesis, “tourist organizations” was chosen as a collective term for the organizations studied. The choice was based on a review of previous tourism research. However, the choice was also based on an assessment that the alternative term, destination management organization (DMO), was not considered proper in the present research setting, as both practitioners and researchers in Norway refer to DMOs when describing organizations of an explicit organizational structure at a specific geographical level. In that sense, this choice of term may have been colored by my practical background in the Norwegian travel industry.

In retrospect, and in light of insight into newer tourism research that emerged from this research, “destination management organizations” is probably a more common and appropriate term to use in future research, to describe entities mandated to undertake the process of tourism destination management (Anderson, 2000; WTO, 2007).

7.3 The Applicability of Models and Theories

This thesis applies an economic perspective—corporate governance—and utilizes models and theories from corporate governance research in a study of the internal affairs in tourist organizations. The calls from corporate governance theory to consider context when trying to elucidate and explain internal processes (Pettigrew, 1992; Pye, 2004; Pye & Pettigrew, 2005; Zahra & Pearce, 1989), and recent calls for research on boardroom behavior and decision-making processes (Forbes & Milliken, 1999; Huse, 2005; Roberts et al., 2005; Van Ees et al., 2009), guided and directed this research. This was also consistent with calls from tourism research for more knowledge on the operational reality of destination governance; that is, studies of directors, their work, and their working environment (Beritelli et al., 2007).

7.3.1 Corporate Governance Models

The choice of an analytical model for this thesis, derived from the model of board attributes and roles by Zahra and Pearce (1989) and the model of board behavior by Forbes and Milliken (1999), was based on the characteristics of

the research described above, which considered the importance of context for understanding board roles and boardroom behavior. The analytical model as presented in Figure 1 has an integrative approach that made it possible to illustrate this basic premise. The schematic presentation of the theme in a model was considered appropriate, as this illustrates how the parts of the study (presented in four papers) form a whole.

Individual elements of the analytical model can be debated, such as whether certain contextual contingencies are explicitly external or internal, and choice of board characteristics, board processes, and outcome variables. I argue for the choices made in this regard based on the contextual contingencies of tourist organizations and the perspective of this study, with the board of directors as the focus of attention. However, if we change perspectives and study corporate governance from a management perspective, the owners' perspective, or a completely external perspective with emphasis on structure rather than governance, the distribution of internal and external factors is likely to differ and other elements could be emphasized. Similarly, if the context was different from tourism, there could be other relevant contingencies and characteristics. The model was adapted for the present study, industry type, and context, but at the same time, its main elements remain close to the originals.

The lack of feedback mechanisms, the extent that outcomes influence internal and external contingencies over time, can be seen as a weakness of the model. I studied how contextual characteristics influence internal affairs. I did not study the opposite relationship: how internal affairs affect the organizations and their surroundings. That said, this choice of focus does not imply that such mechanisms do not exist, and the analytical framework would have been better if this aspect had emerged from the model. The same point can be made about time. Temporal change was included by Pearce (1989) in the framework for interorganizational analysis of tourist organizations as a dimension to take into account. The historical dimension of Paper IV is an argument for including time in the model. Then again, the corporate governance models on which this research is based include neither feedback mechanisms nor time.

On the other hand, Zahra and Pearce (1989) and Forbes and Milliken (1999) have included outcomes at the organizational level, which I have chosen to

omit from my studies. Traditionally, research on boards focuses on corporate financial performance as an outcome at the organizational level; this was considered less suitable in the current context, where purpose is less directly related to the financial performance of the organization, but rather to the success of a destination (Bornhorst et al., 2010; Pike & Page, 2014; Volgger & Pechlaner, 2014). In Paper III, we use organizational commitment as a dependent variable at the board level. The overall analytical model (Figure 1) describes an assumed correlation with organization-level and even destination-level outcomes, yet there is no further exploration or explanation of this possible relationship between organizational commitment, organizational performance, and destination success. A lack of indicators to measure success of both tourist organizations and destinations complicates research in this field. The quest for performance measures in tourism and investigations of possible relationships between the success of tourist organizations and destinations is an important research avenue, and this present research gives reasons to request future research in this field to include aspects of internal affairs and corporate governance.

The framework for exploring behavioral perspectives of corporate governance by Huse (2000; 2005; 2007) was considered as an alternative model for this research, but found to be less applicable. His focus on value creation and understanding of a board in an open interacting system complicate the use of this framework for studies in a tourism setting. This is particularly so for research on corporate governance issues in the frame of an entire country. However, I would recommend combining Huse's framework with in-depth studies of boardroom behavior for one or a few tourist organizations within a delimited region. Such research would benefit from seeing corporate governance as the interactions between internal and external actors and the board members in corporate value creation (Huse, 2007). In such research, it would also be possible to study relationships and resources more extensively, and include the creation of value as a measure of performance.

The models of Zahra and Pearce (1989), and Forbes and Milliken (1999), were considered appropriate frameworks for this study of boards. The application of their adapted versions in this thesis also illustrates their transferability to tourism research. Tourism research does not necessarily require industry-specific theory and methods to investigate corporate

governance (cf. Framke, 2002). The thesis combines seminal models of board attributes, board roles, and boardroom behavior in corporate governance with theory grounded in tourism research. In that sense, this work is an example of a tradition in tourism research where established theories and models from traditional disciplines are applied to explore and explain phenomena in the tourism context.

7.3.2 Multiple Theoretical Perspectives

Multiple theoretical perspectives were suitable for this study of some of the mechanisms and structures of corporate governance. Despite its position in corporate governance research, agency theory took us only a small step towards understanding corporate governance in tourist organizations. The divergent views of the directors on questions regarding whom they consider themselves working for may lead to several external agency problems. It is not solely in the relationship to shareholders agency problems may occur, as we found that directors can act as agents for a few, although their formal role is supposed to be on behalf of owners or members. A shareholder perspective, closely related to the legal view of boards, is too limited as their roles and responsibilities go beyond those that are legally mandated. Stakeholder theory entails broadening the domain of corporate governance beyond shareholders to other external stakeholders, and the findings in this thesis thus support the applicability and significance of a stakeholder perspective for studies of corporate governance in tourist organizations.

The findings further support a stakeholder agency perspective (Hill & Jones, 1992), which includes an increase in the number of principals and accommodates theories of salience and power, acknowledging that principals are of various types and have different stakes (Huse, 2007). At issue in stakeholder theory is the task of identifying and classifying relevant stakeholders, and subsequently identifying their strategic orientation (Freeman, 1984; Mitchell et al., 1997; Sautter & Leisen, 1999). Our research justifies the view of directors as important stakeholders for tourist organizations. Their roles and responsibilities, both in a legal sense and in the more extensive sense that the findings of these studies indicate, give directors a significant position in the governance of tourist organizations. However, we know far too little about how they actually perform their duties.

Agency theory, stakeholder theory, and resource dependence theory provide grounds for further attention to the public sector representatives in tourist organization boards in future studies of corporate governance issues. This research identifies the public sector as a salient stakeholder in tourist organizations, because of its importance in founding these organizations. Several scholars define stakeholders in terms of their necessity for the organization's continued survival (Friedman & Miles, 2006; Mitchell et al., 1997). Power is related to the control of vital resources (Hillman et al., 2009). Strategic board composition can be considered a response to resource dependence (Hillman et al., 2000). Our findings in light of these examples indicate that the resource dependence perspective could have been applied more extensively to explain corporate governance practices in the current context. The study by Beritelli and Laesser (2014) of board functions and revenue sources is another recent example of the applicability of resource dependence theory in research on tourist organizations.

In summary, the theoretical perspectives chosen for the four papers capture the complexity of corporate governance practices and internal affairs in tourist organizations. This thesis successfully applies established corporate governance theories to explore corporate governance in tourist organizations, and thus illustrates the applicability of such perspectives and theories in the tourism setting. The analytical model and studies in this thesis are based on established theories and models from economic scientific disciplines adapted to the context-specific characteristics of the tourism industry and their applicability is tested empirically in that research setting. This present study and the overall analytical model can thus be seen as a first step toward an integrated theoretical framework for the study of internal affairs and corporate governance in tourist organizations.

7.4 Contributions to knowledge

This thesis adds to knowledge of tourist organizations in terms of internal affairs and corporate governance, yet the findings have aspects that relate to destination governance and management. Furthermore, this research provides new knowledge of corporate governance in general, primarily because of the emphasis placed on context and boardroom behavior. The scientific contributions of this thesis are thus discussed in two sections. I first

emphasize that this is tourism research, giving attention to corporate governance in tourist organizations. Second, I discuss its contributions to corporate governance research.

7.4.1 Corporate Governance in Tourist Organizations

This thesis responds to the call for more knowledge of the operational reality of destination governance, through more studies of directors, their work, and their working environment (Beritelli et al., 2007). The importance of internal organizational development and investment in internal affairs in a tourism setting has been stated in previous explorative studies (e.g., Pechlaner & Fuchs, 2002), and this study responds with a comprehensive study of corporate governance practice, board roles, and boardroom behavior.

The first research question drew attention to board roles and responsibilities. The common categorization of board roles into strategy, control, and service (Stiles & Taylor, 2001; Zahra & Pearce, 1989) was found and supported for tourist organization boards. The board role categories by Zahra and Pearce (1989) is a significant theoretical contribution, and we can consider our work to be replication of their research (Tsang & Kwan, 1999, in which we have employed focus group interviews on a sample of boards to explore whether this common categorization of boards roles was present in corporate governance of tourist organizations. Replication is important for theory development in organizational science: “The growth of knowledge is a cumulative process in which new insights are added to the existing stock of knowledge” (Tsang & Kwan, 1999, p. 771). Applying established theories and replicating studies contribute to continuity. As this study entailed new analyses with data from a new population, it may be considered to offer generalization and extension, consistent with the classification of replication by Tsang and Kwan (1999).

The general attention in the interviews given to strategic tasks is expected, as joint strategic planning is important for destination management and marketing, which is considered a key activity and factor in the success of tourist organizations (WTO, 2007; Wang & Fesenmaier, 2007; Wang & Xiang, 2007). The partial overshadowing of this in the interviews and repeated attention to tasks related to control (of finances) are not unexpected

because it seems that funding is a general concern for tourist organizations (Bieger et al., 2009; Kerr et al., 2001; Pearce, 1992; WTO, 2004; Zapata & Hall, 2011). The two roles are arguably interrelated; funding is necessary to implement the intended strategies.

The findings relating to whom the directors saw themselves working for probably illustrate the complex reality of this type of boards. They reflect key characteristics of tourist organizations—the many and various stakeholders with various interests in tourism activities within a specific geographical area. The multiple views are most likely influenced by, and a result of, heterogeneity in boardrooms where multiple stakeholders are present. The composition of boards reflects the tourist industry and the dynamics between the private and public stakeholders at the destination. This diversity of perceptions among directors is in contrast to corporate governance theory from a shareholder perspective, which focuses on the protection of shareholders' interests, and mainly concerns board roles and responsibilities according to law (Letza et al., 2004).

When a board group manages differing opinions among members concerning for whom the board works, it is reasonable to assume that there will be potential dilemmas that reduce decision-making capability. There will be reason to wonder on behalf of whom the directors act in their roles and further reason to consider the possible consequences of this diversity. In that sense, the external environment and characteristics of tourist organizations and tourism in general influence the board and corporate governance practice. This in turn can entail uncertainty in the boardroom and possibly affect the board's ability to act. In that way, this study illustrates the challenging role of complex board groups. The divergent view this study identifies on whom directors see themselves working for may be relevant for other organizational settings with stakeholders with both common and different interests, such as intermunicipal companies and chambers of commerce. Another important implication of this first study is that the heterogeneity and multiplicity of views of the directors may raise collaboration challenges within the board. This implication guided the direction of the next two studies of this thesis.

The second research question dealt with the directors' strategic orientations as a key characteristic of tourist organizations' boards. Corporate governance

researchers have traditionally emphasized variables such as gender, age, tenure, and educational and industry background in discussions of board characteristics (Forbes & Milliken, 1999; Huse, 2005; Zahra & Pearce, 1989). Because of the multiple stakeholders in tourism and their diversity, we decided to study their strategic orientations to gain knowledge beyond their identities and positions. The study revealed two factors: two contrasting orientations with a focus on benefits to specific stakeholder groups or interests on the one hand, and a holistic orientation toward the destination, the collaborative organization, and its goals on the other. Thus, contingencies in the tourism industry influence the strategic orientation of directors, as identified in our study. The findings expand the research field by providing specific knowledge about directors' strategic prioritization in the form of a duality. The findings also suggest good hypotheses relating to collaboration challenges within the boardroom.

Strategic orientation should be included as an important input factor in future studies of corporate governance in tourist organizations. The strategic orientation scale is a key scientific contribution in that regard, as it provides a measure of the strategic orientations of directors. The third study constituted a starting point of this research avenue.

The third research question concerns boardroom behavior, and this is investigated based on an input–process–output model; that is, (strategic orientation and compensation)–(intragroup conflict and effort norms)–(organizational commitment). This study thus provides insight into the “black box” of boardroom behavior in the specific context of tourist organization boards.

As tourist organization boards are complex groups, perceptions of intragroup conflict and effort norms were considered particularly relevant process variables in this study. Forbes and Milliken (1999) include these as well as knowledge and skills, in their model of the processes they believe enable boards to achieve their full potential as strategic decision-making groups. There is reason to expect diversity in knowledge and skills in tourist organization boardrooms, as the fragmented nature of the tourism industry results in boards with multiple heterogeneous directors. This diversity would be interesting for future studies. However, the theoretical basis of the thesis

suggests potential external agency problems for the board, which again indicate that intragroup conflict and effort norms are more relevant, as they are more closely related to agency problems.

The findings illustrate the importance of a holistic orientation, because this decreases perceptions of intragroup conflict, increases effort norms, and has a direct effect on commitment. This is in line with Beritelli and Laesser (2014), who claim that “Board members in DMOs must balance the interests of various interest groups in the destination with financial and organizational constraints, securing board acceptance and trust among the actors in the place” (p. 215). The findings do not support our a priori expected negative influence of a stakeholder orientation, showing neither direct nor indirect effects. However, this study does not provide insight into the underlying causes of particular strategic orientations.

Our interest in the “black box” aspects of governance is founded on the assumption that insight into boardroom behavior will not only provide increased understanding of how directors act together as strategic decision-making groups but also better explain outcomes for both boards and organizations (Forbes & Milliken 1999; Huse, 2000).

Organizational commitment was the outcome for this study, for which the directors report a mean commitment level of 5.57 (on a scale ranging from 1 to 7). This indicates a fairly high level of belief in, and acceptance of, the organization’s goals and values, willingness to exert considerable effort on behalf of the organization, and desire to maintain organizational membership (Porter et al., 1974). According to Korsgaard et al. (1995), commitment can also be understood as the extent to which members of strategic decision-making groups accept strategic decisions and intend to cooperate in implementing them. Thus, the successful implementation of strategic decisions is determined by the degree of commitment to a course of action. This last aspect is particularly relevant for tourist organizations because “Achieving consensus over strategic issues inside one corporation is a challenging task. Creating consensus among different stakeholder groups, consisting of private and public actors, seems even more difficult” (Beritelli, 2011, p. 222). The role of a tourist organization should be to lead and coordinate activities under a coherent strategy, as a strategic leader in

destination development (WTO, 2007). Consequently, organizational commitment is a highly relevant board-level outcome for tourist organizations, given the formal position of the board in corporate governance, and the board of directors' role as decision-makers with responsibilities related to control, service, and strategy. Insight into the factors that create organizational commitment is valuable for understanding corporate governance in tourist organizations, and so is knowledge of the applicable measures of such commitment.

The Organizational Commitment Questionnaire of Porter et al. (1974) was a useful measure in this study. It was adjusted in the present context to measure a *director's* identification with and involvement in the tourist organization he or she governs. The questionnaire may also be modified and tested as a measure of the organizational commitment of *shareholders* in tourist organizations, and in that regard indicate the strength of the owners' identification with, and involvement in, their tourist organization. This can be considered the first important step towards measuring essential aspects of the organizational performance of tourist organizations. The level of commitment is important to an organization, and possibly to the success of a destination, as tourism researchers have found relationships between high levels of commitment among collaborators, and outcomes such as activity, effectiveness, professionalism, and resources devoted to collaboration in tourism (Björk & Virtanen, 2005; Palmer, 2002; Pesämaa & Hair, 2008; Pesämaa et al., 2010).

The fourth research question concerned public sector power in the system of corporate governance in tourist organizations. In light of the significance of the public sector in this and similar studies, further reflection on its role in these organizations is appropriate. The formal role of the public sector has declined to some extent, as our analyses indicate fewer public offices and fewer organizations with a public majority. Nevertheless, more than half of the tourist organizations in our survey report having public sector representatives on their board, and NHO Reiseliv (2011) found that on average the public sector holds one quarter of board seats. This in itself gives the public sector an important position in the system of corporate governance.

Ford et al. (2011) propose that boards with directors representing critical or key stakeholder groups will be more successful than less representative ones. Beritelli and Laesser (2014) consider board composition to be related to the financial revenues of tourist organizations, through engaging directors with influence over the various revenue sources of organizations. In this present research setting, the public share of revenues has increased in the period studied, and now accounts for about 50% of average income. Beritelli and Laesser (2014) investigated the strength and degree of the connection between various board functions and revenue sources, and found that public sector representatives among directors negatively affected revenue sources. According to their results, public agents among the directors do not play an important role in financing the organization. On the contrary, the more directors who represent stakeholders or the public sector on the board, the fewer revenue sources there will be. In addition, their representations are likely to increase the number of directors sitting on the board of an organization. Beritelli and Laesser (2014) studied local and regional tourist organizations in Switzerland, and refer to possible differences in corporate governance systems and functions as limitations of their study. There may also be differences in how countries and regions finance their organizations. Yet in light of these partly conflicting results, it is appropriate to pursue the public sector's involvement in, and influence over, the internal affairs of tourist organizations in future studies.

The studies illustrate a possible third strategic perspective among directors of tourist organizations: a “public sector orientation” towards the public authorities and their interests. Government involvement in tourism is related to the complexity of the tourist product with common goods and services, but it has also been explained in terms of guardianship of common resources and a broader role of protecting public interests (Hall, 2008; Wanhill, 2001). This probably provides a rationale for intervention in corporate governance in tourist organizations, resulting in this “public sector orientation” among directors representing the public sector. Future studies should explore this possible orientation and include it among the directors' strategic orientations.

The case study in Paper IV concerns government policies regarding the organization of tourism from a historical perspective. Two main issues seem to complicate the implementation of national public policy for tourism at the

regional and local levels in this study setting. One is related to the interplay between tourism policy and multilevel governance (Hall & Jenkins, 2004), as self-governing municipalities and counties at the local and regional levels interpret and implement the national policies regarding tourism structure differently because of local conditions and policies. The other issue is related to the increased use of public–private partnerships for tourism activities (Hall, 2005; 2008, Pike & Page, 2014), as an increased number of organizations with a private sector majority reduces the public sector’s power to change the organizational structure of tourism. In that sense, this fourth study can be seen as a study of tourism politics and public policy, with an emphasis on power and power relations. However, public policy is a separate academic discipline, in which public policy theory is the basis for explaining decision-making and policy-making processes, and for identifying causal links between events (Hall & Jenkins, 2004). This study is descriptive, and does not have an adequate theoretical approach to tourism politics and public policy. It does not sufficiently take into account multilevel governance, multilevel analysis of tourism policy (Hall & Jenkins, 2004), nor power as a multilayered concept (Hall, 2010). As a public policy study, this fourth study is relatively weak, but as a study of public power in a corporate governance perspective, it contributes to research.

Together, the four studies in this thesis provide new knowledge of corporate governance in tourist organizations. As such, this thesis joins recent empirical and theoretical research that applies corporate governance theories to studies of tourist organizations. This research also provides some pieces of the overall governance picture, or the “multilayered view of tourism governance,” as Pechlaner and Volgger (2013) put it. Governance issues are considered to be both interesting (Pechlaner & Volgger, 2013; Ruhanen et al., 2010) and complex (Zahra, 2011) in a tourism setting. By taking a business-oriented perspective and treating tourist organizations as corporate entities that define their institutional context, this study provides new knowledge of the innermost layers of tourism governance (illustrated in Figure 3).

7.4.2 Corporate Governance Research

Board research needs to continue to delve into the “black box” to understand board dynamics, but one must not forget that the decision-making microcosm

of a board exists in a context. Board theories still tend to treat boards as static, homogeneous groups (Pye, 2004). The importance of context has been a persistent call in research on corporate governance, although the degree to which it is accounted for varies both in theory and in practice (Gabrielsson & Huse, 2004). In their review, Gabrielsson and Huse (2004) found that a small proportion of studies explore boards in context (5% of the contributions) or their behavioral perspectives (5%). Such issues have been highlighted and proposed as important complements to previous research (e.g., Huse et al., 2011; Pettigrew, 1992; Pye & Pettigrew, 2005; Van Ees et al., 2009; Zahra & Pearce, 1989). This thesis contributes to research by studying both boards in context and boardroom behavior. It may be considered general corporate governance research, with studies of board roles and boardroom behavior from a contingency perspective, where the organizational research setting is tourism.

The amount of empirical evidence is increasing, although there remains a need for studies based on such perspectives with direct access to directors and boardrooms. In that sense, this research contributes empirically to corporate governance research. There are many psychological perspectives that may be used to understand boardroom behavior (Forbes & Milliken, 1999; Huse, 2005; Roberts et al., 2005), in addition to many examples of contextual factors that may affect board conduct (Huse, 2005; Zahra & Pearce, 1989). The four studies in this thesis are thus important contributions as they recognize the context, account for both external and internal contingencies, and empirically investigate the possible influence of key contingencies on boardroom behavior through interviews and surveys. It does so by means of two seminal theoretical frameworks (Zahra & Pearce, 1989; Forbes & Milliken, 1999) from corporate governance. Findings from this specific research setting—tourist organizations—support the view that contextual contingencies influence boardroom behavior (cf. Gabrielsson & Huse, 2004; Pye, 2004; Pye & Pettigrew, 2005). Together, these two perspectives provide many interesting avenues for future corporate governance research.

In addition to the explicit recognition of contextual contingencies of the tourism research setting, this research adds to knowledge of corporate governance in governance systems other than the Anglo-Saxon.

8 Concluding remarks

Practical implications of the findings in this thesis are dealt with below. In addition, the conclusion proposes avenues for future research.

8.1 Practical implications

Research examining networks, collaboration, and organizational complexity in tourism tends to adopt an exploratory, social constructionist perspective with few assumptions about good governance (Beaumont & Dredge, 2010). It is therefore appropriate to comment on the relevance of this thesis by indicating the aspects of good governance for tourist organizations that it reveals. The practical implications of the individual studies are primarily discussed in the papers. Overall, this research supports a focus on corporate governance in tourist organizations. Corporate governance must be approached in a professional manner in such organizations, as poor governance has possible negative consequences. The thesis relates good governance to composition, conduct, and compensation.

Good governance requires board composition and conduct that balances the interests of various stakeholder groups, whereby tension and conflict between the directors' orientations do not interfere with their actions as decision-makers. Identifying, recruiting, and motivating board members, both when they join and over their time of service, are considered necessary to ensure organizational effectiveness (Ford et al., 2011). The divergent views of directors concerning whom they see themselves working for, are relevant in identifying, recruiting, and electing directors to a board. For board composition, it is important to reflect on whether and why the public sector should be represented in the boardroom, as this research indicates that public sector directorships influence boards. The findings indicate that their board roles differ somewhat in terms of whom they consider themselves to be working for, strategic orientation, legitimate power, and informal influence.

When a nomination committee proposes candidates and the general assembly elects new board members, the total board composition should be considered in terms of factors such as knowledge, experience, and tenure. Furthermore,

for tourist organizations, the strategic orientations of the board members matter. More precisely, my results suggest that directors with a holistic orientation toward the destination, the collaborative tourist organization, and its goals perceives to be involved in fewer conflicts and have higher levels of commitment. The selection of candidates should consider these aspects.

Boards must be conscious of possible dilemmas that differences in orientation entail for members, and actively address and manage them. Formal instructions or codes of conduct adopted by the board and agreed to by all members can guide directors in their performance of duties, and decrease the likelihood that interpersonal issues will interfere (Lathrop, 2005; Palmer, 1998). This will also make directors more conscious of whom they work for—a question on which the entire organization should agree.

According to Ford et al. (2011), the time and effort invested in ensuring proper board composition and formal orientation programs for board members increase effectiveness, as do rewards to motivate board members. This last proposition is consistent with the importance of compensation found in the present study. Compensation was studied as a relevant input variable. Funding is a general concern for tourist organizations, and limited means makes board remuneration rare and low in this setting. Compensation was found to have impact on governance in this thesis, as this had a positive influence on effort norms, which in turn influence commitment.

In addition to these managerial implications, the findings have implications for tourism policy—at both a micro and a macro level, and with particular relevance for the current political processes concerning the organizational structure of tourism in Norway. Although structure is an important element of tourist organizations, corporate governance practice also makes a difference through the individual board members and the nature of their work dynamics. This aspect has received little attention in the national strategies, although the findings of this study show that it is important for individual tourist organizations.

A second implication for policy-makers is that legitimacy and power matter in implementing national policies and strategies. Organizing tourist organizations as limited liability companies leaves decision-making authority

to the owners, and a private sector majority reduces the public sector's power. In addition, it is the local authorities that are involved in local and regional tourist organizations, and the self-governing power of municipalities and counties is set out in legislation and delegated by the state. Thus, policy-makers can be found both at a micro and a macro level, and their legitimacy and power to influence may vary accordingly. Understanding the underlying reasons for changes to the current structure, ownership of the processes, and the desire to promote change are essential for the implementation of national strategies by both public and private stakeholders. According to the findings of this study, success in implementing strategic decisions is determined by the degree of commitment to a course of action.

Third, one area that appears to be in need of continued attention is funding, as the ability to finance activities is still a challenge for many organizations. There is reason to believe that many of the difficulties these organizations have because of scarce resources will continue, despite the implementation of national strategies and a new organizational structure for tourism in Norway, as long as the question of long-term funding is unclear.

8.2 Future Research

The papers in this thesis shed light on some important research questions regarding corporate governance practice, board roles, and boardroom behavior in tourist organizations. Yet the findings also suggest numerous directions for further research. Some of these suggestions are briefly discussed in previous sections; thus, in this section I summarize key proposals for future research. The findings in this thesis are based on studies of tourist organizations in Norway and can by no means be generalized or transferred to the total population of all tourist organizations, especially in light of the influence that contextual contingencies have on internal affairs and corporate governance practice. More research is needed to validate the findings in other social, economic, legalistic, and political settings, with other systems of corporate governance and structures of tourism.

The first explorative study in this thesis revealed an extensive list of responsibilities for boards of directors in tourist organizations; however, there is a discrepancy between what directors first stated as important

responsibilities and the actual level of attention given to specific tasks. A question for future studies thus concerns the extent that members focus on specific board roles and the time spent on various responsibilities.

There is a need for further investigation of directors' strategic orientations. First, additional research is needed to assess the Strategic Orientation Scale's reliability across more samples. Second, future studies should investigate whether other dimensions should be included on the scale. Self-interest in particular should be considered, as this was present among directors in the interviews but was measured with a single item on the original scale, which typically entailed moving this aspect after the reliability check (Churchill, 1979). This thesis further suggests that the multiple views found among directors regarding whom they work for are influenced by and a result of heterogeneity in the boardroom, where multiple stakeholders are present. A third direction for future studies is thus the antecedents of the various strategic orientations, taking into account the background of directors.

This thesis models boardroom behavior as a general input–process–output model. The model proved useful, yet future corporate governance studies of tourist organizations should examine other organizational and structural characteristics and additional aspects of boardroom behavior. Moreover, I call for studies of the relationship between board-level outcomes and organizational performance. Findings of this specific study of boardroom behavior indicate further investigation of board compensation as an incentive for increased effort and commitment among directors. In particular, the effect of various amounts of compensation is yet to be studied.

The power of the public sector found in this thesis seems to be strongly associated with aspects of corporate governance—public shareholding and public directorships—in addition to public resource dependence. However, public sector power was studied on a macro level with a country as the focus of attention. It is appropriate to pursue the public sector's involvement in and influence on the internal affairs in tourist organizations in future studies. This should also be done on a micro level for one or several organizations to gain greater insight into the nature and consequences of the public sector's power.

Finally, in this thesis I view boards of directors in a manner consistent with that of Forbes and Milliken (1999), that is as strategic decision-making groups. However, I primarily approach and study individual directors in governance positions. Forbes and Milliken (1999) believed that effective oversight of an organization exceeds the capabilities of any individual and that collective knowledge and deliberation are better suited to this task. Thus, an important direction for future studies of corporate governance practice, board roles, and boardroom behavior in tourist organizations is to apply a multilevel model for corporate governance research in tourist organizations and to undertake studies at the aggregate level of board groups, rather than study individual directors.

9 References

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Erratum

The reference “Wang, Y. (2008). Collaborative destination marketing: roles and strategies of convention and visitors bureaus. *Journal of Vacation Marketing*, 14(3), 191–209” is cited with the wrong year in Papers I and II of this thesis. Garnes and Grønhaug (2011), and Garnes and Mathisen (2012) refer to Wang (2007), but the correct year for this publication is Wang (2008).

Paper I

The role of boards of directors in tourist organizations.

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Paper II

Research note: Destination decision- makers:
Developing a strategic orientation scale.

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Research note: destination decision-makers: developing a strategic orientation scale

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Abstract: This study presents the development of a scale for measuring directors of tourist organisations' strategic orientation. Focus group interviews were conducted to identify different orientations, followed by a survey to further assess the measurement. Factor Analysis revealed two factors:

- 1 holistic orientation towards the destination, the collaborative organisation and its goals
- 2 stakeholder orientation towards specific groups or interests.

The strategic orientation scale provides an instrument for measuring the bi-dimensional relationship between benefits to individual businesses and those to the destination as a whole, generating valuable knowledge for managing collaborative organisations and for further studies of collaborative planning in tourism.

Keywords: destinations; decision-makers; policy-makers; strategic orientations scale; tourism; planning; policy; governance; collaboration; board of directors; collaborative organisations; tourist organisations; stakeholders.

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1 Introduction

This research note deals with boards of directors in tourist organisations, and describes the development of a scale measuring directors' strategic orientation as destination decision-makers. Little is known, at least empirically, about the strategic orientation of boards of directors in collaborative tourist organisations. Tourist organisations draw a number of stakeholders with various interests in tourism in a specific geographical area (Pearce, 1992), and characteristics of the destination and its multiple stakeholders are likely to be reflected in the organisations' boards, and in the directors' strategic orientations. There is a need for study of directors as decision-makers in collaborative tourist organisations, to determine their strategic orientations; whether they are oriented to a holistic view and a community mindset, to specific stakeholder groups, or to self-interests to a specific organisation.

Tourism destinations are characterised by interdependent, multiple stakeholders, where no single organisation or individual can exert direct control over the destination's resources (Bramwell and Lane, 2000b; Jamal and Getz, 1995; Wang, 2007). Destination assets and resources are shared by inhabitants, visitors, and public- and private-sector interests (Jamal and Getz, 1995). It has been argued that a wide range of stakeholders should be able to participate in decision-making about tourism development (Bramwell and Sharman, 1999; Gunn and Var, 2002; Jamal and Getz, 1995; Sautter and Leisen, 1999).

Collaborative organisations formed for joint marketing and planning of destinations can increase the competitive advantage of destinations (Bramwell and Lane, 1999, 2000a; Kotler et al., 1993; Silkoset, 2004), though they may be challenged by the complexity of the destination domain, and by the nexus of multiple stakeholders with incompatible values and perspectives on tourism (Bramwell and Lane, 1999; Jamal and Getz, 1995; Selin and Chavez, 1995). Jenkins (2000) illustrates the heterogeneity of stakeholders for tourist organisations through his overview of key stakeholders for regional tourist organisations in Australia, and recognises local competition, different values, needs and experiences, autonomy and independence, fragmentation and differing ideologies among diverse groups as part of their complexity. A number of frameworks for collaborative tourism planning and policy-making recognise such issues: for the formation of destination marketing alliances (Wang and Xiang, 2007, p.79), for tourism partnerships (Selin and Chavez, 1995, p.848), for studies of tourism planning and policy (Dredge and Jenkins, 2007, p.16), for community-based tourism planning (Jamal and Getz, 1995, p.190; Reed, 1997), and in local collaborative policy-making (Bramwell and Sharman, 1999).

Managing alliances in tourism includes balancing the relationship between benefits to the individual businesses with benefits to the destination as a whole (Wang and Xiang, 2007). Wang (2007) indicates a potential conflict between self-interests and a more holistic view and community mindset among collaborators in tourism. According to Wang (2007), businesses are primarily committed to the interests of the individual businesses they represent when collective destination marketing programmes are implemented. Benefits sought vary not only for different industry sectors, but may be different for each individual business (Wang, 2007). Collaborators in tourist organisations must recognise that the benefits of joining outweigh the costs and potential loss of autonomy they must relinquish to partners (Palmer and Bejou, 1995). Collaborative tourism planning and policy-making requires an appreciation of the various roles, agendas and strategies of the actors involved (Dredge and Jenkins, 2007).

There is a lack of knowledge of how the different agendas and potential conflicts of collaborators in tourist organisations influence decision-makers in this setting. To further investigate this position, stakeholder theory is our point of departure. The classic definition

of a stakeholder is “any group or individual who can affect or is affected by the achievement of the organisation’s objectives” (Freeman, 1984, p.46). There are a number of groups and individuals with interests in a tourist organisation, who are possibly affected by the organisation’s planning and outcome. The link between destination collaboration and stakeholder theory has attracted a number of researchers, and authors have attempted to highlight this relationship both from a theoretical and a methodological perspective (Araujo and Bramwell, 1999; Bramwell and Sharman, 1999; Currie et al., 2009; Jamal and Getz, 1995; Palmer and Bejou, 1995; Sautter and Leisen, 1999; Selin and Chavez, 1995).

Stakeholder perspectives have been used studying boards of directors in general corporate governance (Clarke, 1998; Huse, 1998; Letza et al., 2004; Luoma and Goodstein, 1999; Stiles and Taylor, 2001). The board of directors possesses high authority in organisations, with reasons to believe that board performance contributes to organisational performance. The rationale behind boards is the belief that the effective oversight of an organisation exceeds the capabilities of any individual, and that collective knowledge and deliberation are superior (Forbes and Milliken, 1999). The composition of the board of directors in a tourist organisation may reflect the multiple stakeholders at the destination: diversity in companies and lines of business, a mixture of company sizes and ownerships, geographical variety and so forth (Lathrop, 2005). Moreover, there are actors in tourism organisations concerned with issues or policies going beyond basic tourism questions, with a broader economic, social, and political dimension (Hall, 1999). Due to the congruence of objectives between the private and public sector, partnerships between the two are common (Palmer and Bejou, 1995), and occasionally, the public sector is represented on the board.

At issue in stakeholder theory and the tourism planning model for managing stakeholders, is the task of identifying and classifying relevant stakeholders, and subsequently identifying their strategic orientation (Freeman, 1984; Friedman and Miles, 2006; Sautter and Leisen, 1999). The purpose of this research note is to report the development of a scale measuring directors’ strategic orientations as destination decision-makers.

2 Methodology

2.1 Research setting

This research was carried out in Norway. There are approximately 150 tourist organisations in Norway, ranging from the national down to the local level (Ministry of Trade and Industry, 2007). Their structure is not statutory and set; hence, there are a mixture of different organisational structures, goals and functions. Many tourist organisations in Norway are public-private partnerships, where public authorities have a formal role, such as owning shares or being a member, and occasionally being represented among the directors.

Limited companies have become increasingly important as structures for tourist organisations in Norway, since the Norwegian Government encouraged the tourism industry to structure their collaborations as such in the 1990s (Ministry of Trade and Industry, 1989). Additionally, organisations in Norway can be based on memberships, with nearly the same configuration and practice for corporate governance as limited companies. Legally mandated responsibilities of boards of directors in limited companies are established by the Norwegian Company Legislation (Aksjeloven) of 1997. In Norway, management of daily operations can be delegated to an executive management, but representatives of the executive management are not elected to the board of directors. Under Norwegian law, shareholders exercise their

supreme power in a general assembly (Section 5), and the general assembly vote for the board of directors (Section 6). The board of directors employs the CEO of the organisation, has ultimate responsibility for management of the company, and supervises day-to-day management and activities in general (Section 6). The manager executes day-to-day management of the organisation based on instructions and orders given by the board (Section 6).

2.2 Procedure

To develop a valid measurement of the strategic orientation of directors in tourist organisations, procedures suggested by Churchill (1979) were followed. The first step involves generating items to capture the domain. This was done by focus group interviews with directors in Norwegian tourist organisations. The second step involves a questionnaire-based quantitative study to further assess and improve the measurement. Below is a description of the studies and findings.

Step 1: Identifying and classifying directors and their orientations

We collected data by conducting seven focus group interviews, including a total of 37 directors from Norwegian tourist organisations. Focus groups can be seen as group discussions organised to explore a specific set of issues (Kitzinger, 1994). This approach gives flexibility and allows for considering unexpected information, offering an opportunity to observe a large amount of interaction concentrated on specific topics, within a limited time (Morgan and Spanish, 1984). We decided to do focus group interviews with existing board groups rather than composing groups with a mixture of directors from different organisations. This provided groups of acquainted persons accustomed to challenging each other's opinions, and the actual social context where ideas are formed and decisions made.

Ten organisations were initially invited to participate in the study, of which three organisations were later excused due to a sudden change of management; the directors were busy replacing management and could not spare time to participate in the study. The remaining organisations were considered sufficient for the purpose due to their ability to contribute to the study, to represent Norwegian tourist organisations, and to create variation within the sample (Miles and Huberman, 1994). The final sample varies regarding geographic location, scale, and forms of structure, ownerships and management (Pearce, 1992), and the directors typify several structural dimensions (Lathrop, 2005), as reported in Appendix 1.

A semi-structured interview guide with ten open-ended questions served as an information-gathering tool. Each focus group interview started with a brief introduction of each of the directors participating, including name, current position, and tenure as director. This was followed by five general questions to the group about the roles and responsibilities of directors in tourist organisations, and five questions specific to the particular board and organisation. Two test-interviews provided feedback on how to structure the group interviews, and minor adjustments were made. The two test-interviews are part of the final sample. Each focus group interview lasted about one hour.

The focus group interviews were conducted as part of the regular board meetings, as the first item on the agenda, thus facilitating the presence of directors. Managers were not present, to reduce the risk of interviews being dominated by the managers' opinions. There was one exception, where the manager was also the chairman of the board.

The nature of raw data, clear recording instructions, and special skills, such as familiarity with the research setting, are critical for producing reliable results from focus groups (Stewart and Shamdasani, 1990). One of the authors monitored the focus groups interviews, and

discussions were recorded and transcribed before analysis. Different strategic orientations were identified, following the principles proposed by Morgan (1997). We registered and categorised all statements of different orientations, whether each group interview contained these orientations, and whether each individual director mentioned a specific strategic orientation. In total, more than 70 statements reflecting various strategic orientations were identified and analysed. Based on findings, we developed a list of eight items reflecting the different aspects of directors' strategic orientations as destination decision-makers, reported in Table 1. These items constituted the 'strategic orientation scale'.

Step 2: Developing a strategic orientation scale

The strategic orientation scale was tested and validated among directors in all 153 operative tourist organisations in Norway at that time (Ministry of Trade and Industry, 2007). The data was collected through a self-administrative web-based survey in Norwegian, that the general manager or chairman forwarded to their directors. This procedure made it possible to reach directors who might not otherwise participate in the research, and increased the number of participants. We contacted each manager by phone, gave information about the study and the procedure, and obtained the organisations number of directors. A web-based survey as a link in an e-mail was easy for managers to administer. The e-mail had a paper-version of the survey attached, for those wanting to print, answer on paper, and return by mail or fax. Managers in organisations with few or no responses were reminded with two e-mails, followed by a phone call. Data was obtained from 307 directors, giving a response rate of 35%.

The items were measured on a 7-point Likert scale ranging from 1 (of no importance) to 7 (of very great importance). The data analyses were performed with SPSS 18 for Windows (SPSS, 2009).

3 Results

Table 1 reports descriptive statistics for the items in the strategic orientation scale. Vested interests seem to be of modest importance (3.59) for directors in relation to their work on the board. Interests related to daily business (5.18), and to specific groups such as the business one frequently interacts with (5.01), and the group one represents on the board (5.52), are of importance for directors as decision-makers. There seems to be a strong orientation towards the local community (6.14) and guests visiting the destination (6.30). Formal responsibilities (5.94) and shareholders' expectations (5.67) appear to be considered rather important.

Table 1 Descriptive statistics

<i>How much importance do you lay on the following in relation to your work in this board?</i>			
<i>That what I do will be:</i>	<i>N</i>	<i>Mean</i>	<i>SD</i>
(1) Of personal benefit to me	306	3.59	1.78
(2) For the benefit of the business I work in daily	307	5.18	1.73
(3) Useful for companies that I have much contact with	306	5.01	1.57
(4) For the benefit of the group I represent in the board	306	5.52	1.49
(5) In line with expectations from owners/shareholders	307	5.67	1.46
(6) For the good of the local community	307	6.14	1.08
(7) To the delight of guests visiting this destination	307	6.30	1.09
(8) In line with my formal responsibilities as director	307	5.94	1.29

Measured on a 7-point Likert scale from 1 (of no importance) to 7 (of very great importance).

The Cronbach alpha value (0.71) was above the recommended value of 0.7; but negative inter-item correlation values, and low correlation (0.17) on the item 'of personal benefit for me' against the total score indicated this item measures something different from the scale as a whole. It was, therefore, decided to check the reliability of the scale with this item removed. The reliability check was repeated with item 1 removed, and the Cronbach alpha value was now higher (0.73), which pointed towards removing the item from the scale. This resulted in a 7-item strategic orientation scale, consisting of items 2 to 8 in Table 1.

The sample was then assessed for its suitability for factor analysis. Inspections of the correlation matrix revealed the presence of many coefficients of 0.3 and above. The Kaiser-Meyer-Olkin value was 0.68, exceeding the recommended value of 0.6 (Kaiser, 1974). And Bartlett's Test of Sphericity (Bartlett, 1954) reached statistical significance, supporting the factorability of the correlation matrix.

A principal components analysis revealed the presence of two components with Eigen values exceeding 1. This was further supported by the results of parallel analysis (Horn, 1965), which showed only two components with Eigen values exceeding the corresponding criterion values for a randomly generated data matrix of the same size (7 variables X 307 respondents). Inspection of the scree plot also supported a two-factor solution. The two-component solution explained 58.5% of the variance, with Component 1 contributing 38.5% and Component 2 contributing 20%. To aid in the interpretation of these two components, oblimin rotation was performed. The two factors showed a low intercorrelation ($r = 0.27$). Inspections of the pattern matrix (Table 2) showed a relatively clear two-factor solution, with the exception of Item 7, "for the benefit of the group I represent in the board", loading 0.402 on factor 1 and 0.496 on factor 2. This is probably a consequence of the wording of this item, reflecting both a specific group and the board of the organisation. Overall, these results support a bi-dimensionality of the strategic orientation scale.

The two factors found capture:

- a holistic orientation towards the destination, the formal organisation and its goals and values
- a stakeholder orientation towards specific groups or interests.

Scores on holistic orientation (4 items) ranged from 1.75 to 7, with a mean of 6.01 ($SD = 0.89$). Scores on stakeholder orientation (3 items) ranged from 0 to 7, with a mean of 5.35 ($SD = 1.28$).

4 Discussion and conclusion

The results of this study revealed different aspects of directors' strategic orientations as destination decision-makers and suggest that, with one minor adjustment (the removal of item 1) the strategic orientation scale may be suitable as a measure of directors' strategic orientations. The results generally provide support for important concerns in collaborative destination planning and development mentioned in the literature, as it renders the bi-dimensional relationship between benefits to individual businesses and those to the destination as a whole. Collaborative tourism planning and policy-making require an appreciation of the various roles, agendas and strategies of the involved actors (Dredge and

Jenkins, 2007), and the strategic orientation scale provides an instrument for measuring such aspects. Knowledge about the orientation of decision-makers is valuable for managing and governing collaborative organisations, and for further studies of tourism planning and policy-making.

Table 2 Pattern and structure matrix for PCA with oblimin rotation of two factor solution

Item	Pattern coefficients		Structure coefficients		Communalities
	Component 1	Component 2	Component 1	Component 2	
(2) For the benefit of the business I work in daily	-0.111	0.908	0.131	0.879	0.784
(3) Useful for companies that I have much contact with	0.001	0.873	0.233	0.873	0.763
(4) For the benefit of the group I represent in the board	0.402	0.496	0.534	0.603	0.514
(5) In line with expectations from owners/ shareholders	0.704	0.115	0.735	0.303	0.552
(6) For the good of the local community	0.695	-0.059	0.679	0.126	0.464
(7) To the delight of guests visiting this destination	0.697	-0.018	0.692	0.168	0.480
(8) In line with my formal responsibilities as director	0.746	-0.056	0.731	0.143	0.537

Bolded item indicate major loadings for each item.

The study revealed two different strategic orientations among directors of tourist organisations: a holistic orientation towards the destination, the formal organisation and its goals and values; and a stakeholder orientation towards specific groups or interests. However, the content of the factors obtained do not fully capture vested interests.

A holistic orientation among directors as destination decision-makers may entail the following: that one recognise the benefits of joint efforts (Jamal and Getz, 1995); that it may be impossible to get full agreement on every aspect of resulting policies; or that one may support an agreement even if it is not the preferred outcome. Thus, a consensus emerges, despite inequalities between stakeholders (Bramwell and Sharman, 1999). However, the need to develop consensus could block innovation and discourage entrepreneurial development (Bramwell and Lane, 2000a).

A stakeholder orientation towards specific groups or interests on the other hand, raises other concerns. It has been argued for active participation and joint decision-making in planning-processes by stakeholders to yield useful results (Jamal and Getz, 1995). Tourist organisations draw various stakeholders together with interests in tourism in a specific geographical area (Pearce, 1992), and boards of directors govern and make decisions on behalf of the organisation. The board may reflect multiple stakeholders at the destination (Lathrop, 2005), but does not necessarily represent all groups or individuals who can affect or be affected by the achievement of the organisation's objectives (Freeman, 1984). Guided by a stakeholder orientation, a director's sense of community may give way to the interests of specific groups. This situation raises concern about the interests of those groups not represented among the directors. Power relations may influence which people join the board, and who has most influence in making decisions (Reed, 1997). Groups of directors representing interests of different stakeholder groups can be challenging to manage. And finally, a combination of orientations in a single board could cause tension and conflict, and influence how directors act as decision-making groups.

Vested interests are not included in the factor analysis, since the analysis indicated that item 1 measures something different from the scale as a whole. The use of focus group interviews to identify the directors' strategic orientation may have affected this aspect. The group-interview procedure could possibly cause reduced openness for the discussion, as people find it difficult to be honest about vested interests in front of co-workers. The fact that self-interests were mentioned by directors in several of the groups indicates that this was not a problem. However, multiple aspects of self-interest were not discussed to the same extent as other orientations. As a result, self-interest is measured using a single item. The use of single items tends to categorise people into a relatively small number of groups, and typically involves considerable measurement errors (Churchill, 1979). The reliability check entailed removing item 1. A limitation of the present study is the procedure for assessing reliability. Churchill (1979) recommended submitting the purified sample of items to a new sample of subjects. High test-retest correlations indicated a more reliable scale. This study is based on a single sample. We considered randomly dividing the original sample of 307 cases into two separate and independent sub-samples. This procedure would have resulted in two small samples, would not rule out errors caused by external factors, and would have affected the suitability of the data for factor analysis. Hence, we call for further studies with additional data to assess the scale's reliability.

We also call for studies of antecedents of the different orientations, taking into account the background of directors. The outcomes of different strategic orientations is also significant, and therefore, we call for further studies of how destination decision-making is influenced by directors' strategic orientations towards the general destination or towards specific stakeholders – and accordingly, how this may possibly have an effect on directors' commitment and their sense of duty towards the organisations they govern.

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Appendix 1 Organisations and directors participating in step 1

Organisation	Geography	Level	Structure	Ownership	Management	Members of the Board	Directors Present (Deputies)	Public Sector Representatives	Number of Municipalities represented	Business Owners (Managers)	Other representatives	Tourism industry representatives
A	West	Regional	Other company with limited liability	Partnership, private majority	Manager and administrative staff	8	8 (2)	3	3	3 (6)	4	3
B	South	Local	Other company with limited liability	Partnership, public majority	Manager	7	7	2	2	2 (4)	3	2
C	East	Local	Limited company	Partnership, private majority	Manager	5	5	1	1	2 (3)	1	4
D	East	Local	Foundation, organisation or other association	Partnership, private majority	20% help with administration	5	2 (1)	1	1	(2)	2	2
E	North	Regional	Limited company	Partnership, public majority	Manager and administrative staff	5	3 (1)	1	3	1 (3)	2	1
F	Mid-Norway	Regional	Limited company	Private	Manager = chairperson = principal shareholder	2	2			1 (1)	1	
G	West	Regional	Other company with limited liability	Partnership, public majority	Manager	7	5 (1)	3	3	1 (3)	3	3

¹Form of organisation according to the Norwegian Register of Business Enterprises, Ownership, and Management. Other companies with limited liability are companies other than limited companies where none of the partners has personal liability for the obligations of the company (registered in Norwegian as: *samvirkeforetak og andre foretak med begrenset ansvar*).

Paper III

Organizational commitment of directors in collaborative tourist organizations: Mediating effects of boardroom behavior.

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Paper IV

Tourist organizations and the power of the public sector: a corporate governance perspective.

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ship

Abstract

The public sector is a salient stakeholder for collaborative tourist organizations. Tourism research has primarily focused on identifying and classifying relevant stakeholders, while less emphasis has been placed on behavioural patterns and actual influence. A call has been made for tourism studies that capture issues of power and politics. Combining a legalistic perspective with two common theories of corporate governance – namely, agency theory and resource dependence theory – the aim of this study is to explore and discuss what power the public sector possesses in the system of corporate governance in tourist organizations. A case study was performed in Norway; tourist organizations were studied at a macro level, by means of multiple sources of evidence. This study confirms the public sector's importance and influence as a stakeholder in tourism. The public sector's power seems strongly associated with aspects of corporate governance, such as ownership, membership, or position as board members. In addition, public resource dependence is decisive. The managerial and theoretical implications of these study results are discussed.

Introduction

This study recognizes the public sector as an important stakeholder for collaborative tourist organizations – a stakeholder that “can affect or be affected by the achievement of organizations’ objectives” (Freeman, 1984: 46), and study the the power of the public sector to influence such organizations. In the present study, the term ‘tourist organization’ refers to destination-based organizations that draw together a number of stakeholders with interests in tourism within a specific geographical area, in order to strengthen the organization’s marketing, planning, and development functions through joint resources and collaboration (Pearce, 1992). Organizations and destinations may be able to gain competitive advantages by bringing together the knowledge, expertise, capital and other resources of several stakeholders (Bramwell & Lane, 2000; Bramwell & Sharman, 1999; Silkoset, 2004).

In the field of organizations, and in this study, it is inevitable to associate the concept of *power* with formal roles; it refers to a characteristic of, and the official or formal rights attached to, a position in the chain of command (Handel, 2003). The theoretical framework for the present study is corporate governance theory, which emphasizes the exercise of power in corporate entities (Clarke, 2004), including – for the purposes of this study – tourist organizations. Corporate governance, which involves a set of relationships between management, the board, shareholders and other stakeholders, provides the structures through which the objectives are set (OECD, 2004). Corporate governance is associated with power, responsibility and accountability within this system (Gourevitch & Shinn, 2005). Thus, the aim of this study is to explore and discuss the power of the public sector in tourist organizations from a corporate governance perspective

by asking the following research questions: What power does the public sector possess in the system of corporate governance in tourist organizations? What are legitimate claims of the public sector? And finally, what changes have recently occurred?

Hall (2007; 2010; 2011) calls for studies of power arrangements and tourism studies that capture issues of power and politics by addressing Lasswell's (1936) comment about politics; who gets what, where, how and why. Power can be considered a function of dependence; the more dependent the organization is on the stakeholder, the greater the power (Savage, Nix, Whitehead & Blair, 1991). Mitchell, Agle and Wood (1997) combine the concepts of power, urgency, and legitimacy in their model of stakeholder salience. The most salient stakeholder would have an urgent claim against the organization, would have the power to enforce its will on the organization, and would be perceived as legitimate in exercising that power.

Destination research has primarily focused on identifying and classifying relevant stakeholders, while less emphasis has been placed on stakeholders' behavioural patterns and actual influence (e.g. Araujo & Bramwell, 1999; Bramwell & Sharman, 1999; Currie, Seaton & Wesley, 2009; Sautter & Leisen, 1999; Selin & Chavez, 1995). Recent research has broadened the perspectives by focusing on salience (Sheehan & Ritchie, 2005; Cooper, Scott & Baggio, 2009) and interpretations of the influence and power of key stakeholders (Beritelli & Laesser, 2011). By differentiating stakeholders based on their potential to threaten and to cooperate, Sheehan and Ritchie (2005) found that criticality for funding was the most common reason for salience. Hotels and hotel associations were considered the most salient, followed by local and regional government. Cooper et al. (2009) found that destination management is controlled by a limited number of stakeholders, based on perceived salience, as key stakeholders form an elite at the core of its network. Beritelli and Laesser (2011) found that the interpretation of power in tourist destinations must be regarded as both a perceptual and structural concept, as it varies across stakeholder groups, including the public sector. Knowledge was found to be the dominant power dimension, though public sector representatives also emphasize power over processes.

Mintzberg (1983) claimed that governments in various forms have a special power over all organizations, since they represent the highest legitimate authority of the society and establish the laws and regulations under which every formal organization must function. The corporate governance systems reflect public policy choices (Gourevitch & Shinn, 2005). A legalistic perspective on corporate governance emphasizes the power established by law but nonetheless represents only a small step toward understanding public sector power in tourist organizations. To fully understand the many mechanisms and structures involved in corporate governance, Daily et al. (2003) and Stiles and Taylor (2001) call for studies utilizing multiple theoretical perspectives. Combining the legalistic perspective with two common theories of corporate governance - namely, agency theory and resource dependence theory - we explore the research questions. Finally, a historical perspective has been included in order to discuss recent

changes. A case study was performed in Norway, studying tourist organizations at a macro level, by means of multiple sources of evidence.

Public sector involvement in tourist organizations

The tourism product is complex. Since the tourist industry does not control all of those factors that make up the attractiveness of a destination, “the essence of successful tourism development is the creation of a ‘partnership’ that is incentive compatible for the various stakeholders in the activity of tourism,” including central and local government (Wanhill, 2001: 225). The rationales for government intervention in tourism can be categorized in terms of the complexity of the tourist product, institutional structure, guardianship of the resource base, and market failure (Wanhill, 2001). The market failure argument follows from the others; due to the heterogeneous nature of the product, with common goods and services, it is difficult to establish appropriate institutional structures. Furthermore, environmental protection and community ownership of the development process are not guaranteed by the free market. Hall (2008) identified eight areas of public sector involvement in tourism, several of which also apply to tourist organizations: coordination, planning, legislation and regulation, entrepreneurship, stimulation, promotion, social tourism, and a broader role of public interests protection.

In most countries, the tendency to privatize and commercialize functions once performed by government has also affected governments’ involvement in tourism (Hall, 2008; Hall, Müller & Saarinen, 2009). Hall (1999; 2005) recognized this shift in the role of government as emphasis on governance through public-private partnerships began to grow in the 1980s, replacing the traditional public administrative model. Bramwell and Lane (2000) call for research on the legal, financial, and influential power of government in such collaborative partnerships. In Zapata and Hall’s (2012) study of partnerships in Spanish tourism, the pursuit of legitimacy could partly explain the processes of public-private collaboration and organizational evolution (which was also affected by a general dependence on public funding), eventually resulting in structurally similar organizations.

Corporate governance perspective: Public policy and legitimacy

In Norway, recent decades have been characterized by wide variance in government policies regarding the organization of tourism (see Table 1).

In contrast to the 1980s’ lack of public policy for the organizational structure of tourism, the 90s, however, was a period of policies with strong implications on how tourism should be organized. The organizational model proposed by government included five regional cross-county companies with marketing, development, and sales-promoting tasks for their respective areas, complemented with a number of destination management organizations at a local scale. These were founded as limited liability companies (LLCs), owned by both industry and public authorities, in line with the common tendency to privatize and com-

mercialize functions through public-private partnerships (Hall, 1999; 2008; Hall et al., 2009). The government supported implementation of the new model through special grants to gradually enable the companies to become self-financing by selling activities and services.

Table 1: National strategies and reports to the Norwegian Parliament concerning the organization of tourism

	Title [English]	Ministry	The organization of tourism
1986	Om reiselivet – St.meld. nr. 14 [About Tourism]	Ministry of Transport	Industry initiated structure: The industry must have a special responsibility for corporate development: product, organization and marketing. The government's role is to adapt... (p. 22)
1989	Regjeringens nasjonale reiselivsstrategi [National Government Strategy for Tourism]	Ministry of Industry	Politically stated structure: Development towards a model, which consists of destination companies, regional companies for parts of the country, and NORTRA. The government supports this trend and the Industry Fund contributes to the establishment ... (Chapter 3)
1999	Lønnsomme og konkurransedyktige reiselivsnæringer – St.meld. nr. 15 [Profitable and Competitive Tourist Industries]	Ministry of Industry and Trade	Industry initiated structure: Businesses and industries must find appropriate forms of cooperation that ensure long-term commitment by the industry. (p. 79)
2005	Handlingsplan for reiselivsnæringene [Plan of Actions for the Tourist Industries]	Ministry of Industry and Trade	Politically initiated structure: ... develop a project statement to identify success criteria for cooperation in tourism industries. [...] Success criteria should be communicated to the tourism industries and relevant stakeholders, and serve as inspiration in their work. (p. 36)
2007	Verdifulle opplevelser. Nasjonal strategi for reiselivsnæringen [Valuable Experiences. National Strategy for Tourism]	Ministry of Industry and Trade	Politically initiated structure: The government is positive to processes that allow for more flexible and powerful regional, county, destination, and local tourism companies. (p.74)
2012	Destinasjon Norge. Nasjonal strategi for reiselivsnæringen [Destination Norway. National Strategy for Tourism]	Ministry of Industry and Trade	Politically stated structure: There is a need for an organizational model for the future of tourism that provides a more efficient use of private and public resources. The purpose of an adjustment of the destination company structure is to enhance the tourism industry and achieve more for the public funds allotted to the industry... (p.45)

In 1999, public policy changed again. White papers provided few guidelines; it was the industry's responsibility to find appropriate forms of cooperation. National, regional, and local authorities should neither influence nor prioritize special organizational solutions; instead, tourist organizations were expected to evolve from the industry based on local and regional differences. The next government coalition, on the other hand, promoted processes that allow for a more flexible and powerful structure for tourist organizations (Nærings- og handelsdepartementet, 2007), and in their policies attention was again drawn towards politically stated structures with fewer and larger organizations (Nærings- og handelsdepartementet, 2012).

Today, there are more than 150 tourist organizations in the small country of Norway (Nærings- og handelsdepartementet, 2007), which has as many foreign guest nights as citizens – about five million. Marketing is these organizations' main activity, though coordination, visitor information, destination and product development, booking and sale are also prioritized. The present structure of tourist organizations is not politically stated; each destination is free to establish any appropriate organization. Hence, structures are diverse and demonstrate geographical differences. In most destinations, public authorities either collaborate with or join the tourist organization, though the nature of their involvement varies.

It is important to note that this study emphasizes public sector power in tourist organizations at the macro level, while still acknowledging the influence of a number of factors at the micro level. Given the importance of local and regional government in tourism development and promotion, the public sector should not be seen as a unitary structure (Hall, 2005). The municipalities (430 in Norway) are independent agencies at the local level, while the counties (19) are responsible for policies within cultural affairs, communications, economic development, and regional planning. The municipalities and counties are governed by elected councils and their powers for self-government have been delegated by the State and are set out in legislation. It can be difficult to distinguish the activities of elected officials from those of the public administration and authorities (Hall, 2005). Thus, this study uses 'public sector' as a collective term that embraces public authorities on all levels as well as bureaucracies or agencies that enact and implement the decision of politicians.

Due to public policies emphasize on tourist organizations structured as companies, and the increasing number of LLCs, corporate governance is an interesting subject of study. Tourist organizations structured as LLCs are placed under The Norwegian Company Legislation (Aksjeloven) of 1997. Shareholders exercise their supreme power in a general assembly (§ 5). The manager executes day-to-day management of the organization based on instructions given by the board (§ 6). The board of directors employs the manager, has the ultimate responsibility for company management, and supervises day-to-day management and activities (§ 6). Thus, for tourist organizations, legislation determines aspects of public power including public versus private majority among shareholders, and the proportion of directors from the public sector.

Agency perspective: Public sector as shareholder and director

Agency theory is among the most recognized perspectives in research on corporate governance (Zahra & Pearce, 1989). The unit of analysis within agency theory is the relationship between one party (one or more principals) that delegates work to another (an agent), who performs that work (Jensen & Mecklin, 1976). Organizations, in which owners delegate some decision-making authority to managers, can be seen to contain such relationships. Agency theory explains the organization as a nexus of contracts among many individuals, each with the aim of maximizing their own utility (Clarke, 2004). If all parties are utility maximizers, there is good reason to believe that the agent will not always act in the interests of the principal (Jensen & Mecklin, 1976). In addition, principals are not necessarily a homogeneous group; they may be composed of different sub-groups with different motives. Agency problems may occur when the desires or goals of the principal and agent conflict, and when it is difficult or expensive for the principal to verify what the agent is actually doing (Eisenhardt, 1989).

Some characteristics of tourist destinations and tourist organizations make a principal-agent perspective appropriate. Multiple stakeholders involved in tourism at a destination, with various interests, introduce a high level of complexity and may cause challenges (Sautter & Leisen, 1999). Accordingly, multiple public and private shareholders in a tourist organization may encounter conflicts, including potentially agency conflicts. What are their common goals, and in whose interests should the management act? For example, protection of public interests can lead to public sector involvement in tourism and can motivate formal involvement in a tourist organization. However, public interests are not necessarily equivalent to tourism interests, and developing an area as a tourist destination is not necessarily equivalent to developing a local society. This contradiction between types of utility may cause agency conflicts, which can be influenced by public sector ownership and public sector majority. In whose interest should the public sector act? How shall tourist organizations balance various interests? Who gets what, where, how and why (Lasswell, 1936; Hall, 2007; 2010; 2011)?

Agency theory offers shareholders a pre-eminent position in the organization; shareholders are the principals in whose interest the organization should be run even though they rely on others to run it (Clarke, 2004). The basis of agency theory is the self-interested utility-maximizing individual; thus, the relationship between shareholders and managers is assumed to be problematic, as the principals attempt to prevent their agents from maximizing their own utility (Clarke, 2004). Agency theory highlights the controlling role of the board in monitoring and rewarding the activities and performance of managers (agents) on behalf of their shareholders (principals) (Eisenhardt, 1989; Fama & Jensen, 1983), in order to minimize agency costs and thereby protect shareholder interests (Stiles & Tylor, 2001). However, other interrelated board roles have been identified in addition to the control role (Zahra & Pearce, 1989), such as representing the organization's interests in society, linking the organization with its external

environment, securing critical resources (service tasks), paying attention to elements of the strategic process, and affecting formulation and dissemination of policies (strategic tasks). When considering these, one should also consider in whose interests the directors act. Boards of directors are important and influential decision-making groups. The agency perspective provides a useful framework to discuss the formal power of the public sector in tourist organizations; in terms of both ownership/membership and the formal position as directors.

Resource dependence perspective: Public sector as provider of funding

Resource dependence theory is based on the idea that all organizations depend, often reciprocally, on other organizations for the provision of vital resources (Drees & Heugens, 2013). Power occurs when others have one-sided control over the resources an organization needs badly, the organization does not have many alternative sources, and the organization does not have countervailing power (Emerson, 1962; Pfeffer & Salancik, 2003). In such cases, organizations must interact with those who control vital resources, in order to survive (Pfeffer & Salancik, 2003).

Tourist organizations in general are dependent on public funding. In an international comparative study of tourist organizations in seven different countries and areas, organizations were found to rely on the public sector for at least half, and in many cases up to 80%, of their income (Pearce, 1992). A recent study by Zapata and Hall (2012) found a general dependence on public funding in Spain. The same pattern can be found for Norwegian tourist organizations (Jakobsen, 1998; NHO Reiseliv, 2011).

Finding appropriate finance programs for tourist organizations has long been a challenge for both the public and private sectors in Norway, entailing a number of public reports (Farstad, Skalpe & Troye, 2001; Jakobsen, 1994; 1998), industry-initiated models (Jakobsen, 2005), and pilot projects (Innovasjon Norge, 2008) concerning funding of tourist organizations activities. Both sectors appear to be in constant search for the optimal funding solution. Currently, Norway has a multitude of different funding models for various tourist organizations throughout the country, though in general they are dependent on public funding.

The resource dependence perspective focuses on the external challenges of corporate governance in terms of building relationships and securing resources. The key to organizational survival is the ability to acquire and maintain resources (Pfeffer & Salancik, 2003), including through such actions as board interlocks, alliances, joint ventures, in-sourcing, and mergers and acquisitions (Drees & Heugens, 2013; Hillman, Withers & Collins, 2009; Pfeffer & Salancik, 2003). Interorganizational interdependencies, like those in tourism, explain why formally independent organizations engage in such interorganizational arrangements (Drees & Heugens, 2013). Thus, tourist organizations and destinations may be able to gain competitive advantages by bringing together the knowledge, expertise, capital and other resources of several stakeholders (Bramwell & Lane, 2000; Bramwell & Sharman, 1999; Silkoset, 2004).

From a resource dependence perspective, boards of directors act as links to the external environment (Pfeffer & Salancik, 2003). Directors connect the organization with external factors, which may generate uncertainty and external dependencies (Hillman, Cannella & Paetzold, 2000). The resource dependence role also entails bringing resources to the organization, such as information, skills, access (e.g., to public policy decision-makers), and legitimacy (Drees & Heugens, 2013). Hillman et al. (2000) developed a categorization of the resource dependence roles of directors, labelling them as insiders, business experts, support specialists, and community influencers. The category of community influencers may also be used to describe public sector representative on tourist organizations boards.

Method

Design

Table 2 Data sources, characteristics, and analysis

Sources		Characteristics	Analysis
Surveys	1996: archival records (Jakobsen, 1998)	240 organizations 122 responses from managers	Structural characteristics Descriptive analysis with SPSS
	2008: by the author	153 organizations 97 (63%) responses from managers	
	2010: archival records (NHO Reiseliv, 2011)	100 respondents (managers, marketing directors etc.)	
Interviews	Focus group interviews	37 directors in 7 organizations (Classified as Organization A-G) Semi structured	Recorded and transcribed Analyzed board composition and structural characteristics Registration and categorization of statements
	Managers	Open-ended conversations Personally and on telephone Facts and opinions Elaborate on directors' opinions	
Archival data	Tourist organizations	12 "typical cases" Examined by means of by-laws, annual reports, strategic plans, and markets plans Public sector strategies and plans from the corresponding regional and local authorities	Content analysis Categorization and classification of relevant statements Chronologies Background information
	Newspaper clippings and other media material	Three-year period, 2007-2009 69 units	
	National public policies	Action plans, public strategies, official white papers, public reports, evaluation reports	

This article is based on a case study of Norway. There are many similarities among the Nordic countries regarding the public sector (Baldersheim & Ståhl-

berg, 2003; Hall et al., 2009), the structure of tourism (Gibson, 2006; Grängsjö, 2006; Hall et al., 2009), and the structure of corporate governance (Huse, 2007). Norway provides a good example of the Nordic model of public-private collaboration in tourism, and the Nordic countries have experienced many of the same restructurings of tourism in recent years. The issues examined, the nature of the case (a country), and the historical dimension required broad coverage; thus, survey data were supplemented with interviews and archival data. Table 2 summarizes samples and data sources.

Samples and data sources

Surveys

The main data source was survey data obtained in 1996 and 2008. Applying data from two points in time allowed for a discussion of recent changes in public sector power, which is not only contingently situational but also historically formed (Clegg et al., 2006). Several researchers call for organization studies with an explicit historical dimension (Kieser, 1994; Scott, 2008), an approach also noted as important in understanding collaborative arrangements in tourism (Caffyn, 2000; Grängsjö 2006; Pearce, 1992; Selin & Chavez, 1995; Zapata & Hall, 2012). However, these are not panel data; that is, the same respondents and organizations cannot be connected to each other across the data sets. The 1996 data are archival records collected in connection with doctoral research concerning tourist organizations and funding (Jakobsen, 1998). Managers of 240 organizations from public records received a questionnaire, which 122 answered. Jakobsen (1998) adjusted the population to 168-180 organizations due to many inactive and discontinued organizations; thus, large and highly active organizations were overrepresented in the final sample. In 2008, no national database of tourist organizations existed; thus, the author established a database of 223 organizations using information from numerous public and private sources; contacting them by phone to exclude inactive organizations reduced the database to 153 organizations, from which 97 managers (63%) responded to an electronic questionnaire.

This 2008 questionnaire was a large survey using a mix of open- and close-ended questions, expressed in much the same manner as in 1996, to gather data on leadership and governance. This present study uses 13 questions on structure, ownership, governance, funding, and functions. The Consumer Price Index (www.ssb.no/kpi/) was used to convert economic data from 2008 to 1996 values. The mainly descriptive data analyzes were performed with SPSS 18 for Windows.

Focus groups interviews

Seven semi-structured focus group interviews were conducted with 37 directors of seven tourist organizations, who were considered key informants with first-hand knowledge of tourist organizations and possible public sector influence. The seven organizations varied regarding geographic location, scale, and forms

of structure, ownership, and management; they included one private organization, three public-private partnerships with public majority, and three partnerships with private majority. Three were structured as LLCs. The directors typified several common structural dimensions: public and private sector, business owners, managers and employees, different sectors of the tourism industry and the wider business community, and multiple municipalities (Lathrop, 2005).

The focus group approach provided the opportunity to collect a large amount of information in a limited period, to concentrate on specific topics, and to consider unexpected information. Each focus group interview began with a short presentation of the directors (name, background, current position, and tenure), followed by a number of questions on both general topics and issues specific to their organization. Minor changes were made to the wording and order of the questions after two trial interviews. The author facilitated the interviews, which were conducted as part of regular board meetings, lasted for about one hour, and were recorded and transcribed before analysis. Data from the focus group interviews were analyzed in terms of board composition and structural characteristic, in addition to registration and categorisation of statements reflecting aspects of public sector power, following Morgan (1997).

To supplement the directors' interviews, the author talked to a number of managers, both personally and by phone. These conversations were open-ended efforts to acquire facts and opinions regarding public influence on the tourist organization they were managing and in general. A few of these consultations were used to elaborate on opinions previously expressed by directors in the focus group interviews.

Archival data

A sample of 12 tourist organizations was systematically examined by means of by-laws, annual reports, strategic plans, and market plans that gave detailed information. The selected organizations varied according to size, scale, function, structure, and location, providing a selection of 'typical cases' (Miles & Huberman, 1994) to illustrate aspects of public sector power. Five of these organizations were LLCs. Specific incidents of public sector influence were exemplified through 69 newspaper clippings and other media materials collected over a three-year period. Finally, action plans, public strategies, official white papers and public reports concerning national public policies for tourism were selected and analyzed to capture aspects of public sector influence on a more superior level.

Documents supplying relevant background information were exposed for content analysis which involved categorizing and classifying statements about public sector power in tourist organizations. Public policies and expected implementations (as they appear in empirical evidence from documents and archival records) were placed into one chronology (Yin, 2003). Rich and insightful knowledge of the case and its historical dimensions was attained by combining the survey data from two points in time, interviews, and archival data into one case description.

Results

For clarity of presentation, results are reported on the basis of data sources, starting with the survey data, followed by results from the interviews. Where appropriate, these are supplemented with additional findings from the archival data.

Survey

Key figures for Norwegian tourist organizations in 1996 and 2008 (see Table 3) indicate recent development in structural characteristics. Figures from 1996 and 2008 are supplemented by general results from 2010 from The Norwegian Hospitality Association (NHO Reiseliv, 2011). To facilitate comparison, averages are included and economic figures are recalculated to 1996 values. Regional refers to organizations that cover two or more counties, and DMO refers to organizations that cover two or more municipalities.

Table 3: Key figures for Norwegian Tourist Organizations 1996, 2008, and 2010

1996	#	Revenues (mill.)	Revenues (average, mill.)	Man- labor- year	Man-labor- year (average)	# own- ers/ members	# owners/ members (average)
Regional	4	40	10	23	5,8	573	143
County	9	34	3,8	42	4,7	1070	119
DMO	45	105	2,3	184	4,1	3373	75
Municipality	62	70	1,1	152	2,5	3325	54
Total	120	249	2,0	404	3,4	8341	70

Numbers based on Jacobsen (1998)

2008	#	Revenues (mill.)	Revenues 1996 value (average, mill.)	Revenues 1996 value (average, mill.)	Man- labor- year	Man-labor- year (average)	# own- ers/ members	# owners/ members (average)	
Regional	7	49	38	7	5,4	23	3,3	542	77
County	9	112	87	12	9,6	55	6,1	592	66
DMO	44	198	154	4,5	3,5	169	3,8	2991	68
Municipality	37	166	129	4,5	3,4	119	3,2	2264	61
Total	97	525	407	5,4	4,2	365	3,8	6389	66

Numbers based on survey conducted by the author in 2008

2010	#	Revenues (mill.)	Revenues 1996 value (average, mill.)	Revenues 1996 value (average, mill.)	Man- labor- year	Man-labor- year (aver- age)	# own- ers/ members	# owners/ members (average)	
Total	100	550	407	5,5	4,1	401	4	7500	75

Numbers based on report from NHO Reiseliv (2011)

The first column in Table 3 reports the number and distribution of tourist organizations at different geographical levels. The major change is found at the municipality level which accounted for 52% of the organizations in 1996, but only 38% in 2008. DMOs have remained stable but in 2008 were the largest category, accounting for 45%. The same organizational structure, partly with the same characteristics, persisted even when national public policy shifted. The county level, which national policies proposed to exclude from the organizational model of the 90s, remains stable. In many areas, DMOs were formed in addi-

tion to local organizations, adding an extra level to the structure. Many areas still have tourist organizations at four levels.

In the studied period, tourist organizations experienced a 63 % increase in revenues (1996 values). Regional organizations reduced their revenues, while organizations at all other levels experienced an increase. Organizations at the county level experienced a total 156% increase in income.

The next columns in Table 3 describe size, in terms of number of man-labor-years, and owners/members. In general, there are small changes in numbers of man-labor-years. The average number of employees was 3.8 in 2008, compared to 3.4 in 1996. This number has increased in organizations at the county and municipal levels but decreased in regional organizations and DMOs. Organizations generally remained stable in terms of owners/members. The average number of owners/members per organization dropped from 70 in 1996 to 66 in 2008. Regional organizations, together with county organizations, experienced a major reduction in the number of owners/members. NHO Reiseliv (2011) reports approximately 75 owners/members in each organization in 2010.

According to the 2008 data, the average date on which Norwegian tourist organizations were established was in 1990. A large proportion of the organizations (62%) participating in this survey reported restructurings after their founding year. 9 of 12 tourist organizations that were more systematically investigated reported structural changes, although restructurings seem limited; annual reports refer to changes of names and logos, new departments, and changes in funding models. The same stakeholders remain attached to the organization.

In 1996, 56% of organizations were cooperatives or member organizations, 36% were LLCs (of which the public sector had a majority of 8%), and 8 % were municipal offices (Jakobsen, 1998). In the 2008 survey, 50% of organizations were still cooperatives or member organizations. The proportion of LLCs increased to 45%, though companies with public majority remained stable at 9%. LLCs in which the industry has the majority appeared particularly at the regional level and among the DMOs. The county (44%) and municipal (62%) levels were still dominated by cooperatives and member-based organizations. The county level has a high proportion of LLCs with a public majority (44%). Overall, NHO Reiseliv (2011) reports a public majority in 29% of organizations.

The 2008 survey shows that Norwegian tourist organizations had on average six board members, and 50 of the 97 organizations had one or more public sector representatives on their board of directors (mean = 1, max = 7). NHO Reiseliv (2011) reports the following allocation of board seats: employees in tourism, 47%; employees in other industries, 21%; politicians, 14%; public employees, 10%, employees in tourist organizations, 4%; and external independent, 4%; giving the public sector one quarter of directors on average.

The above findings indicate that the public sector's formal role in Norwegian tourist organizations declined to some extent between 1996 and 2008, resulting in fewer public offices and more LLCs with business majorities. The legitimacy of the public sector is, in that respect, somewhat reduced; organizations are less formally controlled by the public sector. However, the majority of

organizations, both membership and LCCs, have public members or owners with varying levels of influence in the organizations. In terms of governance, the findings show that the public sector plays an important role as directors, with, especially in LLCs, an executive position with influence on strategic decision-making.

Table 4: Funding for Norwegian tourist organizations by sources

	1996	2008	2011
Public funds	42 %	46%	49%
Industry funds:	34%	28%	39%
-Annual payments	(15%)	(17%)	(24%)
-Sales of services	(19%)	(11%)	(15%)
Sales to market	14%	19%	
Other income	10%	7%	12%

Table 4 shows that the public share of revenues (public grants, sale of services and project funding) has increased and now accounts for about 50% of the average income. Revenue from industry comes either as annual payments or as sales of services, and the distribution between them varies in this period. On average, each owner/member contributed 14 000 NOK in 2008 compared to 4 500 NOK in 1996. This means that in 2008, although the industry as a whole accounted for a lower proportion of the total budget, each owner/member on average contributed more.

Focus groups interviews

In the focus group interviews, all boards had public sector representatives (min = 1, max = 3). These were elected representatives from the local democratic bodies, public representatives responsible for local industrial and commercial development, or other public employees from public administration. Three mayors were also directors, holding both public decision-making authority and executive power on the board. Seven of the more systematically examined organizations had public sector directors (min = 0, max = 6).

Only a few boards in the focus group interviews reflected on how they and their tourist organization were influenced by both the public and private sectors. A private sector director in Organization A said:

That means a number of other issues come up than you have on a regular board in a shareholder company. Among other things, that we represent both the business and... and political interests. So... that means it is much more like a social commitment expected of a board like us, than one would expect from a typical business board.

Organization A is the largest in this sample, with both politicians and public employees among the directors. A public sector director from Organization A said:

Disqualification issues are something that has meaning for me, coming from the administration - public administration. Right before I

agreed to join this board I went out from another board because I got impartiality issues, or could get it. So ... and it's clear... in other words... it's easier to be involved in such an organization - a non-profit organization - than a more commercial organization or company. However, there will be issues here affecting what you... that is part of your employment with the municipality, so you must be absolutely clear and accurate in... in how you handle it.

Organization C is a smaller organization on the municipality level; the mayor is one of the directors. The tourism industry is of great importance in this area, and the local tourist organization acts as consultative body:

The municipality would like businesses to report their point of view to us, and we will be listened to by the municipality. The municipality has stated that they look at the tourist organization as a body entitled to comment, which shall speak on behalf of the business community in the municipality. So they said that they want to use us as such a channel, yes.

Difficulties in funding activities were stressed by directors in focus group interviews. Organization G: 'I would say that we have had to struggle and work too much with financial issues of the company. At the expense of what we really should do ... At the sacrifice of the things we really should put work into'. This is not a newly emerging challenge, as illustrated by this short dialogue between two directors in Organization F, starting: 'I attended in the 80s and 90s too, you know. And then there were the same talk', going on: 'one thing – it is all about economy'. A director from Organization A explained a drop in income by the general economic downturn at that time (2008):

One of the dangers of organizations like ours is that... if it goes really badly, everyone asks, 'Why should I be a member?' And suddenly, only municipalities say 'for a common good,' while the others look at the bottom line and say 'we must save money – money must be saved'.

The organizational model from the 90s proposed by national public policy was evaluated in retrospect; one of the major findings was related to difficulties faced by many of the organizations in funding their activities without public grants (Jacobsen, Dybedal & Skalpe, 1996; Nesheim & Mjør, 1994). What tourist organizations produce is difficult to make the object of purchase and sale, and the relationship between market income and annual contributions from the public and the business was 1:1 in 1996 (Jakobsen, 1998). Hence, in connection with the evaluations, managers reported that they had had to change structure, priorities, and activities in accordance with public claims in order to provide funding (Jacobsen et al., 1996; Nesheim & Mjør, 1994). This tendency was also expressed by the directors of today's organizations in the 2008 interviews.

Large shares of income from the public sector are given as project funding, to fulfill specific commitments and goals. Project funding accounted for nearly 20% of the income of tourist organizations in 2008 and could strongly influence

strategies, priorities, and activities for tourist organizations if they change course of action in accordance with current project portfolios. This tendency was emphasized in interviews, exemplified by the following quote from Organization F:

Everything else is reasonably certain; the projects are what make it a little scary and a bit unknown and a bit difficult. And the time horizon of the various projects varies. And sometimes we find that we suddenly become just like a hostage of a project.

In interviews with both boards and managers, unpredictability in financing activities was highlighted as one of the most challenging aspects of running the organizations. As a direct result of this tendency, a few of the interviewed boards had created workgroups to demonstrate the effects of the organization's efforts towards both public and private contributors, in order to secure long-term funding. Difficulties with long-term funding and public sector grants were illustrated in many newspaper clippings concerning tourist organizations. Based on the stated desire to highlight financial issues, it is reasonable to ask whether this visibility in the media about these issues is not random, but rather part of a deliberate strategy.

Discussion

This study found that the public sector has power within Norwegian tourist organizations, that this power seems strongly associated with aspects of corporate governance, and that public resource dependence plays a decisive role.

Regardless of formal structure, public-private partnerships with public ownership/membership are common among Norwegian tourist organizations, giving the public sector legitimate rights. An increased number of LLCs (45 %) place more tourist organizations under Company legislation, with specific rights and responsibilities for the actors in the corporate governance system. Organizations based on memberships are not within this jurisdiction; nonetheless, more or less the same practices for member organizations entail at least the same moral rights. Shareholders can exercise their supreme power in a general assembly. Consequently, the share of public versus private owners affects power. A public sector majority has been reported for 29 % of Norwegian tourist organizations (NHO Reiseliv, 2011), giving the public sector majority and power in the general assembly. In addition, legislation emphasizes the board's responsibility for the management of the company. Public sector representatives on the boards give the public sector power in this important decision-making setting. How this power is manifested is yet to be studied.

Structural characteristics reveal a slight tendency in the studied period towards less public sector ownership, resulting in less formal public sector control and governance of the organizations. However, powerful stakeholders can gain influence, possibly at the sacrifice of traditional democratic mechanisms (Hall, 1999; 2008). There is reason to ask whether the public sector has disproportionate power to influence due to the tourist organizations' reliance on public funds. The organizations ability to structure and finance collaborate activities merely on

industry initiative is limited. In the absence of a suitable and sustainable financing program for tourist organizations, the public sector will be able to influence structure, operations, and activities through public means at both a macro and a micro level. The agency theory offers shareholders a pre-eminent position in the organization (Clarke, 2004). However, this study's findings give reason to ask whether the public sector is instead given preference in tourist organizations due to their importance as providers of funding. This resource dependence can be classified as one-sided and thus entails power; the public sector has control over resources that are badly needed by tourist organizations, which have neither many alternative sources nor countervailing power (Pfeffer & Salancik, 2003). Hence, it is reasonable to ask whether the private sector is willing to accept that the public sector possesses a certain level of power in these public-private partnerships for such reasons.

The historical dimension incorporated in this study proved useful to broaden perspectives. The questions of legitimacy and power matter when it comes to implementing national policies and strategies, as revealed through the review of national policies. The desired public policies have been difficult to fully implement, and strategies have shown to neither give the intended effects nor be sustainable.

Two main issues seem to complicate the implementation of national public policy for tourism at the regional and local levels. First, the county and municipal councils have self-governing power set out by legislation and delegated by the state. For this reason, the means of interpretation and implementation of aspects of the superior national public policies at the regional and local levels can vary according to local conditions and policies. Local authorities have to improve and implement chosen national strategies. One can find examples in the analyzed data (e.g., regional or local policy, newspaper clippings, and annual reports) in which local authorities support their local organizations and seek the best solutions for their specific areas regardless of the national policy, as well as examples in which official national strategies, to a minimal extent, affect regional and local priorities.

Second, organizing tourist organizations as LLCs leaves decision-making authority to the owners; thus, they must follow with the current national policy and change their structure and activities accordingly. The increased number of LLCs with a private sector majority further reduces the public sector's power to change the organizational structure of tourism. Mergers, dissolutions and discontinuations of activities must, according to Norwegian Company Legislation (1997), be decided by majority vote in the general assembly. Consequently, private shareholders may possibly choose to close down their own tourist organization to meet the government's overall policy.

Organizational changes in the 90's were implemented partly by economic incentives, though the structure turned out to be short-lived for many organizations when incentive funds ended. The new organizational changes for the future are also followed by incentive funds. Public sector power cannot necessarily

explain organizational structure, though public sector power through resource dependence could explain many recent reorganizations, priorities and strategies.

The two theoretical perspectives applied turned out to be interrelated. The principal-agent relationship can be described as a contract between two parties, in this case primarily between the shareholders as principals and the manager as agent. However, there are other contractual arrangements in tourist organizations that contain important elements of agency. Findings show that the public share of revenues accounts for about 50% of the average income for tourist organizations. Revenue from industry varies but accounted for between 28% and 39% in the studied period, as a combination of annual payments and sales of services. The underlying membership/ownership of both public and private sectors is one factor to consider; another is the annual payments from both sectors. Annual payments can also be considered contractual relationships, wherein the contributors expect the tourist organization to act in their interests to increase their utility.

The role of boards of directors in an agency perspective is related to control (Zahra & Pearce, 1989); directors act to ensure that the actions of managers serve the interests of shareholders (Fama & Jensen, 1983; Jensen & Mecklin, 1976). The resource dependence perspective also entails considering public sector directors as control of public means. From the resource dependence perspective, directors connect the organization to important external factors (Hillman et al., 2000). The resource dependence role also entails bringing resources to the organization, such as information, skills, access (e.g., to public policy decision-makers), and legitimacy (Drees & Heugens, 2013). These lessons have both managerial and theoretical implications, and should be considered in the development of future policies and future research.

This research has some limitations, which are related to common concerns associated with case studies. First, case study investigators can allow equivocal evidence and biased views to influence the direction of the findings and conclusions. In a case study of a whole country, where the phenomena are studied both contemporarily and historically, enormous amounts of evidence are involved. Selection biases could possibly over- or understate relationships, in which case essential evidence could be overlooked and disregarded. Moreover, case studies provide little basis for scientific generalization, in the sense that common conclusions cannot be drawn. The research strategy and the sample both condition generalization of the results, which for this research is restricted to a single case study in one country. While recognizing these limitations, this study still contributes and provides new knowledge of the public sector as a stakeholder in tourism, as well as the relationships between public and private sectors in collaborative tourist organizations.

Conclusions and future research

In terms of theory building, the findings confirm that the public sector is an important stakeholder in tourism and that the public sector's power to influence as shareholder and director is a factor to consider when studying or managing

tourist organizations. Nevertheless, actual power to affect outcomes varies in several ways: in terms of geographical differences, between different levels of public authorities, between various tourist organizations, and in a historical perspective. This study was done on the macro level, discussing public sector power through a case study investigating tourist organizations in Norway. Further research in other countries and regions is needed to determine whether findings remain valid within other jurisdictions and structures for tourism. The many similarities between the Nordic countries regarding governance and tourism give reason to believe that results are applicable within the Nordic model for public-private partnerships in tourism. Future research may consider investigating this phenomenon on a micro level, for one or a few organizations, focusing on regional and local governmental power and actual use of public power. Findings also provide grounds for suggesting further research addressing corporate governance and internal affairs in tourist organizations; more precisely, by investigating how public sector representatives among the boards of directors influence those boards and their strategic decision-making processes.

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