

ELEMENTS OF CORPORATE GOVERNANCE IN TOURISM ORGANIZATIONS

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Tourism organizations used to be central players when it came to destination management. However, demands from the market — but also from local stakeholders — have changed significantly, both in form and content. One approach to further develop and professionalize tourism organizations is to apply the concept of corporate governance. It offers organizations a set of instruments to govern, control and monitor themselves, and enables the implementation of previously defined structures and standards. This article analyzes whether selected elements of corporate governance are applied in tourism organizations in the Alps, and what characteristics these elements offer. Our results show that tourism organizations are aware of the selected corporate governance elements, and even of their potential, but the degree and extent of their application so far has been rather poor.

Keywords: *corporate governance, tourism organizations, professionalization, destination management*

JEL Classification: L83, M1, O1

INTRODUCTION

Tourism organizations have hitherto acted as important protagonists in the preparation and marketing of competitive service packages for tourists — a function now called destination management. Offers that can be booked by guests comprise a combination of products from various service providers, which are coordinated in this context, but which also place different demands on destination management (Pechlaner & Raich, 2005). These claims on destination management have changed



significantly in recent years, by both customers (demand side) and by local stakeholders (for example, the organizations' members — supply side). Such changed requirements involve actual tourist offers, but over the years, customers' wishes have changed. A much greater variety of offers exist today, which demand common responses and strategies from all players in the tourism sector. Changes in administration and increasing expectations of the entrepreneurial competency of tourism organizations have become a decisive factor. Nowadays, continual innovation and development are part of a tourism manager's repertoire, and represent major challenges. These are particularly evident in Alpine tourism, which is traditionally structured in small units (Pechlaner & Tschurtschenthaler, 2003, Pechlaner & Raich, 2005). Inter alia, these challenges include:

- professionalization of tourism organizations (for example, employees' entrepreneurial, linguistic and technical skills, improvement of the flow of work, strengthening of communication and dialogue)
- strategic thinking and acting, in addition to operative tasks
- anchoring of the organization, but also of the tourism products themselves, in the region
- development of human resources in the organizations
- interaction, or even cross-linking, with other industries in order to create integrated offers
- innovative product development.

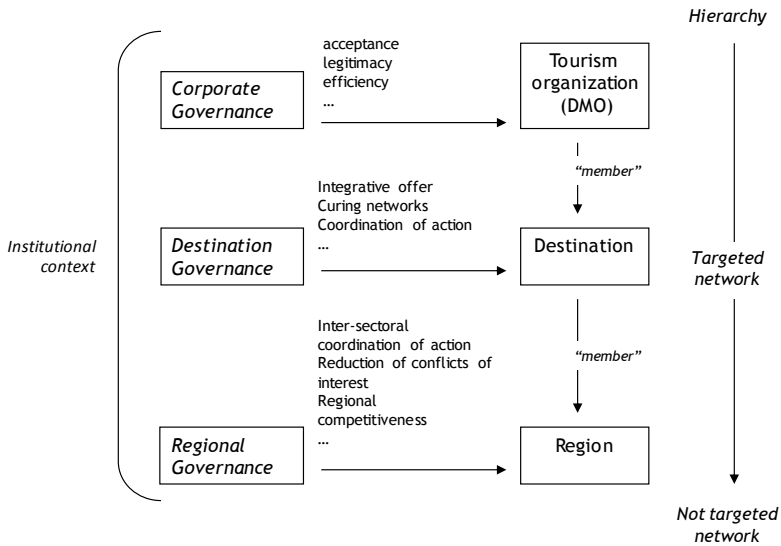
Competitive destinations will soon need perfectly managed, locally legitimized and accepted tourism organizations, and these must turn what was once basic administration into a true strategic development of the destination.

In order to meet these challenges, several strategies have been applied in recent years. In addition to widespread entrepreneurial consolidation through mergers, corporate governance is another possible new approach. Corporate governance offers a range of tools for the efficient and effective control and management of the owner-manager organization, including the ability to measure its efficiency and implement certain structures and standards (see Sheikh & Rees, 1995; Jürgens, 2006).

This paper discusses the application of certain elements of the corporate governance approach in tourism organizations (see Beritelli et al., 2007). Using an empirical analysis, which is based on the theoretical background of the following chapter, we discuss and analyze selected aspects of corporate governance from the viewpoint of tourism

organizations. Figure 1 explains the different types of governance in tourism, depending on the different institutional contexts.

Figure 1 Governance in tourism



Tourism organizations are understood as destination management organizations (DMOs) responsible for the overall management of the cooperatively produced tourist services within a destination (Bieger, 2002: 72; and regarding the evolution of tourism organizations in the Alpine region, see Pechlaner & Tschurtschenthaler, 2003). We chose a focus on tourism organizations as DMOs because the tourist product is understood as an integrated service package (Bieger, 2002: 65). The various services are peripherally produced by different actors, and tourism organizations act as the primary collective management in this context; they therefore serve as strategic actors covering the entire destination with their activities. The empirical findings from our study provide a novel insight into the topic of corporate governance in tourism organizations and extend the existing literature to formulate a new approach.

Corporate Governance

Corporate governance is an approach for business management (and the improvement thereof) which has been applied to various problems in

recent years. The method was particularly relevant to the increase of real net output for the shareholders of companies in the event of poor performance, as well as the restoration of bonds of trust between investors and crisis-ridden markets (Mallin, 2003).

The objective of corporate governance is an arrangement of an organization's management that will maintain the balance of responsibility, expertise and control in its different bodies (Malik, 2002). Thus, an organization's value for its shareholders and stakeholders should be permanently increased (Müller, 2003). In spite of varying definitions of corporate governance, several areas of activity and starting points are common to most definitions (Mallin, 2003: 1):

- systems of control within the company
- relationships between the company's board/shareholders/stakeholders
- the company being managed in the interests of the shareholders (stakeholders)
- greater transparency and accountability to enable users of corporate information to determine whether the business is being managed in a way that they consider appropriate.

The measures defined in the context of corporate governance can be mandatory for organizations and employees (for example, through in-company rules or legal requirements), but they can also be put into effect and applied voluntarily.

Among other things, the effects of "good corporate governance" materialize in the assessment of the organization by the market and customers, increasing financial efficiency and increasing confidence on the part of the stakeholders (Kleinschmidt, 2007). Subsequently, good governance also results in the maximization of benefits for the society as a whole through the entrepreneurial activity (OECD, 1999; Newell & Wilson, 2002). Discussion in the economics literature has already dealt with the question of the correct definition of "good corporate governance" for some time, but no universally applicable formula exists for the implementation of corporate governance by companies and organizations.

The success of corporate governance depends principally on company-specific qualities, such as the business approach, the structure of the organization, or the skills and abilities of management and employees, as well as their cooperation and interplay. In the context of governance research and management consultancy, we can deduce several core elements and general settings that have a positive influence on a company's corporate governance if applied successfully (see Van den Bergh & de Ridder, 1999). One of the first and most comprehensive

compilations of the elements of good corporate governance is found in the OECD's Principles of Corporate Governance (OECD, 1999). These elements affect companies' implementation of corporate governance as well as national institutions in the development of the general settings for corporate governance. The following points describe the central tenets of good corporate governance.

Effective Leadership of the Company

The main task of corporate management is to define a corporation's principal development strategy (Carcello, 2009), because the future need for action is more important than the proclamation of goals already accomplished (Tecker et al., 2002). In addition to purely business administrative objectives, this involves meeting the responsibility and accountability of the corporation to third parties, including shareholders, stakeholders, society and so on (McDonough, 2002; Carcello, 2009). The responsibility for leadership in this context can be shared between several board members and stakeholders — but also with employees (Caudron, 2002).

Effective Management

The task of good management is to make everyday decisions in the corporation to facilitate the achievement of the corporate management's long-term objectives and strategies (McDonough, 2002; Carcello, 2009). Therefore, these objectives are accompanied by short- and medium-term measures to achieve certain goals, for example, financial planning (Bieger, 2002: 109).

Controlling and Monitoring

In addition to the set goals, the implementation of strategic corporate planning requires mechanisms for the measurement of the firm's operational performance, but also for the control of business decisions. The latter is part of a responsible risk management. Good corporate governance also includes transparent announcements about the control's positive (as well as negative) results (Felton & Watson, 2002; Mallin, 2006). Controlling and auditing can be provided by external experts (see Marnet, 2008).

Application of Governance Tools

One of the central elements of leadership is a clearly defined and viable business strategy, the long-term vision of which should be the creation of lasting value for stakeholders (Mobius, 2001). A clear strategy

shows how the development and application of core competencies can be used to generate competitive advantages, but the control of the organization's bodies can also be seen as a governance tool. In addition, in-company statutes representing the corporation's internal and external code of values and conduct can also be applied.

The Corporation's Code of Values and Conduct

In addition to process-oriented aspects of corporate governance, several value-oriented approaches are also available for action. Among the objectives is the achievement of a change of behaviour at the management level, but also by all employees, which can influence the entire corporate culture in the long term (Tecker et al., 2002; Jürgens, 2006). This includes, for example, transparency in the company's communication, in order to create a bond of trust with the stakeholders; but it also includes an organization's responsibility to society and/or territory (see Donaldson & Preston, 1995). Apart from external relations, the values also concern the dialogue with an organization's own employees, including, among others, the cultivation and utilization of the existing intellectual capital for the benefit of the organization (see Vinten, 2001).

Knowing and Tending to Stakeholders

Companies and organizations have several different stakeholders, often with very different interests in the company (see Freeman, 1984). As well as the actual shareholders or stockholders, there are a company's customers, its own employees, local politics, the society at large and many more interested parties (Donaldson & Preston, 1995). This social and economic network must be taken into account in the company's communications and activities in order to maintain the loyalty of the stakeholders (Siebart, 2006).

Corporate Governance in Tourism Organizations

The corporate governance approach has, until now, mainly been applied to big corporations listed on the stock exchange, because corporations with governing boards and a large number of shareholders have the corresponding structures in which the approach of corporate governance is seen to be effective. In contrast, tourism organizations, as corporations, are characterized by several exceptional factors that allow the application of the corporate governance approach only with certain modifications (see Bieger, 2002: 97–99). Therefore, the following

discussion focuses on corporate governance in small and medium-sized business (see OECD, 2006; Van den Berghe, 2002).

In contrast to big corporations, for example, most tourism organizations have very flat hierarchies, comprising only the management level and clerical assistants. Therefore, responsibility and control can only be distributed among different levels of management to a very limited extent. In addition, tourism organizations and their bodies are sometimes organized in a rather decentralized way. The goal is to be close to the customer (that is, the guest), which requires the tourism organization's presence across its entire territory. However, this territory may not always be clearly defined.

Generally, private, profit-oriented corporations have clear and measurable goals, such as value adding and profit. In contrast, tourism organizations are mostly nonprofit in nature, but are still expected to achieve the highest benefit possible for their members. They must also maximize benefits for other stakeholders too; for example, the public at the destination. Simultaneously, all these members/stakeholders expect to increase their own profits through the performance of the tourism organization. However, measuring or assessing the services for members (and the destination) is extremely difficult, for example, marketing or representation of interests in terms of efficiency. Therefore, corporate governance in nonprofit organizations should focus more on the effectiveness of the organization (Siebart, 2006). This spotlight poses difficulties for realizing effective performance monitoring of the organization as well as strategic corporate planning in the context of corporate governance, which in turn produces problems of legitimization. Ultimately, tourism organizations are (financially) dependent on public contributions, and hence also on administration and politics. However, public sponsoring bodies are also the same entities that attach ever more importance to an efficient application of funds which are rules compliant (Siebart, 2006). Other stakeholders, such as members or the local population, rarely represent homogeneous requirements/claims, which significantly limits the overriding tourism organizations' entrepreneurial freedom of action. Therefore, the coordination of these requirements and claims requires a high degree of communication and intention to cooperate.

The implementation of certain elements of corporate governance mentioned above gives tourism organizations the opportunity to practise transparency in its dealing with its members, but also with guests and other stakeholders, in order to foster and present the values of the destination, and regain stakeholders' trust. Thus the future role of tourism

organizations as central protagonists and partners of destination management is again legitimized.

Objective and Method of the Study

This study seeks to determine whether certain elements of corporate governance are already established in the procedures and patterns in tourism organizations' operations, and how pronounced these elements already are. This focus is underpinned by whether corporate governance (from the tourism organizations' perspective) represents a suitable instrument to overcome future challenges more successfully. The present study surveys the state of corporate governance in tourism organizations to determine the strengths and weaknesses evident in its implementation. The paper paints a comprehensive picture of corporate governance in tourism organizations by drawing on an empirical analysis, formulated through the following research questions:

1. What is the awareness level about the usefulness of single elements of corporate governance in tourism organizations?
2. Which elements of corporate governance are already being used in tourism organizations, and to what extent?

The results of this study identify the current level of implementation of elements of corporate governance in tourism organizations, and also assess the individual elements of corporate governance from a practical perspective. The results deal with the following elements of corporate governance: 1) effective leadership of the tourism organization, 2) application of governance tools and 3) knowing and tending to stakeholders.

The study was realized via an empirical survey of tourism managers in October 2008. We developed a questionnaire based on a literature review and four workshops with tourism managers in South Tyrol. We identified tourism managers as respondents because they are particularly familiar with the structures and procedures within tourism organizations and are central actors in implementing the various elements of corporate governance. In this respect, an advantage was the amalgamation of tourism managers in associations. These associations helped facilitate initial contacts and the distribution of the questionnaire. The persons approached included the members of the associations of tourism managers in Austria, Switzerland and South Tyrol, Italy, thereby covering large parts of the Alpine region. In questioning tourism managers, our survey also investigated awareness and sensitivity about the pertinent issues among the primary respondents in this study. The results were

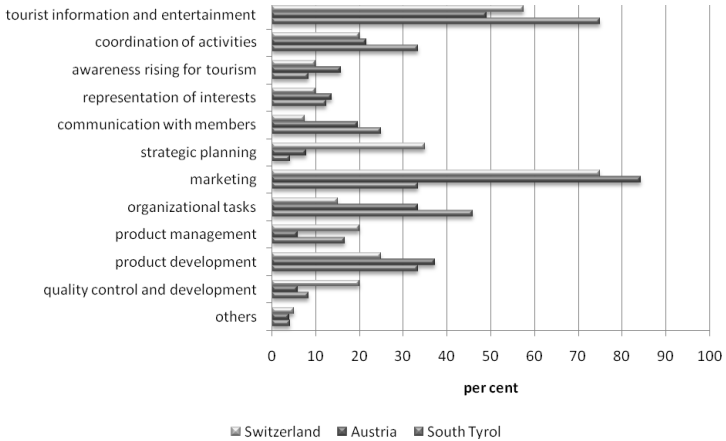
presented and discussed with tourism managers' associations in a workshop in september 2009.

The survey was carried out using an online questionnaire, a procedure identified as appropriate by the tourism managers' associations, because the internet was used as primary communication tool. The assessment was based on a five-point Likert scale, and the poll covered 530 people. The rate of return was 46 respondents (19.7%) for Switzerland, 55 respondents (22%) for Austria and 26 respondents (55%) for South Tyrol. However, we recognize that the actual assessments of the elements of corporate governance are often missing (on average: South Tyrol -23%, Austria -34% and Switzerland -34%).

RESULTS OF THE EMPIRIC STUDY

A majority of the responding tourism managers came from regions where tourism is of significant importance to the regional economy. For 52.8 per cent of them, tourism was an important factor for the economy in their region. The assessment of tourism's importance amounted to an average of 4.18 (where 1 = insignificant; 5 = important). The members of the tourism organizations mostly came from the tourism sector, and 61.9 per cent of the tourism managers specified this industry. Another industry represented very strongly was the retail sector. In 50.8 per cent of the tourism organizations, retailers were represented as members of the organization, followed by craft (36.5%) and other services (34.9%). Agriculture played a comparatively insignificant part: in this survey it was only a member of 28.6 per cent of the tourism organizations. Local authorities and industry were also mentioned as other members. We were not able to ascertain a clear tendency regarding members' interests. The average assessment amounted to 2.94 (on a scale where 1 = different; 5 = similar). The influence of the tourism organizations on their members produced an average of 3.17 (where 1 = insufficient; 5 = very good). In this respect, determining either a clear positive or negative tendency was unachievable. On average, slightly more positive values were given for South Tyrol (3.23) and for Switzerland (3.30). For 21.3 per cent of the responding tourism organizations, valued by their tourism managers, their members stated that they were willing to stand up for the tourism organization and support the organization's objectives. However, a majority of tourism organizations (76.4 per cent) stated that they only felt supported by their members in certain cases.

Figure 2 Tasks of the Tourism Organization

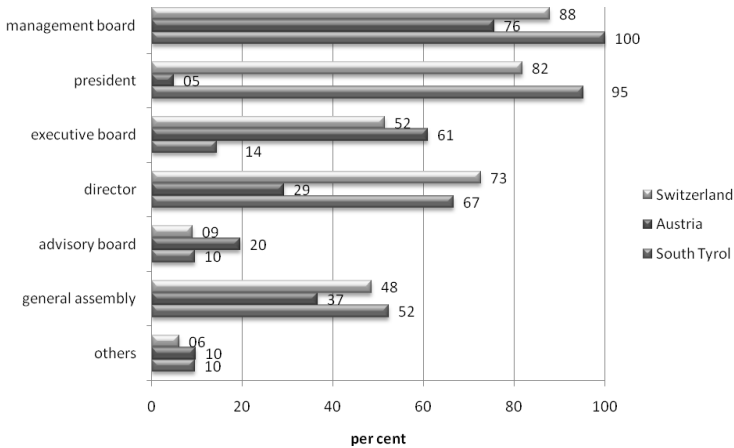


From the respondents’ comments, we can infer that the tourism organizations believed that the traditional areas of activity are still their most important and primary tasks (see Figure 2). The two tasks judged as most important and prevalent amongst the respondents from Switzerland and Austria remained destination marketing and traditional guest relations and entertainment. However, organizational tasks were also signified as being of great importance. In South Tyrol the priority of marketing was judged as being of lower importance compared with guest relations and organization. Product development came fourth in all three regions. Except for Switzerland, strategic planning and quality assurance were reported as playing a comparatively insignificant role, compared to the other markers.

Effective Leadership of the tourism organization

The management of most tourism organizations involved in the survey reported that they had a management board (75.6% in Austria, 87.9% in Switzerland, 100% in South Tyrol). Except for Austria, tourism presidents (Austria: 4.9%) and tourism directors (Austria: 29.3%) were represented quite well in their organizations’ management levels (see Figure 3).

Figure 3 Management bodies in tourism organizations

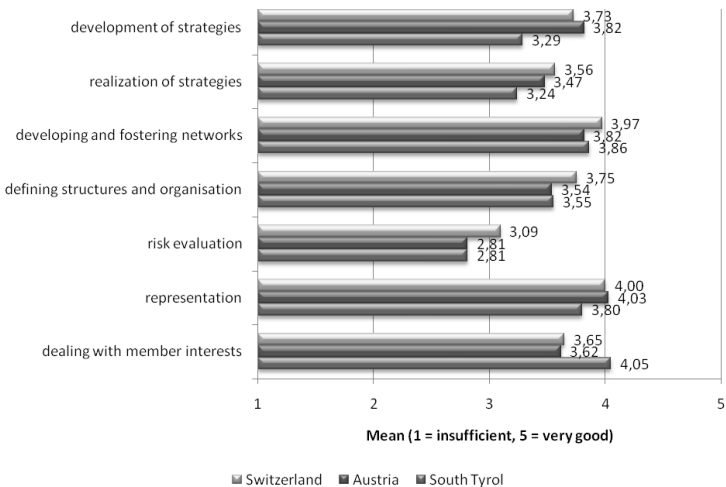


The cooperation between the various bodies received an average assessment of 3.88 (where 1 = insufficient; 5 = very good). With an average of 4.18, this cooperation ranked a little better in Switzerland (South Tyrol: 3.76; Austria: 3.71). The most deciding factor for the success of the tourism organization was, according to the respondents, a competent and qualified management. This factor was considered the most important in all three countries, with an average assessment of between 4.38 and 4.68 (where 1 = irrelevant; 5 = decisive). In Austria, other very important factors were given as the destination brand (4.53) and the level of innovation (4.34). In addition to the level of innovation (4.42), in Switzerland, communications with various sectors of industry (4.10) were also stated as being very important. Further factors for success for a tourism organization, as seen by South Tyrolean tourism managers were the integration of members (4.05) and communications with various sectors of industry (4.00).

South Tyrolean tourism managers reported that they were most satisfied with their governing bodies when it came to representation and dealing with members' interests (see Figure 4). With a rating of 4.05 (where 1 = insufficient, 5 = very good), the results for this country also showed the highest average overall satisfaction. In contrast, Austrian and Swiss results, on average, showed the highest satisfaction with representational duties (Switzerland: 4.00; Austria: 4.03). The

development and management of networks and relationships was also judged quite positively. Regarding representation and management of networks, the rankings from all countries were almost identical. The development and implementation of strategies received lower grades (between 3.24 and 3.82). A majority of the tourism managers indicated that they were quite dissatisfied with the evaluation of risks. The average rankings given for these tasks amounted to only 3.09 for Switzerland and 2.81 for Austria and South Tyrol.

Figure 4 Task Fulfillment by the Management and Executive Board



In order to analyze whether the satisfaction with task fulfilment by management and executive board was related to the overall valuation of the tourism organization, was implemented a linear regression (method enter). The management tasks were used as independent variables; whereas the valuation of the tourism organizations were generally used by their managers as dependent variables.

The quality of fulfilment of certain management tasks had a significant influence on the overall valuation of the tourism organization by tourism managers (see Table 1). The greatest influence on the overall assessment of the tourism organizations was given as the quality of representation ($\beta = 0.300$), but satisfaction with the development of

strategies by management and executive board ($\beta = 0.284$) also influenced the overall valuation of the tourism organizations, as well as the satisfaction of tourism managers with the consideration of member interests ($\beta = 0.234$). For the other management task variables, we identified no statistically significant influence.

Table 1 Regression analysis: Influence of task fulfilment by tourism organizations on the overall valuation of the tourism organizations

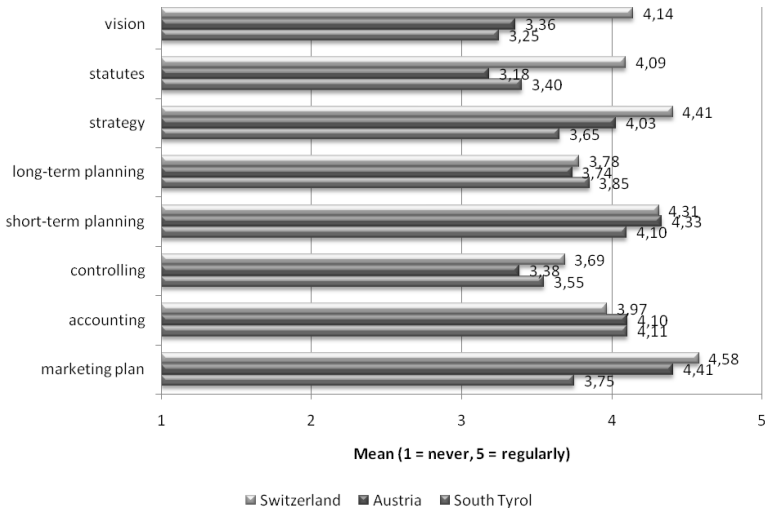
Factor	Unstandardized coefficients		Standardized coefficients	t	Sig.
	B	Std. error	Beta		
Representation	.189	.075	.300	2.518	.014
Development of strategies	.192	.091	.284	2.105	.039
Dealing with member interests	.138	.068	.234	2.029	.046
Regression analysis, method enter. r square = 0.424; adjusted r square = 0.366. Level of significance set to < 0.05.					

Application of Governance Tools

The definition of measurable objectives is part of most tourism organizations' style of leadership. Tourism organizations that declared they worked with measurable goals for their strategic planning amounted to 89.7 per cent of Austrian, 84.4 per cent of Swiss and 80.0 per cent of South Tyrolean organizations. However, the reported degree of objective accomplishment was only monitored in significantly fewer organizations. This essential task was only carried out in 63.6 per cent of Austrian tourism organizations, and in Switzerland (54.3%) and South Tyrol (53.8%) the percentage was even lower.

The traditional instrument — the marketing plan — was reported as having been used most frequently in Switzerland (4.58) and in Austria (4.41) (where 1 = never; 5 = regularly — see Figure 5). In addition, tourism organizations in Switzerland reported very frequently use of an actual business strategy (4.41) or short-term planning (4.31) to demonstrate the organization's direction. In Austria the marketing plan was followed by short-term planning (4.33) and cost accounting (4.10) as important tools of business management.

Figure 5 Frequency of Utilization of selected Governance Tools

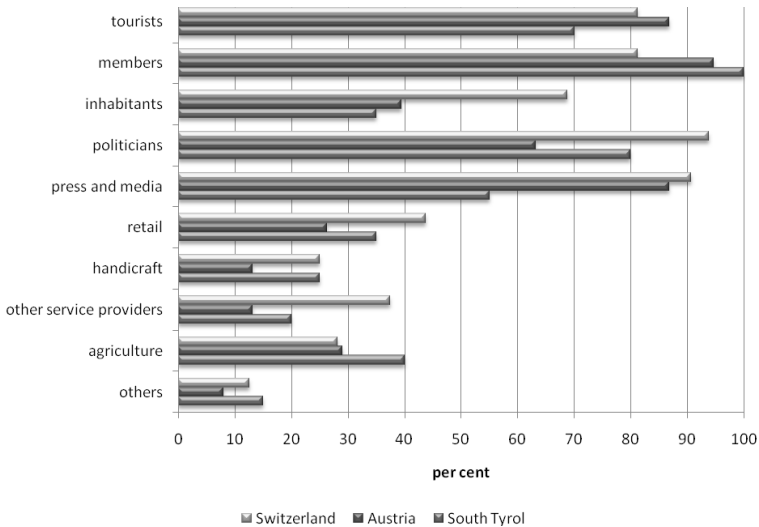


In South Tyrol’s tourism organizations cost accounting (4.11) and short-term planning (4.10) were the tools most cited as being used frequently for administrative tasks. Those figures aside, only the Swiss tourism organizations stated that they also worked with leadership instruments such as visions (4.14) or in-house statutes (4.09). These two instruments were used less frequently in South Tyrol and Austria. In most tourism organizations in all three countries, directed, long-term planning (Switzerland 3.78; Austria 3.74; South Tyrol 3.85) and controlling (Switzerland 3.69; Austria 3.38; South Tyrol 3.55) featured as having less important roles, and were not used as management techniques or instruments very often.

Knowing and Tending to Stakeholders

Regarding tourism organizations’ stakeholders, the results from Switzerland, Austria and South Tyrol produced a quite heterogeneous picture. The priorities set for the cooperation with different stakeholders were particularly varied (see Figure 6).

Figure 6 Cooperation with the Stakeholders of Tourism Organizations



Our results indicate that the networking tasks of tourism organizations centre on the actual tourism sector. Relationships with guests, members and local politics and the press were stated to be cultivated by more than half of all organizations. Noticeable in South Tyrol and Austria was the cooperation reported with the organizations' own members. Guests and local politicians were deemed very important in this respect; whereas in Swiss tourism organizations, the main contact persons comprised political representatives and the media. Also noteworthy is that Swiss respondents indicated that they informed and kept in touch with the local population as important aspects of networking, which contrasted with the lower ranking of this measure accorded by Austrian and South Tyrol respondents.

Cooperation with players from other sectors was reported as being less common in all three countries. Fewer than half the respondents indicated that they thought of the representatives of other industries as being stakeholders in their own activity. Apart from the tourism business, the main contacts of the Swiss tourism organizations were found in the retail sector and, in some cases, in other services; whereas for Austria and South Tyrol, one of the most relevant contact groups besides the tourism

sector was agriculture. The craft business was reported as playing the most insignificant role for the tourism organizations in all three countries.

CONCLUSIONS

In view of the elements of corporate governance investigated in this study, we can conclude that certain individual aspects have not yet been particularly relevant to the working areas in the tourism organizations of Switzerland, Austria and South Tyrol. So far, the selected elements of corporate governance have not been of particular importance for the organizations' day-to-day business operations. The studied tourism organizations were mainly active in their traditional fields of activity, such as guest relations and marketing. Regarding these fields, tourism managers indicated that they were satisfied with the performance of their executive bodies for the most part. Other activities, which should control the organization itself and might therefore indicate new areas for action in the short term, have been somewhat neglected till now. In order to apply corporate governance successfully as an effective approach in tourism organizations, enforcing strategic planning, especially concerning the organization's own objectives concerning market development — but also pertaining to the internal flow of work — is essential. This requirement is also reflected in the management techniques applied.

The managerial spectrum of the tourism organizations studied was dominated by short- to medium-term instruments that were mainly aimed at the market. Hitherto, the connection with internal resources and competencies (as well as the embodiment of values prevailing in the long term in the framework of constitutions or articles of incorporation and visions) have been underestimated, and therefore also under-represented, in research.

Cooperation with the identified stakeholders has previously focused on the traditional protagonists in the tourism sector: organizations have been networking primarily with their members and guests. However, support by members has only been provided to some extent, rendering the authority of the tourism organizations even more uncertain. Apart from the members, protagonists capable of influencing the tourism organizations' work through power and financing have been the top priority for networking, including, above all, local political groups and the media.

Strategic cooperation with other industries has hitherto been pursued reluctantly — if at all. Generally, any contacts cultivated with other industries have concerned economic sectors that were either affected by

tourism or benefited from it. One reason for very limited relations with other industries stated by respondents was that the (retail) sector and craft, in particular, were already represented in most tourism organizations, and therefore were not looked upon as external stakeholders.

Agriculture was consistently underrepresented as a stakeholder of the tourism organizations. Regarding the production and use of local agricultural products, but above all, concerning the significance of farm holidays (particularly in South Tyrol and Austria), we recommend that agriculture be taken into account as a partner.

The assessments and statements of tourism managers from Switzerland, Austria and South Tyrol were quite similar. Swiss organizations were an exception with respect to certain elements: in Switzerland several elements of corporate governance had already been taken into consideration to a greater extent, compared to the other two countries. For example, Switzerland's tourism organizations were working on their corporations' strategic planning. Similarly, they worked more often with management techniques for the longer term, activities which were not based on purely operational facts, but also on social values and responsibility.

On a national level, different systems were applied for the realization of the corporate governance approach. In the three countries analyzed, different perspectives were evident regarding what role corporations should play in the national economy, and how these industries should be financed (Thienpont, 2003). On the one hand, this concerns the structure and organization of the individual corporations where the corporate governance approach is practised. On the other hand, the administrative and statutory conditions in the respective countries strongly influence the form of the implementation of corporate governance (Gedajlovic & Shapiro, 1998).

The tourism managers questioned in this study came from different countries. Therefore, the varying interpretations and assessments of the governance elements tested here may also be ascribed to differing understandings of corporate governance in the respective countries. This could also constitute a limiting factor for this study, because the statements from the tourism managers relied precisely on those potentially differing general conditions and understandings.

This study gives a novel insight into the question of corporate governance in tourism organizations in traditional destinations. Further research is needed in order to gain a better understanding of the causality between management bodies on one side and the tasks of tourism organizations on the other. Such an investigation could verify whether

good corporate governance forms the requisite of an efficient and effective governance of destination networks.

Our study demonstrates that corporate governance is an issue for today's tourism organizations. Its potential for fostering and further developing tourism organizations, including increasing stakeholder confidence, is already being realized by the central actors.

Empirical surveys such as this highlight weak points in the practical implementation and operation of corporate governance in small and medium enterprises in general, and in tourism organizations in particular. The theories covered and discussed offer approaches for individual enterprises to overcome these weak points.

Finally, the findings of this study can be transferred to micro family-owned and family-managed enterprises in tourism, such as hotels or local service providers. Corporate governance can be employed successfully as a tool for these enterprises to increase their professionalism and improve their management skills, leading to stronger competitiveness in times of globalization and the expansion of large corporations in tourism. In this respect, tourism organizations which successfully implement corporate governance elements might act as models and facilitators for other individual enterprises.

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