Leadership in regional tourism governance: a Brazilian case study

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LEADERSHIP IN REGIONAL TOURISM GOVERNANCE:
A BRAZILIAN CASE STUDY

By

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Thesis submitted in fulfilment of the requirements for the degree of
Doctor of Philosophy

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STATEMENT OF ORIGINAL AUTHORSHIP

I certify that the work presented in this thesis is, to the best of my knowledge and belief, original, except as acknowledged in the text, and that the material has not been submitted, either in whole or in part, for a degree at this or any other university.

I acknowledge that I have read and understood the University’s rules, requirements, procedures and policy relating to my higher degree research award and to my thesis. I certify that I have complied with the rules, requirements, procedures and policy of the University (as they may be from time to time).

Flavio Jose Valente

12/10/2016
ABSTRACT

This thesis critically examines and compares two Regional Tourism Organisations (RTOs) in Brazil that have adopted different tourism governance models and principles to fulfil their leadership roles within their respective geographical areas of responsibility and influence. Of note is that the responsibilities and influence of each RTO overlap in seven municipalities in Minas Gerais State, Brazil. This situation presents a distinctive opportunity in the study of RTOs internationally to compare the leadership capacities of RTOs in the management of a shared region, the case study region (CSR) for this study. The two RTOs examined were the “Associação Circuito do Ouro” (the ACO) and the “Instituto Estrada Real” (the IER). While the IER adopted a market governance model, the ACO adopted a hierarchical and network (hybrid) governance model.

Informed by an interpretive and social-constructionist approach, the primary source of information for this study is 36 in-depth, semi-structured interviews with regional destination actors within the CSR’s seven municipalities, where the leadership roles and responsibilities of the two RTOs overlap. The two RTOs operated in complex political, historical and socioeconomic contexts, which presented each with leadership challenges and opportunities.

This study identifies several challenges and opportunities that both RTOs were facing. Both RTOs were challenged to develop four capacities to lead the CSR; namely, the capacities to: produce results; mobilise regional actors; articulate and communicate goals and actions; and articulate roles and responsibilities. The first two capacities are linked to transformational leadership and are found to be associated with a superior performance by the marked-led IER. The latter two capacities are linked to distributed leadership and are associated with a superior performance by the hybrid-led ACO.

The thesis also reveals that key principles of governance, such as participation, efficiency, legitimacy, accountability, efficacy, and transparency, have different influences on each RTO’s capacity to lead. These principles of governance existed to various degrees in each
RTO, with each demonstrating a different level of commitment to individual principles and each performing well in some principles and badly in others over time.

This thesis makes a significant contribution to tourism studies and to studies of RTOs and their leadership. The research builds substantially upon previous studies of RTOs and leadership in tourism contexts. It successfully links studies of destination governance, leadership and RTOs, and presents an applied and theoretically informed conceptual leadership framework for researching regional destinations. The findings of this thesis provide greater insights in the challenges, opportunities and capacities of RTOs and how these can be identified and, indeed, informed by leadership theories. The study demonstrates the impact of governance models and principles upon leadership practices in RTOs and presents a valuable and detailed platform for further international work in the field.
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To God be the Honor and Glory!

“If people could see that changes come about as a result of millions of tiny acts that seem totally insignificant, well then they would not hesitate to take those tiny acts.”

Howard Zinn

“Certainly, all historical experience confirms the truth - that man would not have attained the possible unless time and again he had reached out for the impossible.”

Max Weber
PUBLICATIONS AND AWARDS ASSOCIATED WITH THIS THESIS

REFERRED JOURNAL ARTICLES


REFERRED CONFERENCE PAPERS
[https://www.researchgate.net/profile/Flavio_Valente/publication/260312106_What_type_of_organisation_is_best_to_lead_regional_tourism_Beyond_the_dogma_of_the_market_model_of_regional_tourism_governance/links/00b49530c2b99cf0a4000000.pdf](https://www.researchgate.net/profile/Flavio_Valente/publication/260312106_What_type_of_organisation_is_best_to_lead_regional_tourism_Beyond_the_dogma_of_the_market_model_of_regional_tourism_governance/links/00b49530c2b99cf0a4000000.pdf). Chapters 5 and 6 of this thesis are based on the findings and discussions of this paper.
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# TABLE OF CONTENTS

Chapter 1 – INTRODUCTION ............................................................................................................. 1  
 1.1 Background – RTOs in Brazil: A Challenge to Leadership ......................................................... 1  
 1.2 Research Aim and Objectives ........................................................................................................ 4  
 1.3 The Case Study Region (the CSR) .................................................................................................. 5  
 1.3.1 ‘Associação Circuito do Ouro’ (ACO): RTO 1 ........................................................................... 8  
 1.3.2 ‘Instituto Estrada Real’ (IER): RTO 2 .................................................................................... 8  
 1.4 Research Approach ....................................................................................................................... 9  
 1.5 Research Significance .................................................................................................................... 10  
 1.6 Outline of this Thesis ..................................................................................................................... 12

Chapter 2 – LITERATURE REVIEW ................................................................................................. 15  
 2.1 Introduction ................................................................................................................................... 15  
 2.1.1 Tourism Destination and Regional Destination ........................................................................ 15  
 2.1.2 Dimensions of Destination Management and the Focus of this Thesis .................................. 17  
 2.2 Governance ................................................................................................................................... 19  
 2.2.1 Destination Governance ........................................................................................................ 22  
 2.2.2 Destination Governance Principles ....................................................................................... 24  
 2.2.3 Destination Governance Models ............................................................................................ 30  
 2.3 Leadership ..................................................................................................................................... 40  
 2.3.1 Traditional Leadership Theories .......................................................................................... 41  
 2.3.2 Integrative Leadership Theories ........................................................................................... 43  
 2.4 Regional Tourism Organisations .................................................................................................. 47  
 2.4.1 Examples of RTO Arrangements across Different Countries ............................................... 48  
 2.4.2 The Acceptance of RTOs as Regional Leaders ................................................................... 52  
 2.4.3 Challenges to RTOs’ Leadership and Related Required Capacities to Lead ....................... 54  
 2.4.4 Conceptual Framework for Researching RTO Leadership on Regional Destination ............. 57  
 2.5 Conclusion .................................................................................................................................... 59

Chapter 3 – THE CASE STUDY ....................................................................................................... 62  
 3.1 Introduction ................................................................................................................................... 62  
 3.2 Historical Context: The Roots of Governance and Leadership Challenges ............................... 62  
 3.3 The Evolution of Brazilian Tourism Governance ......................................................................... 65  
 3.4 Minas Gerais Tourism Governance: RTOs Operating in Overlapping Regions ......................... 71  
 3.4.1 The “Circuitos Turísticos” ..................................................................................................... 73  
 3.4.2 The “Estrada Real” ............................................................................................................... 78  
 3.5 Conclusion ................................................................................................................................... 83

Chapter 4 – METHODOLOGY ......................................................................................................... 86  
 4.1 Introduction ................................................................................................................................... 86  
 4.2 Ontology and Epistemology ......................................................................................................... 86  
 4.3 The Interpretive Paradigm and Constructionist Position .............................................................. 88  
 4.4 Abductive Approach ..................................................................................................................... 90  
 4.5 Embedded and Comparative Case Study ...................................................................................... 91  
 4.6 Data Collection ............................................................................................................................. 93  
 4.6.1 Desk Study of Secondary Data ............................................................................................ 94  
 4.6.2 Gaining Access to Key Informants ...................................................................................... 95  
 4.6.3 Ethical Considerations .......................................................................................................... 98  
 4.6.4 In-depth, Semi-structured Interviews .................................................................................. 99  
 4.6.5 Round 1 Interviews ............................................................................................................ 100  
 4.6.6 The Interactive Discussion Tool .......................................................................................... 102  
 4.6.7 Round 2 Interviews ............................................................................................................ 103
## Chapter 5 – FINDINGS AND DISCUSSION I

### THE CHALLENGES, OPPORTUNITIES, CAPACITY OF THE RTOS TO LEAD

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1 Introduction</td>
<td>112</td>
</tr>
<tr>
<td>5.2 Findings Linked to Transformational Leadership</td>
<td>113</td>
</tr>
<tr>
<td>5.2.1 Capacity to Mobilise (L1)</td>
<td>114</td>
</tr>
<tr>
<td>5.2.2 Distrust and Isolation among Tourism Actors (C1)</td>
<td>115</td>
</tr>
<tr>
<td>5.2.3 Poor Participation from the Private Sector (C2)</td>
<td>117</td>
</tr>
<tr>
<td>5.2.4 Capacity to Clearly Produce Concrete and Visible Results (L2)</td>
<td>119</td>
</tr>
<tr>
<td>5.2.5 Resource Dependence (C3)</td>
<td>121</td>
</tr>
<tr>
<td>5.2.6 Social Issues (C4)</td>
<td>124</td>
</tr>
<tr>
<td>5.2.7 Shared Goals (O1)</td>
<td>126</td>
</tr>
<tr>
<td>5.2.8 Transformational Leadership Theory Informing Challenges,</td>
<td>130</td>
</tr>
<tr>
<td>Opportunities, and Respective Capacities Required of the two RTOs to</td>
<td></td>
</tr>
<tr>
<td>Lead</td>
<td></td>
</tr>
<tr>
<td>5.3 Findings Linked to Distributed Leadership</td>
<td>132</td>
</tr>
<tr>
<td>5.3.1 Capacity to Articulate Goals and Actions (L3)</td>
<td>133</td>
</tr>
<tr>
<td>5.3.2 Overconfidence in Spontaneous Tourism (C5)</td>
<td>134</td>
</tr>
<tr>
<td>5.3.3 Capacity to Articulate Roles and Responsibilities (L4)</td>
<td>136</td>
</tr>
<tr>
<td>5.3.4 The Public Sector’s Poor Understanding of Public Policies and</td>
<td>138</td>
</tr>
<tr>
<td>the Translation and Articulation of these to Produce Effects (C6)</td>
<td></td>
</tr>
<tr>
<td>5.3.5 Changes in Political Representatives and Heads of Department (C7)</td>
<td>140</td>
</tr>
<tr>
<td>5.3.6 Tourism Regionalisation Policies (O2)</td>
<td>143</td>
</tr>
<tr>
<td>5.3.7 Distributed Leadership Theory Informing Challenges, Opportunities, and Respective Capacities Required of the two RTOs to Lead</td>
<td>145</td>
</tr>
<tr>
<td>5.4 Contingency Leadership Theory Informing Challenges, Opportunities, and Respective Capacities Required of the Two RTOs to Lead</td>
<td>147</td>
</tr>
<tr>
<td>5.5 Conclusion</td>
<td>149</td>
</tr>
</tbody>
</table>

## Chapter 6 – FINDINGS AND DISCUSSION II

### GOVERNANCE MODELS AND PRINCIPLES: COMPARISONS AND IMPACT ON THE CAPACITY OF THE RTOS TO LEAD

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1 Introduction</td>
<td>151</td>
</tr>
<tr>
<td>6.2 The Governance Models Adopted by the RTOs and the Impact on their</td>
<td>151</td>
</tr>
<tr>
<td>Respective Capacities to Lead</td>
<td></td>
</tr>
<tr>
<td>6.2.1 The Governance Model of the ACO</td>
<td>152</td>
</tr>
<tr>
<td>6.2.2 The Governance Model of the IER</td>
<td>158</td>
</tr>
<tr>
<td>6.2.3 The Impact of the Governance Models on the RTOs’ Capacities to</td>
<td>162</td>
</tr>
<tr>
<td>Lead</td>
<td></td>
</tr>
<tr>
<td>6.3 The Governance Principles Adopted by the RTOs and the Impact on</td>
<td>165</td>
</tr>
<tr>
<td>their Respective Capacities to Lead</td>
<td></td>
</tr>
<tr>
<td>6.3.1 The Governance Principles of the ACO</td>
<td>166</td>
</tr>
<tr>
<td>6.3.2 The Governance Principles of the IER</td>
<td>172</td>
</tr>
<tr>
<td>6.3.3 The Impact of the Governance Principles on the RTOs’ Capacities</td>
<td>177</td>
</tr>
<tr>
<td>to Lead</td>
<td></td>
</tr>
<tr>
<td>6.4 Conclusions</td>
<td>181</td>
</tr>
</tbody>
</table>

## Chapter 7 – CONCLUSIONS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1 Introduction</td>
<td>185</td>
</tr>
<tr>
<td>7.2 Summary of the Thesis Findings and Research Objetives</td>
<td>186</td>
</tr>
</tbody>
</table>
7.3 Contributions of the Study ................................................................. 202
7.4 Limitations of the Study and Recommendations for Future Research .......... 206
7.5 Concluding Remarks ........................................................................ 209

References 211

Appendices 239
APPENDIX 1 - Issues Raised during the Round 1 of Interviews ....................... 240
APPENDIX 2 - Leadership Framework for the Round 2 of Interviews .................. 241
APPENDIX 3 - Information Statement ......................................................... 247
APPENDIX 4 - Consent Form ..................................................................... 248
LIST OF FIGURES

Figure 1.1 – The Case Study Region Map .................................................................07
Figure 2.1 – Destination Management Framework and the Focus of this Thesis ........19
Figure 2.2 – Destination Governance Models ..........................................................39
Figure 2.3 – Conceptual Framework for Researching RTO Leadership in Regional Destination .................................................................58
Figure 3.1 – Tourism Structure in Brazil .................................................................69
Figure 3.2 – Organisational Chart of the ACO ......................................................77
Figure 3.3 – Organisational Chart of the IER .........................................................82
Figure 4.1 – The Case and the Sub-Cases ...............................................................93
Figure 6.2 – Relationships between Governance Principles and Capacity to Lead ....178

LIST OF TABLES

Table 2.1 – Governance Principles Applied to Destination ..................................28
Table 3.1 – Historical Facts Influencing Tourism Governance and Leadership Capacity in Brazil and the CSR .................................................................64
Table 4.1 – Overview of the Participants ............................................................97
Table 4.2 – Round 1 of Interviewees ..........................................................101
Table 4.3 – Round 2 of Interviewees ..............................................................104
Table 5.1 – First Set of Findings Linked to Transformational Leadership ............113
Table 5.2 – Second Set of Findings Linked to Distributed Leadership .................133
Table 6.1 – The Impact of the Governance Models adopted by the RTOs on their Capacity to Lead .................................................................165
LIST OF ABBREVIATIONS

The following abbreviations are used throughout the thesis:

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACO</td>
<td>Associação Circuito do Ouro</td>
</tr>
<tr>
<td>ATB</td>
<td>Area Tourism Board</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>COMTUR</td>
<td>Municipal Tourism Council</td>
</tr>
<tr>
<td>CNTur</td>
<td>Conselho Nacional de Turismo</td>
</tr>
<tr>
<td>CSR</td>
<td>Case Study Region</td>
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<tr>
<td>DIP</td>
<td>Department of Press and Propaganda</td>
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<tr>
<td>DMO</td>
<td>Destination Management Organisation</td>
</tr>
<tr>
<td>EMBRATUR</td>
<td>Empresa Brasileira de Turismo</td>
</tr>
<tr>
<td>ER</td>
<td>Estrada Real</td>
</tr>
<tr>
<td>FIEMG</td>
<td>Federation of Industries of Minas Gerais</td>
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<tr>
<td>FUMTUR</td>
<td>Municipal Tourism Funds</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>IDT</td>
<td>Interactive Discussion Tool</td>
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<td>IER</td>
<td>Instituto Estrada Real</td>
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<tr>
<td>NGO</td>
<td>Not-for-Profit, Non-Government Organisation</td>
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<td>NSWTC</td>
<td>New South Wales Tourism Commission</td>
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<td>NTP</td>
<td>National Tourism Plan</td>
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<td>National Tourism System</td>
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<td>RTB</td>
<td>Regional Tourism Board</td>
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<td>RTO</td>
<td>Regional Tourism Organisation</td>
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<td>SETUR</td>
<td>State Tourism Department of Minas Gerais</td>
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<td>Programa Nacional de Municipalização do Turismo</td>
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<td>PPP</td>
<td>Public Private Partnership</td>
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<td>TRP</td>
<td>Tourism Regionalisation Program</td>
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<td>Tourism New South Wales</td>
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<td>TURMINAS</td>
<td>Minas Gerais State Tourism Department</td>
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<td>UNESCO</td>
<td>United Nations Educational, Scientific and Cultural Organisation</td>
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</table>
Chapter 1 – INTRODUCTION

1.1 Background – RTOs in Brazil: A Challenge to Leadership

Tourism in Brazil has its roots in Portugal’s quest for new maritime routes, lands and gold in the 18th and 19th centuries. While Portuguese occupation primarily enriched those exploiting the mineral resources of Brazil, it also left a legacy of immense historical and cultural heritage which, when coupled with the natural beauty of the country, provided a tourism destination awaiting development and international discovery. However, it was not until the 1980s that Brazil embraced tourism development as one of its primary drivers of economic development. This development stemmed directly from profound political changes that occurred in Brazil in the late 1980s.

After almost 20 years of authoritarian dictatorial rule (1964–1985), Brazil went through a deep process of re-democratisation and opened its doors to economic neoliberalisation and globalisation. Many social, political, and institutional reforms were introduced to modernise the economy and facilitate social progress. As part of the changes, Brazil pursued financial decentralisation and introduced reforms in public administration and governance structures which sought to minimize the historical dominance of a heavy-handed bureaucracy (Valente, Dredge & Lohmann 2014a). This new approach brought challenges for the political leadership of Brazil, including the need for the development of institutional structures and processes to reposition the country as more economically accessible and globally competitive (Araujo & Dredge 2012).

These reforms led to a significant change in the way tourism was managed (Araujo 2011; Ministerio do Turismo do Brasil 2012a). New governance measures were introduced, and these included: a withdrawal from direct involvement of the state; a shift towards facilitating and empowering business and non-government actors to develop tourism; and a stimulation of capital investment and market demand rather than direct investment in the
tourism “product”. A further significant change was the introduction of new models of
tourism governance, one of which was the incorporation of public-private partnerships
(Araujo & Bramwell 2002). To put these new measures into practice, the official tourism
governance structure of the country was increased from three to four levels. At the federal
level, the Ministry of Tourism set the nationwide tourism direction. State tourism agencies
were assigned responsibility for the development and implementation of state-wide
tourism policy based on federal direction. The third tier organisations were the “Instancias
Regionais de Governança” – known as Regional Tourism Organisation (RTOs) – and these
were given responsibility to develop destination management, including governance and
leadership within their regions. At the fourth level, municipal tourism departments became
responsible for tourism at the local level (Ministerio do Turismo do Brasil 2012a). Thus,
institutional responsibility effectively moved from the centre to the regional and local
levels, and leadership was decentralised, passing from the national government to RTOs in

The new governance measures also included the establishment of regionalisation policies
by both the federation and states (Barbará, Leitão & Fontes Filho 2007; Emmendoerfer
2008; Machado & Tomazzoni 2011; Trentin & Fratucci 2011). Particularly interesting
aspects of this development have been the devolution of responsibility for the achievement
of regional destination goals to the RTOs, and within this context, the growth, and
development of different capacities to lead under different destination governance
strategies and models that RTOs adopted. The implementation of regional tourism policies
and regional destination management resides with the RTOs throughout Brazil, and it is
expected that they will contribute to the touristic, economic and social development of
their respective regions (Fortes & Mantovaneli Junior 2009). It means that among other
responsibilities, two major destination management expectations fall on RTOs: destination
governance; and destination leadership. In terms of destination governance, RTOs provide
power sharing, collaboration and joint resourcing arrangements between different regional
sectors and actors (Ansell & Gash 2008; Blichfeldt, Hird & Kvistgaard 2014; Bramwell &
Lane 2011). Regarding destination leadership, it is expected of RTOs that they are capable
of leading their regions towards the achievement of sustainable and shared destination goals.

For many reasons, expectations of leadership of this magnitude are not easily achievable in the context of regional destinations, not only in Brazil but also around the world. Some of the reasons include:

- the regional destination industries can be small and highly fragmented (Dredge & Jenkins 2003);
- there are constant tensions between destination actors due to their different expectations and it is a challenge to establish agreed tourism goals among diverse actors, agencies and sectors (Dredge & Jenkins 2003; Getz & Timur 2012);
- the roles of destination actors can be blurred and sometimes their responsibilities overlap (Jenkins 2000);
- there can be a lack of expertise and social capital within the local community (Barca, McCann & Rodríguez-Pose 2012; Foster-Fishman et al. 2001; Zhao, Ritchie & Echtner 2011); and
- there is no consensus in the scholarly literature about which destination governance models might facilitate or inhibit leadership (Dredge & Jenkins 2003; Morrison 2013; Valente, Dredge & Lohmann 2014b).

Based on the context described above, and the more detailed review of literature in Chapter 2, four key questions arose:

1. What, from the perspectives of the regional destination actors, are the necessary capacities of RTOs to lead a regional destination?
2. What types of leadership might result from the adoption of these differing destination governance models and principles that the RTOs adopted?
3. Which model of destination governance offers superior leadership for regional destinations?
4. Is strong leadership synonymous with the governance of RTOs in regional tourism contexts and settings?
Addressing these questions required careful selection of RTOs for the study. Two RTOs were selected because they portray particular characteristics. The first characteristic is the overlapping leadership roles of the two RTOs in a geographic location (the case study region). The second is that each RTO has adopted a different destination governance model: one RTO is market-led; and the other is hierarchical- and network-led (i.e. hybrid). In other words, the case study region is under the leadership of two RTOs, each with a different model of governance. These characteristics present a unique opportunity to compare and contrast leadership within the Brazilian context. Furthermore, a close examination of the two RTOs within the case study region provides an excellent opportunity to draw lessons about leadership.

My motivation for undertaking this study emerged after several observations that I made during more than 25 years working within different sectors of the tourism industry and the academy. These observations, both practical and theoretical, consistently identified a lack of understanding of leadership, particularly in regional destination management.

1.2 Research Aim and Objectives

Five Research Objectives underpin the study:

- **Research Objective 1** – to critically review current knowledge of destination management, particularly regarding the intersection of leadership theories, destination governance models and principles, and RTOs.

- **Research Objective 2** – identify the common challenges and opportunities that the ACO and the IER are facing to lead the CSR, and their respective required capacities to lead.

- **Research Objective 3** – to analyse how leadership theories can be applied to the challenges and opportunities to address the respective capacities required to lead the case study region.
Research Objective 4 – to compare and contrast the destination governance models and principles adopted by the two RTOs.

Research Objective 5 – to explain how the different destination governance models and principles, adopted by the RTOs under study, impact on their individual and collective capacities to lead.

1.3 The Case Study Region (the CSR)

The case study region (CSR) is a geographical location within Minas Gerais State, Brazil, comprised of seven municipalities. The municipalities are Rio Acima, Itabirito, Ouro Preto, Mariana, Congonhas, Ouro Branco, and Piranga (see Figure 1.1). In terms of tourism, the CSR is important to Minas Gerais State and to Brazil because its towns were built during the gold rush in the 18th century, a period during which the Portuguese colonisation of the country was consolidated. From this period there was left a significant cultural heritage, which includes museums, churches, cultural centres, archaeological sites, farms, sanctuaries, and historic houses. Indeed, in 1980 Ouro Preto was declared by the United Nations Educational, Scientific and Cultural Organisation (UNESCO) a world heritage site, due to the presence of rare elements of the colonial style. Moreover, the CSR is economically vital to Minas Gerais State due to its rich mineral deposits, including iron ore. The CSR has become important as an economic and touristic geographical location where mining and tourism industries need to develop simultaneously and sustainably.

In order to better develop tourism in all regions of the Minas Gerais State (including the CSR) and following the decentralisation of tourism management in Brazil in the late 1990s, two different tourism governance models were created within Minas Gerais State. The first tourism governance model is prescriptive, where public tourism governance is based on the tourism policies of the Minas Gerais State and the administrative/political boundaries of the state’s municipalities. This model is represented by the ACO. The second governance model is based on historical tourism product boundaries and is represented by the IER. The coverage area of the ACO overlaps the coverage area of the
IER across the seven municipalities (see Figure 1.1). Thus, the CSR is a geographical area under the leadership influence of two different RTOs (the ACO and the IER).

Both RTOs have been operating for approximately sixteen years and are very well known. Both RTOs are widely regarded as prestigious tourism organisations in Brazil, and each has an accumulation of experience and publicly available materials, such as documented strategies, activities and decisions, as well as internal information, which can be used for detailed research, comparison and analysis.
Figure 1.1 – The Case Study Region Map

Source: Adapted from Valente, Dredge & Lohmann, 2015.
1.3.1 “Associação Circuito do Ouro” (ACO): RTO 1

The “Associação Circuito do Ouro” (ACO) is an association established in 2001 as an initiative of the State Tourism Department of Minas Gerais (SETUR-MG) in alignment with the Tourism Regionalisation Program, the official tourism program of federal and state governments. The main objective of the ACO is to support sustainable tourism development in the 17 municipalities for which it is responsible, including those seven municipalities of the CSR (Ricci 2012). The tourism departments of each municipality (the public sector) dominate the ACO’s membership, and its resources are principally derived from public funds generated by the membership base of these municipalities. The ACO is strongly influenced by the public sector, however, it also has members from the private sector and from the third sector, which includes non-government and not-for-profit organisations. For this reason, although there is a predominance of a hierarchical model of tourism governance (see Section 1.1 and Chapter 3), the ACO is characterised as having a hybrid tourism governance, that is, hierarchical (government-led) and network (Beaumont & Dredge 2010; Hall 2011).

1.3.2 “Instituto Estrada Real” (IER): RTO 2

The “Instituto Estrada Real” (IER) was established in 1999 as a not-for-profit organisation and non-government organisation (NGO) through an initiative of the Federation of Industries of Minas Gerais (FIEMG). FIEMG is the peak body of Minas Gerais industry (industries in general), and its objective is to improve the industry sector within the Minas Gerais State. The main objective of the IER is to develop and market a major tourism product known as “Estrada Real” (ER) or “Royal Road” along with all the major axes of the road. It sets about achieving this objective through diagnoses of tourism potential and development, and improvement of infrastructure and use of special icons (Instituto Estrada Real 2012). For the purposes of this study, the IER is characterised as having a market-oriented tourism governance model.
The ER is 1,600 km long and covers 80,000 square kilometres from Diamantina to Paraty (Figure 1.1). Originally, ER was an ancient royal road opened up more than 300 years ago by the Portuguese Crown to transport gold and diamonds from the countryside (Diamantina) to the port of Rio de Janeiro. The ER has similarities to the pilgrimage route “Camino de Santiago” (The Way of St. James) located in Spain. Due to the extent of the geographical area involved, the IER has set up five regional branches to manage its activities and initiatives across the region. One branch is located in Ouro Preto city, which comprises 22 municipalities (Instituto Estrada Real 2012), including those seven shared with the ACO. The ER has evolved into a major program supported by both federal and state governments. According to SETUR-MG, ER is the most important tourist product in the State of Minas Gerais (SETUR 2015).

1.4 Research Approach

The huge changes in terms of new tourism governance structures within Brazil and Minas Gerais State discussed above puts the leadership role of the RTOs at the forefront of the picture. However, leadership itself is not a straightforward concept. This research characterises leadership as a social process in which there are complex interactions between actors (individual and organisations) within the context of the region. Leadership is defined as being the result of negotiation; that is, the sharing of meaning and actions (collective or individual) taken towards some shared goal (DuBrin, Dalglish & Miller 2005; Grint 2005; Maximiano 2002; Northouse 2009). Leadership is construed and takes on different meanings within the everyday activities of the regional destination and, for this reason, it is interpreted as a concept that is at the same time both tangible (such as a formal position) and intangible (such as an experience, a conversation, or the “soft” power of a charismatic actor) (Bolden, Petrov & Gosling 2009; Chemers 2014; Tourish 2014). This ontological positioning influenced the adoption of an interpretive social constructionist paradigm with a mixed method research strategy and an embedded and comparative case study using secondary research as well as primary data collection, through in-depth, semi-structured interviews.
This research adopted an embedded case study approach, which permitted the comparison of the capacities of two different RTOs to lead. An embedded case study is a case study containing more than one sub-unit of analysis (Yin 2009). In this study, the sub-units were two RTOs (the ACO and the IER) operating under different governance arrangements within the same geographical region. Secondary research was used to gather empirical evidence and to create understandings about leadership in the context of regional destinations. Information was derived from online searches of the ACO and the IER policy documents, journal articles, magazine articles, and government reports. This background documentation provided some important details about the two RTOs, such as their organisational structure and mission, and the names of key staff.

In addition, this study gathered primary information from the CEOs of each RTO and other actors involved with both RTOs to obtain their perceptions about leadership and tourism governance. Semi-structured interviews with thirty-six participants were used in which the interviewees were encouraged to voice their perceptions, attitudes and values about the leadership performance of the respective RTOs (Bryman & Bell 2015). By way of a critical discussion and analysis, this research evaluates two different governance arrangements (i.e. models and principles) and the way that leadership is practised within these settings. The significance of this research is described below.

1.5 Research Significance

Leadership has been the subject of research in a wide range of fields. For example, there is a robust body of research about this topic that crosses into organisational and business studies where leadership has been a theme of research for some decades (Bass 1999; Bass & Bass 2008; Borkowski 2005; Bryman et al. 2011; Carroll & Buchholtz 2014; Daft & Lane 2008; Grint 2005; Northouse 2009; Schein 2004). Research within the organisations and business fields has generally focused on the characteristics of individuals with formally designated roles (Clegg, Hardy & Nord 1999; Kirkpatrick & Locke 1991; Lussier & Achua 2009). In this literature, leadership is synonymous with improved profitability, competitiveness, market position, and brand awareness. Traditionally, in the context of this
literature, leadership has been broadly conceptualised as the process through which a leader (usually an individual) is able to achieve a set of mutually agreed goals through the mobilisation of followers (Burns 1978).

However, leadership is “slippery” and difficult to define and the means of analysing leadership are heavily debated and foci are diverse, for example, across disciplines (Maximiano 2002; Raelin 2012; Spicker 2012; Spillane, Halverson & Diamond 2004; Stogdill 1974). In the field of organisational psychology, for example, studies of leadership interrogate the personal characteristics and humanistic qualities of leaders (Haslam, Reicher & Platow 2012; Maslow 1987; Messick & Kramer 2004; Spisak et al. 2011; Tiffany 1999; Vecchio, Justin & Pearce 2008). Much of this research focuses on the personal characteristics, behavioural traits and professional qualities of leaders where the unit of analysis is often the individual within a company (Daft & Lane 2008; Derue et al. 2011; Gibb 1947; House 1977; Kirkpatrick & Locke 1991; Nunes, Cruz & Pinheiro 2012; Peters & Austin 1985).

The tourism literature on leadership has had a narrow focus and has tended to examine destination management, including destination governance, without drawing from the rich insights contained within the broader leadership literature (Beritelli & Bieger 2014). Leadership in the context of regional tourism has been the subject of little attention despite the critical role it plays and the increasing trend towards collaboration in the development of regional destinations. A key reason for the rarity of studies on leadership in regional destinations is that in such destinations, the concept of leadership itself is problematic. (Benson & Blackman 2010; Dredge & Pforr 2008; Pechlaner, Kozak & Volgger 2014; Robertson 2011). In this context, leadership can be problematic because leaders might be represented not only by individuals but also by organisations and coalitions of interests and/or governments (Valente, Dredge & Lohmann 2014a). However, leadership in regional destinations requires greater attention if destination planning and management are to be more effective (Bramwell & Lane 2011; Dredge & Jenkins 2003).
This research is based on the premise that there are five key areas regarding leadership and governance of regional destinations that need to be addressed (Beritelli & Bieger 2014; Blichfeldt, Hird & Kvistgaard 2014; Slocum & Everett 2014; Zehrer et al. 2014), these being:

1. The need to identify the manner in which RTOs can identify the key challenges and opportunities within destinations and provide adequate leadership to resolve them.

2. The need to determine what support is effective in a destination and identify which leadership capacities are more (or less) effective (Valente, Dredge & Lohmann 2014a).

3. The need for the development of a better understanding of the connection between leadership theories and governance theories (Chait, Ryan & Taylor 2005; Helms 2012; Lord et al. 2009), and particularly between leadership and governance principles and models.

4. The impact of regional destination governance principles and models upon leadership practice (Flores 2009; Madrid 2008).

5. The need to consider how leadership might be better practised under different destination governance principles and models (Bramwell & Lane 2011; Rog 2012).

Each of these five areas is explored in this thesis.

### 1.6 Outline of this Thesis

Chapter 2 critically reviews three broad and intersecting bodies of destination management literature: (i) destination governance; (ii) leadership theories; and (iii) RTOs. Under these three bodies of literature, several themes are discussed. These themes include: regional
destinations; destination governance principles and models; trait, behavioural, contingency, transformational, and distributed leadership theories; and the roles of the RTOs, and their capacities required to lead. The chapter concludes with the presentation of a Conceptual Leadership Framework for critically examining RTOs within their regional destinations.

Chapter 3 identifies general challenges and opportunities for destination governance and leadership in Brazil, and provides a critical overview of the current Brazilian destination governance structure, the Minas Gerais State tourism context, and a more detailed background for the CSR and the two RTOs (the ACO and the IER).

Chapter 4 explains and justifies the study’s methodology, including the paradigm, the strategies employed during data collection, and the ways in which data were analysed.

Chapter 5 presents the findings regarding the common challenges and opportunities that the ACO and the IER are facing to lead the CSR, and their respective required capacities to lead. The chapter also explores the links between those capacities required to lead by the RTOs and theories of leadership.

Chapter 6 presents comparisons between the governance principles and models adopted by the two RTOs under study and how these differing governance principles and models impact their respective individual and collective capacities to lead.

Chapter 7, the concluding chapter, presents the summary of the study findings, the limitations of the study, and directions for further research. It concludes with a detailed consideration of the implications of the study’s findings for theories of leadership, particularly in regional tourism settings but also studies of leadership more generally.
Chapter 2 – LITERATURE REVIEW

2.1 Introduction

The aim of this chapter is to critically review current knowledge of three intersecting bodies of literature within tourism destination management studies: destination governance; destination leadership; and RTOs (Research Objective 1). This chapter commences with a review of relevant concepts, such as destinations, regional destinations, and destination management (Section 2.1). Section 2.2 focuses on governance generally, and destination governance specifically, with particular attention given to destination governance principles and models. Section 2.3 discusses two key sets of leadership theories (traditional and integrative), and Section 2.4 presents RTOs’ leadership roles around the world, and their general challenges and respective required capacities to lead. This section also includes a conceptualisation of RTOs’ leadership in a regional destination. The chapter concludes with a discussion of the key themes and issues reviewed.

2.1.1 Tourism Destination and Regional Destination

Tourism is fundamentally a place-centred phenomenon at different scales (Urry 1995), and tourism destination is the fundamental unit of analysis in tourism (Scott, Baggio & Cooper 2008; Smith 2014). This thesis uses the term “tourism destination” interchangeably with “destination” to refer to a “geographical location, distinct from a traveller’s origin, in which the activity of tourism is conducted, and tourism product and services are consumed” (Dredge & Jenkins 2007). Similarly, the term “tourism region” is used interchangeably with “regional destination” and, according to these same authors, refers to the “geographical location in which common characteristics and synergies exist between tourism products and services within a politico-administrative framework” for planning and management (Dredge & Jenkins 2007 p.289). In the Brazilian context, the term
“regional” is commonly used as a geographical “unit for functional, social or cultural (including tourism) reasons nested territorially beneath the level of the federal or state, but above the local or municipal level” (Cooke 2005 p.2).

Despite the importance of these definitions, this study acknowledges that in terms of a complex and social process such as leadership, the formal politico-administrative boundaries of a territory are not the most critical dimensions. As Keating (1998 p.8) argues:

Territories as places are more than mere lines on the map. They are constituted by function, by culture and shared identity, by political mobilisation and leadership, and by institutions. The resulting functional, cultural, political and institutional meanings of territory do not always coincide.

Keating’s statement stresses the need to go further than the territorial arrangement of any homogeneity and to reflect regions as involving the linking of social relationships. Additionally, from the perspective of a tourist, discussions related to the concept of a regional spatial configuration are often irrelevant because the frontiers or perceived characteristics of a destination region do not necessarily match political or administrative limits and boundaries (Jenkins 2000). However, the regional destination provides a particularly interesting site for investigation, given that the regional destination often comprises a fragmented set of small and medium-sized enterprises, and is often typecast as being immature and lacking the capacity for organisation and leadership (Murphy & Murphy 2004).

Independent of size, regional destinations have four important inherent elements: (i) the development of economic clusters; (ii) the attraction of specific types of investment; (iii) the reaffirmation of local interests; and (iv) their differentiation from other regions to establish a reasonable position in competition with other destinations. In theory, the combining of resources at a regional scale reinforces and strengthens the tourism product and allows the formation of a final product that is of far higher value than individual products. As a result, a regional destination may be strong enough to influence even distant markets (Buhalis & Spada 2000; Jenkins 2000). However, regional destinations vary
significantly regarding features, challenges and opportunities, which have to be independently achieved by a “good” managerial effort by its main actors, including leaders (e.g. RTOs) and followers (e.g. small firms). The management of a destination has been studied from several points of view, as explained in the next section.

2.1.2 Dimensions of Destination Management and the Focus of this Thesis

The existing destination and broader tourism literature do not present a comprehensive model for destination management, nor a universal statement about what exactly is destination management (Laws 1995; Zahra 2006). The main characteristics of the term management in any traditional management literature are linked with five roles: planning, organising, directing, coordinating, and controlling (Evans & Lindsay 1999; Leiper 2004; Morrison 1996). According to Leiper (2004), coordination is the keystone among these five roles, because it permeates the other managerial activities by coordinating the distribution of the resources, tasks, organisations, and managers to accomplish the necessary activity.

Although there is no consensus about a universal model for destination management, it is possible to observe, within broader tourism literature, the presence of five dimensions of tourism destinations and their management over time, these being: planning; marketing; sustainability; governance; and leadership. As Leiper (2004) already highlights the role of coordination among the other four management activities, this study highlights the leadership dimension among the other four destination management dimensions. Attention was initially paid to the planning of destinations (Hall 1999; Laws 1995). Subsequently, many scholars concentrated on the marketing of destinations (Buhalis & Spada 2000; Sussmann & Baker 1996). Gradually, other dimensions, such as sustainability, gained importance in destination management studies (Carey, Gountas & Gilbert 1997; Sirakaya, Jamal & Choi 2001). Then the attention shifted to the balance between the various interested sectors (e.g. private, public and third sectors, and community) and difficulties experienced in the decision-making process on destination management through a governed process (governance) (Beritelli, Bieger & Laesser 2007; Hall 1999; Svensson,
Nordin & Flagstad 2005). Recently, those concerned with destination management started to examine a complementary dimension, specifically leadership and the leadership role occupied by RTOs and similar organisations (Beritelli & Bieger 2014; Pechlaner, Kozak & Volgger 2014; Valente, Dredge & Lohmann 2015).

Despite the relevance of other destination management dimensions (e.g. planning, sustainability, and marketing), the focus of this study is on RTOs and their interactions with two managerial roles: destination governance and destination leadership. In addition to the main fields of investigation (destination governance, leadership theories, and RTOs), areas of investigation within these fields focuses on the following: the governance principles and models (destination governance); traditional and integrative leadership theories (leadership); and common challenges and required capacities to lead (regional destination management and the RTOs as leaders). All these fields and respective target areas are shown within the destination management framework below (Figure 2.1).
In the next three sections (2.2, 2.3, and 2.4), the literature of the three main fields informing this study (governance, leadership, and RTOs) is presented and discussed.

### 2.2 Governance

Governance was a concept introduced in the 1930s and applied to management by Ronald H. Coase in his seminal work *The Nature of the Firm* (1937). In the 1960s, Richard Eells introduced the expression “corporate governance”, which focused on the political organisation of a firm and its relationships with shareholders (Carroll 1999; Eells & Walton 1969). By the 1970s, especially in Europe and the United States, the term had become important for two reasons: first, it captured the idea of managing business matters efficiently and transparently; and, second, it formalised the management of public
companies, and the relationships with outside actors, for example municipalities, business associations, trade unions and civil organisations (Ansell & Gash 2008; Hill & Hupe 2009). In the 1980s, Oliver. E. Williamson (1988) further developed the concept. Williamson described governance as a prerequisite to the most effective management of companies with their external stakeholders by drawing attention to the boundaries between the public and private sectors (Rhodes, Binder & Rockman 2008). Since that time, the term “governance” has received considerable theoretical and applied attention and has had a significant influence in achieving World Bank objectives through extending organisations such as not-for-profit entities (Dolšak, Ostrom & McCay 2003).

The World Bank initially used the term “governance” to refer to the need for more efficient structures and better relationships between governments, the non-governmental sector and the supra-national organisations, such as the World Bank and United Nations (World Bank 1992). According to the World Bank (1992), there is a need for shared commitment regarding broader aims, such as development, poverty reduction, equity, justice and sustainability and the effective and efficient allocation of resources through power distribution, collaboration and transparency and accountability in decision-making. The application of effective governance has also led to increased involvement of the private and voluntary sectors in service delivery and strategic decision-making (Stoker 1998). Tasks that were previously almost the exclusive responsibility of government have been joined. Public–private partnerships are now part of the reality of public services and decision-making in many countries. As an example and following this line of thinking, Wilson, Nielsen and Buultjens (2009), in the context of an Australian protected-area case study, provided a list of some possible advantages in Public Private Partnerships (PPPs). According to Wilson et al. (2009 p.272) “PPPs are seen to provide a means of generating additional funding outside of sole reliance on government resources and the potential transfer of risk and responsibility away from protected-area management agencies”. When applied to commercial tourism activities there is the further advantage that “additional tourism services demanded by the public (e.g. food, accommodation options, and special interest activities) that are considered ‘non-core’ business to most protected-area managers” (Wilson et al. 2009 p.272), can become the responsibility of the private partner.
In addition to the possible advantages in PPPs, theories of governance have attracted considerable attention in the literature, with a large number of studies in different contexts purporting to explain, identify, or prescribe “good” governance (Huther & Shah 1998; Nanda 2006; Zattoni & Cuomo 2008). Weiss (2000) emphasised the substantial variety of ideas and concepts ascribed to good and bad governance and their impact on international public policy. Brinkerhoff and Brinkerhoff (2011), in the context of public administration, particularly in PPPs, identified some principles that guide the operation of the partnership: “good” governance, in an integral partnership, must include efficiency, effectiveness, synergy, equity, transparency, accountability and rectitude. Similarly, Lockwood (2010), in the context of protected areas, utilizing case studies in Scotland, Spain, France, and India, built a framework based on a set of seven principles – legitimacy, transparency, accountability, inclusiveness, fairness, connectivity, and resilience. However, it is important to note that the term governance is under increasing scrutiny and over the past two decades a large body of literature has emerged (Nanda 2006). 

Grindle (2012), in a critical analysis in the context of political and economic development, stated that the term “good” governance had become inflated. She illustrated this statement by pointing out that from 45 different issues identified with the concept in 1997, by 2002, 116 ways (or principles) were found that developing countries needed to attend to as characteristics of “good” governance. Grindle (2012 p.2) has advocated that the term “good” governance may be “conflated with the capacity to generate growth, alleviate poverty, and bring effective democracy to peoples in developing countries”. She suggested that academics become more sensitive to the limitations of “good” governance by proposing, for example, the idea of “good enough” governance (Grindle 2012). The “good enough” governance should take into account “interventions thought to contribute to economic and political development” (Grindle 2012 p.14), prioritising the relevant conditions of the individual situations (e.g. country) and in light of historical evidence, sequence, and timing of each priority. Following this line of thinking, it is important to contextualise the relevant priorities (or target areas) that are involved in the destination
governance literature. The next section explores the various destination governance perspectives and related priorities within the destination governance literature.

2.2.1 Destination Governance

This thesis tracked the term “destination governance” within the broad literature in tourism. It was possible to observe how this term has been subject to several different perspectives and related priorities over the last 30 years. The term “destination governance” first appeared in 1983, in a paper with a political perspective of destination governance where the priority was on the examination of the “locus” of power within the political system and its repercussions on the tourist industry (Elliot 1983). Similarly, looking at destination governance in the context of power, Cooper, Scott and Baggio (2009) and Beritelli (2011) focused on the role of influential actors, their interests, affiliations, and the roles they play in destination development. In a social perspective of destination governance, Svensson, Nordin, and Flagestad (2005) explored relationships between social capital and destination governance highlighting the importance of these relationships for understanding innovation processes in tourism. In this same social vein, Pavlovich (2003) and Laws et al. (2011) explored a perspective of how to better manage, shape and shift the destination system by looking at the relationships between destination actors and organisational boundaries as a complex social system. These social and political perspectives contributed to better understandings of aspects of the inter-relationships between tourism actors from different sectors.

The term destination governance also varies geographical, economic and normative perspectives and their related priorities. Sainaghi (2006) addressed the geographic boundaries of destination governance, and its related priority was to develop a dynamic model of destination management for Destination Management Organisations (DMOs) in order to shape destination strategies. As an example of the economic perspective, Beritelli, Bieger and Laesser (2007) and Pechlaner, Volgger and Herntrei (2012) explored the relationships between destination governance and corporate governance by applying the idea of the inter-dependencies between a DMO’s performance and destination
performance. Moving to an example of normative perspective, Pechlaner, Hedorfer and Tödter (2008) addressed the cohesion of the various regulatory elements (e.g. principles of governance) for different regions in order to prioritise tourism products and brands to those regions. A further refinement of this normative perspective was found in Capriello and Rotherham (2008) by analysing the difficult relationships between destination stakeholders, and for this reason they proposed a marketing management model, including “good” governance principles.

With regards to this last normative perspective on destination governance, some critics, such as Dredge and Jenkins (2007), Dredge and Pforr (2008) and later Dredge, Jenkins and Whitford (2010), argued that the concept of destination governance first implied a strong normative perspective aimed at providing guidance on how to achieve greater transparency and accountability in public–private partnerships. However, according to these authors, this normative perspective has changed because governments were no longer seen as separate and independent of the private sector and bureaucrats were no longer the sole arbiters of public interest or unilateral agents of tourism public policymaking (Bramwell & Lane 2011). Consequently, traditional scientific models of tourism policy dominated by government and bureaucrats were dispelled (Dredge 2009).

Therefore, while the above authors made relevant contributions to particular perspectives of destination governance (political, social, geographical, economic, and normative), there remained the lack of a more unified perspective. Pechlaner, Kozak and Volgger (2014) sought to overcome this situation by providing a more holistic definition of destination governance based on steering and controlling destinations by norms, arrangements, power structures, social networks, and processes in a context where the priorities are social exchange, communication, and communicative processes. According to these authors, destination governance is a means to help uncover how power and resources are distributed among the community, and the public, private and third sectors of destinations. This thesis adopts this unified perspective due to its holistic character. There are two target areas within destination governance theories that encapsulate this holistic theoretical perspective of distribution of power and resources among destination actors: the principles of
destination governance; and models of destination governance. These principles and models are discussed in the next two sections (2.2.2 and 2.2.3).

2.2.2 Destination Governance Principles

It is not an easy task to assign an incontrovertible list of “good” principles of governance to destinations, for three reasons. First, these principles overlap each other; second, no list is complete; and third, any such list must take into account the destination context (e.g., history, culture) in determining how these principles play out in practice (Graham, Amos & Plumptre 2003). Nonetheless, given this study’s aim the identification of the key starting point principles of destination governance from the broad literature is a very valuable start point to explore good indicators of governance of the RTOs under study.

Ruhanen et al. (2010) explored and synthesized the governance literature with the objective of identifying the fundamental principles of governance. They reviewed “53 published governance studies from the political science and corporate management literature and identified 40 separate principles of governance that had been utilised in these studies” (Ruhanen et al 2010 p.11). Among these principles, there was some consensus around six of them: accountability; transparency; legitimacy; participation; efficacy and efficiency.

To better illustrate the usage of these principles by Ruhanen et al. (2010), Lockwood (2010) applied at least four of those governance principles in several cases in different countries (Scotland, Spain, France, and India), in the context of protected areas. The dynamics of tourism within the CSR are very similar to those within a “protected region” (recognised by UNESCO) due to the cultural and historical richness of the territory. Lockwood (2010) discussed what should be the expected performance outcomes for those principles from community-based NGOs. The governance principles included and the respective outcome expected were principally, but not exclusively, those set out in detail below:
Leadership in Regional Tourism Governance: A Brazilian Case Study

Leadership in Regional Tourism Governance: A Brazilian Case Study

Flavio Jose Valente

25

legitimacy – the governing body is conferred with a legal or democratically mandated authority; stakeholders freely accept the governing body’s authority; the governing body has a long-standing cultural attachment to some or all of the lands within the protected area, and acts in accordance with its mandate and purpose of the protected area; and governors act with integrity and commitment. transparency – when governance and decision making are open to scrutiny by stakeholders; when the reasoning behind decisions is evident; when achievements and failures are evident; and when information is presented in forms appropriate to stakeholder needs. accountability – the governing body and personnel have clearly defined roles and responsibilities, has demonstrated acceptance of its duties, an is answerable to its constituency (“downward” accountability); when the governing body is subject to “upward” accountability and when the levels at which power is exercised (local, sub-national, national, international) match the scale of associated rights, needs, issues, and values. inclusiveness (or participation) – when all stakeholders have appropriate opportunities to participate in the governing body’s processes and actions and when the governing body actively seeks to engage marginalized and disadvantaged stakeholders (Lockwood 2010 p.763).

In line with Lockwood’s perspectives, and by applying those governance principles already prescribed by Graham, Amos and Plumptre (2003), Eagles (2009 p.233) complements some characteristics of those principles stating that:

Legitimacy involves consensus in decision-making… Participation is about having a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests… Effectiveness involves the capacity to realise organisational objectives… Efficiency is making the best use of resources and the capability of acting or producing effectively with a minimum amount or quantity of waste, expense or unnecessary effort… Accountability is a requirement that officials answer to stakeholders about the disposal of their powers and duties, act on criticisms or requirements made of them and accept responsibility for failure, incompetence or deceit… Transparency is referring to the sharing of information and acting in an open manner.

It is not uncommon that several authors have in the context of destination governance literature used the same principles of governance to discuss what they consider to be “good” principles. However, the assumption of how these good governance principles can
play alone or together in all situations is problematic. The problem arises because the contexts (e.g. country, region, problem faced by the tourism organisation) are completely different and, for this reason, the link between those principles can be only properly addressed by taking into account these different contexts. In what follows, some of these principles identified are discussed within three different contexts.

First, within a European (Barcelona and Vienna) context, the principle of participation could be bound up with efficacy and legitimacy. A piece of comparative research by d’Angella and Go (2009) was key to illustrating these links. They looked at collaborative tourism marketing between DMOs and tourism businesses. They stated that participation in the “DMO’s activity is a prerequisite for connecting the primary tourism actors to the DMO over time” (d’Angella and Go 2009 p.437). They highlighted the “inclusion strategy based on the participation of tourism businesses in decision-making processes through teams of working groups, annual seminars, and assemblies” (d’Angella and Go 2009 p.437), which enhance the perception of the leadership of the DMO and generate consensus. They suggested that businesses perceived the rewards available through the instigation of joint processes to overcome potential threats. Additionally, they identified that the low perception of economic risk, together with the efficacy of the DMOs regarding achieving strategic goals, seemed to be the key fact in increasing the disposition of business towards cooperation. They concluded that the “DMO’s legitimacy and impartiality could be seen as necessary ingredients to gathering consensus among stakeholders and ensuring a durable collaboration” (d’Angella and Go 2009 p.437). In conclusion, these authors considered that together: participation, efficacy, and legitimacy of the DMOs were critical to the achievement of cooperation between destination actors.

Second, within a Canadian context, it was shown how the principle of efficacy was vital to the success of both the DMO and the destination. Bornhorst, Ritchie and Sheehan (2010) highlighted the efficacy of the destination organisations in promoting various forms of advertising and promotion as an important principle in the management of interactions and relationships between the destination tourism actors and the “specific resource inputs (such as funding) from both the private and public sector” (Bornhorst et al. 2010 p.30).
Marketing initiatives were viewed as important “as they require the outlay of resources by the stakeholders involved in tourism to develop marketing programs that will attract visitation” (Bornhorst et al. 2010 p.22). Thus, “two key components were noted – a strong image and a brand awareness… The image was referred to by many as potential visitor awareness that the destination is unique or differentiated from competitors” (Bornhorst et al. 2010 p.22). Finally, the study pointed out that brand awareness clearly emerged as a crucial component of efficacy. It is important to state that efficacy is a principle commonly considered also as an indicator of performance. For this reason, this principle is sometimes considered a good indicator of both governance and management.

Third, within an Austrian context, it was shown how another good governance principle (participation) could make a vital difference to enhance destination development. Zehrer (2014) conducted research in five selected tourism destinations in the Tirol. Zehrer’s study described the “characteristics of leadership networks in tourism destinations and their impact on destination development” (Zehrer 2014 p. 59). The results showed that exhaustive conversations were required to minimize natural ambiguity and discrepancy around tourism actors and tourism goals. Additionally, she stated that participation was an effective way of getting in touch with all tourism actors because participation generated a more powerful communication. In other words, inclusive participation by the widest range of stakeholders in the region was recognised as contributing to a cohesive organisation and a shared sense of direction.

Building on those previous works cited above, the two RTOs selected for this study are assessed in terms of six principles of governance: participation, accountability, transparency, legitimacy, efficiency, and efficacy. The rationale behind the choice of these criteria is that there is some consensus around their universality and they are frequently applied in broad governance studies (Ruhanen et al. 2010; Weiss 2000) and also in destination governance literature (as examples above). A definition of each of these governance principles is presented in Table 2.1.
Table 2.1 – Principles of Governance Applied to Destination

<table>
<thead>
<tr>
<th>Authors</th>
<th>Principle and Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bramwell &amp; Lane; d’Angella &amp; Go 2009; Dredge &amp; Whitford 2011; Eagles 2009; Graham, Amos &amp; Plumptre 2003; Lockwood 2010; Ruhanen et al. 2010.</td>
<td><strong>Participation</strong> is not just a formal requirement of meetings. It requires a broad active involvement of destination actors, whether institutional or informal, in the decision-making process. This broad participation is built on freedom of association, expression, and constructive participation. All people have a voice in decision-making.</td>
</tr>
<tr>
<td>Dredge &amp; Whitford 2011; Eagles 2009; Graham, Amos &amp; Plumptre 2003; Lockwood 2010; Ruhanen et al. 2010.</td>
<td><strong>Accountability</strong> is a requirement from leaders to provide answers about utilization of their powers and duties, receive critical comment on performance and accept responsibility for failure, incompetence or deceit. It requires entities to provide clarity on their policies towards society and take responsibility for the effects of those policies.</td>
</tr>
<tr>
<td>d’Angella &amp; Go 2009; Eagles 2009; Graham, Amos &amp; Plumptre 2003; Lockwood 2010.</td>
<td><strong>Legitimacy</strong> involves consensus in decision-making, the attainment of position as a result of services to society (e.g. destination actors) as opposed to the ability to preserve a position despite society.</td>
</tr>
<tr>
<td>Eagles 2009; Graham, Amos &amp; Plumptre 2003.</td>
<td><strong>Efficiency</strong> requires the best use of resources by avoiding frictional losses, such as internal and external transaction costs. It represents the ability to perform or produce with the lowest amount of waste, cost or excess energy.</td>
</tr>
<tr>
<td>Dredge &amp; Whitford 2011; Eagles 2009; Graham, Amos &amp; Plumptre 2003; Lockwood 2010; Ruhanen et al. 2010.</td>
<td><strong>Transparency</strong> requires an open operation that improves the confidence of destination actors through ensuring that information, processes, and rules are accessible, understandable and able to be monitored by all concerned with them.</td>
</tr>
<tr>
<td>Bornhorst, Ritchie &amp; Sheehan 2010; d’Angella &amp; Go 2009; Dredge &amp; Whitford 2011; Eagles 2009; Graham, Amos &amp; Plumptre 2003; Ruhanen et al. 2010.</td>
<td><strong>Efficacy</strong> encompasses the ability to realise organisational or destination objectives and produces results that meet destination and tourist needs. Mostly applicable in the case of destination tourist attractions.</td>
</tr>
</tbody>
</table>

The principles previously presented seem to suggest that if a public–private partnership addressing each of these principles could be implemented, this would automatically produce good destination governance. This is because, initially it was assumed that these governance principles, as presented above, would automatically produce effective sharing of power and resources in society and improved decision making practices (Ruhanen et al. 2010). However, it has been argued that neoliberalism and its related values continue to prevail and that sometimes those governance principles work as a kind of “rhetorical shield” protection (Bramwell 2011; Bramwell & Lane 2011; Dredge & Pforr 2008). The
critical perspective reveals that the principles of governance identified above can be used with a licence to support and justify, in some cases, an increasingly closed circle of business–government interests and that collaboration and sharing of power has not been achieved (Bramwell & Lane 2011). Thus, the initial optimistic view of governance has given way to a more critical view, where public–private governance does not necessarily contribute to effective political structures, informed and open decision making, or the empowerment of a strong civil society (Torfing et al. 2012).

More recently these initial theoretical developments and normative notions of “good governance” have been put in the background and attention has shifted to more critical explorations of how effectively or otherwise governments and the private sector work together (Bellé 2013; Christensen & Lægreid 2007; Haufler 2013). The focus has also broadened to acknowledge the role and influence of non-government, community, and non-traditional stakeholders in tourism contexts (Nyaupane & Poudel 2012; Wesley & Pforr 2010) and other settings (Gunningham 2009; Teegen, Doh & Vachani 2004). It means that in addition to good governance principles, other factors come into consideration such as the importance of a sympathetic policy environment.

A sympathetic policy environment is vital to avoid isolation and to promote consciousness of the tourism actors. For example, Butler (1999) highlighted the importance of discussion by decision makers and their advisors about the political repercussions of tourism development and the changes it brings to avoid the isolation of its environment. Also, he advised the importance of considering the context in which tourism occurs and the political systems with which it interacts, because the influence exerted by the political system is particularly significant when considering sustainable tourism development. An example of raising consciousness can be seen in a case study in Western North Carolina (USA) where a regional organisation worked with small communities on arts-based tourism. The regional organisation was able to raise consciousness of scarce resources and mobilise them around important cause, translating it into a great movement and positive response to the changes (McGehee, Kline & Knollenberg 2014).
On balance, it would seem that those “good” governance principles discussed in this section should serve as “good indicators” of good destination governance. However, there are other important factors involved, such as a sympathetic policy environment. Besides the governance principles discussed in this section, different models of destination governance also seem to play a vital role in both destination governance and leadership. Thus, they also are addressed in the following section.

2.2.3 Destination Governance Models

Models of destination governance are important because they provide insights into how power, influence, and resources interact within three broad groups: government, the private sector, and the community (Powell 1990; Thompson et al. 1991). In an attempt to critically examine and evaluate the distribution of power and resources between these groups, researchers have examined the roles and relationships between them to build typologies of models of governance (Beaumont & Dredge 2010; Hall 2011). A critical perspective of these different typologies of destination governance models showed that when we take a close examination of each governance model within these typologies, it was possible to observe that the differences were much more related to the labels assigned to the models rather than a significant difference in existing concepts between them.

To illustrate that, two typologies of governance models were selected. The first typology was advanced by d'Angella, De Carlo and Sainaghi (2010), in the context of 13 European destinations. It proposes four different models to analyse tourism governance of DMOs. The first model they designated as (a) normative, that is based on the centrality of a local authority, regulated by statute which is fairly rigid and cannot be modified in the short term (e.g. regulated mechanisms of entry and exit), and funded by public and/or private under strict rules of participation. In this model, the coordination mechanisms are concentrated in a small number of tourism actors normally hierarchically organised. The second model, (b) entrepreneurial, is creation and development based on voluntary membership by the tourism actors (e.g. private organisations or public institutions). In this model, the governance arrangement is defined by its creators and easily adjust by the
general assembly. The funding in this model comes from different types of institutions according to several criteria for the levy. In this model, the coordination mechanisms are also in a scattered number of actors but non-hierarchically organised. The third model, (c) leading firm, is based on a particular entity represented by a leading local organisation, responsible for the attraction of tourists or distribution of financial resources. In this model the coordination mechanisms among tourism actors are usually weak since the leading organisation is impotent to provide incentives, or support the participation of local actors when dealing with a broad strategy. The fourth, (d) fragmented, is based on spontaneous tourism development linked to specific demand segments or the presence of an abundant artistic heritage and natural resources (d'Angella, De Carlo & Sainaghi 2010).

Hall (2011) advanced the second typology within destination governance. He also identified four models of governance: (a) hierarchy, (b) community, (c) network, and (d) market. This typology is indeed very similar to that suggested by d’Angella, De Carlo & Sainaghi; that is, normative is analogous to the hierarchy; the entrepreneurial is similar to the network; leading firm is similar to market; and fragmented is analogous to the community. For the purpose of this study, Hall’s typology of destination governance is discussed in much more detail (below), because Hall’s typology leads to a better understanding of the models adopted by RTOs examined in this study. Nonetheless, at the end of this section, a further demonstration of the similarities between the two typologies (Hall, 2011, and d’Angella et al. 2010) is presented.

**Hierarchy**

This is Hall’s first model of destination governance. The term “hierarchy” when used to describe governance refers to a traditional form of “command and control” where governments dominate the flow of power and resources from the top to scales lower down (Vodden, Ommer & Schneider 2005). Moreover, relations are hierarchical between different levels of the state (Hall 2011). In hierarchical tourism governance, the state is responsible for the design and implementation of public policies about tourism. Governments might consult and undertake community and industry engagement but power
and resources are centralised in government. In hierarchal models of governance, governments take responsibility for providing infrastructure, marketing strategies, control, and development (Dredge 2001). In this approach industry and community members are consulted and share some benefits, but they are often excluded from core tourism decision making because government “knows best” (Dredge & Pforr 2008). For these reasons, hierarchies are typically quite bureaucratic with the focus of relationships centralised among state actors (and not lateral relationships between all kinds of actors) and tend to be less open to participation and transparency (Tosun 2000).

Eagles (2009) further explored the above ideas about lack of transparency and participation, by stating that a hierarchical model can also lead to a lack of accountability. He stated that a hierarchical model, particularly in the context of parks, provides strong and well-recognised strategic vision usually absorbed by resolution declarations in governing rulings and over-arching policy documents. This model is regularly criticized for being unsympathetic, probably due to the heavily bureaucratic approach to management in huge government organisations. However, in the opinion of Eagles, a hierarchical model is often controlled by intricate and challenging government guidelines. He also contends that administration by a large government organisation habitually means weak accountability and weak transparency, because it is rare for government organisations to subject themselves to the free examination measures essential for accountability (Eagles 2009).

Another example helps to show how a hierarchical model can fail due to lack of principle of participation. According to Caffyn and Jobbins (2003), the politico-administrative bureaucracies from Morocco and Tunisia provided examples of attempt of tourism control maintained through hierarchical levels of a chain of command. The model was placed having the Ministry of Tourism at the centre of power over regional delegations of tourism, which in turn provided support to the local tourism industry by promoting investment and regulations (e.g. the licensing of guides). The evidence from this study suggested that the top-down government structures of command and control did not have the capacity to govern the complex dynamics of the coastal zones of Morocco and Tunisia. It was found that major obstacles to effective governance from this command and control were the lack
of decentralisation itself, inadequate participation by consultation of the local communities and governments, insufficient resources and lack of information.

Another criticism around a hierarchical model is that, although traditionally it is the most common model of governance, especially in developing countries, the public sectors of these countries have taken a centralised and bureaucratic approach (Krutwaysaho & Bramwell 2010). By way of example, Yuksel, Bramwell and Yuksel (2005) presented a case study in Turkey that well illustrates problems related to conflicts between the different levels in a hierarchical model. Their explanation was very detailed and is captured in the following quote:

Governance in Turkey was strongly centralised, with considerable power vested in the central government… The central government in Turkey inaugurated administrative organisations in Ankara and also in the provinces and districts. The provincial government implemented decisions on behalf of the centre… In each province, there was a governor responsible for the provincial units of the central administration and also of the provincial council… In 1982, central government sought to maximize the benefits of new investments by concentrating them into priority geographical zones, including tourism investment areas. Coordination of tourism development in Belek was assigned to the Ministry of Tourism, which subsequently gave leases for this state-owned land to developers... This measure was criticized because of the extent to which central government influenced Belek’s development. One cause for complaint was that to secure action locally it was necessary to lobby parliamentary representatives or ministries in Ankara, thus reducing direct democratic accountability within Belek itself…This form of centralised governance did not encourage clear lines of policymaking – instead, there were overlapping responsibilities, complex ministerial hierarchies, and difficulties of coordination. There were also conflicts between government departments due to their differing priorities for Belek’s development (Yuksel, Bramwell & Yuksel 2005 p.871).

In summary, the hierarchy (similar to the normative model from d’Angella) is characterised by hierarchical relationships, top down decision-making, and strong control exercised by governments (public sector). Consequently, the hierarchy model tends to be a bureaucratic model with weak accountability and transparency and with inadequate participation (responsibilities overlapping). Nonetheless, the hierarchy model has
significance for this study because one of the RTO (the ACO) of this study is hierarchical (see Section 3.4.1).

Community

Hall’s second model of governance, communities, is characterised by a bottom-up approach that has gained momentum in some countries where decentralised and inclusive approaches are perceived as an alternative means of governance. Under community governance structures, local communities and businesses take greater responsibility in tourism management (Golobić 2010; Northcote et al. 2009; Sofield & Li 2011). This type of tourism governance is influenced by the increasing demands of citizens to be involved so that common problems can be resolved with a minimum of state involvement (Murphy & Murphy 2004). Community tourism governance is based on community consensus and constructive participation of its membership in civic decision making (Jamal & Getz 1995; Raco & Flint 2001). Community governance proposes that smaller spatial units should replace large-scale government ensuring that the act of governing is situated closer to the people. The focus is on the significance of social capital in a community and on improving mechanisms for greater direct public involvement in policy making through enhancing of the debate and dialogue (Hall 2011).

An enlightening example of aspects of participation and shared leadership in a community model comes from an Australian case study by O’Toole and Burdess (2005). They analysed the convergence of neo-liberal and communitarian ideologies through 35 small towns in the state of Victoria and explored the types of community governance that have emerged from this process. The authors examined:

The growth of small community organisations that attempted to fill the institutional gap left by the loss of local government structures in their small towns. Within these towns, councillors still had the ultimate responsibility of making decisions for the community at the local level, but there were community groups that wanted to have a greater say in the process that went beyond mere customer satisfaction. There was a broad goal of inviting the community to participate in the governing process. The councillors sought to
develop their local communities through processes such as voluntarism, which in turn could fill gaps in service provision. The different groups participated in governance through their leadership roles in the local towns and their partnerships with outside agencies (O’Toole and Burdess 2005 p.251).

Other helpful examples of a type of shared leadership within communities model, come from Brazil. First, a community-based tourism approach can be found in North-Eastern Brazil, where some localities decided to use community-based tourism as a means of defending their rights to land ownership and self-determination (Kim, Borges & Chon 2006; Okazaki 2008). A small Brazilian fishing community of Prainha do Canto Verde provides the second example. This community is located 120 km east of the capital city of Ceará state (Fortaleza) in the city of Beberibe. There, the community decided to self-manage tourism in its territory. To achieve this goal, the Cooperative Tourism and Handicrafts of Prainha do Canto Verde was created. It has been recognised as a benchmark of success in community-based tourism in Brazil and abroad (Araújo 2011). However, it is difficult to measure the success of community tourism governance because it depends on the actors involved, the context and issues that confront the local community and the specifically crafted approaches that are often adopted (Hall 2011).

In summary, the community model (similar to the fragmented model in d’Angella’s typology) is characterised by membership participation in civic decision making, and it is philosophically applicable in opposition to the hierarchy model. A possible implication of this opposition between the two models of governance (hierarchy and community) is that community tends to be more open to participation. Participation, in turn, would facilitate a type of shared leadership where the responsibilities can be shared among peers. Alternatively, the hierarchical model would facilitate a type of leadership transaction, based on exchange of rewards between different hierarchical levels. However, there is a third governance model which falls between these two models (hierarchical and communities), it is networks (from Hall’s typology).
Networks

Hall’s third model of governance is networks. This model has been widely explored in the tourism literature (Baggio, Scott & Cooper 2010; Dredge & Pforr 2008; Erkus-Ozturk & Eraydin 2010; Wray 2009). For some of these authors, the management of tourism requires good collaborative practices and structures that allow a balance between top-down (hierarchy) and bottom-up (community) approaches for the formulation and implementation of tourism policies. For these authors, good governance is closely linked to sustainable tourism management (Dredge & Pforr 2008; Dredge & Whitford 2011; Eagles 2009; Jones, Munday & Roberts 2009; Scott, Baggio & Cooper 2008). Their claim is that without stable cooperative relations between the variety of public and private actors involved in regional tourism, sustainable tourism cannot be achieved. The focus in network governance is on negotiation and bargaining and trying to account for the behaviour of all those who interact in the development and implementation of tourism policy. Under this model, all policies can be modified through negotiation and so it is difficult to measure success because judgement depends on the perspectives of the actors involved. As a result, networked governance is often considered as a “middle way” or “third way” between hierarchical and communities approaches to tourism governance (Hall 2011).

Dredge (2006) identified some advantages for network models within the tourism context. She proposed that networks recognise the intersecting and coincidental “manner in which different matters within the one policy community can be addressed by various networks operating at different scales and over time (e.g. networks addressing regional co-ordination and the improvement in the management of tourism product)” (Dredge 2006 p.6). Dredge argued that networks recognise that the division between private and public is unclear and, for this reason, networks fit well with the realism of tourism. Further, she proposed that a network model “recognises that different levels of political support may exist for different policy issues within the one network (e.g. there may be political support for the development of a local tourism association, but the same level of support may not exist for regional co-operation)” (Dredge, 2006 p.6). The last advantage identified by Dredge is that a network model recognises that policy actors may have membership in different networks
and their powers, roles, functions and level of support and interaction may vary within these structures. Because of these advantages, it is plausible to assert that network models tend to present a more fluid distribution of power between tourism actors.

As a counterpoint to the above advantages, Pforr (2006) presents a case study in the Northern Territory/Australia where it is possible to observe difficulties in the fluidity of power due to the underlying forces of the tourism policy sphere within a network model. In this case study it was found, for example, that the control of the public sector over the administration and management of the policy process was due to the high level of involvement in information exchange activities. Moreover, it was found that the solid control over the tourism policy development by the political power base in Darwin was also evidence of a lack of instruments to direct responsibilities to the subsidiary regional and local levels. The examination recognised the dominant position of political-administrative actors in the formulation process. The only other players able to gain access to this exclusive circle were the RTOs that were representing the interest of tourism businesses.

On balance, the network seeks a balance between top-down and bottom-up, where the aim is to achieve stable co-operative relations between the variety of public and private actors through negotiation and bargaining. It is plausible to consider that although network models seek to present a middle way between the hierarchy and community governance models, this perfect balance (e.g. exactly in the middle) is not easy to be achieved due the complexity relationships inherent to tourism activities such as, for example, the dominant position of political-administrative actors in the formulation of tourism policies. Nonetheless, the network model is also considered significant in this study because one of the selected RTO (the ACO) demonstrate network characteristics (see Section 3.4.1). The last governance model from Hall’s typology is discussed in the next section.
Markets

Hall’s fourth and last governance model is market. Market-led tourism governance has developed in response to the influence of neoliberalism (Hall 2006). In market-led governance, instead of imposing regulatory mechanisms as a form of governance, the state recognises the self-regulating effects of the market. Market-led tourism governance relies on motivations and values inherent in market transactions and assumes that markets will try to avoid failures (Searle, G & Cardew 2000). Sometimes, the public sector may use other methods of interference such as financial incentives like the sponsoring of self-regulation schemes (e.g. accreditation frameworks) or education to encourage the tourism industry to move in particular directions (Hall 2011). However, a supervised freedom is the predominant stance adopted by governments in this destination governance model. This freedom under supervision is adopted because, in market governance structures, the market is assumed to be the most efficient and equitable resource allocation mechanism under which the market can empower citizens via their role as consumers. Negotiations involve tough bargaining between consumers and producers. Furthermore, this type of governance often employs financial criteria to measure the efficiency, with the market providing the most efficient outcome to solve policy problems. Nonetheless, it is possible for implementation gaps to occur when markets are not able to function well, for example, when not all destination actors receive the necessary support (Hall 2011).

Dredge and Jenkins (2003) provided an example of implementation gap that occurred in Australia. In 1979, the Queensland Government created the Queensland Tourist and Travel Corporation to more effectively address tourism and improve a close connection with industry. Following the example established by Queensland, the Tourism Commission Act 1984, invigorated links with the private sector in a determination to be more receptive to market demand and the needs of private investors. Embracing neo-liberal economic philosophies, the Government placed importance on efficiency and competitiveness in the worldwide marketplace. Tourism New South Wales (TNSW) emphasized increased economic efficiency and developed a stronger corporate strategic focus that would provide leadership and a vision for tourism development across the State. While the assistance in
developing RTO leadership in regional marketing and product development activities was 
boosted, the support for other stakeholders, including local government, was reduced 
(Dredge 2001). Therefore, although the market tourism model relies on financial criteria to 
measure efficiency, some stakeholders and their related tourism goals might be severely 
compromised.

A joint matrix between the two typologies of governance models (Hall and d'Angella) has 
been developed by this thesis. Figure 2.2 shows two intersected continuums: one which, 
hhorizontally, represents the role of the state; and a second which, vertically, represents 
governance function.

Figure 2.2 – Destination Governance Models

Adapted from d’Angela (2009) and Hall (2001)

Going through the horizontal continuum in the direction of a strong control exercised by 
the state, particularly by the public sector, the governance models tend toward the
hierarchy and network model (according to Hall’s typology) or normative and entrepreneurial (according to d’Angella’s typology). Going through the horizontal continuum in the direction of a weak control exercised by the state, the governance models tend toward the market and community models (according to Hall’s typology) or leading firm and fragmented (according to d’Angella’s typology). Going through the vertical continuum in the direction of the governance functions on hierarchically concentrated number of actors, the governance models tend toward the hierarchy and market models (according to Hall’s typology) or normative and leading firm (according to d’Angella’s typology). Going through the vertical continuum in the direction of the governance functions on non-hierarchically scattered number of actors, the governance models tend toward the network and community models (according to Hall’s typology) or entrepreneurial and fragmented (according to d’Angella’s typology).

The destination governance models, reviewed in this section, may facilitate the leadership of the RTOs. For example, they may help to harness the collective power of stakeholders, contribute to engaging with industry and community and enable the achievement of common and shared goals. In what follows, leadership theories are put under scrutiny to capture how they may be applied in the context of regional destinations and how they can inform RTOs to perform their challenging tasks as regional leaders.

2.3 Leadership

Leadership has been the subject of a wide range of definitions because it can be defined in immeasurable ways (Bass 1991). For example, leadership in a functional/traditional way has been defined as “the process of influencing the activities of an organised group in its efforts toward goal setting and goal achievement” (Stogdill 1974 p.10). This definition suggests that leadership is a social phenomenon with emotional aspects and elevates the importance of the human element within the socio-economic context of destinations. As a result, topics such as power and influence, motivation, communication, and ethical considerations play important roles within leadership (Pechlaner, Kozak & Volgger 2014). The question is how leadership theories can address the leadership role of the RTOs when
the leader is not an individual but an organisation (RTO) that is trying to be leader of both individuals and other organisations. In this quest, five leadership theories are discussed in the sections that follow (three traditional and two integrative).

2.3.1 Traditional Leadership Theories

According to Dalglish and Miller (2010) and Lussier and Achua (2009), traditional leadership theories can be categorised into three main streams: trait, behaviour, contingency. Each set of these theories is built around the interactions of five key elements of leadership, such as the leader, the external context, the organisational structure, the followers, and the goals (Bolden et al. 2011; Mackenzie & Barnes 2008; Northouse 2009). In each of these sets of theories, leadership is interpreted differently depending on which of those elements are the foci of explanation.

The first of the three streams, trait theories, was originally developed in psychology and it found relevance during the middle of the late twentieth century, in some disciplines and fields of study including business, sociology and public administration (Bass & Bass 2008; Stogdill 1974). Trait theories focused on the particular traits or characteristics of the leader in explaining leadership (Gibb 1947). The traits of leaders were classified into three major groups (Fleury 2002): physical traits (physical appearance such as height, weight, voice); skills (e.g. intelligence, communication, knowledge); and personality (e.g. extroversion, dominance, confidence, emotional control). Proponents of trait theories of leadership assumed that leaders are born and they possess inborn personality traits or qualities to lead, which in turn explained how some charismatic leaders stood out and dominated the political landscape (Bass & Bass 2008). For those reasons, the notion of capacity to lead relied on the personal qualities of the leader.

Trait theories have come under considerable criticism. A major criticism is that trait theories did not take into account the context in which the leader operates or the needs of followers who were considered to be stuck in roles defined by the hierarchy (Holzer & Schwester 2011; Loyola 2009). In essence, trait theory provided some insights into the
characteristics of leaders but within the context where leadership was performed and the other actors were assumed to be static, non-active players. Furthermore, the assumption that leaders are born, not made, came under considerable criticism, which in turn gave rise to behavioural theories of leadership.

Behavioural theories of leadership (the second stream) also made the leaders the focal point of their theoretical endeavours but started from the assumptions that leaders can be made (are not born) and that successful leadership is based on definable, learnable behaviour (Mouton & Blake 1984; Spillane, Halverson & Diamond 2004). In behavioural theory, the capacity to lead depends on how the leader behaves or enacts leadership. Behavioural theories responded to criticisms levelled against trait theory by investigating leadership behaviours. Researchers in the 1950s focused their attention on the behaviours that effective leaders displayed, arguing that if behaviour could be learned, then leaders could be trained (Borkowski 2005; Hemphill & Coons 1950). In particular, the focus of behavioural theorists has been on identifying those universal behaviours that can be developed and that could be modified by practising certain skills (Kunz & Hoy 1976). Followers of this theory are interested in evaluating the behaviour of “successful” leaders and identifying broad leadership styles and applying this learning to professional development programs (Bernal 2009).

In the 1960s, it became apparent that there is no best leadership style in all situations, that capacity to lead is dependant and significantly influenced by external context (Fielder 1973). Since then, other theories, such as Fiedler’s contingency theory (Nunes, Cruz & Pinheiro 2012), the path-goal theory of House and Hersey and Blanchard (Sims Jr, Faraj & Yun 2009), and situational theory (Spisak et al. 2011; Thompson & Vecchio 2009; Vecchio, Justin & Pearce 2008) have been developed.

Contingency theories focus on explaining, among others things, the relationship between leadership styles in specific situations, such as exogenous influences, environmental variables and organisational size (Daft & Lane 2005; Lawrence & Lorch 1986). In contingency theory, the external context and organisational structure determine how
leadership is enacted (Lussier & Achua 2009). Another important aspect of contingency theory is a strong association between leadership and organisational structure where higher performance results when the organisational structures are a good fit with the leadership style (Donaldson 2001). That said, it has been possible to take advantage of this theory to aid in the analysis of the external context of the case study area in which the research for this thesis took place. Two integrative leadership theories are discussed in the sections that follow (transformational and distributed).

2.3.2 Integrative Leadership Theories

There are many integrative theories, although there is no consensus about it. The major objective of these theories is to combine traditional theories such as trait, behavioural, and contingency leadership (Avolio 2007; Stogdill 1974). Some authors consider the following leadership theories as being integrative: servant leadership (Greenleaf 1977; Sendjaya & Sarros 2002), moral leadership (Greenfield Jr 2004; Sergiovanni 1992), transcendent leadership (Aldon 2005; Larkin 1995), values-led leadership (Day 2000), ethical leadership (Starratt 2004) and authentic leadership (Begley 2006; Duignan 2012). However, two integrative theories of leadership - transformational and distributed - were selected for this study because both theories emerged in the mid-to-late 1970s and achieved a greater degree of consensus (Abrucio 1994; Bernal 2009; Chemers 2014; Drath et al. 2008; Gronn 2002). Specifically, theories of transformational and distributed leadership best integrate the five key leadership elements (i.e. leader, followers, external context, organisational structure, and goals) involved in a leadership process. These two integrative theories are examined in the following sections.

Transformational Leadership

One of the best known integrative theories is transformational leadership (Dalglish & Miller 2010). Burns (1978) developed this theory, which has been broadly prominent during the 1990s and 2000s (Bass 1999; Burns 1978). Dominant in this theory is a
distinction between two divergent leadership styles, transactional and transforming leadership (O’Shea et al. 2009). The transactional leader counts on exchanges with followers to encounter desired organisational goals and offers followers what they value, which could be a wage, appreciation, admiration, response, or promotion in exchange for what the leader believes worthwhile: usually follower motivation and effective performance. In contrast, transformational leaders endeavour to change and elevate follower concerns concentrating on higher-level matters of importance (Burns 1978). As a result, such leaders embrace an alignment toward followers and inspire them to centre not only on their own desires but also on the desires of a group, society, or country (Bass 1999; O’Shea et al. 2009).

The idea of transformational leadership has received a great deal of theoretical and practical consideration during the 2000s (Avolio 2007; Bass & Bass 2008; Chiesa & Blanke 2008; Dalglish & Miller 2010; Drath et al. 2008). Transformational leaders motivate their followers to perform beyond expectations by evoking the higher order needs and values of followers, so they are not just working for the organisation but for their own intangible benefits and aspirations. In this way, transformational leadership is differentiated from transactional leadership, which involves the competent completion of tasks towards some predetermined goal, for example increases in consumer satisfaction and profit margins (Franke & Felfe 2011). Using one theoretical framework presented by House (1977), Bass (1985) applied the transactional-transformational model of leadership in an organisational context, and developed the Multifactor Leadership Questionnaire to measure the various types of leader behaviour (Bass 1985). Thus, Bass and his contemporaries claim that leaders can be both transformational and transactional, and suggest that the most effective leaders utilize both styles (Avolio 2007; Bass 1985, 1999).

**Distributed Leadership**

Also known as shared leadership, this theory argues that leadership is distributed over time and space in individuals and agencies. It has become an increasingly popular explanation for leadership in networked social environments (Spillane, Halverson & Diamond 2004).
Gibb (1913–1994), an Australian leadership theorist, was the first to raise the idea that leadership presents a distributed configuration (Gronn 2002). However, only after the 1980s was a range of interest in distributed leadership raised among organisational scholars. Yukl (2002) has noted that distributed leadership does not require an individual who can perform all of the essential leadership functions, rather a set of people who can collectively perform them (Gronn 2002). While several members of a group may share important decisions, “some leadership functions may be allocated to individual members and different people may perform a particular leadership function at different times” (Shani, Pasmore & Woodman 2012 p.6). “The leadership actions of any individual leader are much less important than the collective leadership provided by members of the organisation” (Yukl 2002 p.292-293).

In the context of organisations, Pearce and Conger (2003) developed a similar concept of shared leadership. According to these authors, shared leadership relies on an exchange of horizontal influence among peers. The authors categorize at least two sources of leadership influence: the traditional vertical leader and the team itself (Drath et al. 2008). They use the term shared leadership to describe groups leading in a collective way. In this sense, shared leadership is a cooperative, promising process of group interaction and negotiation of shared understanding which together create leadership influence (Crosby & Bryson 2005). Shared leadership is a social process that requires its own capabilities, distinct from vertical leader capabilities, and it includes: engaging in lateral influence as an expectancy of performance; accepting responsibility for providing and responding to leadership (influence) from peers; and therefore developing abilities as both leader and follower (Drath et al. 2008).

Crosby and Bryson (2005) focused on understanding leadership in a shared-power setting that embraces many individuals, organisations, and institutions. They state that potential for capacity to lead lies equally between those who do and those who do not have formal positions of power and authority (Martin & Waring 2013). Moreover, they “see power as not just the ability to make and implement decisions (traditional view), but also the ability to sanction conduct and to create and communicate shared meaning” (Crosby & Bryson 2005 p.29). However, these authors acknowledge that sometimes shared power
arrangements can be used to inhibit change for the common good. They also think that all human endeavours, including leadership, should be judged on ethical grounds, and should promote broadly held principles such as human dignity and equal opportunity.

Moreover, in liberal democratic societies in both developing and developed countries, there is increasing emphasis on the idea that industry and government should share tourism development and management (Jamal & Getz 1995). This emphasis took place within an increasingly neoliberal public management context wherein governments have been keen to develop public–private partnerships prioritising business interests (Jenkins 2000). In consequence, a rhetoric of shared leadership between several segments of society including government and the private sector has emerged (Crosby & Bryson 2005; Pechlaner, Raich & Fischer 2009). However, the distribution of power between public and private interests in tourism governance is a challenging task. Resolution of this power balance depends as much on the influence of local political, economic, and social factors as it does on the legal structures, rules, and institutional arrangements.

As an illustration of a rare attempt to use distributed leadership in a tourism destination context, Hristov & Ramkissoon’s (2016) case study of DMOs, provides evidence of a possible transition in power relations in decision making in destination management settings. This transition appears to occur from an individual leadership type towards a more collective (distributed leadership), practiced by a multitude of DMO member organisations across sectors and member tiers. According to these Hristov and Ramkissoon, this transition amplifies opportunities for participation in leadership decisions, distribution of knowledge, expertise and essential developmental resources across a broad network of stakeholder interests.

These theories of leadership provide useful background to this research. However, it is important to acknowledge that these theories have been derived from corporate environments where leadership elements are clearly positioned. As the discussion that follows illustrates, leadership within the regional destination context and RTOs is quite different to that of a corporate entity. It is necessary to be mindful of the ambiguity
embedded in terms such as leaders, followers, organisational structure and goals, which might be defined differently from common interpretation in the business leadership literature (Valente, Dredge & Lohmann 2014a). Therefore, it is important to understand RTOs, their governance choices and their leadership role within regional destination context. The next sections discuss the arrangements of RTOs, their leadership role and the required capacities to lead.

2.4 Regional Tourism Organisations

RTOs have been created in several countries within different governance arrangements and using different nomenclature (e.g. Area Tourist Boards, Destination Management Organisations). Their creation has been a common initiative from many governments around the world as an attempt to coordinate tourism planning, governance, and marketing (Jenkins 1995, 1999, 2000; Jenkins & Sorensen 1996; Pearce, DG 1990, 1992, 1996a, 1996b, 1996c, 1996d; Pike 2007; Pike, May & Bolton 2011; Pike & Page 2014; Zahra 2006). Recent thinking has bolstered the idea that RTOs are in a good position to provide leadership to regional destinations because they are in a situation to act as an intermediary between the different interests within a destination and to encourage the communal goals of tourism actors. (Abrucio 1994; Bornhorst, Ritchie & Sheehan 2010; Valente, Dredge & Lohmann 2014a, 2014b, 2015) Pechlaner Volgger and Herntrei (2012).

Despite recognition on the leadership role of RTOs within regional destinations, four critical issues still need to be overcome:

- There is little consensus about what governance arrangements (external and internal) enable RTOs’ leadership to flourish. This issue is addressed in Section 2.4.1.

- There are some particular ambiguities and divergent positions about the leadership role of RTOs in regional destinations (MacIntyre 2002; Zahra 2006). This issue is addressed in Section 2.4.2.
• There is a need to identify the practical challenges that RTOs are facing in the exercise of a leadership role and the related requirements to perform them. This issue is discussed in Section 2.4.3.
• There is a lack of a clear conceptual framework for researching the leadership by RTOs (Section 2.4.4).

2.4.1 Examples of RTO Arrangements across Different Countries

Despite the majority of RTOs around the world being required to perform the challenging role of destination leaders, there is little consensus about which governance arrangement (external) will enable the leadership role of them to flourish nor about which is the best practice on how these organisations should be internally organised and conducted (internal arrangements). In this sense, Pearce (1991 p.200) argues that “There is no single best type of tourism organisation (internal arrangement) nor inter-organisational network (external arrangement), rather each country must evolve a system which best reflects local, regional and national conditions”. Pearce (1992) also proposes that RTOs need to change their organisational arrangements (internal arrangements) over time in reaction to changing external context (external arrangements). Changes in the external context (e.g. historical political and economic) can, of course, change both the external and internal arrangements of the RTOs, facilitating or inhibiting their leadership role.

RTOs in the Australian context have emerged since the 1960s as essential tools of tourism planning and policy development (Dredge & Jenkins 2007). As an example, Jenkins (2000) stated that in 1985 the New South Wales Tourism Commission (NSWTC) was established as a commercially oriented organisation responsible for the coordination of the tourism industry in New South Wales State. The NSWTC was responsible for significant financial resources being made available toward the establishment of RTOs and in marketing activities. In 1994 as part of the Regional Tourism Strategy, a network of 17 RTOs was created to develop regional product and competitive marketing. All RTOs were encouraged by Tourism New South Wales (TNSW) to develop financial independence and leadership over their area. Despite the good intentions of TNSW, those RTOs experienced
difficulties accepting the “baton” of leadership, which included activities such as propagating tourism research, the institution of industry certification systems, and the development of education initiatives and inventories of regional infrastructure. In addition, TNSW was prescriptive about the functions of the RTOs which included: focus on product development opportunities for the broader region; development of marketing synergies within the region to improve product exposure within the marketplace; coordination of activities among all levels of government and industry within the region to ensure the efficient sustainable development and promotion of tourism; provision of a local focus on tourism needs and operations; and maintenance of communications on activities with their local communities and TNSW (Jenkins 2000).

Sometimes, the leadership role of RTOs can be positively affected by governance arrangements (external or internal). In England, for example, the RTOs are known as Regional Tourism Boards (RTBs). Palmer (1998) argued that the most effective RTBs in England had “tight” internal governance arrangements, such as formal understandings, norms, very precise tasks, and an effective level of administrative resources. Also, in the British Northwest, according to Costa (2006), RTBs started to create competitive tourism clusters (external arrangements). Costa (2006) stressed the importance of this new approach because it was based on “product-based territories” rather than “administrative territories”. He also stated that this new approach is gaining ground in other countries such as Portugal, where regions merged to create stronger and more viable economic clusters and to boost the creation of “product-space” against “space-product” organisations.

A further example of an external arrangement affecting the leadership of the RTOs was found in Spain. Pearce (1997), stated that the national tourism organisation once had a dominant international marketing function while a network of RTOs operated, with varying degrees of cooperation and duplication of functions between the different administrative levels. However, more recently the national tourism organisation has been disbanded and its functions assumed by the RTOs.
Sometimes, no arrangements are imposed on RTOs. For example, in Sweden, in the 1990s there was no single arrangement (internal or external) imposed on RTOs “from above and each region became free to establish whatever structures it decided appropriate for the development of tourism” (Pearce 1996b p.419). Consequently, little or no financial support was available from central government and RTOs needed to find their own funding. According to Pearce (1996b), the main arrangement of the RTOs in Sweden can be summarized as following administrative boundaries which correspond to a single province (external arrangement); small staff allocations and few resources in most RTBs; and dependance “on grants from the provinces and municipalities for their base income while generating other revenue from the co-financing of particular projects – at this level there was little private sector contribution or board representation”, the boards being generally comprised of local provincial and municipal politicians (internal arrangements) (Pearce 1996b p.420). Also, Pearce stated that constant “tension between the local and regional levels was evident in many parts of the country where the respective roles of the RTOs and local tourism organisations had not been decisively and mutually established” (Pearce 1996b p.423). This tension was exacerbated by the requirement for the regional and local tourist organisations to operate within minimally resourced environments. From this above situation, it is plausible to infer that the absence of imposed arrangements (internal and external) can lead to underfunding of RTOs and, therefore, affecting their leadership role.

Other times, even well-planned external and internal arrangements are not enough to put RTOs in a good leadership position. In New Zealand, in the 1990s, new legislation, as part of the wider program of tourism governance arrangements (external), gave the leadership role to regional councils to coordinate the strategic planning, development, marketing, and funding of tourism in their areas (Pearce 1990). However, tensions occurred between national and regional levels due to inadequate resources being allocated by the centre to support the RTOs. Consequently, RTOs have become quasi–public sector bodies funded by local, state, or federal government. In some instances, the funding authority has delegated to RTOs the role of tourism expert (Ryan & Zahra 2004). According to Catalyst Management Services in Zahra (2011 p.539), in 2004, the key functions of RTOs in New Zealand were to “promote generic destination branding and promotion of the region to
attract international and domestic visitors; advocate for and facilitate planning for destination management; and facilitate or provide support to the tourism industry for business development and/or product development”. At this stage, “a range of possible governance arrangements (internal) for RTOs included council departments and business units, council organisations and independent organisations” (Zahra 2011 p. 539). However, according to Zahra, even with the planned governance arrangements (internal and external), the RTOs were left in a fragile and weak position and these governance arrangements “did not address the complex and problematic governance issues facing them” local (Zahra 2011 p.539).

Occasionally, the funding that the RTOs receive can be described as falling somewhere in the middle between public and private, and this situation seems to impact on their leadership role. In Scotland RTOs are known as Area Tourism Boards (ATBs). The ATBs are statutory bodies, coming under the control of the Scottish Tourism Board (Kerr, Barron & Wood 2001). However, they do not receive central funding, relying instead on grants from the Scottish Tourist Board and local government. Similar internal arrangements were found in the Canadian context. Dodds (2010), stated that the majority of the DMOs in Canada are private, not-for-profit associations with an independent board of directors. The DMOs were funded by a combination of public funding and revenues generated through membership and service charges. Additionally, Dodds aimed to identify the leadership efforts of the DMOs on addressing climate change issues but concluded that the DMOs demonstrated a lack of leadership to their membership regarding climate change education and mitigation.

In Brazilian external arrangements, RTOs were created in the 2000s with the aim of having them take a prominent leadership role in regionalisation policies. The federal and state governments have significantly funded RTOs to address tourism implementation needs at regional levels and in an effort to build regional destination capacity. The external and internal arrangements of RTOs in Brazil are discussed in detail in Chapter 3.
As discussed above, it is evident that both external and internal governance arrangements may affect (positively or negatively) the leadership roles of RTOs (Dredge & Jenkins 2003; Zahra 2006). Nonetheless, it is important to acknowledge that in practice an RTOs’ role in destination management is not always easily understood by all tourism actors (Pike & Page 2014). Zahra (2006 p.5), stated that “the RTOs’ role and functions are ambiguous in both the academic literature and in industry reports”. According to Jenkins (2000), there is much misunderstanding and speculation over the structures and operations of RTOs and, as a consequence, their relationships with other tourism organisations and the wider organisational environment. This situation itself is a challenge to the effective operation of RTOs. It is important to recognise that if RTOs really want to take up the “leadership baton” of a regional destination they will face multiple challenges, ambiguities, and different positions. The next section discusses some of these ambiguities and explores which sector or entity (including RTOs) is the most appropriate to take up the “leadership baton” of a regional destination.

2.4.2 The Acceptance of RTOs as Regional Leaders

Analysis shows that the leadership role in regional destinations presents some particular ambiguities and divergent positions. Understanding the ambiguities and divergent positions surrounding the concept of leadership in regional destinations is important in determining the acceptance of RTOs as leaders. It means that RTOs and their leadership role are not taken for granted because a regional destination is a networked environment with unclear lines of command and a variety of actors and sectors (Pechlaner, Kozak & Volgger 2014; Valente, Dredge & Lohmann 2014a). Leadership in regional destinations can be seen as the result of an inter-relational type of leadership among entities (from public, private, or third sectors) and individual actors mutually influencing one another. For example, in regional destinations actors can be both leaders and followers at different times or simultaneously according to which issues are being dealt with.

A similar ambiguity exists in the notion of goals where the traditional view is that leadership involves the pursuit of shared goals (Valente, Dredge & Lohmann 2014a). The
interests and values of actors involved in a destination are diverse, and they may be unique, competitive and/or inconsistent (Beaumont & Dredge 2010). Relationships between regional destination actors are often volatile and actions are often motivated by parochialism and self-interest rather than collective, shared interests. Sometimes, regional destination actors from the public, private, and third sectors see problems and solutions differently and, for this reason, often prioritise and seek different goals, which in turn manifests in pressures on the distribution of power and resources. Consequently, these ambiguities create difficulties in determining which sector (including the RTOs) is better placed to provide leadership in a regional destination.

Furthermore, there are divergent positions regarding which sector is in the best position to provide leadership. For example, debate occurs about whether the public or the private is the more capable sector to assume the leadership baton of the regional destination. Some authors, such as Vernon et al. (2005), argue that the public sector is better placed to lead because it can facilitate the development of strategic directions and innovation as opposed to a fragmented private sector. Further, they argue that the public sector can undertake various roles such as the initiation of partnerships, organising of marketing activities and provision of resources to support product development. In such cases, governments often overcome industry fragmentation by implementing a structure (Valente, Dredge & Lohmann 2014a) that appears to hand leadership to the RTO but, in fact, the leadership role is retained by the government through drip-feeding resources and manipulating membership of tourism boards (Robertson 2011).

The related literature contains some criticism about the exercise of leadership of the destination by the public sector due to limitations such as bureaucracy and dispersion. Such criticism is explained by Esteve (2009), Nepal (2009) and Valls (2006) whose interpretation is that when the public sector takes a leadership role, interactions between the state and business interests dominate and it is possible that interactions between other actors (e.g. community groups, not-for-profit organisations) become marginalised. In this way, the state drives the process and is the central actor within the destination network. Difficulties can emerge because governments cannot always operate in flexible and
adaptable ways (Beaumont & Dredge 2010; Bramwell & Lane 2011). One reason for this inflexibility around tourism management is that there can be rigid divisions of powers and responsibilities where, for example, transport, marketing, and product development are undertaken by separate agencies or even at different levels of government (Dredge, Ford & Whitford 2011). As a result, there are significant ambiguities and divergent positions around leadership in regional destinations and in deciding where to look for it and how to recognise it as the “hard” and/or “soft” power to lead (Valente, Dredge & Lohmann 2014a).

The ambiguities and divergent positions discussed in the foregoing about the leadership role in regional destinations have taken place in Brazil and around the world within an increasingly neoliberal public management context wherein governments have been keen to develop public–private partnerships and prioritise business interests (Bramwell & Lane 2011; Jenkins 2000). It follows that placing the leadership role in the hands of RTOs has some advantages when compared with the leadership provided by either public or private sectors because RTOs are a type of entity that has both private and public characteristics. Primarily they are entities organised under private law (e.g. as associations). RTOs are usually comprised of a range of actors – public, private, and non-government sectors – and because of this a broad range of skills, knowledge, and expertise can be drawn upon (Valente, Dredge & Lohmann 2014a). Also Raelin (2012) and Subirats (2003) consider that leadership should be framed in a participatory and democratic manner, giving equal voice to various actors involved in destination management. Despite the alleged advantage that RTOs may have to lead regional destinations, they face several challenges that need the development of related capacities to lead.

2.4.3 Challenges to RTOs’ Leadership and Related Required Capacities to Lead

The occupation of a leadership role by an RTO within the destination, whether imposed or not does not necessarily mean that an RTO is “powerful”, or has capacity to lead, or that other actors could not be more central and influential. RTOs have been given responsibility to provide leadership, for better or worse, while they are interacting with many different actors in a destination (Blichfeldt, Hird & Kvistgaard 2014). The activities of RTOs
depend on the involvement of the local actors and, without this involvement it is difficult to build a coherent regional identity and an internal arrangement in such a diverse economic context. The private sector or a mixture between public and private sectors (e.g. a hybrid model of governance) can successfully manage RTOs. There is interdependence between the funding sources of RTOs and their mandate. For example, when resources are scarce, many tourism actors (usually from the private sector) would prefer that an RTO prioritises its expenditures on marketing before management. The RTOs need financial and “political” support of their tourism actors because if they become highly dependent on public sector subsidy, they become exposed to political influence (Pike 2007) and political processes (Ryan & Zahra 2004).

Jenkins and Dredge (2003) have identified some of these particular challenges. Although these challenges were found in the Australian context, it seems that they can be applied to other contexts because, as discussed above, they are also common in other countries. The majority of the challenges result either from the hesitancy of a destination’s actors to contribute, or from divergence over roles, functions, or funding, some examples of which follow:

Situations involving local competition and personal conflicts where individuals and organisations will not work together or share ideas and innovations… The existence of a ‘free-rider’ mentality, where the private sector will not contribute to the RTOs but will accept the external benefits they derive from decisions and actions made by the RTOs… Causes of turf sovereignty when tourism actors work to maintain independence and ownership over particular initiatives such as a local tourism association undertaking domestic or international marketing activities to the benefit of a local government area, possibly without recognition, or at the expense of a regional brand… Confusion and fragmentation of public and private responsibilities as RTOs seek to marry diverse interests spanning operators, local tourism associations, and state government… Lack of awareness on the part of tourism actors of regional issues and the benefits of regional approaches… Where differing ideologies exist regarding government intervention versus the appropriateness of regional (spatial) tourism strategies (Dredge & Jenkins 2003 p.391).

In addition, within the debate as to whether RTOs should provide leadership to regional destinations two other issues should be considered:
• whether tourism actors can be both leaders and followers as appropriate to the matter being deal with; and
• that tourism actors are not only part of the set of human resources from where leaders emerge but also they are the ones that will or will not support the future leadership (Valente, Dredge & Lohmann 2014a).

As discussed in previous sections, RTOs are still struggling to attract local support, membership, and funding. The benefits they can allegedly afford in leading regional destination activity are often intangible and are principally designed to address the gap in destination leadership. But, paradoxically, RTOs have no hierarchical position of power, commitment of state and local resources or widespread support from tourism actors (Jenkins 2000). Based on the multitude of challenges that RTOs are facing in different countries, it is important to better define what the broad literature on destination, including destination governance and destination leadership literature, designates as being the required leadership capacities that RTOs are being challenged to develop. Drawing from the literature, six sets of leadership capacities can be identified:

2. Foster and communicate shared understanding and common goals, enhance collective trust supported by effective communication (e.g. sympathetic conversation, open communication, and the safeguarding of interactions), and promote cross-sectoral linkages (Beritelli & Bieger 2014; Beritelli & Laesser 2011; Buhalis & Spada 2000; Dredge 2006; Jackson & Murphy 2006; Jamal & Getz 1995; Pechlaner, Raich & Fischer 2009; Wang & Wall 2007).
3. Encourage, inspire and mobilise destination actors (and resources), create and share knowledge and recognise the importance of joint actions (Buhalis & Spada 2000; Dredge & Whitford 2011; McGehee, Kline & Knollenberg 2014; Murphy & Murphy 2004; Pechlaner, Raich & Fischer 2009; Tosun 2000; Zmyslony 2014).
4. Clarify different roles and responsibilities, provide strategic orientation and positioning of the destination, and promote joint work by synergistic coordination of effort (Flores 2009; Madrid 2008; Zehr et al. 2014).

5. Attract and bundle resources (e.g. financial resources) through organisational potential (Beritelli & Bieger 2014; Dredge 2006; Jamal & Getz 1995; Palmer 1998; Pechlaner, Raich & Fischer 2009; Pforr 2006).

6. Develop innovative marketing of products and services, implement common projects and show direct results (Ladkin & Bertramini 2002; Wilkinson & Young 2002); (Bornhorst, Ritchie & Sheehan 2010); (Buhalis & Spada 2000; d'Angella & Go 2009).

2.4.4 Conceptual Framework for Researching RTO Leadership on Regional Destination

When considering the challenges facing RTOs and their capacities to lead in the regional destination, it is necessary to build a clear framework against which leadership capacity can be more easily understood in the CSR of this thesis. The process of researching the capacities of RTOs to lead regional destinations requires application of: leadership theories (traditional and integrative); the five leadership elements (leaders, followers, external context, goals, and organisational structure); the models and principles of governance; and the challenges and capacities to lead, discussed in previous sections. For the purpose of this thesis the process can be described as involving:

- Leaders – as the two RTOs (the ACO and the IER) of the regional destination (the CSR) and their respective Organisational Structure, including their capacities to lead and governance models and principles. The Leaders are taking a central position in the framework because they are responsible for the orchestration of the leadership process, including the other leadership elements (e.g. followers, goals, external context, and organisational structure).

- Followers – represented by the main regional destination actors, public, private, and third sector. In the CSR considered in this thesis, the destination actors are
those included in the seven common municipalities (see Figure 1.1 in Chapter 1). These seven municipalities belong, although not exclusively, to the coverage area of the ACO and the IER, therefore, the ACO and the IER share the same followers within these seven municipalities.

- Goals – representing the desired destination goals of destination actors, both leaders and followers. In the CSR, the desired goals are defined by the leaders (the ACO and the IER) by agreement with the followers representing the common destination’s actors from the seven municipalities. And

- External Context – is represented by historical, social, economic, and political influences within the CSR and from which the RTOs find the challenges and opportunities with which they need to deal.

Therefore, as illustrated by Figure 2.3, this study conceptualises RTO leadership within the CSR as a complex social process where two RTOs (the ACO and the IER) are the destination Leaders of the CSR. Each RTO has a different Organisation Structure.

Figure 2.3 – Conceptual Framework for Researching RTO Leadership in Regional Destination
Traditional and integrative theories, models and principles of governance, and challenges and capacities to lead have informed this Organisation Structure. The two RTOs are sharing the same External Context (e.g. historical, economic, social, and political) and the same Followers from public, private and third sectors, which have different desired Goals to that of the destination. It demonstrates that the leaders (the ACO and the IER), under their governance model and principles, are being challenged to develop specific leadership capacities to achieve, among other things, common and shared goals for this regional destination.

2.5 Conclusion

Debates around destination management have focused on different dimensions such as planning, marketing, sustainability and, most recently, governance and leadership. It is possible to observe that leadership and governance are broad and complex concepts. Nonetheless, it can be argued that governance theories have been extensively applied in the tourism context while leadership theories have not. A possible reason for this absence of studies linking leadership theories to destination management is the inherent difficulty in applying the basic concepts of leadership in this context, particularly in regional destinations. For example, it is not easy to clearly identify the leadership elements within a regional destination. As discussed in Section 2.3.1, the leadership theories (e.g. trait, behaviour, contingency, transformational, and distributed) are built around the interactions of five common leadership elements, namely the leader, the followers, the external context, the organisational structure, and the goals. However, as discussed in Section 2.3.3, regional destinations are a networked environment with unclear lines of command and the regional actors can be both leaders and followers at different times or simultaneously, dependant on the issues being dealt with.

Regional destination actors have multiple interests, values, and goals. However, common and shared goals are fundamental to providing directions and development to destinations. There are divergent opinions about which sector (e.g. public sector, private sector) is better placed to achieve understandings around commons goals in regional destinations. RTOs
seem to be better placed to promote the common cause and often they serve as an intermediary between the different interests within a destination (Valente, Dredge & Lohmann 2014a). However, RTOs are facing challenges to take up the leadership baton of the regional destination due to reasons such as the reluctance of regional actors; divergence around functions; funding requirements; and governance models and principles existing within the RTOs. The nature of a regional destination as a usually fragmented set of small and medium cities and immature enterprises is the principal factor behind these issues.

This chapter has critically reviewed current knowledge of destination management, particularly regarding the intersection of destination governance (principles and models), leadership theories (traditional and integrative), and RTOs (challenges and required capacity to lead), thereby addressing Research Objective 1. The next chapter substantiates some of the concepts discussed in this chapter and through examination of the historical, economic, political, social, and touristic scenarios within which the CSR is located, explores the external context, one of the five important leadership elements.
Chapter 3 – THE CASE STUDY

3.1 Introduction

This chapter critically analyses some of the general challenges and opportunities facing the ACO and the IER in their leadership of the shared case study region (the CSR) within their historical, political, economic, and touristic contexts (Research Objective 2). To explore this broad context, Brazilian history is used as a type of “conduit” between the various contextual influences. The chapter also discusses the governance arrangements of the two RTOs, by focusing on aspects of leadership, tourism governance, and geographical factors such as regional boundaries.

3.2 Historical Context: The Roots of Governance and Leadership Challenges

Brazil was selected as the country of study for this thesis for several reasons:

1. Leadership in a tourism destination within Brazil is a particularly complex task because Brazil is a developing country which has not yet reached the level of institutional organisation that characterises most developed countries (Marini 2009).

2. Developing countries such as Brazil are important for understanding the formulation, implementation and monitoring of public policies because of the constitutional reforms, social movements and political innovations that have taken place in recent years (Araujo & Dredge 2012).
3. The case study region (the CSR) is unique within Brazil because its particular geographical location and political determination have placed it within the leadership of two RTOs which operate under different tourism governance models.

4. This is the country of birth of the author who lived in Brazil for 47 years and whose industry experience and familiarity with language and culture have made for easier access to industry participants for the purposes of gathering data, including conducting of interviews and understanding public policy making.

Brazil is the largest country in South America and the world’s fifth largest in land area (Barros & Ferreira 2014; Jianping et al. 2014). It borders the South American countries of Argentina, Uruguay, Paraguay, Peru, Colombia, Venezuela, Bolivia, Suriname, French Guyana, and Guyana (Scholvin & Malamud 2014). In 2015, Brazil’s estimated population was 204 million inhabitants (Instituto Brasileiro de Geografia e Estatística 2015). In 2012, the Brazilian economy was considered the largest in the southern hemisphere, and the seventh largest in the world in terms of Gross Domestic Product (GDP) and purchasing power (Emodi, Bayaraa & Yusuf 2015; Mansfield 2014). Despite its large geographical area, economy, and population, Brazil still faces many challenges related to governance and leadership in various sectors (Dowbor 2015; Scherer-Warren 2015), including tourism activity (Oliveira 2008; Pereira 1999). Some of these challenges have their roots in the history of the country (Alfonsin et al. 2015).

As it is not an easy task to examine 515 years of history, and this is not the primary focus of this study, Table 3.1 focuses attention on briefly summarises of specific historical facts that have impacted on the leadership and governance of the country and the CSR (Bonavides 2000; Galvão 2009). This table illustrates the three different periods (or regimes) of government that Brazil experienced from discovery until today.
Table 3.1 – Historical Facts Influencing Tourism Governance and Leadership Capacity in Brazil and in the CSR

<table>
<thead>
<tr>
<th>Regime</th>
<th>Period</th>
<th>Historical Facts</th>
<th>Impacts on Governance and Leadership</th>
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<td></td>
<td>1530 to 1695</td>
<td>The colonial economy was based on sugar and African slave labour. The ‘hereditary captaincies’ governance model, which the plantations and processing factories were under the control of a few families, who owned the land.</td>
<td>A concentrated system in terms of both economy and power. Leadership imposed by force (e.g. slavery).</td>
</tr>
<tr>
<td></td>
<td>1695 to 1730</td>
<td>Gold was discovered in Minas Gerais State, particularly around the CSR. The CSR received embellishments by the way of paths opened up to transport gold and diamonds from this region to the ports of Rio de Janeiro and Paraty.</td>
<td>This region (the CSR) becomes the centre of the economic power of the colony.</td>
</tr>
<tr>
<td></td>
<td>1748 to 1789</td>
<td>Gold mining began to decline. The Portuguese Crown decided to enforce the payment of all tax arrears, creating alarm around the CSR and region.</td>
<td>‘Inconfidencia Mineira’ (the Minas Conspiracy), with the CSR as the ‘heart’ of the movement attempted to proclaim the independence of the Minas Gerais State.</td>
</tr>
<tr>
<td><strong>Imperial</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1808 to 1816</td>
<td>Napoleon Bonaparte’s troops invaded Portugal. The Portuguese Crown escaped towards Brazil.</td>
<td>Dom João crowned himself as king of Portugal and Brazil. A kingdom with improvised leadership.</td>
</tr>
<tr>
<td></td>
<td>1821 to 1824</td>
<td>Dom João returned to Portugal. Dom Pedro stayed and became regent of Brazil. Due to instability and lack of satisfaction in the colony, Dom Pedro was forced to proclaim Brazilian independence.</td>
<td>The first Constitution was proclaimed and remained in force until 1889. First attempt at governance but with weak leadership of Dom Pedro.</td>
</tr>
<tr>
<td><strong>Republic</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1889 to 1930</td>
<td>Emperor Dom Pedro II abdicated, and the imperial family left Brazil. A new constitution, which established a federation governed by a president, a bicameral national congress, and a judiciary was enacted.</td>
<td>Power and control were still held by the old oligarchies and elites.</td>
</tr>
<tr>
<td></td>
<td>1930 to 1945</td>
<td>Getúlio Vargas inaugurated a populist period of government. The army overthrew Vargas and brought two presidents to power, Linhares and then Dutra.</td>
<td>First coup. Dictatorship style of governance with abrupt shifts in alliances and ideologies.</td>
</tr>
<tr>
<td></td>
<td>1951 to 1954</td>
<td>Getúlio Vargas was elected again, but Vargas suicided.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1956 to 1961</td>
<td>President Kubitschek enacted the economic plan ‘Fifty years in five’ (i.e. fast development). This fragile scenario conducted a new military coup in 1964, supported by conservative sectors of society.</td>
<td>Political instability and friction occurred between the various interests, some aligned with the USA, and others with socialism.</td>
</tr>
<tr>
<td></td>
<td>1964 to 1985</td>
<td>A restrictive constitution, fear of communism, censored media, torture, illegal prisons, and banishment of dissidents.</td>
<td>Low levels of liberty with no governance and leadership imposed by force again.</td>
</tr>
<tr>
<td></td>
<td>1985 to 1988</td>
<td>Free and democratic elections. The union of the Federal District (Brasília) and 26 states formed the Federal Republic.</td>
<td>The current Brazilian Constitution was created. Redemocratisation, decentralisation new forms of governance.</td>
</tr>
</tbody>
</table>

Leadership in Regional Tourism Governance: A Brazilian Case Study

Flavio Jose Valente
Based on historical facts presented in Table 3.1, critical perspectives reveal that the history of Brazil and the CSR has created some challenges in relation to governance and leadership (Souza 2005). The colonial regime, for example, left a legacy of political dominance by a relatively small number of families (BoiAnovsky 2014; Schwartzman 1982). These families maintain high levels of political influence in Brazil through the federal and state congresses (Araujo & Bramwell 2002). According to Pinheiro (1997), this power concentration is responsible for authoritarianism and clientelism, resulting in poor participatory civil society and weak democratic institutions. In addition, there is a legacy of centralisation and concentration of political power in the hands of the federal government, weakening the autonomy of regional and local administrations (Brewer-Carias 1995).

During the imperial regime, the status quo was kept in accordance with the interests of the dominant elite (Martins 2006). During the republic regime, the dictatorial periods (e.g. Vargas and the military) left a legacy of exclusion of civil society and its organisations from the democratic decision making processes (Araujo & Bramwell 2002; Holston 2008). Even the introduction of the new constitution, in 1988, was not sufficient to produce social participation and empowerment of the citizens (Pinheiro 1997). As a result, this historical context is still creating challenges for governance and leadership of Brazil and the CSR, including the tourism sector (Souza 2015). These challenges can be observed over the many shifts that occurred in the evolution of Brazilian tourism policies and governance over the years discussed in the next section.

### 3.3 The Evolution of Brazilian Tourism Governance

The first official initiatives of structuring the tourism activities in Brazil took place from the middle of the last century. In 1938, during the Vargas government, the Department of Press and Propaganda (DIP) was created. It had a Tourism Division in order to supervise tourist services (e.g. travel agencies) and to produce tourism marketing abroad (Trentin & Fratucci 2011). However, it was only in 1966 that the first public tourism policy in Brazil appeared with the creation of the National Tourism System (NTS) (Cruz 2000). This System consisted of two official bodies, the Conselho Nacional de Turismo (CNTur),
which was responsible for formulating tourism policies and a Federal Agency “Empresa Brasileira de Turismo” (EMBRATUR), responsible for the coordination and implementation of such policies (Beni 2006). This Brazilian situation was not very different compared to what was happening in Europe, particularly in Portugal and Spain.

In Portugal, in 1911 the National Propaganda Tourism and Communication was created, highlighting the close relationship between tourism and propaganda. In Spain, in 1928, the government created the “Patronato Nacional de Turismo” (National Tourism Board) and introduced direct measures to organise the tourism sector. In both Portugal and Spain propaganda and publicity abroad were the aims that persuaded the political powers to set up their respective tourism departments. The “Secretariado Nacional de Informação, Cultura Popular e Turismo” (National Information, Popular Culture and Tourism Department) was set up in 1941 and remained virtually unchanged throughout the Portuguese dictatorship until 1974. In 1951, Spain created its own Ministry of Information and Tourism, which stayed in place right up to the return of democracy in 1977 (Garcia 2014).

During the dictatorial military period (1964–1985) there was a lack of governance principles in all spheres of Brazilian government (Araujo & Bramwell 2002; Trigo 2000). Consequently, describing the real importance of tourism activity during this dictatorial period is difficult due to a lack of information and accurate statistics (Alves & Dantas 2013). What can be said from this period is that the policies produced by the government aimed at economic development under the influence of the prevailing interests (e.g. dominant elite) (Cruz 2000). Moreover, the marketing produced by EMBRATUR, during this period, was only focused on the fascination with the nation’s natural and cultural resources (Ituassu & Oliveira 2004). As a result, during this dictatorial regime few strong principles of “good” tourism governance (e.g. participation, legitimacy, and transparency) were evident and capacity to lead tourism activity, both at individual and institutional levels, suffered.
Only after the 1988 Constitution, were some governance principles applied to tourism activity in Brazil, such as participation (Carneiro 2014). During the short period of the Fernando Collor de Mello government (1990–1992), the CNTur was extinguished and EMBRATUR assumed the responsibility for the formulation and implementation of national tourism policies (Cruz 2000). A National Tourism Plan (NTP) was also created and was aimed at improved national economic development but considering benefits to local communities (participation) (Cruz 2000). In addition, these policies included concerns over the preservation of the natural and cultural heritage (Gomes, B, Silva & Santos 2008). However, despite some advances in terms of tourism governance, the country began to face a troubled political period, due to the corruption that led to the impeachment of President Fernando Collor de Mello (Abrucio 1994).

During the next government, Itamar Franco (1992–1994), tourism became part of the Ministry of Industry, Trade and Tourism (Cruz 2000). In 1993 and 1994, Brazil underwent countless changes, especially with the implementation of the “Plano Real” (Real Plan) that aimed to combat historically high inflation (Cruz 2000; Silva 2002). Under the “Plano Real”, the country’s economy was stabilised and, for this reason, it was possible for the resumption of investment in tourism activity to occur again (Trentin & Fratucci 2011). In 1994, the government launched the Programa Nacional de Municipalização do Turismo (PNMT) (Cavalcantil & Hora 2002). The PNMT sought decentralisation, highlighting the important role of the municipality for the existence of tourism and, therefore, local communities were encouraged to participate more in their tourism governance (Brusadin 2005). In addition, the PNMT aimed to educate local stakeholders about the role of tourism as a tool for growth and job creation within the municipalities (Brusadin 2005).

During the Fernando Henrique Cardoso government (1995–2003), the PNMT became a strategic program, articulating various national sectors (Trentin & Fratucci 2011). The PNMT brought several opportunities to tourism governance which included strengthened relations between public and private sectors and expansion of the local tourism infrastructure within municipalities (Brusadin 2005). In addition, the PNMT encouraged the municipalities to establish various processes, such as the development of Municipal
Tourism Plans, Municipal Tourism Councils (COMTURs) and Municipal Tourism Funds (FUMTUR) (Trentin & Fratucci 2011). Such processes made municipalities better equipped to operate under good principles of governance (e.g. transparency and accountability) and to acquit state and federal government funds (Endres 2002). However, the PNMT also presented some problems. These included an excessive focus on municipalities and their independent tourism development. Such independence worked against regionalisation, and also encouraged competition rather than collaboration among isolated tourist cities (Silveira 2005). Moreover, there was a lack of a reliable data collection regarding tourism potential within municipalities. Finally, there was a weakness in leadership by social organisations ruled by local stakeholder involvement (Lobato 2001).

Under the mandate of President Luiz Inácio Lula da Silva (2003–2010), a separate Ministry for Tourism was created for the first time (Sansolo & Cruz 2003). The functions of the EMBRATUR were modified and, at the same time, a new National Tourism Plan (PNT) was designed (Dias 2009; Trentin & Fratucci 2011). The preparation of this PNT occurred in a participatory manner, with the collaboration of representatives of the private sector, state tourism departments, academic researchers, and professional associations (Trentin & Fratucci 2011). The PNT was developed with the basic objective of diversifying and expanding Brazilian tourism products in order to address regional differences. For this reason, the PNT turned primarily to the regionalisation of tourism, where the municipalities should join to create regional tourism destinations (Sansolo & Cruz 2003).

In 2004, the PNMT was suspended and it evolved into the Tourism Regionalisation Program (TRP) (Laws et al. 2011). This apparent rupture between the two plans (PNMT and TRP) did not in fact exist. There was rather, a confirmation of the option for the decentralisation of tourism governance in Brazil because, among other reasons, the Brazilian federal public policies did not address local needs (Gomes & Santos 2007; Pires et al. 2011). Usually, the federal government detached itself from its tourism responsibilities because, in most cases, states and municipalities managed implementation.
The federal government has also used this TRP as a regional economic development tool in an attempt to alleviate poverty in the most deprived regions of Brazil (Assis 2006; Fratucci 2009; Trindade 2009). For these reasons, the Brazilian federal government moved to generally decentralise its operations and develop tourism at a regional and local level (Araujo 2011; Machado & Tomazzoni 2011).

After the implementation of this TRP, the official tourism governance model in Brazil is hierarchical and comprised of four levels (Ministerio do Turismo do Brasil 2012a). First, at the federal level, the Ministry of Tourism is the major tourism agency. The National Tourism Council is a body of industry representatives appointed by the Minister of Tourism, which provides guidance and oversight to the Ministry of Tourism. Second, state tourism agencies are responsible for implementing statewide tourism policies and are usually advised by their respective state tourism industry forums. Third, at the regional level, the RTOs – also known in Brazil as “Instancias de Governança Regional” (or Regional Governance Instances) – have been created mostly by state governments in an effort to promote regional clustering (Trentin & Fratucci 2011). Fourth, at the local level, usually a Municipal Tourism Department or similar unit exists. Local tourism industry councils (known as COMTURs) are appointed to provide guidance to the municipal agency (Ministerio do Turismo do Brasil 2012a). The tourism structure in Brazil and its four levels is simplified and presented in Figure 3.1.

Figure 3.1 – Tourism Structure in Brazil

Source: Adapted from Ministério do Turismo do Brasil (2012a).
According to the Ministério de Turismo do Brasil (2012b), the “Regional Governance Instance” or RTO is an organisation that despite being inserted in a hierarchical structure, it should seek the public and private sector participation in a touristic region. This organisation has the coordination role of the TRP at the regional level. In this case, the Ministry of Tourism considers a region as a territory, which has units (municipalities) with similar and complementary characteristics. These municipalities would be able to join in this territory defined for the purposes of planning and management (Quintão 2012). The concept of region here follows the territorial distribution by the similarity and complementary nature of tourist interest features, thus integrating a new territorial division in the function of tourism or the potential for tourism (Ministerio do Turismo do Brasil 2012a).

This new official tourism governance model is hierarchical and incorporates the idea of public–private partnerships (Araujo & Bramwell 2002). The institutional responsibility started to move from central to regional levels, facilitating the sharing of power and responsibilities (Trentin & Fratucci 2011). As a consequence of the TRP, the responsibilities for destination leadership have been passed from the national government to RTOs (Valente, Dredge & Lohmann 2014a). The Brazilian government has encouraged the view that leadership of regional destinations does not remain in the hands of public authorities in order to minimize the risk of tourism being strongly influenced by government interests, and to avoid bureaucracy and corruption. The Ministry of Tourism even recommends that the leadership of RTOs, which are still under the coordination of the government, be transferred from the public sector to another type of entity (e.g. RTOs) (Fratucci 2009; Pereira, AS & Lopes 2010). As a result, in 2012, the Brazilian tourist map had about 3,635 potential tourist municipalities organised in 276 tourist regions (Portuguez & Alves 2013), where each one of these regions should theoretically be led by an RTO.

Critical perspectives covering tourism policy initiatives in Brazil reveal that despite attempts to introduce decentralisation and participation, Brazilian tourism governance/leadership is still facing many challenges (Tavares, Vieira Junior & Queiroz 2010). Because the federal government still has the largest share of resources (Abrucio,
Filippim & Dieguez 2013) it means that, although the discourse on
democratic/participative management, political decentralisation, and autonomy to states
and municipalities exists in principle, in practice there are not enough resources (Abrucio,
Filippim & Dieguez 2013). This situation is exemplified by the fact since the establishment
of the 1988 Constitution, it has been mandatory for the municipalities to allocate a
minimum percentage of investments in health and education, which means that as most
municipalities face financial difficulties, they prioritise areas other than tourism (Tavares,
Vieira Junior & Queiroz 2010).

In addition, despite the creation of many RTOs in Brazil, and indeed in many other
countries, these organisations are facing challenges related to leadership capacity, such as
communication, articulation, integration, mobilisation and role definition among tourism
actors from the public, private, and third sectors (Bruce 2014; Shone 2013; Valente,
Dredge & Lohmann 2014a; Werner, Dickson & Hyde 2013). As a result, more in-depth
investigations are needed around the capacity of RTOs to lead. In this sense, the next
section presents a distinct situation in terms of leadership and tourism governance within
the Minas Gerais State, which provides a good opportunity to begin to more closely
scrutinise the leadership roles of two RTOs.

3.4 Minas Gerais Tourism Governance: RTOs Operating in
Overlapping Regions

As far as it is known, the only state where there are two different governance structures,
with their respective RTOs having overlapping geographic areas, is in the Minas Gerais
State (e.g. the CSR). Minas Gerais is one of 26 Brazilian states, and the fourth largest state
(e.g. larger than France), with a population of around 20 million inhabitants. Minas Gerais
is a Brazilian State 853 municipalities. Minas Gerais has the third largest GDP of Brazil,
surpassed only by the States of São Paulo and Rio de Janeiro ( Governo do Estado de
Minas Gerais 2015; Instituto Brasileiro de Geografia e Estatística 2015). The CSR itself is
a particular set of seven municipalities located around 80 km from the capital of the Minas
Gerais State (Belo Horizonte). These seven cities have the following in common:

- they are under the governance/leadership of two RTOs, both the ACO and the IER, at the same time. Exploration using secondary sources of information such as websites, journal articles, magazines articles, and government reports showed that both the Brazilian government and Minas Gerais State considered these two RTOs, as being two of the most important RTOs;
- they are relatively small (no more than 80,000 inhabitants);
- they have historical attractions;
- they were funded during the Colonial regime (see Table 3.1);
- their mineral richness, e.g. gold, diamonds in the past, and iron presently and activities were responsible for the foundation of the cities during the Colonial regime (Governo do Estado de Minas Gerais 2015). These mineral activities are also the predominant base of the economy of this region today (Roeser & Roeser 2013). It is possible to say that the CSR has an economic minerals resource dependence (Carvalho et al. 2012); and
- they are heavily economically dependent on mining activities.

Resource dependence is a useful theory to consider when managing a destination because it addresses influence and power (Beritelli, Bieger & Laesser 2007; Bregoli & Del Chiappa 2013). The broader context of the CSR can be better understood by including the economic power represented by the mining industry. Natural resources are an important growth catalyst to many regions and this CSR that has greatly benefited by the wealth provided by mineral extraction (Carvalho et al. 2012). Nonetheless, resources can also impede development by creating an unhealthy economic dependence and some other potential issues associated with the mining industry. For example, a region’s economy, such as represented by the CSR, relies so heavily on iron extraction that it makes any other economic activity, such as tourism, less important (Sandoval, Arruda & Santos 2009). Freudenburg (1992) likens the dependency on iron extraction to drug addiction because these regions become reluctant to diversify even as the economy and the number of jobs in
extraction clearly declining in the long term. This situation makes it hard to look to other economic alternatives for the CSR.

For these reasons, tourism activities in the CSR only began to gain prominence from the 1950s, and further developed from 1980, when the Ouro Preto (the main city of the CSR) was declared by UNESCO a cultural human heritage (Brusadin & Silva 2012). The main type of tourism developed in the CSR is historical and cultural, which is justified the CSR’s colonial setting. Today, tourism activities are an important and promising economic activity in the CSR, however, with a low economic impact in comparison with the mining industry (Pires 2003).

Minas Gerais State presents a distinctive situation in terms of leadership and tourism governance, which is based on two aspects. First, the tourism regionalisation process in the Minas Gerais State preceded the federal regionalisation policy (Trindade 2009). Second, there are two different and overlapping governance structures. The first structure is represented by the ACO and it is dominated by public sector leadership, facilitated by the Secretaria de Estado de Turismo de Minas Gerais (SETUR)\(^1\) (SETUR 2015). The second structure is represented by the IER (Instituto Estrada Real 2012) and it is overseen by a private sector leadership, facilitated the Federation of Industries of Minas Gerais (FIEMG).

### 3.4.1 The “Circuitos Turísticos”

In 1999, Minas Gerais created its Tourism State Department called “Secretaria de Estado de Turismo de Minas Gerais” (SETUR). The SETUR was set up with the challenge to better organise tourism activity within the 853 municipalities of the state (Trindade 2009). In 2000, the SETUR, in order to accomplish this challenge, started a tourism regionalisation structure, proposing the creation of regional destinations along the state. The name used for this tourism regionalisation policy in Minas Gerais State was the

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\(^1\) From 01/01/2014, SETUR absorbed the State Department of Sports, becoming the Secretary of State of Tourism and Sports (SETES/MG). However, in order to use the more traditional and acknowledged name, this study kept to the acronym SETUR.
“Circuitos Turísticos” (or Tourist Circuits) (Gomes, Silva & Santos 2008). The idea is that the majority of the state’s municipalities should join into several regional tourist destinations. The Circuitos Turísticos policy aims to foster tourism as a social, economic, and cultural development factor, based on relative geographical proximity and common cultural-economic affinities (SETUR 2015).

According to Tavares et al. (2010), in general each Circuito Turístico is comprised of a “city base” responsible for housing and to distribute the tourists to the remaining municipalities. Usually, this city base has a more ample tourist facility supply, including hotels, restaurants, and tourist attractions (Tavares, Vieira Junior & Queiroz 2010). The remaining municipalities usually have lower tourist retention power due to insufficient infrastructure and a small number of tourism attractions. However, these remaining municipalities can play a complementary role to the attractions of the city base, and justify greater tourist permanence in the region (Tavares, Vieira Junior & Queiroz 2010).

Each Circuito Turístico is designated as such and is differentiated by a “surname” denoting the main characteristic of the region, for example, the “Circuito Turístico do Ouro” (Gold Touristic Circuit) or the “Circuito Turístico das Águas” (Waters Touristic Circuit), and so on (SETUR 2015). These Circuitos Turísticos were given incentives by SETUR to organise themselves into legal forms of associations, development agencies, and NGOs, among others. The SETUR’s recommendations include that the Circuitos:

- be located in a 100 km radius;
- define a “surname” for the Circuito according to the regional identity;
- create their own statutes; and
- be able to include in their structure the public and private sector and civil society (SETUR 2015).

Moreover, if the Circuitos Turísticos want to receive an official certification and related benefits from SETUR (e.g. state funding) they need to:

- have a fixed address, phone number, and a developed logo;
- set, register and define a legal form (Association, NGO, Development agency, etc.).
• have a tourism graduate as the manager of the organisation;
• implement an action plan;
• carry out market research;
• carry out visitor satisfaction surveys;
• carry out a tourism inventory of the region;
• organise an official calendar of events; and
• establish a tourist information office in each city of their coverage (SETUR 2015).

By 2014, 43 Circuitos Turísticos were updated with their certificates (SETUR 2015). The tourism organisations generated by both the Circuitos Turísticos (SETUR’s policy), and the Regional Governance Instances (Ministry of Tourism policy) are essentially RTOs and were created under public leadership. For this reason, both the federal and state governments understand that these RTOs, in a broad sense, are the leaders responsible for the tourism development in their respective regions. It was expected that private and third sectors could also associate with these RTOs and come together to organise and develop sustainable regional tourism and regional identity (Knupp et al. 2009; SETUR 2015). The next subsection presents more details about the ACO.

The “Associação Circuito do Ouro” (ACO)

Geographically, the “Associação Circuito do Ouro” (ACO) covers 19 municipalities but two municipalities have yet to join the association (Ricci 2012; SETUR 2015) (see the coverage area of the ACO in Figure 1.1). In relation to the capital state, Belo Horizonte, the furthest municipality associated is located 170 km away (Piranga) and the nearest is located around 30 km away (Rio Acima).

It is interesting to observe that the ACO already existed with another name and legal form. In 1991, the ACO was originally an informal group of people joined in a forum of discussion called “Tourism Discussion Forum Circuito do Ouro” (Ricci 2012). It means that 10 years before the Circuito Turístico state policy, this forum was already concerned with a type of tourism regionalisation (Ricci 2012). This Forum was established on the
initiative of a teacher, Mr Ferreira Tarcízio, with the objective of encouraging the development of regional tourism (Quintão 2012). The idea was to establish a touristic “route” in the form of a “circle” – starting from the first point (municipality) and covering the other, returning to the first point (Ricci 2012). It explains the origin of the name Circuit. The tourist could travel through several municipalities within this “circle” (region) that possessed historical and cultural affinities. This way, the tourists would be visiting all the cities included in the Circuito do Ouro. As a result, this forum’s idea brought an initial regionalised tourism vision and its related benefits for each one of the municipalities involved (Quintão 2012).

In 2001, in order to better suit the Circuito Turístico policy, SETUR proposed that this Tourism Discussion Forum Circuito do Ouro change its informal organisation arrangements to become a not-for-profit association, the “Associação Circuito do Ouro” (Quintão 2012; Ricci 2012). As a result, currently the ACO follows the Minas Gerais Circuitos Turísticos policy and, at the same time, the Ministry of Tourism policy (TRP). The ACO’s membership is dominated by municipalities, through the local tourism council, and its resources are principally derived from public funds from these municipalities’ membership base (Ricci 2012). However, there are also some other members from the private and third sectors (Associação dos Municípios do Circuito do Ouro 2015).

For this reason, the ACO is characterised as having a hybrid governance model – hierarchical and network characteristics (Beaumont and Dredge, 2010, Hall, 2011). The current ACO’s main objective is to support sustainable tourism development within its coverage region, including the two municipalities that have not yet joined (Ricci 2012). The mission statement of the ACO is to “represent its members, supporting and promoting development of sustainable tourism in the Circuito do Ouro region, through the articulation of business sectors, government and civil society and through induction of policies, plans and projects, resulting in strengthening regional identity” (Ricci, 2012).

The organisational structure of the ACO now consists of a general assembly and three boards with different responsibilities, that is an administration board, an executive board, and a supervisory board. The executive board is comprised of three people, a president, a
CEO and a trainee, with only the CEO and the trainee being paid (Ricci 2012) (see Figure 3.2). These executive boards are responsible for implementing an annual work plan in accordance with goals and an agenda developed and approved by members of the RTO. These boards meet on a monthly basis with members (municipalities, business, and community) to consider and agree upon the agenda of the meetings. Once projects are approved, members receive updates about progress. Among the ACO activities are the tourist surveys, training, workshops, and management of municipal tourism plans (Ricci 2012).

Figure 3.2 – Organisational Chart of the ACO


According to the SETUR, the ACO has a prominent governance/leadership in comparison with other Circuitos Turísticos in the Minas Gerais (Gerais 2013). The Ministry of Tourism also acknowledged this prominent governance/leadership. In 2009, the ACO received a prize from the Ministry of Tourism for the best “Regional Tourism Planning and Management” in Brazil (Ministerio do Turismo do Brasil 2012b). In 2013, the ACO was used as an RTO model to be followed in an academic study in Maranhão (another Brazilian state). This study identified some good governance practices from the ACO, such as transparency, legitimacy, and accountability (Costa & Carvalho 2014).

The second governance structure in Minas Gerais State and that which overlaps the ACO, is the “Estrada Real”, as follows.
3.4.2 The “Estrada Real”

The “Estrada Real” (ER) private governance structure is operationalised in the central-west part of the Minas Gerais State (See Figure 3.2). Before further discussing this structure, it is necessary to clarify three different meanings that the term “Estrada Real” (ER) can have: (i) ER as a Concept, (ii) ER as a Minas Gerais State Program, and (iii) ER as a Product or a destination.

The ER concept

Estrada Real as a concept was developed to denote the paths or royal trails or roads once used by several nations which had already been a colony (Straforini 2012). These paths were used with the main purpose to transport and to distribute products and goods produced between the colony and coloniser. It means that ER as a concept is not unique in Minas Gerais or in Brazil. According to Renger (2007), this term has been used since 1652 by Portugal to refer to the paths used to transport gold, diamonds, slaves, and goods. Moreover, from the point of view of Portugal, these paths were sources of income, as tax collection, and a manner to control what goes in and out the colony (Assis 2006). There were also deviant paths constructed in order to avoid colonial control, not only to escape the taxes, but also to improve the design of the paths and to link farms, villages and towns of the territory (Barbará, Leitão & Fontes Filho 2007; Guerra, Oliveira & Santos 2003). Therefore, the Estrada Real as a concept can be considered as the main path with its sub-paths (Barbara et al. 2007).

The ER Program

ER as a state program started in 1995 when the Legislative Assembly of Minas Gerais held a seminar on “Tourism: the path of the mines” that later, in 1996, led to a draft law (number 753/96) (Guerra, Oliveira & Santos 2003). In 1999, based on that draft law, a State Law (13173/1999) was launched and named by the Incentive Program for Development of Potential Tourism of the “Estrada Real” or the ER Program (Assis 2006).
This is considered the first tourism development program in the country centred on the ER concept that simultaneously involves many municipalities, states and different segments of tourism such as ecotourism, adventure tourism, historical/cultural and rural tourism (Barbará, Leitão & Fontes Filho 2007).

This ER Program would be implemented in a decentralised manner, with the participation of state agencies, municipalities, and the private sector (Assis 2006). There was a Decree (41205/00) regulating the Law (13173/1999), determining that the Minas Gerais State Tourism Department TURMINAS (which is currently the SETUR) should be the main leading agency of the ER Program and the ER Product assisted by an advisory board consisting of 12 members appointed by the Governor (Guerra, Oliveira & Santos 2003). Initially, the ER Program was based on the Circuito Turísticos policy, which was in formation at that time (Assis 2006). From this initial proposal, the focus was that each part of the ER Product could be led by its respective Circuito Turístico (Assis 2006). As described earlier, this initial idea has changed over time. However, the ER Program is still considered the most important tourism program within Minas Gerais State and it is strongly supported by the federal government.

The ER Product

The idea of ER as a tourism product is similar to another one used in pilgrimage tourism: the route “Camino de Santiago” (in English: the Way of St. James) located in Spain (Barbará, Leitão & Fontes Filho 2007). ER as a tourism product or a destination in Brazil is a set of historical paths properly identified (Guerra, Oliveira & Santos 2003). The result developed and divided the Brazilian Estrada Real into three major Paths. Two paths are historically defined as the “Old Path” and the “New Path” respectively. The first, beginning in Paraty, and the second, in Rio de Janeiro. The two Paths join in the vicinity of Ouro Preto and emerge as a single one, known as the Diamond Path to Diamantina (Instituto Estrada Real 2012) (see Figure 1.1). The ER product thus covers three major paths and its variants, including reaching areas outside the Minas Gerais (e.g. Rio de Janeiro and Sao Paulo States). Presently, the ER product is 1,600 km long and covers
80,000 square kilometres (Instituto Estrada Real 2012). The idea is that the ER product can be travelled on foot, horseback, bicycle, or motorcycle (Instituto Estrada Real 2012).

The ER Product and the ER Program gained importance and broad interests within the Minas Gerais State. On the one hand, this importance raised expectations from diverse sectors and stakeholders in terms of potential investment to be made in the region (Almeida 2009; Ministerio do Turismo do Brasil 2006). On the other hand, both the ER Product and the ER Program become more vulnerable to receive interferences and pressures, from a wide range of these interests, such as political, economic, and environmental (Barbosa 2005; Guerra, Oliveira & Santos 2003). For example, new variants to the main road were established to accommodate new cities (Guerra, Oliveira & Santos 2003). It is not a surprise that in the beginning of the ER Product almost all municipalities wanted to be included, in order to gain prestige and to access financial resources. At the same time, the inclusion of cities without historical criteria could lead the ER Product to lose focus and identity (Barbará, Leitão & Fontes Filho 2007).

These diverse interests also captured the attention of one of the most powerful private organisations in the Minas Gerais State, the Federation of the Minas Gerais Industries (FIEMG) (Sanna 2012). FIEMG is the industry representative entity of all types of industry for the state and acts in defence of their local and national interests. FIEMG also acts through sectoral chambers, which are important integration forums for entrepreneurs who gather around common interests. The chambers are formed by unions of the same production chain, for example, tourism, that meet to discuss common interests (Federação das Indústrias do Estado de Minas Gerais 2015). FIEMG created the IER in order to participate in the management of the ER Product and the ER Program (Barbara et al, 2007). It is not a surprise that this initiative resulted in a strong debate between role definitions of several organisations around the Program and the Product (Guerra, Oliveira & Santos 2003). Some of these debates remain. However, today there is a broad consensus that the IER is the leader of this private governance structure (Guerra, Oliveira & Santos 2003).
The “Instituto Estrada Real” (IER)

In 1998, Mr Eberhar Hans Aichinger occupied the headship of the Chamber of Tourism Industry of FIEMG (Assembleia Legislativa Minas Gerais 2000). Eberhard was an enthusiast of the ER Product and Program (Oliveira & Queiroz 2008). He began to articulate his ideas about this tourism product both internally (FIEMG) and externally in public spheres. As a consequence of this articulation, in 1999, FIEMG decided to create the Estrada Real Institute (IER) in order to organise and to lead the ER Product and Program and Eberhard became the first CEO of the IER (Oliveira & Queiroz 2008). The IER was created as a private not-for-profit NGO by FIEMG, which gives physical space and technical support to the IER. The IER’s mission statement is “to lead the integrated tourism development in the area surrounding the Estrada Real (Royal Road) in a sustainable manner, promoting good and unforgettable experiences for tourists and creating business opportunities for the Minas Gerais industry” (Instituto Estrada Real 2012). To achieve this mission, the IER organises and promotes the ER product towards road demarcation (through special icons) of all the major axes of the road, diagnoses of tourism potentiality, and improvement of infrastructure and marketing (Instituto Estrada Real 2012).

Due to the extensive geographical area of the ER product – 199 cities, 169 cities in Minas Gerais (22 cities in the Ouro Preto branch), 1,600 km long, covering 80,000 square kilometres (see Figure 1.1) – the IER set up six sectors: (i) Destination, responsible for generating information and data about the paths of the Royal Road; (ii) Products, responsible for monitoring the travel packages formatted by operators and sold by travel agencies; Products is also responsible for market trends and emerging tourism segments; (iii) Services, responsible for the relationship, training, and qualification of the tourism businesses within the ER; (iv) Promotion, responsible for promoting the destination; (v) Projects, responsible for the development of tourism projects in the ER and the consultants provided by the IER to other companies and institutions; and (vi) Regional Branches (see Figure 3.3).
Additionally, the IER set up five Regional Branches to better manage its activities and initiatives across the region (Instituto Estrada Real 2012). The Regional Branches are Catas Altas, Diamantina, Ouro Preto, Serra do Cipó, and Tiradentes (Figure 3.3). There is the intention to set up some Regional Branches, such as Juiz de Fora, São Lourenço, Carrancas, Paraty ou Petrópolis (Sanna 2012). The IER maintains in each Regional Branch a graduate in tourism as a manager and an intern as staff, who are the interlocutors with the cities. The head office of the Regional Branch Ouro Preto is located in Ouro Preto city, which comprises 22 municipalities (Martins 2006), including the common seven municipalities from the ACO.

The IER has well-developed marketing activities which include extensive dissemination of tourist information, including websites, publications in specialized tourism magazines, maps, guides, distribution of brochures to travel agencies and tour operators, and intensive participation in fairs and exhibitions (Martins 2006). The IER has also set up some
innovative marketing initiatives to link the ER Product brand with several non-traditional tourism brands, including FIAT sports cars. In order to obtain financial support, the IER has established partnerships with financial institutions and private companies including the Brazilian National Bank, Inter-American Development Bank (IDB), Coca-Cola, and MasterCard, among other institutions (Martins 2006). According to SETUR, the ER is the most important tourism product in the state of Minas Gerais (SETUR 2015). The IER demonstrates a high degree of business acumen and a strong commitment to working with the structures and processes established by the parent entity, the FIEMG. As a consequence, the IER is broadly characterized as a market-led model of governance because it represents predominantly private sector membership of the FIEMG.

3.5 Conclusion

The broad context discussed in this chapter helps to explain the problems of the concept of leadership in Brazilian RTOs and, in particular, in the CSR. It is possible to learn from Brazilian history that the country was always colonised based on assumptions of ambition and exploitation. Further, from all the regimes the predominant legacy was the centralised and authoritarian models of governance. The ultimate example of this legacy culminated with the installation of the military regime in the country for 21 years (1964–1985). During this period, there was a complete restriction of political freedoms and any community participation was denied.

A clear tourism governance framework can enhance values such as shared goals, communication and power sharing, stewardship over the destination and balancing regional power relations (Timur & Getz 2009; Valente, Dredge & Lohmann 2014b). It is possible to observe, from the evolution of tourism governance in Brazil, that the country has been able to produce several laws, plans, programs, and organisations related to tourism governance. However, the mere creation of programs, such as the TRP, or organisations, such as the RTOs, does not necessarily mean that good governance principles and good capacity to lead will automatically be established (Guerra et al, 2003). Moreover, in Brazil there are many tourism organisations creating a confusing blend of
organisations (and their acronyms), and operating without a clear definition of their roles. This results in problems for inter-sectoral and inter-institutional coordination (Barbara et al, 2007).

In Brazil, the co-existence of different RTOs can be considered uncommon, but this situation does arise in other countries for two main reasons (Costa, C, Panyik & Buhalis 2014). First, because it is not easy to find RTOs dealing, at the same time, and in an efficient and effective way, with all management dimensions (e.g. planning, governance, sustainability, and marketing). Therefore, RTOs are established with close links to the public sector, and are mostly concerned with the planning and the management of the region, whereas others, very often associated with the private sector, are established to focus on the marketing and promotion of tourism products. The second reason is that tourism activities (including the operations of tourist organisations such as RTOs) are often not very visible to the wider public, are often little understood, and are generally less scrutinized than other areas of economic activity. It is common to find (regional) tourism organisations which have doubtful relevance and effectiveness, and whose responsibilities across the same regions and broader spatial parameters overlap (e.g., Jenkins, 2000; Dredge and Jenkins, 2003).

Looking at the CSR it is possible to identify some key tensions and contradictions. For example, in the way that two governance structures were set up, or by the unusual way that the FIEMG created an NGO (the IER) to lead tourism development in a large territorial area with the support of the SETUR. On the other hand, opportunities also can be observed from these different governance arrangements. Both the IER and the ACO possess different capacities and opportunities to lead regional tourism. However, leadership in the CSR requires a particular consideration because of the ambiguous context in which power is shared among multiple competing interests. These observations will be critically examined in more detail in chapters 5, 6 and 7. However, first, it is necessary to present what type of strategies (methods) this study has used to obtain different perspectives of leadership in the CSR.
Chapter 4 – METHODOLOGY

4.1 Introduction

This chapter provides an explanation of the methodological approaches adopted in the research of the challenges, opportunities, and capacities of the two RTOs leading the CSR (Research Objectives 2, 3, 4 and 5). This chapter commences by justifying the exploratory purpose of this study (Section 4.1). Section 4.2 proposes a particular ontology and epistemology that will inform the interpretive paradigm discussed in Section 4.3. The abductive approach of this study is explained in Section 4.4. Section 4.5 presents the comparative and embedded case study. Section 4.6 describes and justifies the methods used for data collection, which include the use of semi-structured interviews. It also outlines the study’s ethical considerations. Section 4.7 presents the data analysis, which includes organising data, initial codes, themes, and reviewing themes. The conclusions are presented in Section 4.8.

4.2 Ontology and Epistemology

This study is exploratory. Exploratory studies are common in tourism for at least two reasons. First, tourism is still a new field in comparison with others such as business and sociology. Secondly, tourism is a constantly changing phenomenon (Veal 2006). Exploratory studies are particularly useful when not enough information is known or even available. According to Köche (1997), there are cases, such as this study, that do not present a system of developed theories and knowledge but which are still of great use in social sciences. In such cases, it is necessary to identify the nature of the phenomenon and point out the essential characteristics of the variables under study, which means one must make an initial approach to an unfamiliar problem.
Concerns about leadership in regional destinations have been raised in the tourism literature (Dredge & Jenkins 2003; Jackson & Murphy 2006; Jenkins 2000). These concerns include the lack of research on leadership and the lack of any consistency in research frameworks and approaches (Hristov, Zehrer & Laesser 2015; Pechlaner, Kozak & Volgger 2014; Valente, Dredge & Lohmann 2015; Zehrer et al. 2014). Due to these circumstances and the aim and objectives of this study, the type of information required by this research was predominantly exploratory (Jennings 2010; Patton 2002).

As stated in Chapter 2, this study conceptualises leadership in regional destinations as a social process in which the RTOs are trying to lead while immersed in complex political, historical, social, and economic contexts. Thus, they need to develop multiple relations (Uhl-Bien & Ospina 2012) with different sectors and actors, to achieve this task. Within these intricate relationships, there are diverse and different interests, views, and goals involved (Beritelli & Bieger 2014; Uhl-Bien & Ospina 2012), which raises issues regarding the distribution of power and resources (Tosun 2000). Therefore, leadership in regional destinations is a phenomenon that can generate different perspectives from the interactions between and among the social actors (Hacking 1999). In this sense, leadership is not viewed as an objective truth waiting to be revealed through positivistic precise investigation (Astley 1985; Jennings 2010). Rather, leadership is a reality constructed through a social process in which meanings are negotiated (Fairhurst & Grant 2010). The capacity of an RTO to lead cannot be shaped and controlled by causal relationships under a predicable reality or through universal laws and truths (Jennings 2010). This study seeks to understand leadership through learning how individuals and organisations understand and practice it in a particular region (Berger & Luckmann 2001). As a result, one of the underlying philosophical assumptions of this research is that leadership is based on relationships whose process is constructed by society under the influence of social, cultural, political, and economic forces and values (Lincoln, Lynham & Guba 2011).

The epistemological stance promulgated by positivism sees the relationship between the researcher and the participants as independent of one another, with the role of the researcher being that of a neutral observer (Willis, Jost & Nilakanta 2007). However, in
this study, the relationships between the researcher and participants were rich with meanings around the phenomenon of leadership, and those meanings were not born purely from mental constructs (Lincoln, Lynham & Guba 2011). Rather, meanings about leadership were the result of the interactions between previous mental processes and the characteristics of the capacity to lead (Saccom 2009; Veal 2006). As a result, the epistemological stance of positivism was not used in this study.

In comparison with the critical paradigm, this study understands that leadership is socially constructed in a fluid way for a given situation (Neuman 2006). This study acknowledges that social contexts affect individual and organisational interactions, for example, through state and institutional arrangements. However, the social actors are also able to examine what happens around them and to negotiate and to choose how to act in the light of their interpretation, thus helping to shape society (Fairhurst & Grant 2010). For this reason, issues of power in this study are present but in a lighter delineation, given the wish to focus attention on what is expected from the leaders and the roles that the destination actors may attribute to them (Fournier & Grey 2000). In this sense, the orientation of the study differs from critical orientation, which understands society as the end result, not its cause, of the interactions between the actors (Johnson & Onwuegbuzie 2004) and seeks to unmask domination (Bispo 2010; Goulding 1999) as well as to emphasize an emancipatory posture (Alvesson & Deetz 2006).

The ontological and epistemological assumptions discussed in this section situate this study in the interpretive paradigm and related constructionist position, as explained in the next section.

4.3 The Interpretive Paradigm and Constructionist Position

This research is situated in the interpretive paradigm and related positions, such as social constructionist (Veal 2006). There are several aspects that have influenced the decision to
examine leadership in regional destinations under the interpretive paradigm and constructionist position.

Interpretive social science has its roots in the works of the sociologist Max Weber (1864–1920) and of the philosophers Wilhelm Dilthey (1833–1911) and Henrich Rickert (1863–1936). Neuman (2011 p.102) defines the nature of the interpretive paradigm as:

[…] the systematic analysis of socially meaningful action through the direct detailed observation of people in natural settings in order to arrive at understandings and interpretations of how people create and maintain their social worlds.

The interpretive paradigm seeks to find meanings about the phenomenon from social actors’ points of view (Willis, Jost & Nilakanta 2007). The goal is to understand the complex world of lived experience from the point of view of those who live it (Schwandt 1994). It means that the ultimate purpose of the interpretive paradigm is to understand social meaning by considering the historical, social, cultural, economic, and political contexts of the phenomenon under study. The interpretive paradigm also aims to uncover meanings by observing the relationship between different social actors (Neuman 2006), because it is useful to acquire an in-depth knowledge of the tourism phenomena or experiences related to the empirical world, where there are multiple realities to explain the phenomena (Jennings 2010). In this sense, knowledge about leadership capacity based on reflexive conversations between participants (destination actors) and the researcher within a concrete context such as within the CSR, can be understood (Camargo-Borges & Rasera 2013). This dialogue needs to be an ongoing interactive process, where the focus is on multiple regional realities that can be shared, allowing co-creation of new realities. These multiple realities can be translated through inclusion of many people from many sectors, giving a variety of ways to look at a situation (Gergen, McNamee & Barrett 2001). As a result of the adoption these multiple realities the point of view of the social actors regarding capacity of the RTOs to lead the CSR, can be captured (Jennings 2010; Willis, Jost & Nilakanta 2007).
The interpretive paradigm includes the social constructionist position (Jennings 2010; Losekoot & Wright 2012; Neuman 2006; Osmer 2008). A distinctive position of the interpretive paradigm is that the reality is socially created and maintained (Searle, JR 1995). It means that this position is different to “constructivism” which focuses on the matter of individual minds and their cognitive process (Burr 2015; Gergen 1985). The social “constructionist” position focuses attention outward on the world of social construction of meaning and knowledge (Schwandt 1994; Young & Collin 2004). Gergen (1985) labelled the term “social constructionist” because this term better reflects the notion that the world that people create in the process of social exchange is a particular reality, or in his own words: “the terms by which the world is understood are social artifacts, products of historically situated interchanges among people” (Gergen 1985, p.267). This study focuses on the collective generation of meaning as shaped by conventions of language (Schwandt 1994), and has adopted the social constructionist position because it acknowledges that the capacity of RTOs to lead is a complex social process, constructed collectively and maintained by society.

4.4 Abductive Approach

An abductive approach is different from a simple mixture of deductive and inductive approaches (Neuman 2006; Stone & Thomason 2003). An abductive approach lies between a somewhat deductive test of assumptions and an inductive construction of theories and expectations (Flach & Kakas 2000). An abductive approach is related to providing a plausible explanation based on empirical findings, of which the researcher did not have clear evidence or a common framework (Van de Ven & Johnson 2006). In this sense, Dubois and Gadde (2002) state that the evolving framework directs the search for empirical data. Empirical observations might result in the identification of unanticipated yet related issues which may be further explored in interviews or by other means of data collection (Neuman 2006). These observations might bring about a further need to redirect the current theoretical framework through expansion or change of the theoretical model (Dubois & Gadde 2002). This going back and forward “movement” from an abductive approach promotes expanded understanding of both theory and empirical phenomena.
(Neuman 2006). The research is constantly retracing, back and forth in an iterative, recursive manner, using documents, observations, interviews or the literature, between what is perplexing and a possible explanation for it (Rhodes 2015). The researcher’s thinking is thus designed, in an inferential course, from disclosure towards its possible explanation (Schwartz-Shea & Yanow 2012).

4.5 Embedded and Comparative Case Study

A case study is an empirical enquiry that investigates a contemporary phenomenon within its real-life context (Baxter & Jack 2008; Yin 2009). This study aims to explore leadership as a contemporary phenomenon within a factual context represented by a destination region, the CSR. The study of cases tends to produce complex explanations or interpretations in the form of an unfolding plot or narrative about a particular unit (Neuman 1997). For this reason, case study research investigates one or a small set of cases, focusing on many details within each case and the context, enabling a link to the actions of individuals to the processes studied (Gerring 2006; Yin 2009). This focus on process helps to reveal how an issue evolves or a social relationship develops (Neuman 2006). Such revelations are possible because the logic behind a case study is to demonstrate how general social forces shape and produce results in particular settings (Ragin & Becker 1992). This research was enriched by using a case study because doing so allowed:

- in-depth exploration of specific cases by giving details of the two RTOs;
- the linkage of abstract ideas and complex processes, such as governance and leadership, with the reality and specifics of the cases;
- the emergence of evidence about leadership and governance by portraying real stories of the challenges and opportunities of two RTOs;
- holistic elaborations on an entire process by considering all contexts involved in the CSR and the RTOs; and
- multiple perspectives and interpretations from diverse sectors and tourism actors.
It is important to acknowledge that the concept of “case” itself can be complex (Ragin & Becker 1992). A “case” is bounded or unlimited in time and space and it is often known as a “unit”, such as an individual, group, organisation, event, or a geographic unit (such as in this study) or even an entire nation (Neuman 2006). Further, a case is part of something possible to group – it is a type or kind, from which it is possible to develop knowledge about similarities and differences (Gerring 2004; Neuman 2006). This research has selected a specific geographical region comprised of seven cities and municipalities, as being “the case” (see Chapters 1 and 3). This set of seven cities and municipalities, geographically well-defined, is the case study unit of this study, where the focus is the phenomenon of the capacity of two RTOs to lead.

An embedded case study is a case study unit containing more than one sub-unit of analysis (Yin 2009). The advantage of having two embedded subcases (or sub-units) is to establish strong and robust comparisons and contrasts between them (Baxter & Jack 2008; Eisenhardt 1989). Yin (2009) points out that when a phenomenon can be studied using more than one case, the evidence is often considered more compelling. In this present thesis it means that making a comparison between the capacities of two RTOs to lead this common region and the similarities and differences between these sub-units (the ACO and the IER) magnifies issues, exposes weaknesses, and offers alternative explanations for causal relationships (Baxter & Jack 2008; Eisenhardt 1989; Neuman 2006).

According to Yin (2009), the comparative case study approach is a method suitable for the study of processes which involve holistic analysis. It means that a comparative, in-depth case study is used to understand a real-life phenomenon, including important contextual conditions of it and the study of how people act and interact within their natural setting (Larsen 2010). The outcomes of comparative research can assist with development of strategy and community consultation processes. Moreover, in an embedded case study the comparative aspect might not be limited to cross-case issues but entail multiple-comparatives within each particular case (Larsen 2010). For this reason, using contrasting sub-cases within a single case enhances the possibility of identifying the variations of the phenomenon (Baxter & Jack 2008; Miles & Huberman 1994). In this research, the case
study unit matches the CSR geographical area and represents the seven municipalities. The embedded sub-units to be compared in this case are the geographical areas of each RTOs (the ACO and the IER), as shown in Figure 4.1.

Figure 4.1 – The Case and the Sub-Cases

To achieve multiple perspectives and interpretations from the two RTOs and the diverse sectors and tourism actors geographically located within the case study region, this study adopted particular strategies for data collection that are detailed in the next section.

4.6 Data Collection

According to Hardy and Bryman (2004), case study research should employ mixed methods data collection. The gathering of empirical evidence and the creation of understandings about leadership were undertaken using secondary research and semi-structured, in-depth interviews (Guba 1990; Heron & Reason 2008; Jennings 2010; Patton 2002). Secondary research and in-depth interviews are linked to the social constructionist position adopted by this study. Moreover, to strengthen the findings, and keeping in line with the abductive approach, this study undertook both the secondary research and the
interviews in several stages (Yin 2009). Information was gathered from executives of the RTOs and arrange of actors involved in both RTOs, regarding the characteristics of the RTOs’ governance arrangements and the capacity of the two organisations to lead regional tourism. The justification for this approach lies in the capacity it offers to obtain more higher levels of analysis and varying insights about the phenomenon (Bryman & Bell 2015).

4.6.1 Desk Study of Secondary Data

Documentary information is relevant to every case study, and a wider range of documentary information becoming available to researchers (Oates 2005). Accordingly, this approach could be extensively used to generate information about the CSR and the RTOs (Yin 2009). Both RTOs have Web sites, formal policy statements and annual reports available. Also, analyses of documents from the two RTOs and the other organisations were useful because it allowed this researcher to obtain the names, the language, and the words of participants (Creswell 2003). The desktop analysis was helpful, for example, to confirm the importance and relevance of each actor prior to conducting prospective interviewees and arranging and conducting interviews. Moreover, after every interview, some information provided by the interviewees could be explored further by using online searches of the Internet.

Desk study was ongoing during the process of data collection, and it was useful in all stages of this research (Yin 2013). Yin (1994) argues that data collection in case study research is usually organic in nature and is often carried out in parallel to other forms of data collection. The desk study of secondary data pointed out that the key informants to this study were the CEOs of the two RTOs (the ACO and the IER). After all possible information collected through the desktop of secondary data, the next step was to gain access to key informants of this study in order to obtain the primary data.
4.6.2 Gaining Access to Key Informants

Key actors by virtue of their formal positions and because they are well informed about the subject matter were essential informants within the CSR (Punch 2005). However, gaining access to executives, such as presidents and CEOs of institutions, can be a difficult task because these people are likely to be busy and occupied (Feldman & Chuang 2005). Additionally, organisations can be suspicious of the researcher’s intentions and much time is consumed participating in interviews (Bryman 2013). To minimize these issues, the process of gaining access to the CEOs of the ACO and IER involved different strategies as explained below.

In late 2012, the previous co-supervisor of this doctorate (Associate Professor Gui Lohmann) took advantage of his travel to Brazil to undertake an informal and personal meeting with the CEO of the IER. The primary aim of this personal contact was to better understand the structure and functioning of the IER. Additionally, during this meeting the co-supervisor invited this RTO to participate in this research as one of the sub-case studies. This invitation was accepted and the CEO demonstrated a desire to participate in this project. In January of 2013, I emailed the CEO of the ACO, and after giving an explanation of the purpose of the research invited the ACO to become part of the second sub-case study. The CEO of the ACO expressed her willingness to participate in this study.

With these initial contacts concluded, I emailed the CEOs of the ACO and IER an initial pre-notice with an attached information statement for this study (Dillman et al. 2009). These documents reinforced the aim of the research, provided some details about the interview process, and explained how valuable their participation would be. An assurance was provided that this research was part of an independent study (PhD) and that it was their right to withdraw at any time without justification. The response from both CEOs was positive regarding their participation. From there, details of the interviews were agreed to and sent out in late January 2013.

At interview the CEOs of the two RTOs were asked to indicate which individuals and
organisations from the public, private, and third sectors they, as a member or associate of their RTOs, considered the most important regional actors. This technique was well received by the CEOs, and they provided several useful names and organisations likely to participate in this research. To minimise bias, the following selection techniques were used to choose names/organisations from the two lists provided by the CEOs.

- **analysis using desk study secondary data regarding each of the individuals and organisations provided to determine their real importance;**

- **comparison of the two lists of names seeking similarities about the names and organisations;** and

- **adoption of a snowballing sampling technique (see Biernacki & Waldorf 1981) to ensure a mix of public, private, and third sector representatives.**

Following this process, a list of participants was selected for interview in both Rounds 1 and 2 (see Table 4.1). The list comprised a diverse range of organisations, cities, and sectors. In all there were eight participants from RTOs, eight participants from the public sector, nine participants from the third sector, eight participants from the private sector, and three participants from outside of the CSR. A complete but brief overview of the participants is provided in Table 4.1.
Table 4.1 – Overview of the Participants

<table>
<thead>
<tr>
<th>Round</th>
<th>City</th>
<th>Coverage</th>
<th>Organis. Position</th>
<th>Sector</th>
<th>Organisation Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Belo Horizonte</td>
<td>Regional</td>
<td>CEO</td>
<td>RTO</td>
<td>NGO</td>
</tr>
<tr>
<td>1</td>
<td>Belo Horizonte</td>
<td>Regional</td>
<td>CEO</td>
<td>RTO</td>
<td>Association</td>
</tr>
<tr>
<td>1</td>
<td>Belo Horizonte</td>
<td>National</td>
<td>Manager</td>
<td>Outside</td>
<td>Agency of Development</td>
</tr>
<tr>
<td>1</td>
<td>Belo Horizonte</td>
<td>State</td>
<td>Manager</td>
<td>Outside</td>
<td>Tourism State Department</td>
</tr>
<tr>
<td>1</td>
<td>Ouro Preto</td>
<td>Regional</td>
<td>Manager</td>
<td>RTO</td>
<td>NGO</td>
</tr>
<tr>
<td>1</td>
<td>Ouro Preto</td>
<td>Local</td>
<td>Director</td>
<td>Private</td>
<td>Hotel</td>
</tr>
<tr>
<td>1</td>
<td>Ouro Preto</td>
<td>Local</td>
<td>Secretary</td>
<td>Public</td>
<td>Tourism Municipal Department</td>
</tr>
<tr>
<td>1</td>
<td>Ouro Preto</td>
<td>Local</td>
<td>President</td>
<td>Private</td>
<td>Hotel</td>
</tr>
<tr>
<td>1</td>
<td>Itabirito</td>
<td>Local</td>
<td>Director</td>
<td>Private</td>
<td>Restaurant</td>
</tr>
<tr>
<td>1</td>
<td>Itabirito</td>
<td>Regional</td>
<td>President</td>
<td>RTO</td>
<td>Association</td>
</tr>
<tr>
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<td>Mariana</td>
<td>Local</td>
<td>Manager</td>
<td>Public</td>
<td>Tourism Municipal Department</td>
</tr>
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<td>Local</td>
<td>Director</td>
<td>Private</td>
<td>Travel Agency</td>
</tr>
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<td>President</td>
<td>Third</td>
<td>Association</td>
</tr>
<tr>
<td>2</td>
<td>Belo Horizonte</td>
<td>Regional</td>
<td>CEO</td>
<td>RTO</td>
<td>NGO</td>
</tr>
<tr>
<td>2</td>
<td>Belo Horizonte</td>
<td>Regional</td>
<td>CEO</td>
<td>RTO</td>
<td>Association</td>
</tr>
<tr>
<td>2</td>
<td>Rio Acima</td>
<td>Local</td>
<td>Director</td>
<td>Private</td>
<td>Rail Company</td>
</tr>
<tr>
<td>2</td>
<td>Belo Horizonte</td>
<td>Regional</td>
<td>Director</td>
<td>Outside</td>
<td>Social Business Development</td>
</tr>
<tr>
<td>2</td>
<td>Rio Acima</td>
<td>Local</td>
<td>Secretary</td>
<td>Public</td>
<td>Tourism Municipal Department</td>
</tr>
<tr>
<td>2</td>
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<td>Local</td>
<td>Director</td>
<td>Third</td>
<td>Local Tourism Council</td>
</tr>
<tr>
<td>2</td>
<td>Ouro Preto</td>
<td>Local</td>
<td>Secretary</td>
<td>Public</td>
<td>Tourism Municipal Department</td>
</tr>
<tr>
<td>2</td>
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<td>Manager</td>
<td>RTO</td>
<td>NGO</td>
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<tr>
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<td>CEO</td>
<td>Third</td>
<td>Agency of Development</td>
</tr>
<tr>
<td>2</td>
<td>Ouro Preto</td>
<td>Regional</td>
<td>Director</td>
<td>Third</td>
<td>Association</td>
</tr>
<tr>
<td>2</td>
<td>Mariana</td>
<td>Local</td>
<td>Secretary</td>
<td>Public</td>
<td>Tourism Municipal Department</td>
</tr>
<tr>
<td>2</td>
<td>Mariana</td>
<td>Local</td>
<td>President</td>
<td>Third</td>
<td>Association</td>
</tr>
<tr>
<td>2</td>
<td>Mariana</td>
<td>Local</td>
<td>Director</td>
<td>Private</td>
<td>Hotel</td>
</tr>
<tr>
<td>2</td>
<td>Itabirito</td>
<td>Regional</td>
<td>President</td>
<td>RTO</td>
<td>Association</td>
</tr>
<tr>
<td>2</td>
<td>Itabirito</td>
<td>Local</td>
<td>President</td>
<td>Third</td>
<td>Association</td>
</tr>
<tr>
<td>2</td>
<td>Itabirito</td>
<td>Local</td>
<td>Secretary</td>
<td>Public</td>
<td>Tourism Municipal Department</td>
</tr>
<tr>
<td>2</td>
<td>Ouro Branco</td>
<td>Local</td>
<td>CEO</td>
<td>Third</td>
<td>Agency of Development</td>
</tr>
<tr>
<td>2</td>
<td>Ouro Branco</td>
<td>Local</td>
<td>Manager</td>
<td>Private</td>
<td>Hotel</td>
</tr>
<tr>
<td>2</td>
<td>Ouro Branco</td>
<td>Local</td>
<td>Secretary</td>
<td>Public</td>
<td>Tourism Municipal Department</td>
</tr>
<tr>
<td>2</td>
<td>Congonhas</td>
<td>Regional</td>
<td>CEO</td>
<td>Third</td>
<td>Association</td>
</tr>
<tr>
<td>2</td>
<td>Congonhas</td>
<td>Local</td>
<td>Director</td>
<td>Private</td>
<td>Travel Agency</td>
</tr>
<tr>
<td>2</td>
<td>Congonhas</td>
<td>Local</td>
<td>Secretary</td>
<td>Public</td>
<td>Tourism Municipal Department</td>
</tr>
</tbody>
</table>
4.6.3 Ethical Considerations

The potential benefit of this research was likely to outweigh any risk of harm or discomfort to participants (Stake 2013). Confidentiality was a central ethical concern in all areas of this research, mainly in the context of organisational research (Cassell 2009). Five key strategies were used to mitigate risks.

First, the fieldwork was not undertaken until the proposed research had received ethical clearance from Southern Cross University Human Research Ethics Committee (HREC), and only then was the research carried out as outlined in the conditions of approval. Approval number ECN-12-290.

Second, it was important that the participants and the organisations they represent were de-identified and all by-name references were removed. Only non-traceable data was presented in the thesis. The preservation of the privacy and identity of all participants was paramount and of utmost importance in this study.

Third, emails were sent individually to minimise the risk of personal details being shared among potential participants. Before interview, each participant was informed via an Information Sheet (see Appendix 3) of the purpose and the nature of this research. This document was sent by email to participants and it was required that it be read once more at the beginning of the face-to-face interviews. The same procedure was followed with the Informed Consent Form (see Appendix 4). Additionally, the contact information for the researcher, PhD supervisors, and the CAPES Foundation (Brazilian Ministry of Education) Tutor were provided to all respondents. There was no travel required for the participants. Interviews were undertaken at a time and place convenient to the participants, which was usually in their offices. No financial incentives were provided to participants and participation was voluntary.

Fourth, participants were made aware of their right to withdraw from participation in the research at any point without repercussion. Only the researcher and his PhD supervisors had access to the interview recordings. Participants were given draft transcripts of their
interviews for checking and the right to make changes or withdraw from the study. All empirical material collected was de-identified prior to analysis and all collected material has been secured in a locked file and on the researcher’s personal computer. Participants were involved only in interviews. The research did not involve the participation of vulnerable groups and no person under the age of 18 was interviewed.

Finally, all information (data) collected was stored separately and not linked to the de-identified transcripts. This research respected all participants, having due regard to their beliefs, customs and cultural heritage, and local laws. The processes followed in recruiting participants and interviewing them were respectful of the social-cultural context of the participants.

4.6.4 In-depth, Semi-structured Interviews

Interviewing in research is a traditional and popular methodological tool in social science research (Alvesson & Ashcraft 2009) and, at the same time, is in alignment with interpretive research (Willis, Jost & Nilakanta 2007). The key purpose of interviewing is to find out about things that the researchers are unable to discover by themselves (Stake 2013). Also, interviews enable access to large amounts of data in a short period and allow the researcher to clarify obscure points immediately (Marshall & Rossman 1999). Semi-structured face-to-face interviews were used to allow more familiarity with the phenomenon, the people and the region itself (the CSR). These interviews were based on verbal accounts of social realities, allowing the researcher to engage with the participant through a conversation in a more unstructured way (Jennings 2010).

The objective of the in-depth, semi-structured interview is to permit a fluid interaction between interviewer and interviewee (Wengraf 2001), where the interviewer has an idea about issues and a list of relevant topics used as a guide, without necessarily using a set order to the questions (Jennings 2010). According to Geertz (1973) and Riege (2003), using in-depth, semi-structured interviews may facilitate the researcher to collect “rich”
data and deep explanations of the phenomenon. This richness is possible due to the rapport of trust built between the researcher and the participants.

In-depth, semi-structured interviews are ontologically and epistemologically more aligned with the interpretive paradigm adopted by this research (Jennings 2010). In addition, in-depth, semi-structured interviews can reveal multiple realities and points of view, allow data collection to occur in a fluid way, and allow clarification in a more relaxed interview setting (Neuman 2006). In line with this thought, the in-depth, semi-structured interview supports the exploratory and qualitative nature of this research and helps the participants to reveal their own ideas for further exploration by the researcher (Willis, Jost & Nilakanta 2007). In-depth, semi-structured interviews can be used to introduce the topic and the purpose of the research to the interviewees and then the research questions can flow by asking pre-planned questions in ways that adapt to the discussion (Rubin & Rubin 2011). A good example of these questions was the Interactive Discussion Tool developed specifically for this research (see Section 4.6.6).

There were two interview rounds – Round 1 and Round 2. The reasons for using two rounds were:

- to be more familiar with the participants and the region (the CSR) – Round 1;
- to be aligned with the abductive approach which supports the use of two rounds or more;
- to pilot test the set of questions in Round 1;
- to improve the set of questions in Round 2; and
- to obtain all information necessary to build the Interactive Discussion Tool (IDT) used during the Round 2.

### 4.6.5 Round 1 Interviews

Round 1 of the interviews was undertaken in Brazil, during January and February 2013, in Portuguese. Round 1 in depth, semi-structured interviews with the first 14 participants,
including the 2 CEOs, 1 president and 1 manager of the two RTOs (n=4) were undertaken utilising a set of pre-planned questions. Following these four first interviews, the other 10 tourism actors were interviewed, including private sector (n=3), public sector (n=2), third sector (n=3) and outside specialists (n=2) representatives. Table 4.2 shows the distribution of the Round 1 interviews. The set of issues used as a guide during Round 1 is attached in Appendix 1.

Table 4.2 – Round 1 of Interviewees

<table>
<thead>
<tr>
<th>Type of tourism actor from</th>
<th>Characteristics</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RTOs</strong></td>
<td>Participants of the two RTO</td>
<td>4</td>
</tr>
<tr>
<td><strong>Private sector</strong></td>
<td>Private tourism organisations (e.g. travel agency, hotel, tourism transport, etc.)</td>
<td>3</td>
</tr>
<tr>
<td><strong>Public sector</strong></td>
<td>The head (or chief) of the tourism municipal department</td>
<td>2</td>
</tr>
<tr>
<td><strong>Third sector</strong></td>
<td>Associations, NGO</td>
<td>3</td>
</tr>
<tr>
<td><strong>Outside specialist</strong></td>
<td>Development agencies</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>14</td>
</tr>
</tbody>
</table>

The length of the shortest interview was 30 minutes while the duration of the longest was 2 hours. Each interview was conducted face-to-face at a time and place suitable to the participant. The majority of the interviews were in the office of the participants. Each interview was digitally recorded.

After completion of Round 1 interviews an idea emerged for a more interactive tool aligned to the abductive approach, for use in Round 2 interviews. The rationale behind this idea was the refinement of the preliminary observations and findings from Round 1 interviews and the development of a tool capable of eliciting further understanding of preliminary observations, findings, and information.
4.6.6 The Interactive Discussion Tool

Based on the experience of conducting the Round 1 interviews, it was observed that some improvement could be made during to the next round of interviews. These improvements were thought initially in terms of:

- improved focus of the questions;
- time saving through avoidance of unproductive conversations;
- the opportunity for the participants to visualise the main concepts involved;
- providing the interviewee knowledge learned in the course of the interview; and
- the opportunity for the interviewee to write or draft something on papers.

Based on these need of improvement an Interactive Discussion Tool (IDT) was developed to be applied through Round 2 of interviews (see Appendix 2). The IDT was a “co-production of knowledge” where both the participant and interviewer, in reflecting on initial observations and findings, were discussing and building further insights into their own interpretations on leadership. The objective of this IDT was to provide to the participants what was already known about the capacity of the two RTOs to lead in the region.

The IDT was printed out on six A4 pages with a set of diagrams representing the planned questions and issues. In order to achieve the best results from this technique, each one of the diagrams was explained to the interviewees at the beginning of the interviews. While looking at the diagrams, the interviewees had the opportunity to respond verbally and, at the same time, if they wanted to write down some information or insight around the diagrams. This technique made the conversation between the interviewer and interviewees more interactive and objective, was in keeping with qualitative nature of this research, and allowed the participants to expose their own ideas through the IDT.

To obtain feedback about the validity of the IDT, the participants were asked to provide a comment about this technique. Below are some of the comments from the participants:
You have contextualised the issue of leadership within easy diagrams. Certainly, it made our conversation much easier because you used the tool in a very didactic way. (# 15 interview)

You made me reflect, which was very good. During the interview, I was thinking: “I'm reflecting on some things that I never had time to”. (# 16 interview)

The method [IDT] greatly aided our conversation, because I am a visual and practical person ... I thought it [IDT] was great ... It facilitated the understanding of what you were wanting. (# 18 interview)

It helped and guided our thinking. We did not lose the focus, and it did keep the conversation focused. I thought it was fantastic. (# 21 interview)

Very good. You have transmitted knowledge that I did not have. I liked it a lot. (# 26 interview)

I identified that there was an exchange of knowledge. I may have learned more from you than you from me. (# 31 interview)

Of the 22 participants asked, 20 reported that the IDT was indeed a useful tool, which facilitated the process of mutual understanding, communication and learning, through a visual and engaging tool. From the interviewer’s point of view, the IDT was a relevant tool to collect the information in a fluid and organised manner. The implication of the use of the IDT resulted in a rich set of material collected, and it proved to be a useful methodological strategy.

4.6.7 Round 2 Interviews

The Round 2 of interviews occurred in Brazil in October and November 2013. As explained in the previous section, in Round 2, 22 in-depth, semi-structured interviews were conducted utilising the Interactive Discussion Tool. First, the 4 CEOs of the two RTOs were again interviewed (n=4). Then, from the initial list established during Round 1, another 18 interviews were conducted with participants from the public sector (n=6), private sector (n=4), third sector (n=7), and an outside specialist (n=1).
The interviews in Round 2 lasted from 50 minutes to 1 hour and 20 minutes and were conducted face-to-face at a time and place suitable to each participant, which for the majority was in their office. Each interview was digitally recorded.

Table 4.3 – Round 2 of Interviewees

<table>
<thead>
<tr>
<th>Type of tourism actor from</th>
<th>Characteristics</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RTOs</strong></td>
<td>The CEOs of the two RTO</td>
<td>4</td>
</tr>
<tr>
<td><strong>Private sector</strong></td>
<td>Private tourism organisations (e.g. travel agency, hotel, tourism transport)</td>
<td>6</td>
</tr>
<tr>
<td><strong>Public sector</strong></td>
<td>The head (or chief) of the tourism municipal department</td>
<td>4</td>
</tr>
<tr>
<td><strong>Third sector</strong></td>
<td>Associations, NGO</td>
<td>7</td>
</tr>
<tr>
<td><strong>Outside specialist</strong></td>
<td>State tourism department and development agency</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>22</td>
</tr>
</tbody>
</table>

Within the interval of interviews 30 to 36 over both rounds, it was observed that participants answers to the same questions had become repetitive. Based on the fact that no additional relevant information was being added to this research, that is, the saturation point had been achieved, it was determined that the interviews could be concluded at that point (Guest, Bunce & Johnson 2006).

In general, both the Round 1 and the Round 2 interviews went smoothly, and no major issues arose. At the same time, the majority of the participants demonstrated that they were happy participating in this study. Some notes were made by the interviewees in the IDT. These notes were comments or impressions made during the conversation and they helped both the process of coding themes as well as clarification around some responses.

### 4.7 Data Analysis

The primary data collected for this research is predominantly qualitative requiring the use of qualitative analytical techniques (Flyvbjerg 2004). Usually, qualitative research
provides large amounts of collected data, and it is necessary to find an efficient, rigorous way of treating it (Denzin & Lincoln 2011; Miles & Huberman 1994; Yin 2013). However, there is not a defined technique to follow.

This study has adopted a thematic analysis of the in-depth, semi-structured interviews to create the meaning of leadership in a regional destination (Braun & Clarke 2009; Gibbs 2008). Thematic analysis was used to identify and analyse patterns from the data set with the objective of producing important themes related to the objectives of this study. The mechanism adopted to analyse the transcripts was the six-step thematic analysis proposed by Braun and Clarke (2009). The six steps are: organising data; generating initial codes; arranging preliminary themes; reviewing themes; defining and naming themes; and producing the report. This process would help ensure rigor and fluidity in treating all the data collected (Braun and Clark 2009).

4.7.1 Organising Data

All interviews were recorded using a Sony digital recorder and initially organised through the software Sound Organiser Ver.1.1.1. The interview recordings were transcribed verbatim, using the audio player software Express Scribe. The verbatim technique was applied to get an in-depth understanding. Each transcript was sent back to each interviewee for checking and approval. I transcribed the majority of the interviews to become familiar with the data (Braun & Clarke 2009). Only a small part, 10 interviews from Round 2, were sent to a professional transcriber.

One more step was undertaken to ensure the quality of the transcripts. All transcripts were printed out, and I examined them while listening to the original audio recordings, to find possible errors in the transcriptions. Once the transcripts had been returned and revised by the interviewees, they were entered into the software QSR NVivo version10.0. This software was used to improve data analysis and to minimize human biases (Bazeley & Jackson 2013). It was achieved by storing, accessing, managing, and analysing in detail the textual material (Braun & Clarke 2009; Yin 2013). For example, this software includes
tools that can discover patterns and meanings for the answers of the survey (Bazeley & Jackson 2013; Richards & Richards 1994).

Since I am familiar with both Portuguese (my first language) and English, it was unnecessary to translate the transcripts to English and a native speaker was approached to check the Portuguese transcription to ensure quality. The transcripts were left in the original language for coding, and only the quotes used were translated into English. Once in NVivo, the transcripts were reread, and initial notes and ideas were taken through the software for future coding.

4.7.2 Initial Codes

After a period of familiarisation with the data, the process of generating initial “structural” and “data-driven” codes took place. The “structural” codes were created through NVivo according to the objectives of the research and based on the emphasis and approach of a particular focus of inquiry for this study (e.g. planned questions in Round 1 and the Interactive Discussion Tool in Round 2). Creating these types of structural codes is a common step adopted to help organise and manage data (Braun & Clarke 2009). For example, to explore within the transcripts the challenges and opportunities, which according to the interviewees two RTOs are facing, a general structural code, named “CONTEXT”, was created. Under this code, five sub-codes were created, namely “Economic”, “Political”, “Historical”, “Social” and “Other”. I then began to identify sentences or paragraphs related to the sub-codes, through the process of carefully reading each one of the 36 transcripts. The identification was facilitated by utilising some software tools. For example, it was possible to make queries through a text search for exact words, phrases or similar concepts and automatically encode all items found. Thus, the NVivo process to select, move or insert the sentences was made, based on the coding tools of the NVivo software.

The “data-driven” codes were similarly generated. This type of data is produced in order to reveal issues of interest that arise from the data (Bazeley 2009). The NVivo was used to
generate queries to see the words that occurred most often. When a relevant word, phrase, or even a new potential theme in an interview was found, it was possible to use a text search query to see if it showed up in other interviews and if so, automatically encode content. For example, the word “mobilisation” was frequently encountered throughout the transcripts. Running a text search query to see this word revealed that it appeared in 80% of the transcriptions (n=24), and in 12 of these transcriptions, this word appeared more than 10 times. Based on this evidence, it was possible to undertake further analysis and to build a code around the theme “mobilisation”. It means that some data-driven codes were identified and verified through their repetitive occurrence. This process was the fundamental stage of data analysis because it allowed the capture of the core idea of the data with similar features (Gibbs 2008). Once the structured and data-driven codes were built, they could be refined, merged into similar codes or even removed. This type of technique was aimed at focusing the coding process and facilitating the later analysis. After initial codes were elaborated, the themes could be arranged.

4.7.3 Themes

The initial codes previously identified were arranged into preliminary themes. For example, initially, the codes were arranged into 19 “nodes” being the name that NVivo attributed to each code. They were analysed based on the connection between one another and connections clustered together in various reasoned categories to generate themes. The idea was to combine the nodes into a predominant theme (Braun & Clarke 2009). Nineteen nodes were organised into 5 themes: (i) challenges and opportunities from context; (ii) tourism goals of the region; (iii) relationship between followers and RTOs; (iv) governance arrangements of the RTOs; and (v) capacities of the RTOs to lead. Braun and Clarke (2009) consider that this combined process has benefits in making sense of relationships between codes, themes and different levels of the themes. At the end of this process, a type of “umbrella” theme could be formed with respective subthemes.

Apart from searching for patterns, contrasts, and discrepancies, I remained attentive to the stories that emerged around the participants’ interpretations of the capacities of the RTOs
to lead the CSR (Deschambault 2011). For example, the different way that the participants understood (or interpreted) the capacity of the RTOs to lead the CSR brought attention to the importance of the governance model of each RTO. Regarding themes, one more relevant step was taken, as follows in the next section.

4.7.4 Reviewing Themes

This stage aims at the enhancement of the themes and includes critical reflection of each theme regarding matters, such as relevance, lack of supporting data or having too broad a meaning. How they were talked about and by whom, were of particular interest during this stage (Braun & Clarke 2009). This analysis was done by reviewing the themes against the transcript extracts and the dataset as a whole. The coding, decoding and collating were performed several times to ensure that the objectives of this study had been satisfactorily addressed. As a result, a clear idea of the relationships between themes and a logical narrative of the interviews was achieved. For example, it was possible to observe that there was a logical narrative starting from the theme “challenges and opportunities” and, successively, through all the themes.

4.7.5 Defining and Labelling the Themes

The definitions of the themes were then further refined and their role in telling the story was considered (Braun & Clarke 2009). The idea, at this point, was to obtain themes not too complex or diverse. At the end of this process, the labels of the themes were built in a concise way; however, they are still capable of transmitting the essence of the theme to the readers. For example, the previous themes were renamed according to the five leadership elements, namely: (i) context; (ii) goals; (iii) followers; (iv) organisational structure; and (v) leaders.

The next and natural step was to start writing by telling the whole story in an interesting way to the reader. The strategies adopted in this stage were:
• to keep the text concise, articulate, and consistent;
• to go beyond description;
• to address the study’s five research objectives; and
• to select the more relevant quotes to illustrate the story (Braun & Clarke 2009; Deschambault 2011).

4.8 Conclusion

This chapter has explained and justified the adoption of the purpose, ontology, epistemology, paradigm, approaches, and techniques to investigate the challenges, opportunities, and capacities of the two RTOs to lead the CSR (Research Objectives 2). It has provided justification for the adoption of an exploratory inquiry based on the subject of the study being a new, under-explored phenomenon. The ontology and epistemology underlining this study are that leadership is constructed by society under the influence of social, cultural, political and economic forces. Meanings are negotiated between and among the social actors, rather than through a static positivistic object. The suitable paradigm to these previous positions is the interpretive paradigm because it seeks to find meanings about the leadership from the point of view of the social actors and consideration of the historical, social, cultural, economic, and political contexts of the CSR. In addition, this study has a constructionist position because it understands that the capacity of RTOs to lead is a complex social process, constructed collectively and maintained by society.

Another approach adopted in this study was abductive, where an initial framework directed the search for empirical data. Empirical observations resulted in the identification of unanticipated issues worthy of further exploration in interviews or by other means of data collection in a back and forward “movement”. This research was enriched by using a comparative and embedded case study within a factual context represented by a destination region, the CSR. Evidence about leadership and governance is revealed by real stories of the challenges and opportunities of two different RTOs that were extensively compared. To tell the story, 36 participants were selected from different sectors (e.g. public, private,
NGOs), cities, and organisational positions. These interviewees participated in semi-structured in-depth interviews in the first round of data collection. In Round 2, the IDT was used and supported again by semi-structured interviews of interviews. Desk study of secondary data was an ongoing method to support and clarify the entire process of investigation.

This study has adopted a thematic analysis of the in-depth, semi-structured interviews, to create the meaning of leadership in a regional destination. The data analysis process was supported by the use of NVivo 10 software. The process involved six key steps of organising data, elaborating initial codes, producing themes, reviewing themes, defining and naming themes, and producing the final report.

These primary and secondary data collection strategies together allowed this research to broaden and deepen the understanding of this distinctive situation where two RTOs share the leadership of the CSR. The research findings and discussion are presented within the next two chapters (Chapters 5 and 6).
Chapter 5 – FINDINGS AND DISCUSSION I

THE CHALLENGES, OPPORTUNITIES, CAPACITY OF THE RTOS TO LEAD

5.1 Introduction

This chapter seeks to address two Research Objectives. The first is to identify the common challenges and opportunities that the ACO and the IER are facing to lead the CSR, and their respective required capacities to lead (Research Objective 2). The second Research Objective, addressed in this chapter, concerns how leadership theories can inform those common challenges, opportunities, and respective capacities required of the two RTOs to lead the CSR (Research Objective 3).

This chapter is organised into two sets of findings. In the first set (Section 5.2.1 to 5.2.7), seven findings regarding the common challenges, opportunities and capacities of the two RTOs to lead are brought together and discussed (Research Objective 2). Additionally, this first set of findings is linked to transformational leadership theory (Section 5.2.8) (Research Objective 3). In the second set (Section 5.3.1 to 5.3.6), six alternative findings of the common challenges, opportunities and capacities of the two RTOs to lead are brought together and discussed (Research Objective 2). Additionally, this second set of findings is linked to distributed leadership theory (Section 5.3.7) (Research Objective 3). Section 5.4 completes the discussions by presenting how some of the challenges, opportunities, and capacities to lead from the two sets of findings can be linked to contingency theory (Research Objective 3). Finally, Section 5.5 presents the conclusions. It is important to acknowledge that part of this chapter, in particular the four themes regarding capacity to lead, has been previously presented in a published paper arising from the research for this thesis (Valente, Dredge & Lohmann 2014a).
5.2 Findings Linked to Transformational Leadership

The interviewees provided their perceptions about the required capacities of the two RTOs to lead tourism in the CSR. From these perceptions two recurrent findings emerged:

- L1 (capacity to lead 1): the capacity to mobilise; and
- L2 (capacity to lead 2): the capacity to produce concrete and visible results.

Similarly, the interviewees provided their perceptions about the challenges and opportunities that the two RTOs are facing in leading tourism in the CSR. From these perceptions five recurrent findings emerged:

- C1 (challenge 1): distrust and isolation among tourism actors;
- C2 (challenge 2): poor participation of the private sector;
- C3 (challenge 3): resource dependence;
- C4 (challenge 4): social issues; and
- O1 (opportunity 1): shared goals (type of tourism, type of destination and type of tourist).

Table 5.1 shows how the findings outlined above (challenges, opportunities, and capacities to lead) and the transformational leadership theory are integrated and organised within the eight sections that follow.

<table>
<thead>
<tr>
<th>Transformational Leadership Theory</th>
<th>Capacity to</th>
<th>Challenge</th>
<th>Opportunity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobilise (L1)</td>
<td>Distrust and isolation among tourism actors (C1)</td>
<td>Shared goals (O1) (type of tourism, destination, and tourist)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor participation of the private sector (C2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Produce concrete and visible results (L2)</td>
<td>Resource dependence (C3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social Issues (C4)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
5.2.1 Capacity to Mobilise (L1)

The first theme linked to transformational leadership is the capacity to mobilise. As explained in Chapter 2, the capacity to mobilise is about encouraging and inspiring followers (e.g. destination actors) and resources (e.g. financial) towards desired and common goals (Dredge & Whitford 2011; Lord et al. 2009; McGehee, Kline & Knollenberg 2014; Tosun 2000). Twenty-seven participants identified the capacity to mobilise followers (L1) as being a significant capacity that the two RTOs need to present to lead in the CSR. The views expressed by two of the participants summarize the voices of the interviewees, as follows:

Mobilisation is difficult in this region [the CSR] because people do not attend and do not participate… Mobilisation is the biggest issue for all involved with tourism governance. For example, the cities of the region do not want to discuss their problems and their successes with anyone else. Thus, the leader has to be able to work around these forms of resistances. (#03 Outsider representative)

I think that a good criterion [for assessing leadership capacity] would be the ability to mobilise the communities… Because this process of mobilisation and awareness never ends, it must be constantly renewed, as people come, go and change. (#12 Public sector representative)

According to those interviewed, this capacity to mobilise includes the capacity to mobilise followers from different sectors such as public and private, as well as other actors within the RTOs; the capacity to mobilise resources (e.g. financial and in-kind support); and the capacity to leverage relationships. The activities of RTOs depend on the involvement of tourism actors. Without this involvement it is difficult to build a coherent regional identity in diverse economic contexts (Zahra 2011). This theme is also in line with the need of the RTOs to promote long-term values supporting a destination’s sustainability (Buhalis & Spada 2000; McGehee, Kline & Knollenberg 2014; Pechlaner, Raich & Fischer 2009). However, putting these discourses of mobilisation into practice is not an easy task for several reasons. The next two sections illustrate the difficulty of mobilising followers within the CSR by presenting and discussing two challenges, identified by participants,
namely (C1) distrust and isolation among tourism actors and (C2) poor participation of the private sector.

### 5.2.2 Distrust and Isolation among Tourism Actors (C1)

According to nine of the participants, predominately from the third sector and outsiders, as a result of the gold exploration in the colonial period of the country (see Chapter 3), people in the CSR became accustomed to literally hiding wealth (gold) from competitors. One participant identified this challenge this way: “It is a region made of people who are suspicious of all and it is difficult for us to reach these people and to approach them” (#03 Third sector representative). Another participant commented: “It is very interesting how people hide things from each other in this region. It is interesting to see how the colonial period of the country, in particular, the historical context of the CSR, is imbued in people [when referring to the miners hiding the gold]” (#02 RTO representative).

In analysing the possible origins of this distrust, described by participants in the previous paragraph, other participants provided different explanations. For example, one participant suggested that this distrust is a type of “critical rejection” of engagement with others:

> If someone from [tourism] organisation “A” does not like, for example, the president of organisation “B”, he or she will only criticize, and he or she will not collaborate because they are rejecting each other. There is this confusion here in this region. (#07 Third sector representative)

An outsider participant (#03) interpreted that this distrust in the region is based on a particular historical movement, which occurred in the state: “Here in this region the Minas Conspiracy [a historical movement seeking the independence of Minas Gerais from Portugal] still prevails”. An RTO representative (#02) reinforced this idea stating: “In Ouro Preto and other cities of this region, the Minas Conspiracy is not over. You will notice this in the region”. This exaggerated distrust among tourism actors further complicates the task of enhancing trust through empathetic dialogue and open communication (Beritelli & Bieger 2014) and thereby complicates mobilisation.
Another participant presented a different perspective for this distrust, namely the successive poor performance of some tourism organisations, as pointed out:

The tourism sector is still incipient, poorly organised, frail and vain. All advantages [are granted] only to the leaders of an organisation. [However] for those who are around [for example, the followers], there are a few things. Those invested with power and command [leaders], get all the benefits, [however] to the members [followers], few things. This is the problem of the leadership in Minas Gerais: leadership is exercised, but it is not exercised in a broad sense, it is exercised in a more restricted way. *(#18 Outsider representative)*

Aside from the reasons already provided for this distrust and consequent difficulty to mobilise actors, is the explanation contained within the historical context of the region. As discussed in Chapter 3, explorers from Portugal and several parts of the country came to this region in search of mineral wealth. The exploitation of the minerals in this region has been ongoing for more than three centuries. Also, this exploitation was accompanied by the authoritarianism and clientelism of the colony, during the colonial period (1500–1822) *(Pereira 2014)*. Thus, this continual exploitation of the mineral wealth has promoted an atmosphere of general distrust and discouraged participation in RTOs among the people in the region. Participants in interviews perceived this widespread distrust as a reaction against exploitation and authoritarianism *(Holston 2008)*. This challenge to leadership is derived from the historical and cultural contexts of the RTOs, and is represented as an external leadership element in the Conceptual Framework *(see Chapter 2)*.

There is an additional element, “isolation”, that has developed due to the widespread distrust among the tourism actors in the CSR, which also hinders mobilisation. This is revealed by a public sector representative in the following statement:

They [tourism actors] are very “closed”. Perhaps other regions are not as closed as here in this region. Therefore, when we try to mobilise people or to raise awareness, we realise they do not trust us. This is already a problem that has accumulated over the years and it’s hard to break it. *(#03 Public sector representative)*

The term “closed” mentioned by this participant can be interpreted as being synonymous with “isolation”. As discussed in Chapter 2, leadership is a social process, the construction
of which is based on relationships between the RTOs and the tourism actors. The activities of the RTOs depend on the involvement of the local actors and without this involvement it is hard to build mobilisation and a leadership process. Therefore, the low level of trust and communication between the tourism actors in the CSR is a challenge to the RTOs in terms of fostering and communicating shared understanding and common goals, enhancing collective trust (Beritelli & Bieger 2014; Beritelli & Laesser 2011), and mobilising the tourism actors (Lord et al. 2009). A further challenge that helps to explain and better illustrate the problem experienced by the RTOs in mobilising the tourism actors in the CSR is that of “poor participation from the private sector”.

5.2.3 Poor Participation from the Private Sector (C2)

Seven participants, predominately the executives of the RTOs, third sector and outside representatives, raised another recurrent theme. They identified a strong lack of participation by the private sector, which presents a major challenge to the ability of the RTOs to achieve mobilisation of this sector. One RTO representative expressed it thus:

Each sector must be represented on the board [the Municipal Tourism Council – COMTUR], and this representation is not being filled. These tourism actors [from the private sector] are distant and quiet. For example, the hotel sector is not properly organised to appoint a representative to a seat in COMTUR, and we need to mobilise several private sectors within the tourism industry, such as hotels, restaurants, transportation… (#28 RTO representative)

This interviewee is discussing board representation and participation in meetings as being an important instrument utilised by the “leaders” to provide engagement and mobilisation with other sectors (e.g. private and third). However, engagement is a difficult task without the participation of the private sector in meetings, such as those of the COMTURs, and associated meetings of the ACO and IER (Tosun 2000). Another interviewee highlighted this poor participation of the private sector in this way:

I would like to see the private sector occupying a prominent place [in participation within the entities]. The private sector does not fill its role. They are not participating… It is necessary to get the participation of the entrepreneurs [in the private sector] so that they
can fill their role in this tourism production chain. (#34 Third sector representative)

Alternatively, three of the participants presented different interpretations about the lack of participation of the private sector. First, an outsider representative highlights how some entrepreneurs justify their absence from tourism entities:

Some entities [tourism associations, etc.] go to a tourism meeting [from the private sector] and say: “are you associated with our entity? Come on, join us, become a member!” [but, the private sector thinks:] “Oh, I will not participate because I know that this entity will add nothing for my business”. So, this behaviour is reflected throughout the entire region. The entities are still having this stigma of benefiting just a few, and to break up this perception is not easy, it is a very arduous task. (#03 Outsiders representative)

Secondly, an RTO representative presented another possible reason for the poor participation from the private sector:

I will give you an example of an association, but I will not name it in order to not compromise myself. A person created an association only in order to be elected president of it. At first, we thought the person meant well, but later on, we discovered that the person was seeking only his candidacy to be the mayor of the city. (#01 RTO representative)

Finally, a private sector interviewee pointed out the lack of legitimacy of some tourism associations around the region and how this often makes the association unsustainable:

I think that a general problem is that there are many tourism associations emerging from the top. Usually, an association should be created based on the union of the entrepreneurs. But, many of the associations are created top down, and because of that, they are weak. Consequently, the entrepreneurs do not end up embracing the idea and the associations become even weaker… It is as if someone firstly builds an office without even having created the company. (#6 Private sector representative)

As pointed out in Chapter 2, the private sector participation in regional destinations is fragmented and lacks the capacity for organisation (Murphy & Murphy 2004). Moreover, relationships between tourism actors, including the private sector, are volatile and actions are motivated by parochialism and self-interest rather than collective, shared interests
Leadership in Regional Tourism Governance: A Brazilian Case Study

Flavio Jose Valente

This finding of a lack of participation of the private sector in the RTOs under study is consistent with the finding of studies in other countries, such as England and Australia (Dredge 2006; Dredge & Jenkins 2003; Saxena 2005). These studies have indicated that the private sector is usually fragmented and individual operators concentrate on their own interests. Additionally, the private sector often exhibits the “free-rider” mentality of not participating in or contributing to the RTOs, but accepting the external benefits derived from the activities and decisions of the RTOs (Dredge & Jenkins 2003). According to Gedikli (2009), one of the most important challenges that the leaders in Turkey faced in participatory planning processes, was the excuse of the lack of time. Given the above findings it is clear that the RTOs face a strong challenge to achievement level of participation and therefore the capacity to mobilise.

It is evident that the challenge C1 (distrust and isolation of the tourism actors) is strongly related to the challenge C2 (poor participation of the private sector). The outcome of this interconnected relationship is that “distrust results into isolation, which in turn leads to a lack of participation”. These two interrelated challenges reduce the capacity of the RTOs to mobilise the tourism actors within the CSR and result in an even more complex leadership task. The findings seem to suggest that the motivational issues of the tourism actors are intrinsically related to their needs, for example, to see practical results happening. The next section presents a more fully explanation of this need.

5.2.4 Capacity to Clearly Produce Concrete and Visible Results (L2)

Another theme linked to transformational leadership (see Table 5.1) is the RTOs’ capacity to clearly produce concrete and visible results (Bornhorst, Ritchie & Sheehan 2010). Twenty-four interviewees (from 36) identified the capacity to clearly produce concrete and visible results (L2) as being a key characteristic of the capacity of the RTOs to lead within the CSR. The interviewees stated that there is a strong tendency in the region for “much talk and limited results”, especially visible, clearly identified results: “There’s a lot of ‘blah blah blah’ and little action, little concrete things, much talk and many small things… but, in reality, concrete results do not happen” (#11 RTO representative).
are seeking less discourse and more action. However, that is not to say that increased action will necessarily lead to better results. An outside representative explains the relativity of “results” for different actors and sectors in tourism and the need to prioritise actions:

For example, if there is a taxi driver association that cannot offer benefits to the taxi drivers, they will continue to work alone. In tourism associations [e.g. RTOs] it is even more difficult to offer benefits [or results]. For example, having visibility in a fair tourism, what does the benefit mean? What does the benefit mean to a mayor, to a business or a citizen? If the mayor does not see “political” results, he will not enter [into the association]. The mayor has a short term of validity [4 years]. So, the benefit for mayor is very short term, the benefit to entrepreneurs is another, which can be short, medium or long. So, the RTOs need to think strategically. (#18 Outsider representative)

According to this interviewee, the RTOs need to know what type of concrete and visible result (e.g. benefits) each sector is expecting from affiliation with the RTO. Some sectors might expect the implementation of public policies, while others seek to develop tourist attractions. As resources are limited, the RTOs need to prioritise and strategize their actions to gain results. Another problem is that even acting strategically does not mean achieving the results within the timeframe desired by tourism actors. To illustrate this situation, two participants pointed out how difficult it is to perceive results in the short term (usually one year or two in this context) in tourism. The first one said “the results of tourism are in the long term [more than two years, in this context]” (#14 Third sector representative). Another participant completed this thinking with, “Tourism actors want results very fast; however, within the tourism context, results are not so immediate” (#04 Public sector representative). In a regional context where the governance arrangements are complex, it is a challenging task to produce fast and tangible results. Successful tourism is contingent on the coming together of many factors:

Tourism management is very complex, and it depends on everything working: the road, access, transport, security, and its related resources. But these resources are not ours [i.e. tourism’s] alone, and all these public infrastructures are basic to tourism doing well. (#02 RTO representative)
Some authors have already identified this issue of adequate and timely resourcing of tourism pointed out by this last participant. Beritelli and Bieger (2014) highlighted the importance of the RTOs attracting resources when, in resource-poor times, this may be one of the most challenging tasks. Ladkin and Bertramini (2002) stressed the significance of developing innovative products. d'Angella and Go (2009) complement this idea linking it to the need to develop a good marketing strategy. The visible and concrete results that the tourism actors are seeking are contingent on a series of complex interconnections involving visible actions, priorities, innovation, and correct timing (Buhalis & Spada 2000; Ladkin & Bertramini 2002; Wilkinson & Young 2002).

In the next two sections, the capacity to clearly produce concrete and visible results in the CSR is analysed through presentation and discussion of two challenges identified by participants, namely (C3) resource dependence and (C4) social issues.

5.2.5 Resource Dependence (C3)

Twenty-seven participants identify the mining industry as the most important source of wealth to the region. As appraised by one RTO representative:

We are in the Iron Quadrangle [which is the name given to a large territory where the CSR is located] and the mining industry predominates as an economic source. We cannot forget the ore because our region is dependent on mining activity. Mineral production and mineral extraction supply our cities. (#28 RTO representative)

The CSR is located in a rich geological formation called “Quadrilatéro Ferrífero” (Quadrangle Iron) (Fonseca, Fitzpatrick & McAllister 2013). In the past, gold exploration was the source of wealth while in the present, iron is the source of the majority of economic wealth within the CSR. The economy of the region relies heavily on iron exploration, the result being that other economic activity, such as tourism, attracts less resourcing. As stated by another participant:

If we add up all the taxes collected within the 52 activities related to tourism, it will not pose much by what a mine provides to the city of Ouro Preto, which is up to 22 million Reais every month. So, it is a lot of money. (#24 Third sector representative)
The resource dependence of the CSR on the mining industry creates a false impression that the wealth from this activity will last forever, and that nothing needs to be done to develop alternative economic activity, such as the tourism industry (McKercher 2001). As discussed in Chapter 3, resource dependence theory is useful for understanding the dynamics of the destinations (Bregoli & Del Chiappa 2013). Another RTO representative reinforces the notion of resource dependence represented by the mining industry in the following statement:

I will tell you what the mining industry represents to the region. In some of the municipalities, the mining accounts for over 70% of the total revenue of the municipality. So, you can imagine what happens when a mine is closed in such a place, as happened in 2008. (#16 RTO representative)

While some could view the wealth derived from the mining industry as an opportunity, seven participants, mainly third sector or outsider representatives, perceived that the mining industry is also impeding the development of a diversified economy. As mentioned in Chapter 3, the CSR has become addicted to the high wages and revenues derived from the mining industry (Freudenburg 1992), and the related achievement of good results in tourism activities. The complex relationship between mining and tourism has intensified, as the tourism actors believe that the mining activity will run out one day. Thus, the actors argue that although the mining industry is the immediate appeal of “today”, only a gradual development in tourism will guarantee a “future” in the region. Resource extraction and the consequent dependence upon it has increasingly led to conflict between the desire for regional growth based on the immediate economic resource (e.g. mining) and tourism activities and environmental concerns (Che 2012).

An illustration of the environmental impacts caused by the mining industry and which greatly affected tourism in the CSR occurred in November 2015. In the city of Mariana, the heart of the CSR, more than 70 million cubic metres of mud and iron waste spilled from Fundão Dam when it collapsed. Samarco, a joint venture between Brazilian Vale and Anglo-Australian BHP Billiton, owns the site. In the path of the toxic mudflow, 18 people lost their lives, and more than 1,200 were forced out of their homes. Entire villages, like Bento Rodrigues and Paracatu de Baixo, were destroyed. The mud ran 663km along the
rivers, reaching the Atlantic Ocean where it affected the marine ecosystem within a large area in which sea species reproduce. Thirty-five cities in the state of Minas Gerais and four cities in the state of Espírito Santo were affected, and some 1.2 million people were impacted by lack of water (Porto 2016). In a recent news segment (05/05/2016), the journalist Raquel Freitas from the news portal G1 Minas Gerais (Freitas 2016), while interviewing tourism industry leaders from the city of Mariana, pointed out that the movement of tourists in the city had dropped significantly with a reduction of more than 30% in terms of visitors, and a fall of over 50% in the occupancy rate of hotels. According to the interviewer, tourists think that, even though it is not so, the historic centre of Mariana was also covered with mining tailings after the tragedy of the Fundão Dam. All evidence points to severe consequences for tourism resulting from the tragedy caused by mining operations.

The addiction-like dependence of actors on high wages and tax revenues provided by the mining industry, means that they have no wish to diversify as they await the next boom (Freudenburg 1992). The following quote reflects the complex and tense situation that still exists between the mining industry and the tourism industry:

Our fight [to raise tourism] is much tougher because mining gives money, but tourism can employ many more workers. Mining is the money at the right hour and time in the hands of people, but the result of tourism is in the long term. Many think that the city is very rich and does not need tourism, and it is not worth improving tourism because tourism provides a small amount today. (#18 Outsider representative)

This outsider representative pointed out the challenges encountered by any tourism leader, individual, or organisation within the CSR that wishes to convince followers that the tourism industry could be able to generate visible and concrete results, such as financial resources similar to those generated by the mining industry. Another participant expanded on this thought by expressing the following:

We know that the region’s economy is still dependent on mining. So we need to be prepared for a few years ahead when the iron ore will finish. We know that tourism is a very strong activity and that we must prepare the destination and the people for this. (#34 Third sector representative)
This quote shows that some tourism actors are aware that the momentum of mining will eventually expire. They are conscious of the necessity to develop a long-term vision for the region, as indicated by another interviewee: “So, it depends on the choices that the city administration makes. What do they want? Only growth, or development?” (#33 Public sector representative). The “growth” choice would be an immediate criterion in terms of the availability of money while the “development” choice represents sustainability in the long term.

According to these study participants, the resource dependence of the CSR has led to a poor distribution of wealth in this region. The participants realise that wealth generated by the mining activity is unevenly distributed among the regional society and industries such as tourism. According to one participant: “The mining industry does not like putting a penny towards tourism activity; on the contrary, they destroy the roads and destroy everything” (#15 RTO representative). This situation creates a clear tension between mining and tourism interests. As another participant stated:

The RTOs are not convincing the mines to invest in tourism. When the project is about tourism, the mining companies have a tendency to retract… when the project is about tourism, the mining companies step back. (#28 RTO representative)

In summary, tourism activities need to present concrete and visible results to tourism and other actors. Although the prioritisation of resources for tourism is key to its success within the CSR, the available resources are centralised in another activity mining that competes with tourism. Further challenge to the capacity of the RTOs to clearly produce concrete and visible results are “social issues”, which are outlined below.

5.2.6 Social Issues (C4)

Twenty-one participants, mainly representatives from the RTOs and Outsiders group, highlighted that social issues such as violence and exploitation are a challenge affecting the capacity of the RTOs to produce concrete and visible results in tourism activities. According to one participant:
With the growth of the mining industry, several issues have come together that are very harmful to the good development of the region, including tourism: violence and exploitation of women and children. These social problems are masked, poorly treated and overlooked by the government. This social issue brings a very perverse and cluttered scene. (*#03 Outsider representative*)

An RTO representative reinforced this view:

> During some public hearings, a good portion of the time is devoted to the discussion of increased crime and increased child prostitution in several of these cities, including Ouro Preto. They are cities that grew without urban planning. (*#15 RTO representative*)

Another social issue is the unskilled labour force attracted by the mining industry in this region:

> People have expectations to be prepared for mining, but this industry does not absorb all this demand, despite being a major regional industry. Due to the expansion of mining, Itabirito has social problems with workers coming here in search of a job, but the salary range of these workers is very low, and it is only for temporary work. There is a lack of skilled labour available to the tourism industry because the majority of them are manual labourers. (*#28 RTO representative*)

Three participants observed that in the CSR there is a clear mismatch between the perception of employment opportunity and jobs available. Tourism is not perceived as an attractive alternative employment option to mining because of the high and attractive wages offered in the mining industry. Also, it is difficult to train people with low-level skills to work in tourism. Consequently, there is not only a non-alignment of labour and skills available in tourism but also an impediment to attracting tourists because of the social issues arising from unemployment. One participant expands on the impact of labour on the community, commenting that issues such as the high wages push costs up for all and saying that: “This floating worker population is a complex issue for any city because it is not easy to manage socially. So I think this social issue is derived from the mining industry…” (*#34 Third sector representative*). Social issues were identified by as negatively affecting the leadership of the RTOs in the CSR.
The four challenges presented so far in the discussion (distrust and isolation of tourism actors, poor participation of the private sector, resource dependence, and social issues) are those which, according to respondents, most inhibit the capacity for mobilisation and the capacity to produce concrete and visible results. However, the respondents also were able to point out an opportunity which might assist the RTOs in mitigating these challenges and, at the same time, invigorate the capacity of the RTOs to lead. The participants perceived that this opportunity exists within the shared goals within the CSR.

5.2.7 Shared Goals (O1)

The participants identified three types of shared tourism goals in the region, all of which create a strong opportunity for improvement to the capacity of the RTOs to lead. These are:

(i) type of tourism: historical and alternatively rural (21 participants);
(ii) type of destination: “Serras Gauchas” and “Tiradentes” (15 participants); and
(iii) type of tourist: “differentiated” (12 participants).

(i) Type of Tourism: Historical and Alternatively Rural

Twenty-one participants identified that historical tourism is a shared goal in terms of the type of tourism desired in the region because of the historical heritage of the CSR. Three actors from different sectors represent the voices of these participants in the following ways:

The history [of the region] is a strong element because it gives a clear path for the region, which is historical and cultural. History is our anchor here... The historical element is much more positive than negative... Our tourism is based on the historic attraction. (#28 RTO representative)

What keeps the synergy between these cities [of the CSR], is the historical context, I mean, they are cities of the eighteenth century, that gather a whole historical and cultural heritage that originated during that century. (#24 Third sector representative)

We cannot escape from this reality, our cities belong to a historic-cultural region, and therefore we are naturally toward to this type of
tourism. We cannot run away from this type of historical tourism, which is, in my opinion, ideal. However, my dream is to have more dynamic tourism, which is less dependent on monuments; a tourism that demonstrates parallel activities with history and culture. A dynamic and modernized tourism that is able to demonstrate a relationship between historical monuments, the history behind them, and our current life. (#08 Public sector representative)

This finding illustrates the importance and strength of historical heritage to the CSR (Garrod & Fyall 2000). As discussed in Chapter 3, the CSR has a strong historical heritage dating back to the eighteenth century (1695–1789), when gold was discovered, and there was considerable Portuguese investment within the CSR. This fact alone helps define a natural way to develop tourist activities in the region around what has been inherited from the past (Bessière 1998). Consequently, this finding is aligned with the historical context of this region and it fits well with the current type of tourism that already exists in this region. However, some respondents believe that alternatives to historical tourism must be developed, but this presents some dilemmas, such as how to maintain or promote the sustainability of historical sites (Fyall & Garrod 1998).

Three participants pointed out a different perspective of the type of tourism desired by the region one linked to emotional attachment to existing tourism activities (e.g. historical) (McKercher 2001). They raised rural tourism, which could complement historical tourism, as explained by these two participants:

My dream is that our region becomes a destination for rural tourism in Brazil. In fact, Brazil does not have a well-defined destination for rural tourism. If you want to visit rural tourism in Brazil, where do you go? There are some places in the states of “São Paulo”, “Rio Grande do Sul”, but they cannot be considered as rural destinations. Our region here is already a great reference for historical tourism. (#29 Third sector representative)

I believe it is possible to combine historical tourism with rural tourism. They are what we have and what we can offer. Rural tourism [for example] is focused on nature, and the natural resources here are very beautiful. (#19 Public sector representative)
According to these participants, rural tourism stresses the natural potential of this region and could be combined with historical tourism.

(ii) Type of Destination: “Serras Gaúchas” (a Brazilian regional destination) and “Tiradentes” (a Brazilian municipality destination)

Fifteen of the participants pointed out the type of destination that they desire and believe to be the “ideal” for the region. They share the desire to become the same type of famous Brazilian destinations, such as the regional destination named “Serras Gauchas” and a local destination called “Tiradentes”. “Serras Gauchas” was pointed out by 5 participants as being a strong and well-developed South Brazilian regional destination, as explained by a participant:

I see the type of destination such as Serras Gauchas in southern Brazil works well. Cities such as “Gramado, Canela and Bento Gonçalves” among others from this regional destination, in particular, the cities of the area called Grape and Wine. Because here in Itabirito [and in the CSR], we have express production of *cachaça* [a typical Brazilian drink] ... We brought some people from the regional destination of Serras Gauchas, for a festival that we arranged, to get their experiences of an event called: “Experiences of Success, Lessons from the South”, because we would like to develop this same type destination. (*#30 Public sector representative*)

Ten participants pointed to the historical city of Tiradentes because they identified in this destination a clear engagement between tourism actors, as explained by a private sector representative:

Because [the city of] Tiradentes has invested heavily in tourism. Tiradentes is a city that has only a few streets in the historic centre and around five thousand inhabitants... [Previously] when you went there, Tiradentes was careless ... Today, they have revitalized all. The city is perfect; a cute place that you go to and it makes you want to come back again. What makes the difference there is the fact that everyone [tourism stakeholders and the community] sees tourism as a source of income and everyone there has a very broad view of how to work together, not only depending on city hall... The private sector there [in Tiradentes] is mobilised. (*#35 Private sector representative*)
It was evident that these fifteen interviewees not only admired the management of the nominated destinations but they also wished to imitate the success.

(iii) Type of Tourist: “Differentiated”

Twelve participants, mainly from the public and private sectors, addressed a shared expectation in terms of an ideal type of tourist, one who would exhibit particular characteristics. As one participant explained:

We want a somewhat more qualified tourist who provides income and more profit to the cities, a tourist who stays longer, for example, a tourist who eats in restaurants. That tourist stays in this region at least, on average, three days. That is what we are calling quality in tourism because this kind of tourist spends money in the city… A tourist who knows how to value and well utilize the tourism attractions that already exist. (#25 Public sector representative)

According to this participant, this “ideal” type of tourist to the region should present two main characteristics: a) they should appreciate historical and cultural sites, and b) they should be able to spend more time and money within this region. Another participant named this type of tourist as a “qualified” or “differentiated” tourist while another participant put it this way:

Differentiated type of tourist who has a more advanced cultural level. Different from the typical “beach tourist” who brings their own food and such. Our itineraries are different and do not offer what the “beach tourist” wants. (#35 Private sector representative)

In contrast to the above interpretations of the shared goals, thirteen of the participants pointed out that articulation of the tourism goals of the region is just starting, as explained by an outsider representative:

I think the goals are starting to group and subsequently become shared. I think the tourism objectives are not shared in the region as a whole… Especially considering the different public, private actors, third sector, and community. I think that sharing goals is not yet consolidated. However, I realise that there is a lot of effort by some tourism actors to walk in this direction. (#18 Outsider representative)
The literature review for this thesis (Chapter 2) indicated the challenge of establishing agreed goals in regional destinations because tourism actors see problems and solutions differently and prioritise different goals (Pechlaner, Raich & Fischer 2009; Zahra 2011). The values of actors involved in a destination are diverse, and the relationships between the tourism actors are volatile and often motivated by self-interest rather than shared goals (Beaumont & Dredge 2010).

In balance, the findings of this study suggest that the RTOs could take advantage of this opportunity (shared goals) to mitigate the four significant challenges (C1, C2, C3, and C4) presented in previous sections. Initial observations suggest that there is a particular link between those challenges and opportunities and transformational leadership. The next section discusses, in particular, the applicability of transformational leadership, as discussed in the literature review (Chapter 2).

5.2.8 Transformational Leadership Theory Informing Challenges, Opportunities, and Respective Capacities Required of the two RTOs to Lead

The evidence from the first set of findings discussed in the previous sections appears to support two ideas. The first idea is that transformational leadership theory (Bass 1999; Burns 1978) could be more appropriate to deal with the challenges of: (C1) distrust and isolation among tourism actors; (C2) poor participation of the private sector; (C3) resource dependence; and (C4) social issues than other leadership theories. The second idea is that the opportunity to develop shared goals (O1) is also related to transformational leadership and could be used to enhance two capacities of RTOs to lead: (L1) capacity to mobilise tourism actors; and (L2) produce concrete and visible results. These two ideas are explored below.

The capacity to mobilise supports the ideas of many authors (Buhalis & Spada 2000; Dredge & Whitford 2011; McGehee, Kline & Knollenberg 2014; Murphy & Murphy 2004; Pechlaner, Raich & Fischer 2009; Tosun 2000; Zmyslony 2014), who suggested that the capacity of the RTOs to lead a destination is demonstrated by characteristics of
encouragement, inspiration, and mobilisation of the tourism actors. These ideas are in alignment with the characteristics of transformational leadership. Transformational leadership occurs when leaders and followers engage with each other to motivate each other based on higher levels of aspiration and morality (Burns 1978). In transformational leadership, what motivates the followers is the capacity of the leader to exalt a common goal, that is one that is shared by the group. The leader’s role is to stimulate interest in this goal through the shared values of the group rather than through personal and individual interests. Thus, the relationship between tourism actors is mediated by a common cause, shared values, and an understanding considered important by all.

In this sense, the characteristics of transformational leadership could be applied to address the challenges, opportunities and capacities to lead in the following ways:

- the mobilisation of the tourism actors (the capacity to lead L1) showing the high level of consequence of legitimate aspirations (transformational leadership) by employing shared goals (the opportunity O1), which is a legitimate aspiration, to tackle resource dependence (the challenge C3) in the CSR;

- the production of concrete and visible results (the capacity to lead L2) evoking tangible and intangible benefits of the tourism activities (transformational leadership) derived from the shared goals of the destination (the opportunity O1) and promoting careful problem solving of the social issues (the challenge C4) in the CSR; and

- the mobilisation of the tourism actors (the capacity to lead L1) focusing on the collective goals and elevating the followers’ concerns (transformational leadership) from the already shared goals (the opportunity O1) and changing lack of participation behaviour, distrust and isolation of the tourism actors (the challenges C1 and C2).
In addition, these capacities (L1 and L2) require, over time, a high level of motivation and commitment from followers. Thus, initial observations suggest a link between transformational leadership and the development of capacities to mobilise (L1) and to produce concrete and visible results (L2). Due to the strong relations between transformational leadership, challenges, opportunities, and the capacities to lead discussed in this section, it is possible to suggest that these demonstrated links are stronger in relation to transformational leadership than other theories of leadership. The next sections examine findings linked to the concept of distributed leadership.

5.3 Findings Linked to Distributed Leadership

In addition to perceptions expressed by interviewees around the first set of themes (Section 5.2), the interviewees provided further perceptions about the required capacities of the two RTOs (common to the ACO and the IER) to lead tourism in the CSR. From these perceptions two recurrent findings emerged:

- L3 (capacity to lead 3): the capacity to articulate goals and actions; and
- L4 (capacity to lead 4): the capacity to articulate roles and responsibilities.

Four additional recurrent findings related to the challenges and opportunities emerged:

- C5 (challenge 5): overconfidence in spontaneous tourism;
- C6 (challenge 6): the public sector’s poor understanding of public policies and the translation and articulation of these to produce effects;
- C7 (challenge 7): constant changes in governments, politicians, and department heads; and
- O2 (opportunity 2): regionalisation policy.

The above findings demonstrated a strong relationship with notions of distributed leadership. Table 5.2 shows how the findings above and the distributed leadership are integrated and organised within the next three sections.
Table 5.2 – Second Set of Findings Linked to Distributed Leadership

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<tr>
<th>Distributed Leadership Theory</th>
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<tbody>
<tr>
<td>Capacity to</td>
</tr>
<tr>
<td>Articulate goals and actions (L3)</td>
</tr>
<tr>
<td>Articulate roles and responsibilities (L4)</td>
</tr>
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5.3.1 Capacity to Articulate Goals and Actions (L3)

The first theme linked to distributed leadership is the capacity to articulate goals and actions. As presented in Chapter 2, capacity to articulate and communicate shared understanding and common goals through effective communication (e.g. sympathetic conversation, open communication, and the safeguarding of interactions) is essential in order to enhance collective trust and promote cross-sectoral linkages (Beritelli & Bieger 2014; Beritelli & Laesser 2011; Buhalis & Spada 2000; Dredge 2006; Jackson & Murphy 2006; Jamal & Getz 1995). Twenty-two interviewees identified a lack of articulation of goals and actions among tourism actors in the CSR. One RTO leader (#02) illustrated this finding saying, “Tourism planning is 70 per cent articulation and 30 percent execution. It is necessary to drive communities and the tourism industry through regional coordination”. This suggests that if the articulation of the goals is well made and the alignment of the actions properly designed, the execution will be greatly facilitated. Another participant described this finding in the following way:

It is necessary to lead the community and the tourism actors, through articulation to achieve the development of the regional destination… To propose cooperative projects for each tourism segment, and these projects can get greater support on the part of communities in the region. (#02 RTO representative)

Aligning the actions of the tourism actors is one of the most difficult tasks that the RTOs are facing. The continual collaborative dialogue between tourism actors and the RTOs is necessary for this articulation happen. Only in this way can actions be identified and
tourism actors committed to a clear and shared vision. However, organisational complexity within the regional destinations may exacerbate difficulties in establishing the collaborative dialogue needed to strengthen the leadership capacity of the RTO. As explained in Chapter 2: the tourism industry is fragmented; tourism goals are not shared due to different interests and values (Bramwell 2011); many sectors are involved and it requires actions from a range of actors inside and outside tourism to achieve results; the power between different sectors needs to be shared (Jamal & Jamrozy 2006); and the line of understanding between sectors and actors is not always clear (Jenkins 2000). One public sector representative explained:

There is a consensus among the tourist actors that all cities in the region have the same problems. We could already detect this situation in a meeting, which revealed that all cities have the same problems. So, what is missing? Someone able to show what policies to follow, and someone to start the process. Because people meet a lot, and nothing much happens. Where do we start? What is missing are tourism actors speaking the same language and beginning to develop jobs. (#36 Public sector representative)

This statement identifies some important issues. First, it stresses the importance of the RTOs to assume the leadership role by showing the path to be followed. Participants from different sectors recognised that they remain lost on how to articulate the goals and actions as an important characteristic of the capacity of the RTO to lead. Second, this statement reinforces the trend in the region of much discussion and little action. In this sense, there seems to be a call from the tourist actors to the RTOs, not only to assume the leadership role but also for them to provide strategic orientation and positioning of the destinations (Zehrer et al. 2014). The next section examines the capacity to articulate goals and actions in the CSR by presenting and discussing one challenge, identified by participants; namely, overconfidence in spontaneous tourism (C5).

5.3.2 Overconfidence in Spontaneous Tourism (C5)

Eight participants from all sectors (e.g. public, private, and third sectors) raised this challenge, which can be related to the historical and economic contexts of the region, as expressed below by two different participants:
There is a misconception [from tourism actors] that all tourist attractions in this region are already prepared to receive tourists due to the historical heritage, and that it is not necessary to make any further improvement on it. The tourism actors are trusting spontaneous tourism, forgetting about the market competitiveness that reigns today and, for one destination to be competitive, it needs a high level of planning and good tourism products… (\#03 Outsider representative).

As our region has lots of history, lots of churches and monuments, the tourism actors think that we can rest on this historical potential and that there is no need to advance further. Just because the region has “potential historical attractions”, it does not mean that there is no need for more development. [For example] The tourism products [e.g. tours and city tours], which should be simple to organise, are not easily organised in this region, nor they are easy to be bought. There are many rich events in the region, which should be easily bought. The cultural program [of the region] is confused, and it is hard to be understood and bought by the tourists. The tourist is in his or her leisure hours. He or she is visiting the destination to rest. If the tourist has difficulty accessing the tourism products, this creates a potentially boring atmosphere, does it not? (\#02 RTO representative)

As described in Chapter 3 the historical heritage in the region dates back to the 18th century. For this reason, it is possible to interpret that the tourist actors are assuming and taking for granted that, first, this legacy will always be there and, second, that it is developed enough to continue to attract tourists (Brusadin & Silva 2012; McKercher 2001). This situation may be different in another region where there are no tourist attractions ready because there is nothing there. Therefore, it could be interpreted that this historical heritage for the CSR has become a paradox: “it is a blessing to have all this historical richness, it is also a curse because it generates inertia”. This inertia, in turn, is a challenge to the RTOs’ capacities to lead by, for example, triggering constructive actions and creativity by discovering opportunities in the region (Zehrer et al. 2014), to inspire and mobilise tourism actors (Lord et al. 2009) or to develop innovative products and services (Ladkin & Bertramini 2002; Wilkinson & Young 2002). The historical heritage also creates a false impression that it is sufficient to attract tourists and that this heritage will provide spontaneous tourism. Consequently, overconfidence in spontaneous tourism reinforces the notion of resource dependence.
Leadership in Regional Tourism Governance: A Brazilian Case Study

Flavio Jose Valente

One public sector representative perceived that the historical heritage alone is not enough to produce an increase in the demand for tourism and development in the region, and explained:

We already have here [in the region] these potential historical attractions. However, we need to transform these potential historical attractions into a real tourist product. However, we do not know how to do that [to articulate goals and actions to transform potential attractions in tourism product] and how to sell these historical attractions. These two entities, the ACO and the IER, need to teach us how to do it because we do not know the way. (#36 Public sector representative)

This statement shows that sometimes even the tourism public sector does not have a clear understanding of how this articulation of goals and actions needs to be implemented to develop an exemplary tourism product. This quote also demonstrates that sometimes tourism actors attribute different functions to the RTOs, such as marketing, product development, and management (Ryan & Zahra 2004). The capacity to articulate goals and to implement integrated actions focuses attention on the role of tourism actors, both leaders and followers, from all sectors.

5.3.3 Capacity to Articulate Roles and Responsibilities (L4)

As presented in Chapter 2, one of the characteristics of leadership RTOs need to develop is the ability to clarify different roles and responsibilities, providing strategic orientation and positioning of the destination and promoting joint work by coordinating efforts synergistically (Lord et al. 2009; Zehrer et al. 2014). Twenty-four participants identified clarity of roles and responsibilities as being a significant capacity to lead the CSR. In order to foster articulation, it is necessary that actors understand the production and distribution of services within tourism and the role of each sector, as explained by two participants:

Articulation involves, for example, understanding that the role of the local council tourism department is to facilitate tourism activity as a whole. The tourism department does not run the transport sector; this cannot be put in its hands. And people often think that a tourism
department has to set up package tours, but this role belongs to the market, to tour operators. (#11 RTO representative)

The roles of the tourist actors are mixed; there is no discernment, a separation. For example, who is going to attract the customer [the tourist], who will bring him here, who will work in the target infrastructure and everything else? These roles are not defined even in the minds of those who are already very prepared for tourism and who should have that separation of roles clear. (#06 Third sector representative)

Another participant observed that the lack of clarity in defining roles is also problematic in any evaluation of the performance of RTOs: “What the RTO’s role is, and what it is not, is not clear, so we do not have defined responsibilities. If you do not have these responsibilities well defined, how will someone evaluate the capacity of the RTO’s leadership?” (#02 RTO representative). Another participant expands this last statement with a relevant observation: “we have SETUR, IER, ACO… And each of them has its own role and function, and if one of them is missing, its absence ends up harming the others” (#09 Private sector representative).

In addition to the capacity to define specific roles and responsibilities, two participants identified the need for a dynamic policing and re-setting of roles and responsibilities when several actors/entities interact over time as issues change:

You must remember your roles all the time: this is your role; my role is another one – to avoid confusion. If ABIH [Hotel Association] starts taking the role of the [peak] industry association, then both of them lose focus. It gets confusing and you have to stop, think, and distinguish what is the task of each one (#07 Third sector representative).

The public policies need to address the private sector necessities in order to facilitate a better performance of the private sector activities. [For example] working with tax incentives, because the taxes are very high. You have to have this tax incentive. The private sector has to contribute with what it can collaborate, and the public sector must give a tax incentive. So, this kind of convergence is required”. (#34 Third sector representative)
These perspectives suggest an understanding of the multi-sectoral complexity of the tourism sector and also of the reality that roles and responsibilities for implementing actions can lie outside the direct control of RTOs (Lord et al. 2009). This finding shows, in the context of the CSR, the lack of definition of each organisation’s roles. For example, when a tourism entity or a tourism actor does not have a clear sense what its role is, it could inadvertently interfere with the work of another individual or entity. This can lead to confusion among actors in regard to who does what. Further, not having well-defined roles can create leadership gaps where neither one nor the other does what needs to be done. As discussed in Chapter 2, roles and functions in destination management are not always understood by all tourism actors (Pike & Page 2014). Jenkins (2000) argues that there is much public and private misunderstanding and speculation over the structures and operations of RTOs. Participants identified two challenges associated with the capacity to clearly articulate roles and responsibilities, namely the public sector’s poor understanding of public policies and the translation and articulation of these to produce effects (C6) and the constant changes in political representatives and their department’s heads (C7).

5.3.4 The Public Sector’s Poor Understanding of Public Policies and the Translation and Articulation of these to Produce Effects (C6)

Several participants, mainly from the RTOs and third sectors, identified another major challenge to the capacity to articulate roles and responsibilities. This challenge is, for example, associated with the poor understanding of municipal governments in relation to the policies produced by federal and state governments. In Brazil, it happens mainly because of the rigid separation between the three levels of government (municipal, state, and federal). Under the Brazilian political scenario, as discussed in Chapter 3, there is, despite the new Constitution (1988), a weak level of participation and empowerment of the population to build legitimate policies (Souza 2005). In this sense, federal and state levels of government are still responsible for the design of the public policies for all levels (Vodden, Ommer & Schneider 2005). While governments (state and federal) consult the tourism trade, policies are still being produced by senior officials far away from the front
line (e.g. municipalities and regions) (Hall 2011). The statements below help explain this issue:

There is a lack of understanding by the mayors [municipal level] as to how tourism works. Although they sign the laws, they do not understand their effectiveness. It is necessary for further dialogue and discussion in terms of how the “mechanism of tourism” actually works. One of the greatest difficulties is the lack of understanding, from the entire tourism production chain about how it works. Because it will not work well when a prefecture simply has a beautiful public policy or the local tourism department has a phenomenal office if the tourism actors do not understand the policy. The opportunity for tourism is given to all municipalities in the region. Good understanding by managers, mayors, legislators, service providers, the entire supply chain, and by the community is needed because they are all those who make the mechanism of tourism work. (#11 RTO representative)

The political issue is complicated. There is, for example, a complete ignorance of the importance of the COMTURs [municipal tourism councils], and this is a matter of political will. There must be a politically committed government [municipal level] with COMTURs because they should be heard for the development of tourism policies. For this reason, we are trying to organise ourselves to convince politicians [mainly the mayors, but not only] of the importance of COMTURs. (#24 Third sector representative)

Despite the existence of effective tourism policies, such as the federal Tourism Regionalisation Policy and the state policy of Circuitos Turísticos, it appears that there is a lack of understanding by the municipalities on how to apply these policies in a practical way. As a participant observed:

The communication and information are not well transferred. When they arrive, they arrive only in the offices of the Municipal Tourism Departments and stay there. Because the municipalities do not spread this information and they are not passing it to the local tourism actors. There is a lack of communication between the municipal tourism departments and its tourism actors. (#34 Third sector representative)

There is also a contradiction between the experience of the participant outlined above and suggestions by Vernon et al. (2005) that the public sector could facilitate the development
of strategic directions and innovation. According to these authors, the public sector could undertake various roles, such as initiating partnerships, organising marketing activities, and providing resources to support, for example, product development. However, as illustrated by the participants’ experience, the public sector at different levels in Brazil, particularly in the CSR, is not even able to understand and communicate adequately the policies in place.

In addition, as observed by Esteve (2009), Nepal (2009) and Valls (2006), the public sector can be dispersed. Supporting this idea, Bramwell, and Lane (2011) agree that the public sector has difficulties operating in flexible and adaptable ways due to the rigid divisions of power (e.g. hierarchy) through different agencies or levels of government. As a result, poor understanding and communication between policies produced by the different levels of government and the tourism trade have been a strong challenge to the RTOs within the CSR. There is another challenge associated with this political context of the CSR and the country, namely constant changes in political representatives and heads of department.

5.3.5 Changes in Political Representatives and Heads of Department (C7)

The influence of this factor is associated with the political context of not just the CSR, but the country as a whole. The current Brazilian political system is structured around interspersed elections held every two years (e.g. every four years for federal president, state governors, federal, and state congressmen and every four years for mayors and municipal legislative representatives). It has been commonly characterised as a disruptive political cycle, as explained by four different participants:

As the state government [states level] changes every four years, sometimes you have a good thing going in a certain region of the state [Minas Gerais for example], including determined city, but [two years after] there is a change of the mayor and the tourism secretary [municipal level], and sometimes the new ones do not have the same vision as the state government, so it falls apart. (#24 Third sector representative)

During the previous state government [Minas Gerais state], there was a very active tourism secretary, who was Erica Drummond. She would visit everywhere; she was a very dynamic person [...] for this reason the Circuitos Turísticos had a completely different
dynamic at work. Today what we see is that the state tourism is very weak. (#03 Outsider representative)

There is a discontinuity [in politicians and policies]. The Minas Gerais State government [governor] changed and the entire State Department of Tourism has a fear that everything that they have done until now can be cut. (#06 Private sector representative)

Here in Itabirito [municipal level] there are many politicians against each other, and when one leaves the government, the next one comes and changes everything. Each political group seeks to serve only the interests of specific groups. (#29 Third sector representative)

As discussed in Chapter 3, despite the introduction of a new Constitution in 1988, the political system is at all levels (local, state and federal) unable to produce social participation and empowerment of the citizens (Gohn 2004; Jannuzzi 2014). Consequently, the institutions are not strong enough to deal with constant changes in governments. The participants noted that every four years (and each two years at different levels) the political agenda changes, leading to further frustrations within the tourism sector. It is often the practice that new governors and tourism secretaries (state level), mayors and local tourism secretaries (or department heads), once in office, want to change things. As discussed in Chapter 2, problems can arise because the public sector has difficulty operating in flexible and adaptable ways (Beaumont & Dredge 2010; Bramwell & Lane 2011). Also, there can be strong divisions of responsibilities relating to tourism in separate agencies or even at different levels of government (Dredge, Ford & Whitford 2011). Hence, there is a fear from the tourism actors of the CSR that all the hard work done by current politicians will be destroyed by the next group of politicians.

Two participants pointed out that these constant changes in governments and constituency representatives (both in state and in municipal levels) are compounded by the fact that unqualified persons are sometimes appointed to positions of command as tourism department heads:

The municipal government that wins the election [mayors] does not give much attention to the tourism sector. Consequently, for the municipal department’s position they choose anyone there, even
those hardly qualified for the tourism area. The mayors are elected and appoint [with some reasonable criteria] people to the planning department, finance department and so on. But, when the new mayors are asked about the department of tourism, he or she says: “for tourism department I want my daughter’s boyfriend to see if he wants a little money, then you talk to her”. It was a mayor who put a truck driver who voted for him in the campaign, in charge of the tourism department. (#01 RTO representative)

After the mayor [municipal level] took office, he simply decided to destroy the previous process. There was a municipal secretary of tourism who was technically good and who did a lot of things here in town. He simply dismissed this person and put another who did not have the same capacity. Then, immediately this person was exchanged again, and a third person was chosen, who unfortunately also was not suitable. (#17 Private sector representative)

These participants observed that when a mayor (municipal level) wins an election in the CSR, he or she might delegate his/her department head (as political appointments are called in Brazil) as the secretariat, despite these people having no technical tourism expertise. Therefore, this unsuitable delegation might result in poor management of tourism in the CSR. Additionally, the mayors and related department heads are constantly being changed, having little time to understand tourism public policies. As an example, one of the cities of the CSR, Mariana, had five mayors between 2009 and 2012, involving eight exchanges. This situation arose from charges of irregularities such as vote buying, illegalities in the delivery of campaign accounts, and diversion of public funds. The arguments discussed above support the point of view that the constant changes in political representatives and their respective department heads is a challenge to the capacity of the RTOs to articulate their roles and responsibilities in the CSR.

Notwithstanding the above observations, the majority of the participants pointed to an opportunity: tourism regionalisation policies (O2). This opportunity could help the RTOs within the CSR to mitigate the previous three challenges (C5, C6, and C7). Also, this opportunity could leverage the capacity to articulate goals and actions (L3) and, at the same time, the capacity to articulate clear roles and responsibilities (L4).
5.3.6 Tourism Regionalisation Policies (O2)

Nineteen of the participants interviewed demonstrated that the tourism regionalisation policies, from both the federal and state governments, have been paramount regarding opportunities for the two RTOs. As one participant explained:

This Regionalisation Tourism Policy in Brazil effectively started only ten years ago with the creation of the Ministry of Tourism [federal level]. However, one of the benefits brought by this policy was a definition of responsibilities. This policy defined parameters, guidelines, and structures. The way this policy was produced, mainly in the first four years, was very interesting because it socialized and distributed tourism activity. (*#18 Outsider representative*)

As discussed in Chapter 3, in 2000 Minas Gerais State preceded the action of the federal government by introducing a tourism regionalisation policy through the Circuitos Turísticos (Trindade 2009) and proposing the creation of regional destinations around the state. It was not until 2004 that the federal government, following the Minas Gerais path, implemented the Tourism Regionalisation Program (TRP), which encouraged the creation of the “Instancias Regionais de Governança” (or RTOs) to promote regional clustering (Trentin & Fratucci 2011). The CSR and the two RTOs (the ACO and the IER) have been able to benefit from these two similar initiatives. One participant emphasized that a focus on the alignment between the state and national policies creates opportunities for RTOs:

It is positive that the country [at the federal level] has a public policy that is intelligent, interesting and even beautiful for tourism, which is the regionalisation policy. This policy opens the mentality of the region for economic development. Minas Gerais with its policy [state level] also embraces this cause. The National Regionalisation Program greatly facilitates the management process and helps municipalities. (*#11 RTO representative*)

However, two participants expressed alternative views about the tourism regionalisation policy. While the interviewees cited above highlighted the top-down nature of this policy, one of those with an opposing view said: “I think the problem of RTOs is that this regionalisation program, from the Ministry of Tourism [federal level], started from the top
down.” (#06 Private sector representative). The second participant stressed the weakness of regional policy in Minas Gerais State:

Many have tried to create regional organisations. For example, Convention Visitor Bureau here is regional, and the head office is in Ouro Preto because the executive board is all here. The current president knows all the 20 cities, but if a new president enters, maybe he will not have the same interest to know the 20 cities… Always there will be a city that will be unattended. Much effort is already required to visit a city, for example, Ouro Preto, which is usually the strongest city with more demands, imagine the smaller ones and the distant ones. (#07 Third sector representative)

One possible explanation for this situation is that the different municipalities have very distinct characteristics (e.g. stage of development). Although the seven cities within the CSR have many similarities, they differ, for example, in terms of size, inhabitants, number of tourism attractions, hotels, and restaurants. This asymmetry between the cities of a specific region (Cooke 2005) can complicate the application of regionalisation policy despite the intention of the police to address the different needs of each municipality.

It is possible taking together the two opportunities, O1– shared goals among the tourism actors and O2 – tourism regionalisation, to suggest that they strengthen each other. As discussed in Chapter 3, the Tourism Regionalisation Program (TRP) was created as an effort to promote regional clustering (Trentin & Fratucci 2011). However, this clustering relies on relations and social construction of the range of tourism actors (individual and organisations), characterised by varying degrees of interest and goals in tourism (Dredge & Jenkins 2007). In this sense, the already shared and common tourism goals in the CSR, as discussed in Section 5.3.1, help the implementation of the tourism regionalism policy in the region.

The findings presented in this chapter suggest that the RTOs could take advantage of this opportunity (O2 – tourism regionalisation policies) to mitigate those challenges (C5 – overconfidence in spontaneous tourism; C6 – the public sector’s poor understanding of public policies and the translation and articulation of these to produce effects; and C7 – constant changes in governments, politicians and department heads) presented in the
previous sections. Initial observations suggest that there may be a link between those challenges and opportunities, and distributed leadership. The next section discusses the applicability of the theory of distributed leadership.

5.3.7 Distributed Leadership Theory Informing Challenges, Opportunities, and Respective Capacities Required of the two RTOs to Lead

The evidence from the second set of findings appears to support two ideas. The first is that the distributed leadership theory (Gronn 2002; Yukl 2002) could be more appropriate than other leadership theories to deal with challenges (C5) – overconfidence in spontaneous tourism, (C6) – the public sector’s poor understanding of the public policies and the translation and articulation of these to produce effects, and (C7) – constant changes in governments, politicians, and department heads. Secondly, the opportunity to develop regionalisation policy (O2) could be used to enhance the two capacities of RTOs to lead, (L3) – the capacity to articulate goals and actions, and (L4) – capacity to articulate roles and responsibilities. These two ideas are explored below.

As discussed previously, the tourism industry is fragmented; it involves many sectors and requires actions from a range of actors inside and outside tourism to achieve results. This observation makes this situation more aligned with distributed leadership. The regional destination is a networked, social environment (Jamal & Jamrozy 2006; Spillane, Halverson & Diamond 2004) and, for this reason, depending on the situation or project to be undertaken, the position of the leader can vary according to skills and capacities.

Differently from other leadership theories, distributed leadership does not preclude the capacity of an individual or entity but recognises the inclusive and collaborative nature of the leadership process (Gronn 2002). For example, one designated leader, such as an RTO, may be central to the orchestration of policy formulation but on its own is unable either to reshape the context or to formulate the content of change and determine new practices (Oborn, Barrett & Dawson 2013).
In this sense, the characteristics of distributed leadership are better applied to address some of the challenges, opportunities and the capacities to lead in the following ways:

- the articulation of goals and actions \((\text{the capacity to lead } L3)\) through a collaborative and emergent process of group interaction and negotiation of shared understanding \((\text{distributed leadership})\) in order to better employ the regionalisation policy \((\text{the opportunity } O2)\) and to reduce the impact of the frequent change of political leadership \((\text{the challenge } C7)\) in the CSR \((\text{Crosby & Bryson 2005})\);

- the articulation of roles and responsibilities \((\text{the capacity to lead } L4)\) through accepting responsibility for providing and responding to leadership from peers \((\text{distributed leadership})\) in order to apply the regionalisation policy and minimize overconfidence in spontaneous tourism \((\text{the challenge } C5)\) in the CSR \((\text{Cox, Pearce & Perry 2003; Drath et al. 2008})\); and

- the articulation of roles and responsibilities \((\text{the capacity to lead } L4)\) through the creation and communication of shared meaning \((\text{distributed leadership})\) about the benefits and advantages of the regionalisation policy \((\text{the opportunity } O2)\) and facilitating understanding by the public sector \((\text{the challenge } C6)\) about policies \((\text{Crosby & Bryson 2005})\).

It appears possible that the capacities to articulate goals, actions, roles, and responsibilities are characteristics of distributed leadership requiring, over time, articulated and collective leadership for the common good \((\text{Yukl 2002})\). Due to the strong relations between distributed leadership and the challenges, opportunities, and capacities to lead discussed in this chapter, it can be said that these demonstrated links are stronger in relation to distributed leadership than in other theories of leadership. Apart from transformational leadership, discussed in Section 5.2, and distributed leadership, discussed in Section 5.3, the next section (5.4) explains how traditional leadership theories (e.g. trait, behaviour, and contingency) could also be useful to inform and be applied to some of the challenges, opportunities, and capacities to lead in the CSR.
5.4 Contingency Leadership Theory Informing Challenges, Opportunities, and Respective Capacities Required of the Two RTOs to Lead

As discussed in Chapter 2, there are three key sets of leadership theories categorized as “traditional”, namely trait, behavioural, and contingency (Dalglish & Miller 2010; Lussier & Achua 2009). The findings of this study suggest that contingency leadership can be more useful than trait and behavioural leadership in the context of a regional destination.

The majority of the challenges and opportunities perceived by the participants and discussed in this chapter originated within the “external context” of the organisational setting of the two RTOs (the ACO and the IER). External context is one of the five leadership elements identified in the leadership literature (e.g. leaders, followers, organisational structure, goals, and external context). The Conceptual Leadership Framework (see Chapter 2) demonstrated that the two RTOs (the ACO and the IER) share the same external context (e.g. historical, social, economic, and political). For example:

- C1 (distrust and isolation of the tourism actors) and C5 (overconfidence in spontaneous tourism) are challenges originating from the historical context. Sections 5.2.2, 5.3.2, and Chapter 3 showed that these two challenges (C1 and C5) have profound roots in the history of the CSR;

- C3 (resource dependence) is a challenge arising from the economic and political contexts. Section 5.2.5 and Chapter 3 demonstrated that this challenge originated as a result of many years of gold and iron explorations in the CSR;

- C6 (poor understanding of the policies by the public sector) and C7 (changes in governments and politicians) are challenges from within political context. Sections 5.3.4 and 5.3.5 explained that these challenges are very ingrained in the CSR; and
• O1 (shared goals among the tourism actors) is one opportunity that also originated from the historical context as a legacy of the colonial period, as explained in Chapter 3 and Section 5.2.7.

Based on the fact that these challenges and opportunities originated from the external context (e.g. historical, economic, political), it is possible to develop an interpretation that the RTOs of the CSR need to pay more attention to the external context and, consequently, to contingency leadership. The findings of this study reveal that contingency leadership can be applied by examining how the capacities of the RTOs to lead depend on the external context within which the RTOs operate (Gabrielsson & Huse 2004). Consistent with this line of thinking, Daft and Lane (2008) stated that exogenous influences and environmental variables need to be accounted for in the analysis of leadership and that contingency leadership is about effectiveness and the situation in which leadership activities occur. The contingencies most important to leadership are the circumstances and followers and circumstance variables such as context and environment (Daft & Lane 2008). For example, resource dependence (C3) is a major economic and political circumstance demanding that the leaders (the ACO and the IER) adjust their leadership to face this situation.

The nature of the followers is also a key contingent, because the needs and level of cohesiveness of followers make a significant difference to the leaders (e.g. the RTOs) (Daft & Lane 2008). In this case, the distrust and isolation of the tourism actors (C3), overconfidence in spontaneous tourism (C5), poor understanding of the policies by the public sector (C6), and changes in governments and politicians (C7) are challenges intrinsically related to the nature of the followers. Consequently, the RTOs must adjust their leadership to face and address this contingency.

Despite the recognised importance of trait and behaviour in business studies (Fleury 2002), those two theories do not adequately considers the context in which the leader operates (Holzer & Schwester 2011; Loyola 2009). Except for individual leaders and followers, theories of trait and behaviour do not fully explain the possible external influences that operate in a complex social and constructed process such as occurs in the regional
destinations. Thus, a serious weakness of applying trait and behaviour theories to understanding the capacity of the RTOs to lead is that the situation and the external contexts play a significant role in shaping leadership (Fielder 1973). Possibly other issues regarding individuals as leaders within the regional destination could fall within the scope of trait and behaviour leadership theories. However, the focus of this study does not include application of leadership theory as it applies to individuals.

5.5 Conclusion

This chapter has addressed Research Objective 2 by identifying the challenges (C1, C2, C3, C4, C5, C6, and C7), opportunities (O1 and O2) and the required capacities to lead (L1, L2, L3, and L4) that are common to the two RTOs of the CSR. This chapter has also addressed Research Objective 3 by analysing how three leadership theories can inform those common challenges, opportunities, and required capacities of the two RTOs to lead the CSR.

Leadership theories, particularly transformational, distributed, and contingency theories, demonstrated their usefulness in analysing the complex social dynamics of leadership theories in regional destinations, including the challenges, opportunities, and the respective required capabilities for RTOs to lead. Transformational leadership theory seems to be most appropriate to deal with the motivational issues of the tourism actors and their needs, for example, to see practical results happening. Distributed leadership theory seems most appropriate to address the articulation issues of different objectives, actions, roles, and responsibilities of the tourism actors in a context in which there is no apparent expertise to undertake it. Contingency leadership theories appear to be better suited to deal with the external environment of RTOs (external context), including influences and changes of the historical, economic, political, and social contexts. Thus, the challenges and opportunities can be better identified and understood. The next chapter will build upon this chapter by addressing Objectives 4 and 5.
Chapter 6 – FINDINGS AND DISCUSSION II

GOVERNANCE MODELS AND PRINCIPLES: COMPARISONS AND IMPACT ON THE CAPACITY OF THE RTOS TO LEAD

6.1 Introduction

This chapter addresses two Research Objectives. First, it compares and contrasts the principles and models of governance of the two RTOs under study (Research Objective 4). Second, it explains how these different principles and models of governance, adopted by the two RTOs, impact their individual and collective capacities to lead (Research Objective 5). Section 6.2 compares the governance models adopted by the RTOs, and the impact of their governance models on the capacities to lead. Section 6.3 compares the governance principles of the RTOs and the impact of these principles on their leadership capacity. Section 6.4 presents a summary of the chapter. It is important to acknowledge that Section 6.3 was previously published in a paper authored by Valente, Dredge & Lohmann (2015).

6.2 The Governance Models Adopted by the RTOs and the Impact on their Respective Capacities to Lead

The models of governance, as discussed in Section 2.2.3, are important because they aid understanding of flows of power, influence, and resources within collaborations between different tourism sectors and actors and how these flows support leadership. Several typologies of destination governance models have emerged with different labels applied to each model (d'Angella, De Carlo & Sainaghi 2010; Hall 2011). Based on the governance typology of Hall (2011), there are four different models of tourism
governance, namely hierarchy, market, network, and community. At the same time, and as discussed in Chapter 1 and Section 3.4, the case study region presents an interesting situation. It has the ACO and the IER sharing the leadership of the CSR and, consequently, some common aspects, such as their overlapping on seven historical cities within the same state and country. Also, they were created around the same time (around the year 2000), and they are experiencing the same historical, economic, political, and social influences. Nonetheless, it is evident in the secondary data presented in Chapter 3 that the ACO and the IER have adopted different governance models. In order to build on these secondary findings, the participants were invited to reflect on how they perceived the governance models of the ACO and the IER, and how these governance models have impacted on the leadership role of these RTOs in the CSR. These findings are presented and discussed in the following sections.

6.2.1 The Governance Model of the ACO

As discussed in Section 3.4.1, the secondary data pointed to the predominant governance model of the ACO as being hierarchical. The Tourism Regional Policy (TRP) of the federal government is the official tourism governance model in Brazil. The TRP is hierarchical and comprised of four levels, the third of which promotes clustering of Instances, i.e. RTOs such as the ACO, and public–private partnerships (Araujo & Bramwell 2002). The ACO also follows the hierarchical tourism model of the Minas Gerais State, developed by the SETUR based on the Circuitos Turísticos policy. The ACO was established under an incentive scheme initiated by SETUR and it maintains close oversight over ACO operations. For example, SETUR has introduced requirements such as certification and in this sense there is a strong control exercised by the state. Both the “Circuitos Turísticos” (SETUR’s policy) and the Regional Governance Instances (Ministry of Tourism policy) are hierarchical, public sector structures.

Primary data also provides evidence that the ACO has adopted a predominately hierarchical model of governance. Twenty-five of the participants, from all sectors,
perceived that the ACO is an association following a model of governance based on natural alignment with the tourism functions of federal, state, and local governments. As stated by one the ACO’s representatives, “our main strength is that we represent public policy, and this helps our relationship with associates, which are the municipalities” (#02 RTO representative). Another ACO’s representative explained further:

> The ACO exists to facilitate regional tourism policy implementation. Each municipality of the region is responsible for its own tourism. The ACO interprets this information and transfers it to the state and the federal levels regarding expectations, regarding needs, regarding project development... I believe that this idea of a regionalised tourism is already shared by the public sector [at all levels]. My dream is that this idea becomes a reality to all tourism sectors and to all communities. My dream is that all of them [private and third sector] can understand us [the ACO] by working together professionally. If it happens, the economic return will be evident. So, the ACO’s focus is to fight for this tourism regionalisation in a way that it can be consolidated as an economic development factor. It is slow, but it is possible. This broad understanding [about tourism regionalisation] cannot only be in the public sector, but it also needs to be in the community. When the community accepts it, it will empower them. (#28 RTO representative)

A third sector representative complements this view, by saying:

> The ACO is focused on political issues and tourism projects in a more general way. (#07 Third sector representative)

The data reported here illustrates the hierarchical nature of the relationship between the ACO and state and federal governments. On the one hand, the ACO is responsible for receiving the tourism demands from the municipalities (e.g. members of the ACO), and after some analysis and interpretation of these demands, the ACO communicates the results to superior levels of the governance structure – SETUR on the state level, and/or Ministry of Tourism on federal level. On the other hand, the ACO receives the tourism policies from these superior levels (state and federal), analyses, and translates (e.g. in a more comprehensible language) these policies to municipalities. A public sector representative explained it in this way: “the ACO is considered by SETUR as our regional tourism leader, both with respect to the guidelines of the Ministry [Ministry of Tourism] and the state [SETUR]”. (04# Public sector representative)
Followers of the ACO mainly comprise municipalities and its resources are principally derived from public funds from this municipal membership base, as explained by a participant:

> The major members of the ACO are municipalities, and of course, it has some other partnerships, some private entities as well, but the heavy weight of the ACO membership are the municipalities. (#09 Private sector representative)

These municipalities are the tourism departments (public sector) within each municipality. They are formally associated with the ACO and, as a consequence, must adhere to the directions from the state and federal tourism policies (see Section 3.4.1). Further evidence of the hierarchical relationship between the ACO and municipalities can be seen in the management by the ACO of the “Touristic Goods and Service Tax” which is a program of fiscal incentives to tourism, created by the state (SETUR). An interviewee pointed out this mechanism enabled the ACO to take the leadership role between municipalities:

> The municipality needs to be associated with us to get the Certificate of Association. This Certificate has a great value for any municipality and it is worth a lot to us, not as a financial resource, but mainly as an operational resource [to get the municipalities on side]. (#02 RTO representative)

This operational resourcing can be interpreted as a form of transactional leadership (Burns 1978), whereby municipalities are required to participate in the association to be able to obtain in return an important document (certification). This transactional relationship between the ACO and its public followers also allows the ACO to access and enter into dialogue with the various public sectors institutions and representatives at different levels. This operational resource suggests that a hierarchical RTO may utilise a transactional leadership, as discussed in Section 2.3.2 (Chapter 2). Transactional leadership involves the competent completion of tasks towards some predetermined goal; for example, increases in consumer satisfaction and profit margins (Franke & Felfe 2011). Almost all of the participants interviewed perceive that the ACO operates this leadership role satisfactorily within this hierarchical model of governance, as stated by two participants: “My perception
is that the ACO is focused on articulation with the regional tourism actors” (#17 Private-sector representative); and:

The ACO presents a great effort grouping the regional goals and it is an organisation that has understood its role well. They have a professional management structure. I can clearly see the focus of the ACO. I notice, for example, focus on articulation and integration of the “tourism industry”. They also have a dialogue with entrepreneurs and always try to involve the private sector. I think they have strong concentrations in destination planning because they make the tourism inventory of the region, which is always updated by their own system. It is an institution that thinks strategically and that is not always running behind for money. I think this is a healthier vision, which will generate good results ahead. They are seeking the participation of the municipalities and entrepreneurs to strengthen the region. (#18 Outsider representative)

However, the ACO’s hierarchical governance model leads to some issues. One negative aspect is the political and financial dependence on the public sector (Goldsmith & Eggers 2004). Financial dependence takes the form of monthly fees paid by the municipalities to the ACO, as explained by an ACO’s representative:

It is not allowed that the municipalities have more than three monthly payments in arrears. If this happens, they lose the right of the certificate that the ACO issues for them to have the right to tourist ICMS incentive. Acting in this manner, the ACO is guaranteeing the necessary resources to pay the bills, such as rent this room, which is in a good area, well located, payroll, accountant, etc. (#02 RTO representative)

In addition, the ACO needs to compete for public funds for project implementation from both the state and federal levels. According to Vodden et al. (2005), political dependence is due to the centralised flow of power and resources. A participant explained how political dependence impacts on the ACO:

The ACO is not a public entity, it is an association, but it depends on government approval. The state government has the final say by being the initial organiser of this association. Also, the state government makes several requirements, for example, requiring delivery of large amounts of documentation, sometimes on the same day. However, they [the state government] do not invite the RTOs to participate in the development of a creative project, or an
innovative initiative. I think the ACO is attached to this dependence, especially in this region ... The entrepreneurs depend on the COMTURs [tourism council at the local level], that depends on the ACO [at a regional level] that depends on the SETUR [state level] that depends on the Ministry of Tourism [federal level]. So it is always a game of dependency, and no one can have freedom.

(#12 Public sector representative)

In this sense, the ACO governance arrangements can be compared to those of RTOs in New Zealand and Sweden. The New Zealand comparison relates to the fact that the ACO, like its New Zealand counterparts, was established as a quasi-public sector body funded by the state government (e.g. SETUR), with the role of tourism expert (Ryan & Zahra 2004). As also occurred in New Zealand, the ACO is expected to deal with complex and problematic governance issues that can lead to management weakness (Zahra 2011). The Swedish comparison is based on the similarity between the governance arrangements where RTOs have a small number of staff and limited resources along with dependence on grants from the state and municipalities for their base income with other revenue being generated from the co-financing of particular projects (Pearce 1996d).

Six of the participants identified an alternative view to the predominance of the hierarchical model of ACO governance arrangements. These participants perceived the ACO as having network characteristics for two reasons. The first of these reasons was that the ACO has “formal followers” through its collaboration with and membership from the private and third sectors (Wray 2009), and organised horizontal networks between lateral actors (Gomes & Santos 2007; SETUR 2015; Trentin & Fratucci 2011). The second reason for the perception of network characteristics was that the ACO also has “informal followers” when it is operating an event or a project in the CSR:

I think the ACO has a considerable number of peripheral followers or “informal followers”. Because, when the ACO is in action, we can concretely identify this situation. When the ACO is running an event, seminar, or course, we can see people involved that are not necessarily associated [member of the ACO]. Indeed, it is even very interesting because sometimes they [the participants of the events] are mostly not associated with the ACO, but they are people who are receiving benefits and they recognise it as important. Although the ACO does not have so many “formal”
followers, the ACO could have more… (#18 Outsider representative)

I realised that there are other tourism actors as followers of the ACO that, while not associated, have the ACO as a reference. I do not know for what reason they are not associated with the ACO; this is a matter of particular definition by them. However, if they could be associated with it, it could further strengthen the role of the ACO as a leader. (#17 Private sector representative)

It is possible to infer that in circumstances where the ACO is performing a particular leadership role it is aligned with distributed leadership (see Section 5.3) as this function may be performed by different leaders at different times (Hristov, Zehrer & Laesser 2015; Oborn, Barrett & Dawson 2013; Schilcher 2007; Yukl 2002). The networked characteristics of the ACO suggest an alignment with distributed leadership (Gronn 2002; Spillane, Halverson & Diamond 2004). In this sense, the ACO demonstrates capacity to lead in the areas of capacity to articulate goals, actions, roles, and responsibilities (e.g. building capacity) because it is able to shape the policy environment to support tourism development (Butler 1999). According to the six participants who perceived the ACO as having network characteristics, the ACO has demonstrated strong, proactive leadership in matters that concern policy coordination and articulation with different levels of government:

The ACO is considered by SETUR as our regional tourism leader, both with respect to the guidelines of the Ministry [Ministry of Tourism] and the state [SETUR]. For this reason, the chances of the ACO getting a grant from public entities are much greater than those of the FIEMG or the IER… (04# Public sector representative)

I understand that the ACO was created with the goal of bringing together municipalities to make a tourist structure to improve the cities’ tourism... And to be a point of articulation for the prefectures... If the state government or the federal government has a policy to be deployed, it will be done through the ACO. (#09 Public sector representative)

In this sense, the ACO demonstrated the capacity to foster and communicate shared understanding, by enhancing collective trust (e.g. sympathetic conversation) and
promoting cross-sectoral linkages (Beritelli & Bieger 2014; Buhalis & Spada 2000; Jamal & Getz 1995).

In conclusion, the evidence presented in this section supports secondary data that ascribes a hybrid model of governance to the ACO. First, the ACO is shaped and aligned with the hierarchical structure of governments (federal, state, and local), facilitating relationships, proximity, and dialogue with followers and integrating with public tourism policies. Second, the ACO is also aligned with a network of different tourism actors and sectors, formed from both formal and informal “followers”, promoting among them articulation of goals, roles, and responsibilities. While the hierarchical characteristics of the ACO are aligned to transactional leadership, the networked characteristics of this RTO are aligned to distributed leadership.

The next section discusses the governance model of the IER.

6.2.2 The Governance Model of the IER

As discussed in Section 3.4.2, the IER adopted a market governance model for two reasons. The first of these was that the IER was established through an initiative of the FIEMG to create business opportunities for the Minas Gerais tourism industry and to implement projects that promote tourism along the ER product (the “Royal Road”). The objectives of the IER are based on this mission. Secondly, as the FIEMG comprises the peak of industry (predominantly private sector), its focus is primarily on economic and market issues. The main activities of the IER centre on the marketing of the ER.

Evidence from primary data also supports these two reasons for the establishment of the IER. A large number of the participants (more than 80%) perceive that FIEMG maintains close oversight over what the IER does, as illustrated by statements from two participants:

FIEMG embraced the ER [Royal Road] product and created the IER because FIEMG understood that this idea [Royal Road] could generate new business for all type of industries of the state. Because if tourism grows, it is necessary to build more hotels, and
consequently impacts on other industries, for example, earthmoving, building, lighting, and furniture... It turns out that when the IER was deployed, FIEMG decided to support it and other entities [tourism organisations] do not. Recently, due to the success of the IER, these same entities have gained interest in being involved with us... But if they wish to participate they will need to share the costs with FIEMG, and they do not seem to want to. (#01 RTO representative).

I think that the decisions in the IER are top down. Decisions are taken from upstairs [central office of the IER] and are passed on to the branch offices and then to the municipalities. (#25 Public sector representative)

Eighty per cent of the participants also perceive centralisation of financial control and decision-making being centralised in the FIEMG, and that the IER demonstrates a high degree of business acumen and a strong commitment to working with the structures and processes established by the FIEMG as well as a high degree of business acumen (Hall 2006). In this sense, and as discussed in Chapter 2, there is a weak control exercised by the state (d'Angella, De Carlo & Sainaghi 2010; Hall 2011) and under this model of governance adopted by the IER there is significant reliance mainly on values inherent in market transactions (Searle & Cardew 2000), through bargaining and negotiations between consumers and producers (Hall 2011). The IER’s focus is directed at ideas of bargaining, while negotiations are aligned with the focus of the RTO. The IER interprets its own focus in this way:

The focus of the IER is to promote the entire geographical area influenced by the Royal Road by increasing the amount of tourists in the region. Our focus is to make the tourism activities, as a whole, grow, because if it grows the entire economy of the region grows. (#15 RTO representative)

It is observed that the focus of both the IER and the FIEMG is the attraction of tourists to the region through their marketing capacity (d'Angella, De Carlo & Sainaghi 2010) around the “ER” and, as a result, to achieve tourism and economic development. The IER and FIEMG seek to bring new business and opportunities to the state industries through the development of tourism activities within the CSR. This aspect of the tourism governance
model seems aligned to transactional leadership, in which the leaders rely on exchanges with followers (Bass 1999).

However, some of the activities of the IER have been consistent with transformational leadership such as when it launched the idea to develop the historical Royal Road as a major tourism product, the IER invested strongly in marketing. This initial and massive marketing investment brought together old dreams and a high level of aspirations, from both the tourism actors and community (Burns, 1978). At that stage, it appears that the IER achieved a good degree of transformational leadership, as illustrated by two participants:

The IER is responsible for placing Minas Gerais State on the Brazilian tourist map again, not only on the national map but also even on the international tourism map. It was the ER that began this “boom”, and this is the great merit [of the IER] because the whole of Brazil knows about the ER. (#03 Outsider representative)

Small communities began to see themselves as potential tourism destinations because the Royal Road brought self-esteem. The communities start to say: “We exist! We’re on the map.” I think that it was the most important thing accomplished by this marketing, done by the IER... A call for construction... (#03 Public sector representative)

The IER elevated the concerns of followers to a “high level of consequence” (Burns 1978), achieving, as a result, great encouragement and mobilisation of all tourism actors, sectors, and the community. The tourism actors could see the realisation of their old dream: to transform their region (the CSR) into a great destination around the historical and cultural attractiveness of the Royal Road. They could envisage many tourists being attracted to the region and that vision provided good motivation to sit together around something concrete to discuss and plan. The IER demonstrated its capacity to trigger constructive energies around the concept of development of the Royal Road as a destination (Buhalis & Spada 2000; Zehrer et al. 2014).

However, the IER’s market-led governance model has led to some issues. The first of these is that dissatisfaction with IER products emerged because the marketing products and visitor experiences were not sufficiently developed at the time that the IER was being
lauded for its creation and marketing (Dredge 2001) of a great tourism product, the
“Estrada Real”. As stated by d’Angella, De Carlo and Sainaghi (2010), in governance
models of the type adopted by the IER, the coordination mechanisms among tourism actors
are normally weak since the leading organisation is unable to provide incentives, or to
support the participation of tourism actors when dealing with a broad strategy. The IER,
although effective at providing leadership in destination marketing and promotion, lacked
the capacity to lead product development, as one participant explained:

The IER did not expect to find so many obstacles, so many
structural difficulties in unlocking how this tourism product could
be consumed... They hoped that the governments [local and state
levels], councils, business owners, would wiggle [i.e. respond]
automatically... The IER was hoping that: “we’re making a boom
in the media; now the rest is up to you” ... They were hoping that
people [from other sectors] could “pick up the slack”. (#12 Public
sector representative)

The situation described above led to a perception among participants that today the IER is
concentrating only on promoting the brand “Estrada Real”:

Today, I no longer see the IER developing tourism in the region as
I saw in the past. Today I see the IER more like a brand manager
[of the Royal Road], which is a well-established brand, but that
does not create more development of tourism for the region. In the
past, the IER always had development actions, but today I do not
see that anymore. (#17 Private sector representative)

The Royal Road brand is strong, but the focus of the IER itself, is
what effectively? (#25 Public sector representative)

The IER created this product [Royal Road], but have not structured
it yet, for example, optimizing and qualifying the territory. The
Royal Road product is not properly structured to receive tourists.
The tourists are arriving motivated by all promotional marketing
done. So, the tourists are not happy. (#34 Third sector
representative)

The major problem pointed out by this latter interviewee was that the marketing developed
by the IER was concentrated only on promotion rather than other aspects of the marketing
mix, such as product development, distribution, and price (Pike & Page 2014).
The second issue is that there is a lack of clarity around who are the followers of the IER. Almost all the participants considered it was difficult to identify the current formal followers of the IER. Two different participants illustrate this difficulty in different ways:

**Who are the followers of (IER) in this region [the CSR]?**

(*Interviewer*)

I think they [followers] are diffused, because of the nature of the IER’s product [Royal Road]. I do not think that the IER is an agency. (*#24 Third sector representative*)

I think that the followers of the IER are all those that are located along the Royal Road, such as the municipalities, the districts, the restaurants and so forth. (*#36 Public sector representative*)

Despite the privileged position of the participants in terms of the organisations that they represent, they remain in doubt about who are the followers of the IER because they were poorly informed about the IER’s activities, including the IER’s membership.

The findings of this section revealed that respondents’ perceptions regarding the governance model of the IER were that organisational governance is shaped and aligned with the market and private sector and that financial capacity, promotional marketing, and credibility are facilitated through engagement with the FIEMG. However, it was also perceived that the principal contribution of the market-led IER was limited to its marketing activities. The next section extends comparisons and contrasts of the governance models of the two RTOs and explains the impact of the governance models adopted by the RTOs on their capacities to lead.

### 6.2.3 The Impact of the Governance Models on the RTOs’ Capacities to Lead

The governance models were found to have an important but quite complex impact on the capacity of an RTO to lead. Strong leadership in one area, as demonstrated by the IER in its marketing role and consequently in capacity to produce results (e.g. capacity to attract tourists to the ER), did not always correspond with strong leadership in other areas such as product development (Bornhorst, Ritchie & Sheehan 2010; Moscardo 2008) or capacity.
building (e.g. capacity to articulate goals and actions). A development agency representative explained the leadership void in other areas:

The IER strongly invested in promotional marketing, and it did not pay attention to the capability of the municipalities [to organise themselves]. The IER did not observe the regional organisation of tourism; it did not create the infrastructure necessary to ensure this marketing brings good results. The IER left behind a negative legacy because of the overemphasis on marketing as opposed to product development. (#03 Third sector representative)

In contrast, the hybrid-led ACO demonstrated leadership capacity in the development of regional tourism by a range of public and private sector stakeholders. The literature suggests that public–private governance structures offer a stronger capacity to lead (Hall 1999; Stoker 1998; Wilson, Nielsen & Buultjens 2009), and in this case it was almost all participants (90%) who observed that the hybrid-led RTO was able to build capacity both internally and amongst its external stakeholders:

Within the region, ACO has stronger leadership because it is able to work to achieve things through the municipalities, and particularly its political actors… (#09 Private sector representative)

Another participant explained that the ACO possessed a capacity to communicate, clarify, explain, and achieve shared understanding with actors about their roles, responsibilities, goals, and actions because, as a public sector entity, it was committed to intergovernmental collaboration:

The ACO addresses the administrative needs of municipalities so that public policies can be constructed and practised in communities and can be reflected in the market [tourism] scenario... We have worked so that the city itself is able to manage tourism public policy... Laws are not sufficient by themselves. They need to be implemented, and they need to be put into community use. The ACO is facilitating regional development because it addresses this information and passes it to the state and federation in terms of expectations, in terms of funding, in terms of project development... (#11 RTO representative).

As discussed in Chapter 2, an RTO is to clarify different roles and responsibilities, provide strategic orientation and positioning of the destination, and promote joint work
by synergistically coordinating efforts (Lord et al. 2009; Zehrer et al. 2014). The capacities of the ACO have impacted on its leadership within the CSR.

In terms of leadership theories, the IER and its market-led governance model seem to provide better transformational leadership capacity (Bass 1999; Bernal 2009; Franke & Felfe 2011), particularly in regards to producing results and mobilising followers (two capacities to lead) applying promotional marketing and branding strategies (e.g. Royal Road). The latter is achieved only through linkage to IER projects financed by the private sector. In this way, the capacity of the IER to lead is limited to and dependent upon the extent of its industry network. The destination actors outside the influence of the IER perceive it to be operating in isolation from the broader policy context. There is evidence that the IER in its early years presented much stronger transformational leadership to the CSR than is evident today.

In contrast to the IER, the ACO’s capacity to lead is shaped by the distribution of roles and responsibilities across various layers of government and the involvement of those government actors in implementing policy. The leadership of the ACO was, because of its hybrid-led governance model, characterised as distributed (Gronn 2002; Spillane, Halverson & Diamond 2004), that is, leadership was enacted via its capacity to articulate goals, actions, responsibilities, and roles to access a wide range of public sector actors and community at different levels (national, state, and local). The network governance model of the ACO presents a further example of distributed leadership (e.g. collaborations from private and third sectors and informal followers). However, despite the examples of distributed leadership shown by the ACO, ample evidence has been shown elsewhere in this thesis that the governance model of the ACO is predominantly hierarchy. The leadership capacity of the ACO is affected by political cycles and its inability to work at the speed demanded by the private sector, which has required the ACO to exercise transactional leadership (e.g. membership in exchange for certificates). The comparison between the governance models of the two RTOs within the CSR indicates that the ACO presents more effective distributed and transactional leadership to the CSR.
Table 6.1 – The Impact of the Governance Models adopted by the RTOs on their Capacity to Lead

<table>
<thead>
<tr>
<th>Governance and Leadership</th>
<th>ACO</th>
<th>IER (Ouro Preto Branch)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance model</td>
<td>Hybrid: Network &amp; Hierarchical</td>
<td>Market</td>
</tr>
<tr>
<td>Leadership Capacities</td>
<td>Capacity to articulate roles, responsibilities, goals, and actions (e.g. capacity building and policy coordination)</td>
<td>Capacity to mobilise and produce visible results (e.g. ER product marketing and branding)</td>
</tr>
<tr>
<td>Leadership Theories</td>
<td>Transactional by its hierarchical governance model; Distributed by its network governance model</td>
<td>Transformational by its market governance model</td>
</tr>
</tbody>
</table>

In summary, the governance model of the ACO is shaped and aligned with the hierarchical structure of governments (federal, state, and local), facilitating relationships, proximity and dialogue with followers and operationalising public tourism policies. The governance model of the IER is shaped and aligned with the private sector, facilitating financial capacity, promotional marketing, and credibility, particularly through the engagement with the FIEMG. While the IER provides efficient mechanisms of mobilisation, the ACO is regarded as providing well-defined roles to other actors and achieving more proximity across the broader tourism actors.

Each RTO has adopted a different model and different principles of governance. However, both RTOs face common challenges, constraints, and opportunities. Therefore, there is scope to develop collaborations, power sharing, and resourcing arrangements, as each RTO presents different yet complementary leadership capacities, skills, and strengths. The next sections seeks to compare and contrast the governance principles of the RTOs.

6.3 The Governance Principles Adopted by the RTOs and the Impact on their Respective Capacities to Lead

As discussed in Chapter 2, the principles of governance adopted by the RTOs provide indicators of “good” governance because they encapsulate from the perspective of
destination actors how power and resources are distributed among destination actors. As discussed in Section 2.2.1, several authors (Abrucio 1994; d’Angella & Go 2009; Eagles 2009; Graham, Amos & Plumptre 2003; Lockwood 2010; Ruhanen et al. 2010) have identified the most common six principles of destination governance, namely participation, accountability, transparency, legitimacy, efficiency, and efficacy. Despite both RTOs sharing the external context (e.g. historical, economic, political, and social), each has adopted different principles of governance due to their diverse missions, organisational structure, type of followers, and governance model. Building on these findings, the participants were invited to reflect on how they perceived the principles of governance of the ACO and the IER, and how these principles have impacted on the leadership role of these RTOs in the CSR. These findings are presented and discussed in the next two sub-sections (6.3.1 and 6.3.2).

6.3.1 The Governance Principles of the ACO

According to Zehrer et al. (2014) the principle of participation is an effective manner of getting in touch with all tourism actors, generating a more intense communication with the widest range of stakeholders in the region and, consequently, providing a shared sense of direction. Participation, in the context of destination management, is a means of getting discussion of the destination issues and goals (Bramwell & Lane 2011; d’Angella & Go 2009; Eagles 2009). According to 16 of the 36 participants interviewed, the ACO since its creation has demonstrated good performance in participation, as illustrated by two participants:

**Does the ACO promote participation? (Interviewer)**

Yes, it does. We [members] are always participating and the ACO is always communicating. Every month there are meetings and participation in these meetings. Our meetings are very objective and we talk a lot, everyone gives an opinion; we hear the experiences of each city. (#26 Third sector representative)

Some entrepreneurs do not participate in the ACO. I participate; and by the way, we are going to have a meeting this Thursday, and I will make a point of going there and participate. I think my participation is important to give the ideas from the entrepreneur’s
point of view because most other members of the ACO come from the public sector. (#17 Private sector representative)

The ACO holds monthly meetings and, when required, the general assembly votes on special matters, such as the election of board members. According to the participants above, the frequency and the manner in which these meetings occur demonstrates a high level of organised participation. As previously discussed, participation itself does not automatically infer leadership, but in this comment by one of the ACO’s members, a reciprocal relationship between participation and leadership is clear amongst the RTO and municipal actors:

Municipalities participate in the ACO’s meetings through representatives who are appointed by the municipalities, who may be the secretaries [the director of the municipal tourism department], or some technical person appointed by the secretary. Every month we meet... and there we talk about technical issues, such as statistical data and tourism inventories, among other things... Before each meeting, the ACO sends to us [to all associates] the meeting agenda. When members come [to the meeting], they find all the issues very well structured and presented on PowerPoint, and then the issues start to be discussed and defined. (#02 RTO representative)

Alternatively, only one RTO representative explained why this leadership is uneven and private sector participation in the ACO remains insufficient:

Their participation [private sector] is still small. They are still not very participatory. We understand it is difficult for an entrepreneur to drop his own business and come here for a meeting that will not immediately give a concrete return. (#02 RTO Representative)

This statement illustrates two insights into destination governance and leadership. First, the public actors from municipalities have different expectations from those of the private actors about their participation and (e.g. the manner and the intensity) in RTO governance and therefore they will engage differently in governance processes. As discussed in chapter 2, the interests and values of actors involved in a destination are diverse, and they may be unique, competitive and/or inconsistent (Beaumont & Dredge 2010). It is likely that regional destination actors from the public, private, and third sectors naturally see problems and solutions differently and, for this reason, often prioritise and seek different goals
(Pechlaner, Raich & Fischer 2009; Zahra 2011). Secondly, as a small organisation, and one that is funded principally by municipalities, the ACO prioritises local government issues and has limited capacity to address private sector needs, leading to conclusion that participation and membership characteristics appear to shape how leadership is performed and the ACO’s initiatives are directed.

The literature argues that accountability is an important principle of governance, because accountable organisations provide clarity to the wider society about policies and they take responsibility for the policies’ impacts (Graham, Amos & Plumptre 2003; Lockwood 2010; Ruhanen et al. 2010). This principle is demonstrated in the case study in a variety of ways. Internal accountability to the ACO members and to external stakeholders is formally achieved by adhering to accepted governance protocols. One practical example is that the ACO presents and discusses annual performance with all associates with the goal of seeking approval and the continued accreditation of the RTO. In addition, the ACO delivers an annual report to SETUR and a work plan and budget for the coming year (the interviewer was allowed access to these documents only during the interview):

We have meetings with the Supervisory Board [ACO’s board] ... We present spreadsheets regarding what was spent on organisation and management, what was spent on coordination and integration, how much was spent on plans and projects, and how much was spent on information communication and promotion. Although we are a small organisation, we work with transparency. Today, with little resources we have already provided detailed accounts. “Who makes a transparent business with a “thousand real”2 will make it with ten million”, that is our thinking. After the accounts are approved here, we take them to the general assembly, which evaluates the Supervisory Board report. (#02 RTO representative)

In the ACO, there is a commission that takes care of that part of accountability. Every year they show us this accountability... for example, what the associates owe, what is being spent, how much is paid for the employees etc. The ACO puts everything into spreadsheets and everything is specified. (#19 Public sector representative)

The ACO’s transparency is no different:

2 “In this expression, ‘real’ is a metaphoric currency of honesty, so with honesty one can make a business very profitable”.

168
In the ACO, the members are notified of everything and the decisions within the ACO are collectively made by the group. The executive board and advisors also participate in these discussions. After they decide the executive board implements. The communication takes place in both directions [members to association to members]. I realise that there is a dynamism in all these communications. The meetings are held, the minutes are sent, members can suggest items for the agendas, and members receive information and send information. In the ACO, there is transparent communication. (#24 Third sector representative)

I think that the ACO is a clear and transparent association because it communicates very well. It does not hide the data requested and it complies with the procedures, makes assemblies and follows the statute. The ACO is not a disorganised or messy association. (#18 Outsider representative)

As stated in Chapter 2, transparency is built on the free flow of information, process, and rules in an accessible and comprehensible way and by acting in this manner, the RTO is able to grow the confidence of the tourism actors and community (Eagles 2009; Graham, Amos & Plumptre 2003; Ruhanen et al. 2010). The professionalism with which these tasks (e.g. flow of information) are executed generates respect and legitimacy among members including private sector actors:

Yes, I consider the ACO legitimate. In its early stages, the ACO appeared as an imposed entity [by the SETUR]. However, over time it has proved to be a very good idea, and it is becoming more legitimate today because the ACO is the association that works best in the State today. (#17 Private sector representative).

One RTO representative explains the early difficulties in obtaining this legitimacy:

It was hard to get it [legitimacy]. But, today we are legitimate. It was a process that could be faster. But, this was the pace required by the municipalities. Therefore, it was with this pace that we worked. (#28 RTO representative)

The ACO has sought to include social representativeness for their services to the society, establishing its legitimacy as a RTO that represents regional actors and responding to their priorities. As presented in Chapter 2, legitimacy is much more a result of the services delivered to society than attempts to preserve a position (d'Angella & Go 2009; Eagles 2009; Lockwood 2010). An example of this is that the ACO has defined its mission and
objectives to establish the group’s legitimacy, involving consensus in decision making (Graham, Amos & Plumptre 2003):

We had a meeting to define our mission. This was done in conjunction with all the members using specific [participatory] techniques. The membership was divided into groups, and each group could present the following topics: what they thought was the ACO’s role, what the purpose of the monthly meetings was and what would be our objectives... Given these topics, we started to build a text together and we adjusted it until we arrived at a clear statement of our mission... Our mission is basically to represent our associates [members] to support and promote the development of sustainable tourism in the region and the development of policies, plans, and projects. (#02 RTO representative).

According to another participant the legitimacy of the ACO extends beyond the CSR:

I think that the ACO is achieving a scenario of legitimacy even outside their regional coverage area and even outside of its formal membership. The ACO has been legitimate, the ACO is used as a reference for the public sector [SETUR]. Sometimes they are being much more recognised in other states. (#18 Outsider representative)

This finding is aligned with the legitimacy and recognition accorded the ACO by the state tourism department (Gerais 2013), the Ministry of Tourism (Ministerio do Turismo do Brasil 2012a), and an academic study conducted in São Luiz capital city of the Maranhão State, Brazil (Costa & Carvalho 2014).

The capacity to use resources (e.g. human and financial) efficiently and minimize unnecessary effort is an important principle of governance in destination management (Eagles 2009; Graham, Amos & Plumptre 2003; Lockwood 2010). It is evident from the perspective of the destination actors interviewed that the ACO makes efficient use of limited resources despite servicing a plethora of members’ expectations and being subject to scrutiny of the public sector. One ACO representative explained as follows:

Any suggestion, opinion, or proposal are welcome if they are aligned with our major work program for that year. Otherwise, it is impossible to implement the work because our budget and our organisational structure are very small [only two paid staff] ... There was a time that the ACO had two work plans, one for the
public sector [municipalities] and another for the private sector. It was then we could get closer to the private sector. However, it was difficult to sustain these two work plans... Our current work plan provides support to municipalities in tourism planning and management, and the municipalities can use our management tools. (#02 RTO representative)

In addition, the human resources of the ACO are well perceived in terms of efficiency among participants. One participant explained:

The news that I have from the ACO, and in my own view, is that it is really efficient. The president is very committed and develops efficient work, as well the CEO, who has presented here [at the respondent’s organisation] a Strategic Tourism Plan for the city [the city of Ouro Preto]. (#14 Third sector representative)

One of the participants acknowledged that the ACO’s efficiency is limited to the size of its organisational structure, but through its distributed leadership characteristics (Spillane, Halverson & Diamond 2004) it has built a strong relationship with the public sector;

The efficiency is limited by the size of their organisational structure and the projects that the ACO set out to do. However, the ACO is efficient in what it claims to do because of the good communication it has with the municipalities. (#34 Third sector representative)

Efficacy is the capacity of an organisation to produce the desired results (Bornhorst, Ritchie & Sheehan 2010; d'Angella & Go 2009; Ruhanen et al. 2010). Ten of the participants noted that despite the limitations of its structure and funding, the ACO has a record of producing positive results that please its stakeholders. The ACO has, through achievement of strategic goals, increased the disposition of business to engage and cooperate with it (d'Angella & Go 2009). As one RTO representative explained:

Municipalities can easily see the results. For the private sector, the main feedback we could give to them would be about promotional marketing. However, it is expensive to invest in promotion marketing. The ACO offers some benefits to the municipalities [of the CSR]. The ACO seeks partnerships with other entities, makes covenants, with other organisations, and shows a more effective result. That is why the ACO today is one of the best RTOs of the State with regards to efficacy. (#04 Public sector representative)
This perspective suggests that through its efficacy, the ACO generates respect in the public sector and that this respect, in turn, is tightly bound to ideas about leadership within regional tourism. In this sense, the leadership performance of the ACO resembles that of the RTBs in England which, according to Palmer (1998) had “tight” internal governance arrangements such as formal understandings, norms, more precise tasks, and an effective level of administrative resources. The respondents noted that, despite the limitations of the ACO organisational structure, it could still produce some good results, but that its efforts are mainly targeted at public sector members. One ACO representative, however, recognised that the current organisational structure places limitations on efficiency and efficacy in terms of private sector needs (Bornhorst, Ritchie & Sheehan 2010):

Today, the ACO cannot extend much in terms of both efficiency and the efficacy due to constraints [e.g. financial, staff, and physical structure]. We need to amplify our organisational structure to be able to meet all associates, for example with more specific projects. We are not able to meet the private sector needs because we need a better organisational structure to be able to split our work plan. The way we are today, we cannot give the return that the private sector needs. (#16 RTO representative)

The arguments presented above support the point of view that the ACO presents a strong performance in all six principles of governance: participation through communication with followers even though targeted mainly on public sector members; accountability, both internal and external; transparency through an adequate flow of information regarding process and rules; legitimacy through recognition and responsiveness to needs; efficiency in its use of resources; and efficacy in terms of the achievement of results, despite constrained resources and the limitation of its organisational structure. The next section examines the application of these same principles within the governance model adopted by the IER.

6.3.2 The Governance Principles of the IER

In the past, the IER was perceived as being committed to participation, but it is currently perceived as limited. All of the participants acknowledged that the IER initially based its activities on a good idea: the development of the tourism potential of the ER (the Royal
Leadership in Regional Tourism Governance: A Brazilian Case Study

Flavio Jose Valente

This idea was already a dream of the region because it represented a way to capitalize on the historical legacy of the ancient roads used by the Portuguese in their exploitation of Brazil’s mineral wealth, as discussed in Chapter 2. The IER transformed this collective dream into a reality, and the participation of the IER during this time is readily acknowledged:

There were many meetings [within the IER] with all tourism actors participating and trying to trace the paths where the Royal Road could pass... The IER mobilised the community. I attended this process regularly. It was something that we believed. I believed in it. I found that the Royal Road project was becoming plausible. It was a project that worked very well at first. (#10 Private sector representative)

At the beginning [of the IER], I saw more participation. The IER fostered meetings and sought actions all the time. Today I see the IER concerned only with the Royal Road brand. (#17 Private sector representative)

However, according to all interviewees in this study, the IER gradually lost its commitment to participation and it became a closed organisation (Zehrer et al. 2014), as indicated by representatives of three sectors:

Nowadays, does the IER participate and encourage participation? (Interviewer)

Today, the IER is a very closed organisation... The IER in the early stages had an open team, a team that was talking and participating in forums. When the IER created the demarcation system of the Royal Road, all municipalities were involved, there was dialogue and the IER marked its presence in the cities. The IER was present. Today, the IER is closed. Today, the IER has distanced itself. (#34 Third sector representative)

We here, at the tourism department of Mariana [a city of the CSR], rarely participated in the IER nor did it communicate with us. The IER is detached and without dialogue. (#25 Public sector representative)

I do not know what the goals or the IER’s actions are. There is not a monthly meeting for members to participate, and I think this is lacking because we do not know what's going on in the IER. (#27 Private sector representative)
According to Lockwood (2010), the principle of participation is not present when tourism actors do not have appropriate opportunities to participate in the processes and actions of the organisation and when the organisation does not actively seek to engage stakeholders. This lack of participation, in turn, affected both accountability and transparency, as explained by the participant representative. The principles of accountability and transparency can be affected when participation is not present (Graham, Amos & Plumptre 2003). The IER also started to lose focus, prioritising only the marketing aspects of the ER. As a result of this loss in participation, the number and commitment of followers to the IER’s goals declined. Moreover, the IER’s claim to a leadership role in driving tourism in the region diminished in the eyes of stakeholders. As discussed in Chapter 2, Zehrer et al. (2014) stated that exhaustive conversations are required in order to minimize natural ambiguity and discrepancy around tourism actors and tourism goals and participation is necessary to generate a more intense communication and a shared sense of direction.

Alternatively, the RTO representative below illustrates that in terms of accountability and transparency, at least internally and with respect to the parent institution (FIEMG), there is a high level of commitment:

The objectives of the IER are formulated by us. These goals and projects are developed internally, and they are presented to other tourism actors, particularly to the state [SETUR]. We say: “We will work with these goals here, and we have a strategic plan”. Then we ask: “Do you agree?” If they agree with us, then we deploy [the project]. We are audited by the state. We have a balance sheet and an annual accountability session with the FIEMG group. (#01 RTO representative).

However, internal accountability does not translate into the leadership of external stakeholders. Nearly all of the participants external to the IER indicated that they had not seen these accounts and had not observed IER accountability. As presented in Chapter 2, accountability requires that entities provide clarity on their policies towards all society (e.g. internal and external stakeholders) (Graham, Amos & Plumptre 2003; Lockwood 2010; Ruhanen et al. 2010). Participants external to the organisation knew little of the internal operations of the IER. Two participants stated, by way of example:
Today the IER has “cooled”. The state government changed, everything changed, and the IER became closed. (#36 Public sector representative)

Yeah, and I would say a hundred percent closed. (#29 Third sector representative)

There was a similar view towards the legitimacy of this RTO. In the past, the IER was perceived as being a legitimate RTO, although it is currently perceived that the legitimacy has been lost. More than 70% of the participants acknowledge that the IER initially had legitimacy:

There was legitimacy in the past, but the IER lost it. Currently, the IER has lost its legitimacy... If you want to legitimise, you cannot close the doors, and you have to open doors. The IER is very connected to the FIEMG group, which itself is a very closed entity. As the IER is an entity from FIEMG, it is imitating its mentality. As a result, the legitimacy of the IER ended up being compromised. On the other hand, when you talk about tourism in Minas Gerais you have necessarily to acknowledge the name of the IER. (#34 Third sector representative)

This situation is even confirmed by one of the IER representatives:

Legitimacy, I think, must be earned. Legitimacy is planted, fertilized, and then harvested. From the time you begin to harvest, there is a consolidation of legitimacy. That the IER had earlier, but there was some oscillation. (#15 RTO representative)

Legitimacy, as presented in Chapter 2, involves consensus among tourism actors in decision-making and must be present to ensure a durable collaboration (d'Angella & Go 2009; Graham, Amos & Plumptre 2003). Two partially alternative views regarding the legitimacy of the IER were expressed by a public sector representative and a representative from the third sector:

At first, the IER had financial resources and power of mobilisation because they got a lot of media exposure, and this great exposure in the media opened many doors for the IER. So even where the IER had no political access, the IER conquered it because of the power that the media gave to the IER. (#19 Public sector representative)
The IER, as the son of FIEMG, ends up having the same closed mentality and consequently, the legitimacy of the IER ends up compromised. (#34 Third sector representative)

The IER is perceived by nearly all of the participants in this study as being an efficient organisation capable of accomplishing certain goals (Eagles 2009), such as securing finance for projects:

The IER was able to get resources from the IBD [Inter-American Development Bank] because they could prove that they were efficient in the execution of the projects... They have always worked with the best people [professionals], with the “tops”, brought from outsiders with experience to do the job they had to do. Working this way, they encouraged others tourism actors also to work with more professionalism, more responsibly and with greater insight. (#12 Public sector representative).

However, there was no evidence that participants saw this efficiency as a leadership quality of the IER. In relation to tourism, IER activities were perceived as being typically concerned with the marketing of the “Estrada Real” brand. In relation to this activity, most of the participants recognised the efficacy of the IER and its capacity to achieve market presence (Bornhorst, Ritchie & Sheehan 2010), in its early days:

At international tourism trade fairs, everyone asks about the Royal Road. So, this is a great endorsement of the IER. The promotion and marketing worked, was fantastic, and it was responsible for reinvigorating Minas Gerais in the national tourism scenario again. (#03 Third sector representative)

I realised that the IER has good ideas, but they do not go far enough. They use modern, dynamic and integrated media. I think they are efficient, but not effective because the purpose is not achieved. There is a lack of communication with the community when the ideas come from inside the IER... (#25 Public sector representative)

The IER was effective in creating the “Estrada Real” product and its ER brand. The ER became the most important tourism product in the State of Minas Gerais and well recognised in all of Brazil. The IER also demonstrated efficacy in branding ER products. Several companies have bought the right to use the ER brand in their products (Bornhorst,
Ritchie & Sheehan (2010). Bornhorst and Sheehan stated that a “strong image” and a “brand awareness” are key components to achieving destination “uniqueness” or “differentiation” from competitors. About 110 different products using the ER brand, such as chocolates, coffee, drinks, garments, bags, and cars, are on the market. As illustrated by a participant: “The IER made an effective brand management of the Royal Road ER [branding]. When you talk about the Royal Road brand, everyone is able to recognise it” (#17 Private sector representative).

An examination of the evidence above indicates that: the IER presented an irregular performance across the six principles of governance. In its early days the respondents perceived a high performance in terms of participation, legitimacy, and efficacy (marketing and branding of the ER). However, the IER gradually decreased its commitment to these principles of governance. In addition, poor performance was observed in terms of external accountability and transparency. The strength of this RTO seems to be efficiency in securing finance for projects.

To further illustrate similarities and differences, in the following section the two RTOs are compared in terms of their principles of governance and capacity to lead (Research Objective 5).

6.3.3 The Impact of the Governance Principles on the RTOs’ Capacities to Lead

This section aims to extend similarities and differences of the governance principles of the two RTOs, fulfilling the Research Objective 4 – related to comparisons of the governance principles. This section also aims to address the Research Objective 5 by explaining how the differing governance principles of the two RTOs impact on their respective individual and collective capacities to lead.
Figure 6.2 – Relationships between Governance Principles and Capacity to Lead

Figure 6.2 brings together two of the major findings of this thesis. First, it shows, as identified in Chapter 2, the most prominent principles of good governance within the tourism literature, these being participation, legitimacy, accountability, transparency, efficiency, and efficacy (Bornhorst, Ritchie & Sheehan 2010; d'Angella & Go 2009; Ruhanen et al. 2010). Secondly, it shows the main leadership capacities identified by the respondents, as identified in Chapter 5, mainly during the first round of interviews, these being capacity to produce results, capacity to mobilise followers, capacity to articulate goals and actions, and capacity to articulate roles and responsibilities.

Positioned in the centre of these two sets of findings are the RTOs and their respective members or associates. Figure 6.2 indicates that in a reciprocal relationship, the leadership capacities of an RTO influence the ability of that RTO to develop “good” principles of tourism governance, for example participation (governance principle) influencing articulation of goals, actions, roles, and responsibilities (capacities to lead). On the other hand, mobilisation of the followers (capacity to lead) influences participation (governance principle). As result, this framework illustrates the possible close relationships between destination leadership and destination governance (Figure 6.2).
Participation has been found to be a particularly important principle of governance impacting on leadership performance (Zehrer et al. 2014). It has the potential to develop shared goals and to communicate this message to the region’s private, public, and third sector stakeholders. In this sense, the ACO was perceived as practising continual collaborative dialogue with its external followers:

The ACO has good access to the municipalities and political actors. If the federal or state government has a special policy, it will be deployed via the ACO… (#09 Private sector representative)

The IER, when compared to the ACO, did not demonstrate the same level of commitment to participation and to communication. However, the capacity the IER to mobilise followers influenced tourism actors’ participation. Initially, the IER created an effective marketing campaign, which resulted in positive community feedback. This efficacy in marketing strengthen the capacity of the IER to mobilise different stakeholders in the CSR. As discussed in Chapter 2, the IER developed innovative marketing of the ER, implemented common projects related to it, and, from these activities, showed direct results (Ladkin & Bertramini 2002; Wilkinson & Young 2002). At first, this mobilisation encouraged both public and private stakeholders to participate and work harder, and favourable results, such as growth in demand, were achieved:

Small communities began to see themselves as potential tourism destinations because the Royal Road brought self-esteem. The communities started to say: “We exist! We are on the map”… I think that it was the most important thing accomplished by this marketing work done by the IER. A call for construction… Mobilisation by the IER was well done, so much so that today if you ask anyone on the street if he or she is part of the ER, he or she will say “yes.” Even if the person is not directly involved in tourism activities, he or she will say that his or her city is part of the ER… (#03 Public sector representative).

As a result, it is possible to observe the different trajectories that the two RTOs under study have pursued in terms of their principles of governance and, consequently, their capacity to lead. The IER had its followers, especially those private sector stakeholders committed to marketing and branding and who had a clear commercial benefit from following and
supporting the IER’s initiatives (Bornhorst, Ritchie & Sheehan 2010). However, the IER did not share the same broad base of followers as the ACO and therefore did not have the same impact on leadership in capacity building and product development initiatives. The good participation in the IER, which resulted from its early mobilisation, diminished over time and the RTO’s leadership waned.

Initially, the marketing focus of the IER generated great capacity to mobilise and participation of tourism actors. However, the IER encountered difficulties in product development, particularly with the ER product, and because of these barriers the IER retreated. After some years, tourism actors started to perceive the IER as losing focus. The IER, according to some of the interviewees, started to try to perform some tasks usually attributed to the public sector itself, such as roads and other physical structures. Gradually, the IER had concentrated its efforts in other directions rather than its own project. The presence of the ER as a cluster of products and its market presence suggest that the IER undertook its activities effectively, at least in the early days. However, participants did not seem to look upon the IER as a leader of regional tourism in the same way that they looked upon the ACO.

The ACO started as a small association, which gained followers from the public sector, initially through transactional leadership (e.g. programs of fiscal incentives and certificates) and supported by its hierarchical alignment with state and federal governments. The ACO started to work well with participation, accountability, and transparency and, for this reason, a good level of communication with “followers” was established, for example, the monthly meetings with freedom of speech, a voice in decision making, clarity about policies and flow of information. Consequently, the ACO achieved legitimacy and efficacy. Despite the greater focus on the public sector, the ACO was well respected as leading the network development of regional tourism with a range of third and private sector stakeholders.

In summary, the principles of governance were found to have an important but quite complex impact on the capacity of an RTO to lead. As discussed in this chapter, these
principles of governance may exist but with different levels of commitment to each principle and implementation can shift over time. Performance in one principle does not mean equivalent performance in another (Graham, Amos & Plumptre 2003). These findings illustrate that leadership can vary across the different functions that an RTO may perform (e.g. capacity building, marketing and product development) (Dredge, Ford & Whitford 2011). In addition to governance principles, an important underlying requirement in leading regional tourism is a sympathetic policy environment (Butler 1999; McGehee, Kline & Knollenberg 2014).

6.4 Conclusions

The comparisons between the destination governance models and principles of the ACO and the IER demonstrate that the two RTOs examined in this study have different capacities and strengths to lead. The findings and discussions suggest that tourism organisations with different tourism governance models can lead in different functions, such as product development, capacity building, and marketing. Accordingly, given the diversity of RTOs created for different reasons and to fulfil diverse purposes, a nuanced and context-specific understanding of RTO leadership is essential.

The hierarchical/network model of governance of the ACO endorses the rise of these hybrid forms of governance. The proliferation of different models of governance arose because some no longer fitted the traditional market and hierarchy as proposed by Coase in 1952 (Larson 1992) and because they could combine aspects from the market and hierarchical forms. Thus, some authors, outside of the tourism context, started to label these different models of governance as “hybrids” (Powell 1987, 2003; Williamson 1991). According to Kjaer (2004), each model of governance can express features of the other. For example, market transactions are a form of networking and networks happen within hierarchies in both the public and private sectors. Skelcher et al. (1998) argue that these hybrid models of governance are temporally and contextually unique. Davies (2005), in an urban governance study, proposed a dialectical way to understand the relationship between hierarchical and network. He explained that inclusive networks designed by governments
to engender, for example, leading capacity and enhance legitimacy, often involve
government restraint to keep them on their political path, but this in turn can inhibit the
development of networking capacity. However, in this study, the hybrid-led RTO seems to
present a better perceived leadership in relation to a market-led RTO.

It has been proposed in this chapter that reciprocal influence is exerted by capacity to lead
and the principles of governance model. However, the principles of governance, often
discussed as a set of practices that co-exist under the heading of governance, can play out
separately and together and have an important impact on RTO leadership (Valente, Dredge
& Lohmann 2015). To date, the tourism studies and destination management literature has
paid particular attention to governance principles such as participation, legitimacy,
accountability, transparency, efficiency, and efficacy. However, the notion of leadership
has received comparatively little attention (Beritelli & Bieger 2014; Pechlaner, Kozak &
Volgger 2014). This research has shown that commitment to and implementation of
governance principles can be uneven, and that the implementation of some or all
governance principles does not necessarily lead to strong destination leadership.

Leadership in the context of regional destinations cannot be understood as a single set of
behaviours or a set of initiatives to achieve particular goals. Instead, leadership in regional
tourism was found to be intimately connected to and dependent upon aspects of destination
governance models, principles, and the policy environment. Good governance principles in
one area, such as participation in relation to marketing by the IER, does not necessarily
mean that the organisation is leading regional tourism in a broader sense. An RTO may
lead strongly in one aspect and not in another because of its structure, governance
arrangements, or membership. It also suggests that focusing attention on destination
governance should not be misinterpreted as putting in place a good leadership strategy and
that attention to the individual and organisational aspects of RTO leadership is a separate
and vital aspect.
As a result of this comparison between governance principles and models adopted by the ACO and the IER, and the impact on their respective individual and collective capacities to lead (Research Objective 5), at least four issues should be considered:

- transformational leadership, as demonstrated by the IER in its early stages, was necessary in order to promote not only mobilisation but also fast and tangible results;
- transactional and distributed leadership as demonstrated by the ACO play an important role, particularly in regard to the community participatory engagement that has characterised official tourism programs in Brazil;
- distributed leadership can be not only applied to one individual RTO, but also to a collective alternative, which could be used to achieve cooperation and collaboration between the ACO and the IER; and
- the ACO and the IER leadership capacities are complementary in terms of a more effective leadership of the CSR.

This chapter utilised participants’ perspectives to compare and contrast the governance models and principles of the two RTOs (Research Objective 4), and to explain how these different governance models and principles impact on the RTOs’ capacity to lead (Research Objective 5). The next chapter will present the conclusions of this thesis.
Chapter 7 – CONCLUSIONS

7.1 Introduction

The aim of this study has been to critically examine and compare the leadership capacities of two RTOs in Brazil, each of which has adopted a different governance model and different principles of governance in the management of a shared case study region (the CSR). The study was based on the premise that better understandings of the mutual influence between leadership, governance and RTOs within regional destinations are needed. Informed by an interpretive and social-constructionist approach, the primary source of information for this study was 36 in-depth, semi-structured interviews with regional destination actors within the CSR, where the ACO and the IER have overlapping leadership roles in seven municipalities. This study has led to new and distinctive understandings of the significant and mutual influence of leadership, governance, and the capacity of RTOs to lead in a regional tourism destination.

To achieve the stated aim, five research objectives were addressed: (i) to critically review current knowledge of destination management, particularly regarding the intersection of leadership theories, destination governance models and principles, and RTOs; (ii) to identify the common challenges and opportunities that the ACO and the IER are facing to lead the CSR, and their respective required capacities to lead; (iii) to analyse how leadership theories can be applied to the challenges and opportunities to address the respective capacities required to lead the CSR; (iv) to compare and contrast the destination governance models and principles adopted by the two RTOs; and (v) to explain how the different destination governance models and principles adopted by the two RTOs under study impact on their individual and collective capacities to lead. The next section presents a summary of the research findings with specific reference to the objectives.
7.2 Summary of the Thesis Findings and Research Objectives

Research Objective 1: to critically review current knowledge of destination management, particularly regarding the intersection of leadership theories, destination governance (models and principles), and RTOs.

This study’s critical review of the current knowledge of destination management revealed two important issues. The first is that both the practice and theories of the destination management have concentrated mainly on four dimensions (planning, marketing, sustainability, and governance) without drawing from the rich insights contained within studies of leadership. The second issue is that there is a need for the development of a better understanding of the connection between the governance and leadership dimensions of tourism and destination management, as they apply to RTOs (Helms 2012; Lord et al. 2009; Beritelli & Bieger 2014; Pechlaner, Kozak & Volgger 2014; Valente, Dredge & Lohmann 2015).

This study has taken up the challenge to examine aspects of destination governance literature that could be linked to capacity to lead in regional destinations. Two salient aspects in the destination governance literature were found to be useful, these being destination models and principles. There are four reasons for this, the first being that the models and principles of destination governance can better expose how power and resources are distributed among communities, and the public, private, and third sectors (Beritelli, Bieger & Laesser 2007; Cooper, Scott & Baggio 2009; Pechlaner, Kozak & Volgger 2014; Svensson, Nordin & Flagestad 2005). The second is that the principles and models of governance help to explain, identify and prescribe what the broad destination literature considers to be “good” indicators of destination governance (Nanda 2006; Lockwood 2010). The third reason is that there are universally recognised governance principles (i.e. participation, accountability, transparency, legitimacy, efficiency, and efficacy) that were available to apply in this thesis (d'Angella & Go 2009; Eagles 2009; Graham, Amos & Plumptre 2003; Lockwood 2010; Ruhanen et al. 2010; Weiss 2000). Fourth among the reasons is that there are four recognised and credible models of
governance models of governance from Hall’s typology: hierarchy, community, network, and market (Beaumont & Dredge 2010; d’Angella, De Carlo & Sainaghi 2010; Glover et al. 1998; Hall 2011; More 2005). This study has explored how two aspects (models and principles) of destination governance interact with, and affect the capacity of, the two RTOs to lead the CSR (see Research Objectives 4 and 5 in this chapter).

It is important to state that Hall’s work has been instrumental in framing the four models of destination governance. However, Hall’s typology does not take into account governance models of a hybrid form. This thesis demonstrates that it is possible to successfully apply a combination of models, such as the hybrid model of the ACO (hierarchy and network). According to Kjaer (2004), there is a rise of these hybrid models because they can combine aspects from different but often complementary model. In this study, the hybrid-led RTO is perceived as presenting a more effective leadership in relation to a market-led RTO.

This study has taken up the challenge of a holistic examination of leadership theories seeking insights that could help to improve leadership in regional destinations. To achieve this task, five theories of leadership: trait, behavioural, contingency (from traditional leadership theories), and transformational and distributed (from integrative leadership theories), were reviewed and discussed (Bass 1991; Dalglish & Miller 2010; Lussier & Achua 2009). A critical review of these leadership theories allowed a holistic synthesis of these theories around the interactions of five keys elements of leadership: the leader, the external context, the organisational structure, the followers, and the goals (Bolden et al. 2011; Mackenzie & Barnes 2008; Northouse 2009) (see Section 2.4 and Figure 2.3). The study has also highlighted that regional destinations provide quite different contexts to those around which leadership theories have generally been developed. Regional destinations are characterised by a multitude of actors and sectors and fragmented arrangements around to independent operation (Jenkins 2000; Murphy & Murphy 2004). Thus, regional destinations are complex settings and contexts in which to study key elements of leadership (e.g. leaders, followers, organisational structure, goals, and context). It was determined that the study needed to examine leadership within a particular regional destination, in this case the CSR.
The CSR provided an interesting and valuable context (Chapter 3) to integrate leadership and governance dimensions. Economically this is a region where there is a dialectical relation between the mining industry and tourism, where the mining industry is sometimes a blessing (e.g. money and employments) and other times a curse (e.g. tragedies such as caused by BHP/Samarco and Vale) of the region. Also, the CSR is rich in historical sites as a significant part of the cultural heritage from the colonial period, recognised even by UNESCO. However, the CSR provides an interesting and valuable context for study of the integration of leadership and governance because the CSR is subject to the influence of different tourism policies and governance models at the same time. These different tourism policies include those promoted by the public sector – the TRP (federal level) and the Circuitos Turísticos (regional level), followed by the ACO; and a governance model promoted by private sector – FIEMG, through the ER project managed by the IER and its branches. The CSR proved to be a regional destination rich in contradictions, challenges and opportunities to compare and contrast the capacities to lead of the two RTOs.

The investigation of RTOs and similar organisations revealed that these organisations have been created as an attempt to coordinate tourism planning, governance, and marketing (Jenkins 1995, 1999, 2000), and recently to provide leadership to regional destinations through the RTOs (Pechlaner, Volgger & Herntrei 2012; Valente, Dredge & Lohmann 2014a). Examples of the governance arrangements of RTOs across different countries were presented in this thesis to add to the understanding of the leadership role of RTOs. Destination literature shows that RTOs (not only in Brazil) are struggling to play the pivotal leadership role within their regional destinations and that their roles are affected by both internal and external governance arrangements (Zahra 2006). In countries such as Australia, England, Portugal, Spain and Brazil the external arrangements provided by public policies strongly resonate in the internal arrangement of RTOs. For example, in Brazil the ACO replicates the hierarchical governance model of the state and federal levels. Dredge and Jenkins (2003) made a relevant contribution by identifying the challenges that Australian RTOs were facing. However, their contribution did not address specific aspects of the capacities of the RTOs to lead. A plausible explanation for the reluctance of
literature to address the capacities of the RTOs to lead is the lack of consensus and acceptance concerning the roles and responsibilities of RTOs as regional leaders.

A critical review of the literature on the acceptance of RTOs as regional leaders showed the ambiguities and divergent positions about whether the public or private sector dominated RTOs are better placed to provide leadership to regional destinations. On the one hand, authors such as Vernon et al. (2005) argue that the public sector is better placed to lead because it can undertake various roles such as the initiation of partnerships, organising of marketing activities and provision of resources to support product development. On the other hand, others such as Esteve (2009), Nepal (2009) and Valls (2006) remind us that the public sector has limitations such as bureaucracy and dispersion. Moreover, difficulties can emerge because governments cannot always operate in flexible and adaptable ways that match the private sector. The private sector, in turn, is fragmented and when business interests dominate, it is possible that other actors (e.g. community groups and not-for-profit organisations) become marginalised (Beaumont & Dredge 2010; Bramwell & Lane 2011). In the midst of this lack of consensus, the RTOs (usually constituted by a mix of the public and private sectors) are being challenged to develop specific leadership capacities to achieve common and shared goals for regional destinations.

After considerations of the intersecting literature between leadership, governance and RTOs, this study incorporated the main ideas from the literature by offering a conceptual framework for researching leadership of the RTOs in regional destinations (Figure 2.3). This conceptual framework was useful for two reasons. First, the framework identifies the five leadership elements (leader, followers, organisational structure, external context, and goals) within a regional destination (the CSR). Second, it presented how these five elements of leadership interact with each other within the CSR. It became clear through the use of the framework that the leadership of the RTOs within the CSR is a complex social process where the ACO and IER are the regional destination leaders (first leadership element) and they are surrounded by a common external context comprised of historical, economic, social, and political factors that presents challenges and opportunities to the two
RTOs, which need to be properly identified and addressed. The two RTOs have their organisation structure (third leadership element), which can be informed by traditional and integrative leadership theories, and models and principles of destination governance. In addition, the RTOs are followed by tourism actors from public, private and third sectors (fourth leadership element), which have different desired goals (fifth leadership element) to the regional destination (the CSR). The second Research Objective required examination of the external context and the challenges and opportunities it presented.

**Research Objective 2:** to identify the common challenges and opportunities that the ACO and the IER are facing to lead the CSR, and their respective required capacities to lead.

The external context (the second leadership element) was addressed in Chapter 3 and demonstrated that the main roots of the general challenges and opportunities, both to governance and leadership, are related to historical, social, economic, and political contexts of the country in general, and, in particular, of the CSR. Chapter 5 also addressed the external context through the analyses and discussions of the challenges and opportunities identified by the 36 participants interviewed in this study. The study identified seven challenges (C1 to C7), two opportunities (O1 and O2), and four capacities to lead (L1 to L4) that the leaders (both RTOs) need to develop in the CSR. From these findings, it was possible to establish key relationships: between the challenges themselves, and between the challenges and the capacities to lead.

The first key relationship was that between distrust and isolation among tourism actors (C1) and the poor participation of the private sector in RTOs (C2). The CSR has a historical legacy of authoritarianism and clientelism in the colony, and particularly in the CSR, dating from the colonial period (1500–1822) and the many years of the exploitation of the region’s minerals. This legacy has resulted in much distrust, isolation, and lack of participation of the tourism actors, particularly of the private sector. The study showed a lack of participation of the private sector which presents excuses such as insufficient time for not participating in entities such as the RTOs. This finding is not very surprising and it is supported by the literature which shows that relationships between tourism actors are
volatile and actions are motivated by parochialism and self-interest rather than collective, shared interests (Valente, Dredge & Lohmann 2014a). Also, this finding complements those of earlier studies in other countries, such as England and Australia (Dredge 2006; Dredge & Jenkins 2003; Saxena 2005) where the private sector often exhibits the “free-rider” mentality of not participating or contributing to RTOs but at the same time accepting the external benefits derived from the activities and decisions of the RTOs (Dredge & Jenkins 2003). When these two challenges (C1 and C2) were taken together, it was possible to establish a key relationship between them and the capacity to mobilise tourism actors (L1), which was indicated by the participants as one of the most necessary capacity for RTOs lead the CSR.

The second key relationship was between resource dependence (C3) and social issues (C4). Explorations of gold and iron brought considerable wealth to the CSR. The economy of the CSR is still heavily reliant on mineral exploration and this has resulted in the tourism industry being regarded as less economically rewarding. In addition, the high and attractive wages offered in the mining industry elevates the cost of living within the CSR leading to social issues such as unemployment and violence in the region. This finding is also supported by the literature which has recognised the problems associated with a destination becoming dependent upon high wages and revenues derived from the mining and industries resources (Freudenburg 1992). False impressions include that the wealth from this activity will last forever (McKercher 2001) and that nothing needs to be done to develop another economic activity, such as the tourism industry. In this study, when the two challenges (C3 and C4) were looked at together, it was possible to establish a key relationship between them in terms of the capacity to produce concrete results (L2), which was identified by the study participants as being one of the most necessary capacities needed for the RTOs to lead the CSR. Regional destination actors need to see the RTOs developing tourism projects which can address current social problems and to keep the destination actors motivated. In addition, evidence of the need for this capacity was also identified in the literature in several studies such as Beritelli and Bieger (2014) who highlighted the importance of RTOs attracting resources, Ladkin and Bertramini (2002)
who stressed the significance of developing innovative products; and d’Angella and Go (2009) who described the need to develop a good marketing strategy.

The third key relationship was established between the overconfidence of the destination’s interests in spontaneous tourism (C5) and the consequent inertia of the tourism actors. The tourism actors are assuming and taking for granted that the historical heritage legacy will always be centred in the CSR and will be sufficient to attract tourists and provide spontaneous tourism. This overconfidence has hindered constructive and creative actions and any effort to discover new opportunities in the region (Zehrer et al. 2014) or the development of innovative products and services (Ladkin & Bertramini 2002; Wilkinson & Young 2002). Another possible linkage that can be drawn from this relationship between the overconfidence (C5) and inertia of the tourism actors is that this situation requires a capacity to articulate goals and actions (L3) which could take the tourist actors beyond this inertia. The literature also provided evidence of the need for this capacity, suggesting that RTOs need to develop effective and sympathetic communication strategies to enhance collective trust and promote cross-sectoral linkages (Beritelli & Bieger 2014; Buhalis & Spada 2000; Dredge 2006; Jamal & Getz 1995; Pechlaner, Volgger & Herntrei 2012) and, as a result, collaboratively develop creative and innovative goals for the region.

The fourth key relationship was between poor understanding of the public sector policies and the translation and articulation of these to produce effects (C6) and constant changes in governments, politicians, and department heads (C7). According to the participants, the tourism policies of the federal government lack legitimacy because the reality of the front line (e.g. municipalities and regions) is distant from central government and policy is developed without adequate reference to the actual setting and contexts of the municipalities or regions affected. This situation is exacerbated because the current Brazilian political system is commonly characterised by a disruptive political cycle with elections each two years in different levels of governments. The Brazilian institutions are not strong enough to deal with constant changes in governments because new governors and tourism secretaries (state level), mayors and local tourism department heads, once in office, want to change things. As a result, tourism actors are frustrated with the changes to
the political agenda and they fear that work done by current politicians will be destroyed by the next group. It is plausible to conclude when taking the challenges (C6) and (C7) together that they are linked to the capacity to articulate roles and responsibilities (L4).

From these relationships described above, three possible insights can be drawn. First, RTOs need to be able to properly identify the challenges they face. Second, RTOs need to identify the relationships between those challenges in order to seek optimum outcomes. Third, RTOs need to identify from these relationships the related and required capacities to lead. These three insights are further explored in the next section (Research Objective 3), which addresses how the RTOs can draw lessons from leadership theories and, using opportunities already identified, develop the required capacities to lead.

Finally, two opportunities were identified: shared goals (O1); and regionalisation policy (O2). Regarding shared goals (O1), this study has identified that tourism actors within the CSR have three types of desired tourism objectives; these are to be a regional destination like the Serras Gauchas, to develop rural tourism, and to receive a “differentiated” type of tourist. Having shared tourism goals is indeed a great advantage because tourism actors usually see problems and solutions differently and prioritise different goals (Pechlaner, Raich & Fischer 2009; Zahra 2011). Regarding regionalisation policy (O2), this study has identified that it provides an advantage through the leadership role assigned to RTOs with the creation of both federal and state regional tourism policies (e.g. TRP and Circuitos Turísticos). However, it was noted in this study that the mere creation of programs and policies does not automatically enhance the capacity of the RTOs to lead. An implication from this observation is that the RTOs need to be able to take advantage of the opportunities. Although there are no direct relationships between the two opportunities identified (O1 and O2), there is a close relationship between them and the capacities to lead, and this relationship is addressed in the next section (Research Objective 3).
Research Objective 3: to analyse how the leadership theories could be applied to the challenges and opportunities to address the respective capacities required to lead the CSR.

Two leadership theories, transformational and distributed, proved useful in exploring how the ACO and IER could develop the required capacities to lead by taking advantage of the opportunities (O1 and O2) to tackle challenges, as explained below.

This thesis asserts that transformational leadership theory (Bass 1999; Burns 1978) could provide advantages to the two RTOs in the CSR. First, RTOs could develop capacity to mobilise tourism actors (L1) by taking advantage of already shared goals (O1) to inspire and encourage tourism actors and demonstrate the legitimacy of shared goals, to legitimatishe aspirations, to elevate concerns and long-term values, and thus develop a high level of capacity to tackle the two challenges: (C1) distrust and isolation among tourism actors, (C2) poor participation of the private sector. Second, RTOs could develop capacity to produce concrete and visible results (L2) by taking advantage of the already shared goals (O1) to evoke tangible and intangible benefits of the tourism activities derived from the shared goals in order to tackle the challenges of resource dependence (C3) and social issues (C4). In this sense, RTOs could develop a short-term project around one of shared goals (e.g. the goal to develop rural tourism in the CSR) with the understanding that this project could present not only long-terms benefits of the tourism activities, but short-term outcomes as well (e.g. creation of new jobs). A project of this nature could promote problem solving, address several current challenges, and at the same time keep the destination actors motivated.

Transformational leadership theory has much to offer the ACO and the IER on how to deal with the motivational issues of the tourism actors and their needs and promote practical results. It has been explained in this study that the IER, at least in its early stages, was able to provide efficient mechanisms of mobilisation (capacity to mobilise) and also the capacity to produce results through effective application of transformational leadership (see below).
This thesis concludes that distributed leadership theory (Gronn 2002; Yukl 2002) also could provide improved outcomes for the ACO and IER. First, the RTOs could develop capacity to articulate goals and actions (L3) by taking advantage of the regionalisation policy (O2) through a collaborative and emergent process of group interaction and negotiation of shared understanding of the country and state to tackle the frequent change of political leadership (C7) in the CSR. Secondly, RTOs could develop capacity to articulate roles and responsibilities (L4) by taking advantage of the regionalisation policy (O2) through accepting responsibility for providing and responding to leadership from peers to tackle overconfidence in spontaneous tourism (C5). Thirdly, RTOs could develop capacity to articulate roles and responsibilities (L4) through the creation and communication of shared meaning about the benefits and advantages of the regionalisation policy (O2) and, as a result, facilitate understanding by the public sector (C6) about tourism policies.

Distributed leadership theory seems the most appropriate vehicle to address the articulation issues of different goals, actions, roles, and responsibilities of the tourism actors in the current context where expertise in this area is lacking. According to the interviewees in this study, the ACO is providing well-defined roles to other tourism actors and also the capacity to articulate goals and actions. By inference, a better application of distributed leadership theory is evident than in the IER in the CSR (see below).

In addition, this study concludes that contingency leadership theory (Daft & Lane 2008) could also deliver improved leadership capacity to the RTOs in the CSR. Firstly, the RTOs could adjust their capacities to lead depending on the external context, because exogenous influences and environmental variables need to be accounted for in analyses of leadership. For example, resource dependence (C3) is a major economic circumstance demanding that the leaders (the two RTOs) adjust their leadership to face this situation. Thus, resource dependence is a major factor to be taken into account. As another example, the nature of the followers is also a key factor, and so the needs and cohesiveness of followers make a significant difference to the leaders (the RTOs) (Daft & Lane 2008). In this case, the distrust and isolation of the tourism actors (C3), overconfidence in spontaneous tourism
(C5), poor understanding of the policies by the public sector (C6), and changes in governments and politicians (C7) are challenges intrinsically related to the nature of the followers. Consequently, the RTOs must adjust their leadership to face these circumstances.

These results support the idea that contingency leadership theories appear to be better suited to deal with the major changes in the external contexts of RTOs. These observations also imply that other capacities to lead the CSR could emerge from changes in the external context or in the nature of the followers (e.g. tourism actors). In summary, the leaders (the RTOs) need to be vigilant and constantly monitoring of the changes in their external context and their followers, and the organisational structure of the RTOs needs also to change to better address new services demands. The next section addresses one the RTOs’ governance models, which are strongly related to the organisational structure of the RTOs.

**Research Objective 4: to compare and contrast the destination governance models and principles adopted by the two RTOs.**

This thesis has highlighted the distinctive situation in the Minas Gerais State, where two different tourism governance structures (e.g. set up by SETUR and FIEMG) overlap in some geographic areas of the state, such as the CSR, which is a particular set of seven municipalities. The ACO follows the tourism governance structure set up by SETUR and the IER follows the tourism governance structure set up by FIEMG, and each RTO has adopted a particular governance model. Based on this context, this study compared and contrasted the governance models and principles adopted by the ACO and IER.

The study showed that the IER is a market-led RTO (Hall 2011), which is very well positioned in terms of finance and staff. The IER is strongly supported by the FIEMG group, having an organisational structure as an NGO, mainly characterised by private sector membership and aimed at the attraction of tourists. In comparison, the ACO is a hierarchical/network RTO (Hall 2011), strongly supported by SETUR, but whose positioning is limited in terms of finance and staff. It has an organisational structure similar
of that of an association, mainly characterised by public sector membership and aimed at consolidation of the regional tourism policy. The focus of the market IER is to attract tourists to the region through its marketing capacity around the “ER” and, as a result, to achieve tourism and economic development. In contrast, the focus of the hybrid ACO is the consolidation of regional tourism through its capacity to articulate and, as a result, achieve tourist and economic development. The IER seeks the development of the tourism activities within the CSR to bring new business and opportunities to the state industries. Alternatively, the ACO seeks, through capacity building and policy coordination, to bring regional identity and economic growth.

The implications of these different governance models in terms of leadership capacity are that the ACO is a hybrid organisation that demonstrates greater capacity to lead in areas of capacity to articulate goals, actions, roles, and responsibilities (e.g. building capacity) because it is able to shape the policy environment to support tourism development. Alternatively, the market IER has less capacity to create this environment and its capacity to lead the CSR is limited to its marketing activities, particularly related to promotion of the ER brands. These circumstances reveal that the IER, although effective at providing leadership in destination marketing and promotion, lacks the capacity to lead regional destination development.

This thesis identified three possible implications of the different governance models adopted by the ACO and the IER. First, RTOs tend to follow the governance model of the “mother” entities from which they originated (e.g. FIEMG and SETUR). However, a minimum deviation was observed within the ACO which introduced more networking characteristics, while SETUR (the mother entity) remains completely hierarchical. Second, the IER is less subject to financial restrictions due to its autonomy and the support received from its mother entity (FIEMG). Finally, despite conventional wisdom about the superiority of the neoliberal market-led approach in leading regional tourism development (Valente, Dredge & Lohmann 2014b), perceptions from participants were that the RTO hybrid provided better leadership to the region in comparison to the market-led RTO.
In relation to principles of governance, the study showed that the ACO has, since its creation, demonstrated good performance in participation, but private sector participation in the ACO remains insufficient. In contrast, the IER is perceived as having been committed to participation in the past, but its current commitment to participation is perceived as limited. This lack of participation affects both accountability and transparency. In terms of accountability and transparency, at least internally with respect to the parent institution (FIEMG), the IER has a high level of commitment. The IER has also started to lose focus, prioritising only the marketing aspects of the ER. As a result of this loss in participation, the number and commitment of followers to the IER’s goals has declined.

In contrast, internal accountability to the ACO members and to external stakeholders is formally achieved by adhering to accepted governance protocols. The ACO delivers an annual report to SETUR as well as a work plan and budget for the coming year. The level of transparency demonstrated by the ACO is also high. The flow of information provided by the ACO generates respect and legitimacy amongst members, including private sector actors. In contrast, although the legitimacy of the IER is currently perceived as lost, the majority of the participants acknowledge that the IER initially had legitimacy. The IER is perceived by nearly all of the participants in this study as being an efficient organisation capable of accomplishing certain goals. The ACO’s efficiency, including its deployment of its human resource, is evident. It functions at a high level with limited resources meeting different types of members’ expectations whilst under public sector scrutiny. However, the ACO’s efficiency is limited to the size of its organisational structure.

Some of the study participants noted that despite the limitations of its structure and funding, the ACO has a record of producing positive results that please its stakeholders. The same participants noted that the efficacy of the ACO generates respect for the RTO across the public sector. In contrast, the IER has been effective in creating the “Estrada Real” product and its brand. The IER has also demonstrated efficacy in branding ER products and for raising the profile of the ER to become the most important tourism product in the State of Minas Gerais and well recognised throughout Brazil.
In summary, the ACO presents a strong performance in all six principles of governance: participation, due to its capacity to communicate with the followers yet target the public sector; accountability, both internal and external; transparency, with an adequate flow of information generating respect and legitimacy amongst members; legitimacy, despite early difficulties to obtain it; efficiency, despite its limited resources; and effective results, despite the limitation of its organisational structure. In contrast, the IER presents an irregular performance across the six principles of governance. The respondents in this study reported that only in the early days of the IER was there high performance of in terms of participation, legitimacy, and efficacy (marketing and branding of the ER). It was their view that the IER gradually decreased its commitment to these principles of governance. In addition, they reported a poor performance in terms of external accountability and transparency. The strength of the IER seems to be efficiency in securing financing for projects.

This thesis identified possible implications arising from the different performance of the RTOs regarding principles of governance. First, positive performance in participation is decisive and has a strong impact on other principles and in the general perception of the performance of the RTOs. The good performance in this principle by the ACO (acknowledging lesser participation with the private sector) over the years facilitated and improved the performance of three other principles (legitimacy, transparency, and accountability) elevating the reputation of the ACO. Inconsistent adoption of this principle of participation by the IER led this RTO to decline the other principles (legitimacy, transparency, and accountability) and in reputation. In addition, the positive performance in all of the six governance principles by the ACO raised the respectability of this RTO despite its competing with the strong brand and economic power of the IER. The next section completes the comparisons of the two RTOs.
**Research Objective 5:** to explain how the different governance models and principles of the two RTOs' impact on their respective individual and collective capacities to lead.

It has been explained in this thesis that although both RTOs face common challenges, constraints, and opportunities within the CSR, each RTO has adopted different models and principles of governance. The governance model of the ACO is shaped and aligned with the hierarchical structure of governments (federal, state, and local), facilitating its relationships and dialogues with the public sector and integration with public tourism policies. The governance model of the IER is shaped and aligned with the private sector, facilitating financial capacity, promotional marketing, and credibility particularly through its engagement with the FIEMG.

This thesis has explained how the market governance model of the IER has affected its leadership in industry relations, product development of the ER, marketing of its tourism product, mobilisation of the tourism actors, and the positive visible results. The hierarchical/network governance model of the ACO has influenced its leadership towards coordination across levels of government, capacity building, the articulation and communication of goals and actions, and the articulation of roles and responsibilities. The hierarchical/network model of governance of the ACO also illustrates the rise of hybrid forms of governance (Brown, Waterhouse & Flynn 2003; Powell 1987; Skelcher, Sullivan & Jeffares 2013). An implication of these differences is that RTOs with different governance models can have different functions (e.g. capacity building, marketing, and product development) to fulfil diverse purposes and, consequently, have different capacities to lead regional destinations. In other words, because of the destination governance model the RTOs adopt they can strongly lead in some aspects of the regional destinations while being less effective leaders in others.

It has been shown in this study that strong leadership in one area, as demonstrated by the IER in its marketing role and consequently in its capacity to produce results, does not always correspond with strong leadership in other areas such as product development. The hybrid-led ACO appears well respected by a range of public and private sector
stakeholders as an effective leader in the development of regional tourism. For example, almost all study participants observed that the hybrid-led RTO was able to build capacity both internally and among its external stakeholders. They stated that the ACO possesses a capacity to communicate, clarify, explain, and achieve shared understanding with actors about their roles, responsibilities, goals, and actions. Thus, these capacities of the ACO have impacted positively on its leadership within the CSR.

In comparison to the ACO, the IER, as a private sector organisation, did not demonstrate the same level of commitment to participation, communication and to keeping its followers informed. The IER had its followers, especially among those private sector stakeholders committed to marketing and branding and who could obtain a clear commercial benefit from following and supporting the IER’s initiatives. Consequently, the IER did not have the same positive impact on leadership in capacity building and product development initiatives. In brief, the ACO demonstrated high levels of participation, accountability, transparency, and legitimacy and, consequently leadership in the development of regional tourism with a range of public and private sector stakeholders. In contrast, the IER demonstrated strong initial efficiency and efficacy and, consequently, leadership in marketing of the ER and related cluster of brands.

The literature on governance principles is inconclusive about the capacity of an RTO to lead a destination (Bramwell & Lane 2011; Dredge & Pforr 2008). Participation, legitimacy, accountability, transparency, efficiency, and efficacy are often discussed within literature as a set of “sticky” principles that coexist. That is to say, they are a bundle of practices under the heading of governance, but the way that different interrelated principles play out separately and together has an important impact on RTO leadership. In this research, it was found that these governance principles exist to different degrees – there are different levels of commitment to each in that they may be practised independently and their implementation can shift over time. In effect this means that performance in one arrangement does not mean performance in another and that any assumption that good governance and good leadership are positively related and go hand-in-hand must be questioned (Valente, Dredge & Lohmann 2014a, 2015).
This critical perspective is in line with literature (Jenkins 2000; Zahra 2006) and reveals that organisations with different governance arrangements (e.g. models and principles) can lead in different realms such as product development, capacity building, and marketing. Accordingly, given the diversity of the RTOs, created for different reasons to fulfil diverse purposes, a nuanced and context-specific understanding of RTO leadership is essential (Valente, Dredge & Lohmann 2014a, 2015). This finding lends support to the adoption of distributed leadership models in RTOs, where the needs of the region and the individual and collective social capacity of regional actors are taken into account. The key is to understand what tasks each organisation is good at, and to build a collaborative environment that will promote a distributed form of leadership which enables different organisations to lead in areas where their strengths lie (Gronn 2002; Harris 2005; Oborn, Barrett & Dawson 2013).

After all considerations and implications, it is proposed that that this research extensively fulfils all five Research Objectives. The following sectors summarise the main contribution of the thesis, the study’s limitations and opportunities for further research.

### 7.3 Contributions of the Study

This study offers theoretical, methodological, and applied contributions. The major richness of the study is the extensive links established between different theories and related target areas, revealing thereby the multidisciplinary and interdisciplinary character of the thesis.

To date the destination management literature has been silent on the links between five dimensions of destination management (planning, marketing, sustainability, governance, and leadership), particularly in relation to the interrelated aspects of destination governance, leadership theories, and RTOs (Valente, Dredge & Lohmann 2014a, 2015). This thesis demonstrates that although “destination leadership” is not yet a consolidated practice nor a theory, it can be identified as an important part of destination management (Beritelli & Bieger 2014; Blichfeldt, Hird & Kvistgaard 2014; Hristov, Zehrer & Laesser...
2015; Pechlaner, Kozak & Volgger 2014; Zehrer et al. 2014), particularly in regional destinations (Dredge & Jenkins 2003; Jenkins 2000). Thus, this thesis extends the knowledge of tourism and destination management by integrating the knowledge of the leadership dimension (see Figure 2.1) and its related aspects, such as the five theories of leadership (trait, behavioural, contingency, transformational, and distributed) and their respective five leadership elements (leaders, followers, goals, external context, and organisational structure).

This study brings a new theoretical perspective on leadership by focusing on two RTOs as the units of analysis and their relationships with followers (individuals or other organisations). This perspective substantially expands the complexity of the leadership process, demanding innovative frameworks. In this particular aspect, this study provides two innovative frameworks for analysis. The first framework offers acknowledgment of the inter-related influence of five leadership elements commonly discussed in the broad leadership literature, namely the leaders, followers, goals, organisational structure, and external context. The second framework (Figure 2.3) presented in Chapter 2 and based on the first, was the conceptual framework used for researching RTO leadership in a regional destination. It integrates the five leadership elements, together with theories concerning destination governance, leadership and RTOs in a regional destination context. These frameworks assist in achieving better understandings of leadership theories, in particular how transformational and distributed leadership can address the complexities of a socio-constructive leadership processes.

Additionally, this study extends its contributions by using contingency theory to address the external contexts of the RTOs (e.g. historical, social, economic, and political), because these elements are the main source of the challenges and opportunities facing RTOs. In this sense, destination leadership complements the structural (e.g. planning) and procedural (e.g. governance) perspectives of destinations management by considering the role played by aspects such as encouragement, creativity, long-term values, and directions to destinations. As a result, this study advocates that destination leadership can be understood
as a complementary or even as a new field to be explored in destination management studies.

To date, the destination management literature has paid some attention to existing governance theories, including governance models (e.g. hierarchical, market, community, and networks) and good governance principles (e.g. participation, legitimacy, accountability, transparency, efficiency and efficacy). However, no study has been found linking these six principles and four models of destination governance. This study demonstrates originality by explaining how those models and principles, either separately or together, can impact the leadership of the RTOs. For example, the study has demonstrated that the hybrid governance model adopted by the ACO has led to better leadership performance in comparison to the market model of governance. This is a situation that may present opportunities for adoption of this model of governance (Abrucio 1994; Davies 2005; Skelcher, Sullivan & Jeffares 2013).

A further theoretical contribution has been made through demonstration of the relationships between principles of governance and capacity to lead as represented in Figure 6.2 (Chapter 6). For example, the study has argued that the principles of governance, often discussed as a set of practices that co-exist under the heading of governance, can play out separately and together and have an important impact on RTO leadership (Valente, Dredge & Lohmann 2015). This research has shown that commitment to and implementation of governance principles can be uneven, and that the implementation of some or all governance principles does not necessarily lead to strong destination leadership.

In taking an interpretive and social-constructionist approach, this research has also made methodological contributions. This study has demonstrated how the adoption of an embedded and comparative case study and an abductive approach that can be applied to research seeking to generate critical understanding of a substantive area of investigation. Embedded and comparative case studies have demonstrated their usefulness in establishing robust contrasts and comparisons between the cases (Baxter & Jack 2008; Eisenhardt
1989). The Interactive Discussion Tool (IDT) of this study offers an innovative methodological contribution to "co-production of knowledge", where both the participant and interviewer, in reflecting on initial observations and findings, developed and consolidated insights.

The IDT is aligned to the abductive approach of this study and it was a useful tool in refining the preliminary observations and findings from the first round of interviews. The abductive approach proved useful by providing a plausible explanation, based on empirical findings for which the researcher did not have clear evidence or a common framework (Van de Ven & Johnson 2006). The IDT and abductive approaches made the conversation between the interviewer and interviewees more constructive, interactive and objective, retaining the qualitative nature of the research and allowing the participants to expose their own ideas. The majority of the participants expressed approval of these techniques, which, in turn, facilitated the process of mutual understanding, communication, and learning.

This study also renders a number of applied contributions considered relevant and useful to RTOs and similar organisations (DMOs, NGOs, etc.) in Brazil and internationally. This thesis investigated how governance arrangements affect the capacity of RTOs to lead. Specifically, it examined the capacity of a market-led RTO (the IER) and a hybrid-led RTO (the ACO) to lead regional destination development. The study posed implications for approaches of RTOs to regional destination management by identifying how they can shape their organisations in terms of governance arrangements (models and principles) and the required capacities to lead. This study creates awareness for RTOs regarding the need for them to develop different capacities to lead, such as the capacity to produce results and to mobilise (transformational), and the capacity to articulate roles responsibilities, goals, and actions (distributed). Moreover, the study indicates how RTOs may apply contingency theories to interpret the challenges and opportunities surrounding them. Contingency theories have been shown to be useful in addressing the external context. Finally, the study has demonstrated that there is scope to develop joint collaborations, power sharing, and resourcing arrangements between RTOs. The ACO and IER present different yet complementary leadership capacities, skills, and strengths.
As a result of the contributions explained above, this thesis has revealed original insights into the leadership of regional destinations by RTOs, that not only has implications for the RTOs but also for the future of tourism and destination management, governance, and leadership theories with specific reference to RTOs and those fields of research more generally. In conclusion, this thesis makes a timely contribution.

7.4 Limitations of the Study and Recommendations for Future Research

This study has opened lines of enquiry by using particular methods and approaches (e.g. a comparative embedded case study, and abductive, in-depth interviews) (see Chapters 1 and 4). The methods and approaches used in this thesis limit the ability to generalise the study’s findings. The conclusions should also be considered in terms of the case study from which they were drawn.

An important limitation regarding this thesis is that the findings are based on a single case study region (the CSR) based in Brazil. Two RTOs in the CSR were consciously chosen as the bases of this study. This choice is open to criticism regarding bias in the selection and the subsequent analysis of the case study. However, such choices are necessary in policy studies and related studies of governance, destination governance and leadership. The simultaneous choice of the two RTOs and the CSR was justified on the grounds that the two RTOs selected portrayed particular characteristics; that is, they had overlapping leadership roles in a geographic location (the case study region), and each had adopted a different destination governance model: one RTO being market-led; and the other being hybrid-led (hierarchical and network). In Chapter 1 it was argued that these characteristics presented a unique opportunity to compare and contrast RTOs and their leadership capacities within a Brazilian context.

The application of leadership and governance theories as part of the author’s lens to examine the case study might also be questioned as the use of other “lenses” drawing upon sociology and economics, for example, might have led to different findings about the
RTOs and their capacities to lead and effect change. Moreover, a different case study region could also have led to different findings regarding RTOs of market-led or hybrid types. It could be anticipated that RTO leadership, effectiveness and operations will vary between regions and organisations, and within regions and organisations over time.

The sampling of the respondents for the interviews (the interviewees) also has limitations because perspectives from citizens (e.g. retail workers) and businesses outside of, or not significantly involved in, the tourism industry were not part of this research. Further, when tourism actors were interviewed it is possible their organisational, or perhaps some other interests, might have hindered meaningful and constructive answers or limited responses generally.

The researcher had limited access to some sources, and was declined access to other sources particularly some documents considered confidential by the RTOs. Thus, not all documentation that might have provided more detailed or new insights or that might have deepened understanding of the RTOs was available for review.

Despite inherent limitations of the methods and approaches of this thesis, future work could embrace similar lines of inquiry to help add depth and understanding about the usefulness methods and approaches, including the IDT. Although, some of these findings are unique and specific to this regional destination, they can also be used as a lens to explore the capacity of RTOs to lead regional destinations in other jurisdictions. This in turn points to the importance of further empirical research examining RTOs and their leadership capacities using other methods and approaches.

To explore further issues of the capacity of RTOs to lead regional destinations, a range of different studies could be conducted by considering some aspects not used in this study. For example, studies on RTOs in other regions, states, and countries (both developing and developed countries) would be important in order to determine how possible contextual differences can affect governance arrangements (e.g. models and principles) and the capacity of the RTOs to lead. As discussed in this thesis, political, social, economic and
historical contexts are the main roots of the challenges and opportunities and can shape capacities to lead. Another possible focus would be studies addressing the same contexts but with reference to Destination Management Organisations (a similar tourism organisation to RTO). The broad literature has shown that tourism organisations in general present many similarities (e.g. challenges) in terms of their organisational structures and funding, therefore, they are also able to provide interesting insights on governance models and leadership capacity.

From an organisational point of view, a future research agenda might examine how RTOs could develop indicators and monitor of performance of their governance principles and leadership capacities. Following this line of thinking, RTOs would pay more attention to evaluation. Ideally, members of the board should regularly and methodically evaluate the effectiveness and efficacy of their activities. Performance evaluations should be systematic and spread to all members (or associates) to develop clear understandings and a vision of how all involved in the RTO could more efficiently and effectively contribute as associates and/or members of a governing board more generally.

This thesis also points to the importance of further work, including studies that explore promotion of cooperation and collaboration between RTOs. As discussed through this thesis, a regional destination is a networked and social environment site (Jamal & Jamrozy 2006; Spillane, Halverson & Diamond 2004). For this reason, RTOs must acknowledge the inclusive and collaborative nature of the leadership process (Gronn 2002). As discussed in section 5.3.7, a regional destination is a fertile environment for developing distributed leadership. In this sense, an RTO should take into account strategic partnerships with other RTOs or tourism organisations.

Another possible avenue for further research, despite considerable criticism of them, would be to study the usefulness of trait and behaviour leadership theories to address the personal characteristics and leadership practices of CEOs, presidents and managers of the RTOs and their impact on the leadership capacities of the RTO as a whole. As discussed in section 2.3.1, trait leadership theory can explain how some charismatic leaders stand out and
dominate the political landscape (Bass & Bass 2008). The focus of behavioural leadership theory is on identifying universal behaviours that can be developed and modified by practising certain skills (Kunz & Hoy 1976). In addition, other leadership theories not addressed in this study could be applied to better understand the role of leadership in the context of destinations in general, and particularly in regional destinations. Therefore, if RTOs as leaders are to deliver the suggested benefits of regional development and economic growth, then further research attention to leadership practices is warranted.

7.5 Concluding Remarks

This study has taken an exploratory first step towards providing better understandings of leadership in regional destination management. From the findings and the theories contained within this study, it is expected and hoped that further lines of enquiry will deepen theoretical and applied understanding. An increased use of embedded and comparative case studies and abductive approaches is also encouraged. Furthermore, it is hoped that this study will encourage destination actors and RTOs to think about how they can provide better destination management, particularly in relation to leadership exercised by RTOs or similar organisations.

The findings of this study have characterised the complexity of destination management and its several dimensions. The study’s findings also capture the concept of leadership as a social phenomenon and the importance of topics such as influence, motivation, communication and ethical considerations within destination, as well as the relevance of leadership theories to RTOs. In this sense, leadership theories can provide important insights into both destination management and destination governance.
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Appendices
APPENDIX 1 - Issues Raised during the Round 1 of Interviews

<table>
<thead>
<tr>
<th>Leadership Element</th>
<th>INTERVIEW ISSUES – ROUND 1</th>
</tr>
</thead>
</table>
| **External Context**                       | 1. The major external forces (challengers, pressures and opportunities) from historical, social, economic, and political contexts influencing the capacity of the RTOs (the ACO and IER) to lead in this region (the CSR).  
2. The influence of governments (public sector in the three levels) in the region and in the RTOs (e.g. the relationships between RTOs and these levels of government). |
| **Leader**                                 | 3. What sector (public, private or third) or RTO has the leadership role in this regional tourism destination (and why?).  
4. What RTO is more recognised by all tourism actors (private, public and community) as being the leader of this regional tourism destination (and why?).  
5. The participants’ perceptions of the leadership role and the RTO leader. |
| **Followers**                              | 6. The main tourism actors (individuals and/or organisations) in this regional tourism destination are following (as members or associated) the RTOs (the ACO and IER).                                                              |
| **Goals**                                  | 7. Shared tourism goals (or disagreement) amongst tourism actors in this regional destination.  
8. Process and place of the articulation or elaboration of these tourism goals. |
| **Organisational Structure of the RTOs**   | 9. Difference, advantages and disadvantages of the organisational structure, model of governance of the RTOs (IER or ACO) structures  
10. Presence or not of good principles of governance (e.g. legitimacy, transparency, accountability, participation, efficiency, efficacy) and  
11. How these governance models and principles influence the capacity of the RTOs (the ACO and IER) to lead |
| **Capacity to Lead**                       | 12. Important and/or necessary characteristics of leadership, or capacity to lead, that a RTO should have in this regional destination.                                                                                   |
APPENDIX 2 - Leadership Framework for the Round 2 of Interviews

The literature identifies 5 elements that contribute to/impact upon leadership. This interview will be structured around this framework. I will ask questions to explore how these influences impact upon leadership in the region.

**1- External Context** (historical, social, economic and political)

**2- Regional Destination’s Goals**

**3- Followers** (destination’s actors from private, public and third sectors)

**4 - Organisational Structure** (governance models and principles)

**5 - The capacities of the RTOs (Leaders) to Lead**

_LET’S EXPLORE EACH ONE OF THESE ELEMENTS..._
CONTEXT

The research shows that a range of factors that influence regional tourism leadership and these can be organised into the 5 groups shown here. Can you explain how these factors influence leadership in this region?
GOALS

FOR AN ORGANISATION TO LEAD TOURISM IN THIS REGION, TOURISM GOALS ARE NECESSARY!

A- What are your goals for tourism in this region?
B- What do you think this region needs to do to succeed in tourism?

C- ACROSS THE REGION, ARE THESE GOALS ………………………… AMONGST ALL THE ACTORS INVOLVED?

D- WHERE ARE GOALS DISCUSSED? (What place, forum, organisation...)

E- What are ACO and IER’s goals?
FOLLOWERS

The literature tells us that leadership requires leaders and followers. Today I want to talk about two RTOs as leading organisations. IER and ACO. How do you describe the relationship between leaders and followers between two: ACO and IER?

WHO IS FOLLOWING?

HOW IS THE RELATIONSHIP BETWEEN LEADERS AND FOLLOWERS?
- Are they close?
- Do they communicate regularly?
- How do they communicate?
- Where do they communicate?
ORGANISATION STRUCTURE

IER

Accountability
Transparency
Efficiency
Participation
Legitimacy
other?
Efficacy

ACO

Accountability
Transparency
Efficiency
Participation
Legitimacy
other?
Efficacy
LEADERS

From the research I have previously done in this region, I identified that the capacity to lead was influenced by 4 factors (see diagram). Could you compare these leadership capacities between ACO and IER? Could you prioritise these leadership capacities in ACO and in IER?

Back to first page (framework). Our discussion has been very useful in my understanding of leadership in this region. I am interested to find out whether you have learned anything else about leadership from our discussion or your reflections today?
APPENDIX 3 - Information Statement

Title of project: Leadership in Regional Tourism Governance: A Brazilian case study

My name is Flávio José Valente. I am conducting this research as part of my PhD at School of Tourism & Hospitality Management at Southern Cross University (SCU) - Australia. This research aims to analyse leadership in two different Regional Tourism Organisations (RTOs) in Minas Gerais - Brazil. This research involves in-depth, semi-structured interviews with actors associated with these RTOs. The results of this research will provide better understandings about leadership in regional tourism destinations. This knowledge will improve regional tourism management by assisting RTOs develop their leadership capacity. This research provides an opportunity for participants to contribute to advancing understandings of how effective leadership can flourish in regional tourism destinations.

I would like to invite you to participate in a confidential interview. With your permission, the interview will be recorded and transcribed so that I may reflect later on our conversations. Recordings will be transcribed and the text sent to you for review and approval before analysis. Only the text version of the transcript will be retained and its use and storage is subject to the ethical clearances identified below.

Essential Information:

All data (information, material and names) will be held confidentially. Only de-identified data will be presented in the thesis. All material collected (information, material, names, etc.) will be depersonalized once analysed and all material collected will be kept under locked file for 7 years.

This research is partially funded by The CAPES Foundation (Brazilian Ministry of Education). Each interview is expected to take between 30-60 minutes. The interview will take place in your workplace or another place suitable to you. No financial incentives will be provided for your participation.

You can obtain a short summary of the main research findings once the thesis has been submitted for examination. In the consent form attached you can indicate if and how you would like to receive these results. Your participation in this interview is voluntary and if you wish to leave the research or interview, at any time, you can. Just let me know about your decision. The results of this study may be published in a peer-reviewed journal and presented at conferences. This research has been approved by the Human Research Ethics Committee at Southern Cross University. The Approval Number ECN-12-290.

For any inquiries about this research you are free to contact these persons:
Supervisor: Associate Professor Dianne Dredge – email: dianne.dredge@scu.edu.au – m: (61) 0410 604 921. Supervisor: Dr. Gui Lohmann – email: gui.lohmann@scu.edu.au - m. (61) 0468 765 221

If you have any concerns about the ethical conduct of this research or the researcher, you may contact the Ethics Complaints Officer (ethics.lismore@scu.edu.au) at Southern Cross University, PO Box 157, Lismore, NSW. 2480. Australia. In Brazil, concerns should be directed to Prof. Luiz Gonzaga Godoi Trigo (trigo@usp.br). All information is confidential and concerns will be handled as soon as possible.
APPENDIX 4 - Consent Form

(Consent to participate in the following research project - to be returned directly to the researcher)

Title of research project: Leadership in Regional Tourism Governance: A Brazilian Study Case
Researcher: Flávio José Valente

Please, Tick the box that applies, sign and date and give to the researcher

I agree to take part in the Southern Cross University research project specified above. Yes □ No □
I have been provided with information at my level of comprehension about the purpose, methods, demands, risks, inconveniences and possible outcomes of this research. I understand this information. Yes □ No □
I agree to be interviewed by the researcher. Yes □ No □
I agree to allow the interview to be audio-taped. Yes □ No □
I agree to make myself available for further interview if required. Yes □ No □
I understand that my participation is voluntary and I understand that I can cease my participation at any time. Yes □ No □
I understand that my participation in this research will be treated with confidentiality. Yes □ No □
I understand that any information that may identify me will be de-identified at the time of analysis of any data. Yes □ No □
I understand that no identifying information will be disclosed or published. Yes □ No □
I understand that all information gathered in this research will be kept confidentially for 7 years at the University. Yes □ No □
I am aware that I can contact the researchers at any time with any queries. Their contact details are provided to me. Yes □ No □
I understand that this research project has been approved by the SCU Human Research Ethics Committee. Yes □ No □
I am over the age of 18 years.
I understand the researcher will keep a copy of this form in safe storage at the University. Yes □ No □

Participant name: __________________________________________________________

Participant signature: ______________________________________________________

Date: ______________________

[ ] Please tick this box and provide your email or mail address below if you wish to receive a summary of the results:

Email: ________________________________________________________________