

# Chapter 1

## Introduction

### 1.1 Introduction to the Research

Tourism is one of the major industries in the world and as a result there is a growing awareness of the need to manage it effectively (Fyall *et al.* 2003; Cooper *et al.* 2005; Chaisawat 2006). Many tourism activities take place in a destination. Destinations are made up of networks of different groups, organisations and individuals involved in various activities usually considered to be highly complex and difficult to manage (Fyall *et al.* 2003). These groups, organisations and individuals can affect or are affected by tourism activities as a whole and can be referred to as stakeholders (Freeman 1984; Mitchell *et al.* 1997; Rowley 1997). The insights of stakeholder theory are considered to hold the key to more effective management and a more useful, comprehensive theory of the firm in society (Freeman 1994; Mitchell *et al.* 1997). The study of stakeholder relationships and how individual and group stakeholders influence a firm's operations (Rowley 1997) may enhance the effectiveness of the industry (Mitchell *et al.* 1997; Fyall *et al.* 2003). Therefore, understanding the relationships between these stakeholders may help the understanding of a destination, its characteristics, how tourism developed and how it is managed both in the present and the future.

There are only a few studies which have carried out a detailed analysis of stakeholder networks and relationships either in general (Mitchell *et al.* 1997; Rowley 1997; Frooman 1999; Tsai *et al.* 2005) or specifically in tourism (Pavlovich 2003; Scott *et al.* 2008). The first step of such analyses is to identify the key stakeholder attributes and study their influence on interactions thus identifying the strength of the power of each stakeholder. Power in this concept is defined as the ability of one entity to influence the behaviour of

another entity (Mitchell *et al.* 1997; Ujma 2001). These powers can stem from a number of sources. Ultimately, it is the result of being able to control the resources others need to carry out their businesses. This is known as '*resource-based power*'. Resources in this context are defined as anything a stakeholder perceives to be valuable (Frooman 1999). In a much broader sense resources are considered as anything needed to get a job done. Tourism resources can include land, labour, capital, energy supply and access to customers (Aitken and Hall 2000; Brammer and Beech 2004; Cooper *et al.* 2005; Nepal and Chipeniuk 2005; Ritchie and Crouch 2005), but less tangible resources such as knowledge and expertise can also be included (Riley and Hall 2009).

However, resources, if considered as isolated factors, may not result in productive output (Burney 1991; Amit and Schoemaker 1993). Resources have to go through a number of processes to contribute to the end product. Thus resources need to be processed through groups and individual stakeholders within a particular channel and/or network. This is known as the value-added delivery system. It can be configured along a value chain involving many activities which can be vertically, horizontally and diagonally related and integrated to varying degrees (Kotler *et al.* 1999; Weiermair 2005; Fill 2006; Klaus 2006). Thus, tourism is a joint action of various stakeholders working towards a common goal of satisfying tourism needs and demands.

Resources therefore become tradable and desirable goods for particular channel members but resources are only effective if they are distributed and traded through a channel and/or network (Rowley 1997; Pajunen 2006). Power can also be gained if an actor is positioned within a network in such a way that that position controls the flow of resources. (Rowley 1997; Pajunen 2006). This can be known as '*network-based power*'. Network centrality determines the stakeholder's or actor's network-based power. Centrality refers to an individual actor's position in the network relative to others (Rowley 1997) and the degree of centrality can be used to evaluate an actor's prominence of power. Network-based power refers to power obtained through the network's structure and position as opposed to power gained through individual attributes (Pajunen 2006). Three types of centrality are commonly discussed in the social network literature, with

each corresponding to a different aspect of an actor's positional status. They are 'degree', 'closeness' and 'betweenness', and can be used to measure an actor's ties to other actors, independent access to others, and control over other actors, respectively.

However, in social networks power is limited by ethical constraints, either embodied in laws and regulations or in mutually accepted codes of behaviour (Wood 1991; Suchman 1995; Mitchell *et al.* 1997). Thus the influence of the stakeholder may be determined by consideration of, for example, the role as enforcers of accepted laws or codes, or through a moral claim where they may have to be treated fairly by others on the network. These sources of influence are termed '*legitimacy*'. Legitimacy can also refer to the legal standing of the stakeholders to establish their organisations, undertake business and engage in trade with others in the system (Weber 1947; Suchman 1995; Frooman 1999; Tsai *et al.* 2005). Such powers may not always be active and legitimacy can remain latent until exercised through urgency (Mitchell *et al.* 1997). Whether stakeholders exercise power in a particular situation depends on the saliency and urgency of the opportunity or threat. Table 1 summarises the key theories and concepts used in this research.

**Table: 1.1. The Important Theories and Concepts Used in this Research**

**Source: Author**

<p><b>Stakeholder theory</b>  (Freeman 1984, Thompson <i>et al.</i> 1991, Hill and Jones 1992, Langtry 1994.)</p>	<ul style="list-style-type: none"> <li>• “Any group or individual who can affect or is affected by the achievement of the organisation’s objectives”.</li> <li>• In “relationship” with an organisation.</li> <li>• “Constituents who have a legitimate claim on the firm.... established through the existence of an exchange relationship” who supply “the firm with critical resources (contributions) and in exchange each expects its interests to be satisfied (by inducements)”.</li> <li>• “The firm is significantly responsible for their well-being, or they hold a moral or legal claim on the firm”.</li> </ul>
<p><b>Power</b> (Mitchell <i>et al.</i> 1997; Stern <i>et al.</i> 1996 in Ujma 2001, p38; Salancik and Pfeffer 1974 in Mitchell <i>et al.</i> 1997, p865.</p>	<ul style="list-style-type: none"> <li>• “A relationship among social actors in which one social actor, A, can get another social actor, B, to do something that B would not have otherwise done”.</li> <li>• “The ability of one channel member to get another channel member to do what it otherwise would have not done”.</li> <li>• “Power may be tricky to define but it is not that difficult to recognise: [it is] the ability of those who possess power to bring about the outcomes they desire”.</li> </ul>
<p><b>Resource Dependence Theory</b> (Pfeffer 1997 in Frooman 1999):</p>	<p>“resource dependence theory suggests that organisational behaviours become extremely influenced because the focal organisation must attain to the demands of those in its environment that provide resources necessary and important for its continued survival... organisations will (and should) respond more to the demands of those organisation or groups in the environment that control critical resources”.</p>
<p><b>Network Theory</b>  (Freeman 1979, Rowley 1997):</p>	<p>Density: It’s the characteristics of the whole network. It measures the relative number of ties in the network that link actors together and is calculated as a ratio of the number of relationships that exists in the network (stakeholder environment) compared with the total number of possible ties if each network member were tied to every other member.</p> <p>Centrality: It refers to an individual actor’s position in the network relative to others. It refers to power obtained through the network’s structure, as opposed to power gained through individual attributes. Three types of centrality commonly are discussed in the social network literature, with corresponding to a different aspect of an actor’s positional status. They are degree, closeness and betweenness.</p>
<p><b>Legitimacy</b>  (Suchman 1995 in Mitchell <i>et al.</i> 1997, p866; Weber 1947; Tsai <i>et al.</i> 2005, p1875; Frooman 1999)</p>	<ul style="list-style-type: none"> <li>• “A generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, definitions”.</li> <li>• Despite common linkages, legitimacy and power are distinct attributes that can be combined to create authority (legitimate use of power) but can exist independently as well.</li> <li>• “Behaviours that comply with social norms, that is, they are similar to those of the peer groups, and are within the boundaries of legal requirements, business ethics and social expectation”.</li> <li>• Institutional legitimacy is a useful concept because firms operate to fulfil not only economic objectives but also social objectives.</li> </ul>
<p><b>Urgency</b> (Jones 1993; Mitchell <i>et al.</i> 1997)</p>	<p>Urgency is the degree with which stakeholder claims call for immediate attention in their relationships.</p>
<p><b>The concept of the Six As of the destination</b> (Cooper <i>et al.</i> 2005, Buhalis 2000):</p>	<p>Attraction, Accessibility, Amenities, Available package, Activities and Ancillary services</p>

It is evident that stakeholder management is an indispensable element in destination management and this emphasises the importance of studying the procedure. Most of the studies in tourism (such as Morgan 1996; Carey *et al.* 1997; Sautter and Leisen 1999; Buhalis 2000; Cooper *et al.* 2005; Ritchie and Crouch 2005; Weiermair 2006) apply stakeholder and other management theories at the level of the destination as a whole, in effect treating it as if it were a single entity comparable to a commercial organisation. Most of these also focus on Destination Management Organisations and policymakers rather than the diverse stakeholders themselves and (with a few exceptions, see for example, Pavlovich 2003; Pavlovich 2008; Scott *et al.* 2008), tend to underestimate the importance of the dynamics of stakeholder networks within a destination.

This study contributes to an understanding of stakeholder behaviour by critically evaluating the roles and influences of relationship attributes of the individual and group stakeholders within the tourism destination and, in so doing, uses Agra, India as a case study. Most existing stakeholder research was conducted within the context of western culture in developed nations. Therefore, research focussing on eastern culture in developing nations (such as India) would greatly contribute to enhanced understanding and knowledge. A study based on the Indian environment in particular, where economic and social development is progressing rapidly, would help other developing nations. Consequently, the Indian tourist destination of Agra would be an excellent place to study to explore ideas.

The Taj Mahal in Agra is one of the wonders of the world and designated a UNESCO World Heritage Site and attracts a great number of tourists. Consequently it earns a substantial amount of money each year for the country. Agra is a destination where the major attraction, the Taj, is outside the control of local policymakers which is a situation replicated in many other major attractions such as Victoria Falls, Stonehenge and the Great Wall of China. Consequently, the management of the destination becomes complex and creates tensions between stakeholder groups and makes issues of power and control over resources a matter of controversy generating open and articulate debate in the local tourism industry. Participants are able, ready and eager to articulate their views on their

relationships with other stakeholders, making it easier for the researcher to gain access to rich data and complexity of the findings on their perceptions of the topic.

Pasquini and Olaniyan (2004) argue that, it is almost a given in the social sciences that the outcome of the research process is *directly* affected by the social makeup of both researcher and participants. It is more obvious in qualitative enquiries where researcher bias is inevitable (Miles and Huberman 1994; Silverman 2006). Therefore, these issues are handled with care in this study and the '*positionality*' of the researcher is considered. Being an Indian, the researcher has knowledge of the culture and the environment of Agra. The researcher has direct experience of working in a hotel in Agra, therefore the research context is familiar and the groundwork less intense. In respect of that, Merriam *et al.* (2001) and Chacko (2004) state, it has commonly been assumed that being an insider means easy access; the ability to ask more meaningful questions; a mutual sharing of information; the reading of non-verbal cues; explicit recognition of the research subjects' expertise through practical experiences, and most importantly, being able to project a more truthful, authentic understanding of the culture under study.

They also observe however, that insiders have been accused of being inherently biased, and too close to the culture to be curious enough to raise provocative questions (Merriam *et al.* 2001). The insider's strength becomes the outsider's weaknesses and *vice versa*. In this study, the researcher may be an insider because of his work experience but, having studied in the UK and as he is from a different part of India, this also makes him an outsider to the Agra tourism industry. Additionally, the researcher has only worked in a hotel in Agra, which makes other outlets unknown to him. The outsider's advantage lies in the curiosity with the unfamiliar, the ability to ask taboo questions, and being seen as non-aligned with the interviewees, thus often getting more information (Merriam *et al.* 2001).

However, as the research progressed, the network of acquaintances grew as the researcher met new people in the industry through previous contacts and door-to-door visits. Thus the researcher plays a key role in selecting the sample. The truth and the reality

(ontology) of the data are experienced first hand by the researcher with the interviewee. Consequently, the psychological being of the researcher affects the research as the researcher has studied and worked in tourism and hospitality sectors for many years across the globe. Thus, the research could be biased by the researcher himself. Overall, the researcher's knowledge and experience on the topic is crucial in conducting the whole research including literature review, methodology, analysing the raw data and, drawing conclusions. The largest industry in Agra is tourism which makes it all the more surprising that only a handful of research has been carried out into the operation and management of that industry.

Therefore, the aim of the research is to develop a framework to understand and evaluate the implications of stakeholder relationships within a tourism destination in achieving effective power. To achieve this aim the research has as its objectives to:

1. Evaluate the stakeholder concept including stakeholder theory and tourism stakeholders from the literature.
2. Critically evaluate stakeholder relationship attributes and their interrelationships.
3. Construct a conceptual framework of stakeholder relational attributes on the basis of the analysis of the existing literature.
4. Explore the conceptual framework in a tourism destination context.
5. Evaluate the influence of stakeholder relationship attributes and develop a framework to explain the interactions of these attributes in the operation of a tourism system at the destination level.
6. Identify and suggest implications of the research in the operation and development of tourism at different levels.

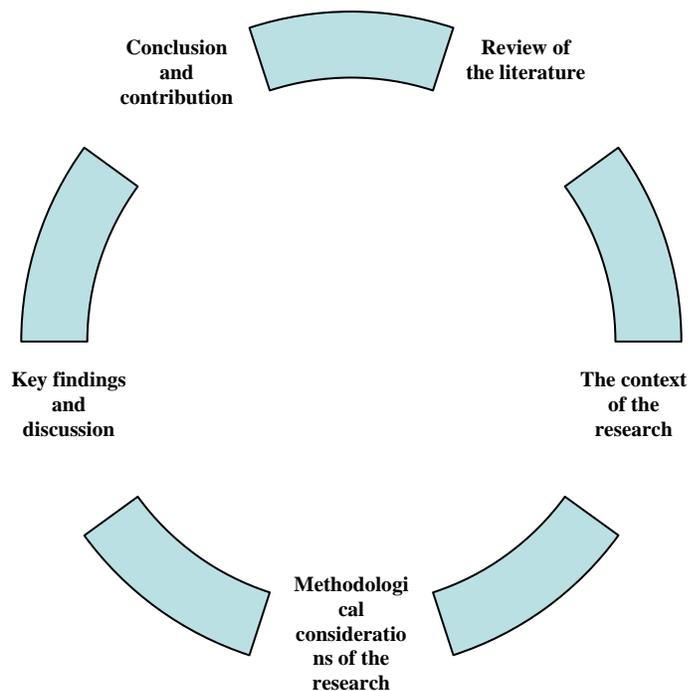
The first and second objectives are met by the review of the literature whereas the third objective is deductive and comes out of the understanding gleaned from the literature review. The first and second objectives are the stages in the process leading up to the conceptual framework (the third objective). The third objective is one of the key

objectives of the research. The fourth and fifth objectives are fulfilled through primary data collection and analyses. Qualitative interviews were carried out with tourism stakeholders who are actively involved in the model of the Six As (Attraction, Accessibility, Amenities, Available package, Activities and Ancillary services) in the Agra tourism industry. Interviews explored the perception, attitudes and views of the tourism stakeholders on their relationship attributes of resource-based power, network-based power, legitimacy and urgency. Investigating resource-based power is crucial to identify the key resources needed in the operation of tourism businesses and how these resources are traded through a particular network.

This is best achieved through the detailed study of a single case study area. This is one of the main reasons why a single destination is chosen to conduct the research. Interview data is used to develop a comprehensive list of stakeholder relationship attributes followed by a framework to explain how interactions of these attributes can create effective power in stakeholder decision making. It can be argued that a more precise naming and identification of these relational attributes of power, legitimacy and urgency would benefit not only existing and potential tourism businesses but also destination management organisations. The final, sixth objective is met by the closing chapter of this thesis evaluating the whole research and drawing conclusions from it. Importantly, the final chapter also discusses the contribution to new knowledge of this research in greater detail.

## **1.2 The Structure of the Thesis**

The whole research process is therefore divided into five key segments. They include the review of the literature, the context of the research, methodological considerations of the research, key findings and discussion and finally, the conclusions and contribution to the body of knowledge. The segments are interrelated and feed into each other (Figure 1.1). This was an ongoing process which determined not only the structure of the research, but also the chapters of this thesis too.



**Figure: 1.1. The Research Process**

**Source: Author**

### **Chapter 1: Introduction to the Thesis**

The outline of the thesis is given in this opening chapter. It contains a brief discussion of the review of the literature and importantly the rationale of the research. To guide the reader, important theories and concepts are put within a single frame (Table 1.1). Importantly, the overall aim of the research and the objectives are given in this section which will guide the entire research project. The case study destination is also identified here, together with an introduction to the research methodological approach.

### **Chapter 2: Review of the Literature: Stakeholder Relationship Attributes**

The stakeholder concept is reviewed critically in this chapter followed by a section on stakeholder theory. The complexities of tourism destination stakeholders are revealed and

discussed. Importantly this chapter identifies key stakeholder relationship attributes which are studied in detail.

### **Chapter 3: Review of the Literature: Power and Resource Dependence**

One of the key stakeholder relationship attributes is power. In this chapter the researcher critically analyses power and resource dependency in stakeholder relationships. Mostly, it concentrates on attributes such as resource-based and structure-based forms of power. Key tourism resources are identified as a means of determining resource-based power. Additionally, in order to study structure-based forms of power, network theory is incorporated. Network centrality determines structure-based forms of power. Importantly the introduction of the network theory to the stakeholder theory helps to move the focus of the study from a single firm to a multi sector stakeholder concept, which is particularly useful for tourism studies.

### **Chapter 4: Review of the Literature: Legitimacy and Urgency**

This chapter takes into account the two remaining key stakeholder relationship attributes: legitimacy and urgency. The interrelationships of the stakeholder attributes are evaluated and compared and contrasted with existing theories. Finally, the review of the literature is drawn together in order to develop a conceptual framework to support the primary data collection.

### **Chapter 5: Case Study Chapter: Agra, India**

This chapter explains and justifies the chosen case study destination for the primary data collection. The researcher examines the conceptual framework developed in the previous chapter in the tourism industry setting in Agra, India. Agra is one of the 'honey pot' destinations, not only in India but to rest of the world. One of the wonders of the world, the Taj Mahal, is situated in Agra. As this is a UNESCO Heritage Site it makes the case even more complex to study, because of the policies and regulations appointed by the government and external organisations to look after these heritage sites.

## **Chapter 6: Research Methodology**

The purpose of this chapter is to explain and justify the various methodological considerations adopted for this research. It also illustrates how the aim and objectives of the research dictate the research methods. It covers the sampling process and the participant interviews. Importantly, it justifies the thematic analysis adopted to analyse the interview transcriptions having evaluated different views of the task of data analysis. The advantages, disadvantages and limitations of methodological approaches are also discussed in this chapter.

## **Chapter 7: Research Findings and Discussion: Resource and Network Bases of Power**

In this chapter the findings from the analysis of the interview data is compared and contrasted with the existing literature. Particularly in this section power relationships of stakeholders are investigated. It is found that resource dependence plays a crucial role in stakeholder relationship management as suggested by the literature. Then network-based power is examined in the context of Agra. The chapter concludes by developing a comprehensive list both for the resource and network-based power to aid the understanding of stakeholder relationships..

## **Chapter 8: Research Findings and Discussion: Legitimacy**

Building on the previous chapter, the attribute legitimacy is focused upon here. Interview data is analysed in this section relating to legal and institutional issues of the tourism stakeholders in Agra. As a result a comprehensive list is drawn of attribute legitimacy from the participants' attitude and experiences in the Agra tourism industry.

## **Chapter 9: Research Findings and Discussion: Urgency**

This is one of the most important chapters as it draws together the findings of the whole research project. Stakeholder attribute urgency is analysed here and a more comprehensive list is developed. To explain urgency scenarios in stakeholder relationships in the Agra tourism network ultimately the researcher unites all the attributes including resource and network-based power, legitimacy and urgency to study

effective power. A framework is developed whereby latent stakeholder power coupled with urgency of the case creates a willingness to act in creating effective power.

## **Chapter 10: Conclusion**

This is the final chapter of the thesis. Here the aim and objectives of the research are restated and evaluated accordingly. The new contribution to knowledge is highlighted in figures and explained. The implications of the research are bold and if applied would make a difference to the Agra tourism industry. However, there are limitations to the research which are identified and discussed. Finally, future possible research opportunities are suggested.

### **1.3 Chapter Summary**

This chapter provides an overview of the thesis which is led by the research aim and objectives. This research is an exploration of how tourism stakeholder relationship attributes can produce effective power. It provides rationale for both the methodological approaches and the chosen case study destination. The concept of the research is based on the perception that the tourism industry is fragmented and therefore a complex system. Consequently, a full understanding of the relationships between tourism stakeholders becomes a difficult if not impossible task. In other words, there are conceptual gaps as to how and why tourism stakeholders behave and interact in the way they do which will also inform the bases of their relationships and influence. A thesis outline is offered in this chapter to guide the content and the flow of discussion in the following chapters to aid the reader.

# Chapter 2

## Review of the Literature: Stakeholder Relationship Attributes

### 2.1 Introduction

The previous chapter set the scene for the rest of the research. This chapter switches attention to the tourism context of the study. It examines the stakeholder concept in general as well as with respect to the tourism industry. It contains a detailed study of tourism destinations and their stakeholders. In doing so, it fulfils the first objectives of this research project.

### 2.2 Tourism Destinations

Buhalis (2000, p97) states that “*destinations are amalgams of tourism products offering an integrated experience to customers, e.g. a conglomerate of several elements that make up a place visited by non-residents for holiday, leisure or business purposes*”. Cooper *et al.* (2005) state that innovation of tourism takes place in the destination, new products are developed and experiences delivered making the destination the place where the most noticeable and dynamic consequences of the tourism system occur. Most destinations comprise a core of the following components, which can be characterised as the Six As (Burkart and Medlik 1981; Buhalis 2000; Kandampully *et al.* 2001; Cooper *et al.* 2005):

- Attractions: natural, man made, artificial, purpose built, heritage, special events.

- Accessibility: entire transportation system comprising of routes, terminals and vehicles.
- Amenities: accommodation and catering facilities, retailing, entertainment, other tourist services.
- Available Packages: pre-arranged packages by intermediaries and principles.
- Activities: all inclusive available at the destination and what consumers will do during their visit.
- Ancillary Services: services used by tourists such as banks, telecommunications, post, newsagents, hospitals etc.

All the component parts of a tourism destination are designed to facilitate and provide services to meet the needs and demands of the visitors (Kandampully *et al.* 2001; Cooper *et al.* 2005) and therefore can be called as supply-side stakeholders. Hence, this research will focus on the key supply-side stakeholders as opposed to the clients. Each of these components may be owned, managed, delivered and/or supported by more than one organisation. These groups, organisations or individuals can be called actors, players or stakeholders of the tourism system. Each stakeholder aims to optimise the personal benefits that emerge from the system as a whole. Stakeholders often try to enhance their personal benefits at the expense of others. Buhalis (2000, p99) also states that “*failure to ensure and maintain a balance effectively jeopardises relationships between stakeholders, and threatens the achievement of the strategic objectives and the long-term competitiveness and prosperity of destinations*”.

This group phenomenon makes the analysis more complex than if it was examining a single business unit, organisation, industry or enterprise, because there is no single body accountable to all the stakeholders (Sautter and Leisen 1999). Timur and Getz (2002, p196) describe tourism as not “one” industry but a combination of many activities ranging from transport to attractions and accommodation. Each activity has different markets and business objectives, and is likely to have different impacts on the tourism destination. This is further complicated because of the fragmented nature of the industry

where the impacts of other activities might overwhelm the impacts of tourism (Timur and Getz 2002).

Also as Ladkin and Bertramini (2002) state, the tourism system is complex because of the existence of multiple and varied organisations that often hold widely different viewpoints and have differing vested interests. Specifically, in emerging tourism destinations where interests are not collectively organised the identification of stakeholders can be a complicated task (Carey *et al.* 1997; Ladkin and Bertramini 2002). As Frooman (1999, p193) says “*stakeholder theory is about managing potential conflict stemming from divergent interests*”.

Stakeholder management is part of sustainable destination management too (Sautter and Leisen 1999; Kayat 2002). Tourism is a dynamic and interactive system where everything plays a role. Many researchers including Carey *et al.* (1997), Swarbrooke (1999), Williams (2001), and Cooper *et al.* (2005) strongly suggest that sustainable tourism is dependent on the effective co-operation of all the stakeholders in the industry, for example suppliers, intermediaries, public sectors and consumers. For tourism businesses, this means that all stakeholders need to be drawn in to the decision making process (Robson and Robson 1996). Thus the world’s largest service industry, tourism, is seeking to establish a substantive role for stakeholder management (Robson and Robson 1996). Overall, it can be seen that tourism is a complex system, made up of many organisations and viewing them as stakeholders of a larger whole helps to improve understanding of the system.

### **2.3 Stakeholders and Stakeholder Theory**

There are many definitions of what is meant by stakeholder theory, so much so that authors such as Rowley (1997) have even suggested that the identification and management of stakeholders has become one of the popular trends in business and sociological literature. The development of stakeholder theory has focused around two related ideas: (a) defining the stakeholder concept and (b) classifying stakeholders into

categories that provide an understanding of individual stakeholder relationships and the degree of influence they can have on the firm and *vice versa*.

Alkhafaji (1989) comes to the issue from a business perspective and defines stakeholders as the groups to whom a corporation is responsible, whereas Thompson *et al.* (1991) defines stakeholder groups as those in a relationship with an organisation (Mitchell *et al.* 1997). Others, such as Freeman (1984, 1994) and, Suatter and Leisen (1999) put forward the notion that an organisation is characterised by its relationships with various groups and individuals, and a stakeholder in an organisation is any group or individual who *can affect or is affected* by the achievement of the organisation's objectives (Freeman 1984).

Goodpastor (1991) and Frooman (1999) observe that the above definitions imply that there are two types of stakeholders: *strategic* and *moral*. With the strategic stakeholder (the one who can affect the firm) there is a managing of interests i.e. these stakeholders and their interests must be 'dealt with' so that the firm may still achieve its objectives. The emphasis on managing the stakeholder makes this approach *unidirectional* in nature, with the relationships viewed from the firm's vantage point (Mitchell *et al.* 1997; Frooman 1999; Timur and Getz 2002). With the moral stakeholder (the one who is affected by the firm), stakeholder theories seek some balancing of interests. Here the stakeholder literature ventures into ethics, morals and sustainability literature and gives a *bidirectional* account of the firm and its stakeholders (Donaldson and Preston 1995; Mitchell *et al.* 1997; Frooman 1999; Timur and Getz 2002; Tsai *et al.* 2005).

Stakeholders can also be classified according to their relationship with the firm in terms of their performance or support (Fill 2006). Stakeholders include both commercial and non-commercial (Scherle and Coles 2006) members in a tourism destination as demonstrated in the model of the Six As. Therefore, it will be useful to include both commercial and non-commercial stakeholders within the boundaries of this research.

Freeman (1994, 1984) and Mitchell *et al.* (1997) refer to the concept of the stakeholder as '*the principle of who or what really counts*'. That is, who (or what) are the stakeholders

of the firm? And to whom (or what) do managers pay attention (such as the stake/importance)? According to Mitchell *et al.* (1997) the first question calls for a normative theory of stakeholder identification to explain logically why managers should consider certain classes of entities as stakeholders. The second question calls for a theory of stakeholder salience to explain the conditions under which managers do consider certain classes of entities as stakeholders. From a social network perspective particularly, a firm does not deal with one stakeholder at a time but multiple stakeholders simultaneously, with independent relationships among these stakeholders (Rowley 1997; Tsai *et al.* 2005). Consequently, the relationships between firms and their stakeholders are as complex as the ways to manage them.

There is a need to measure *stakeholder salience* (the degree to which managers give priority to competing stakeholder claims) so that the attention that managers pay to stakeholders can be explained. Mitchell *et al.* (1997) suggest that stakeholders can be identified by their possessions or attributed possessions in terms of one, two, or all three of the following:

1. The stakeholder's *power* to influence the firm.
2. The *legitimacy* of the stakeholder's relationship with the firm.
3. The *urgency* of the stakeholder's claim on the firm.

To support a dynamic theory of stakeholder identification and salience it is necessary to consider several additional implications of power, legitimacy and urgency (Mitchell *et al.* 1997, p868):

- “Each attribute is a variable, not a steady state and can change for any particular entity or stakeholder-manager relationship.
- The existence (the degree present) of each attribute is a matter of multiple perceptions and is a constructed reality rather than an ‘objective’ one.
- An individual or entity may not be ‘conscious’ of processing the attribute or, if conscious of possession may not choose to enact any implied behaviours”.

The concepts of power and legitimacy were also aspects that caught the attention of Tsai *et al.* (2005) who tried to examine them in the business context in order to explain their relationships. However, most studies have concentrated on classifying stakeholders into useful categories that provide an understanding of how individual stakeholders influence firms' operations (Rowley 1997).

Stakeholder theory may hold the key to more effective management and to a more useful, comprehensive theory of the firm in society. Focusing on salience in the manager-stakeholder relationships existing in a firm's environment appears to be a productive strategy for researchers and managers alike in realising these aspirations. The stakeholder identification typology may help predict the circumstances under which a stakeholder in one category might attempt to acquire a missing attribute and, thus, enhance its salience to a firm's managers.

However, Mitchell *et al.* (1997) criticises the theory of stakeholder identification and salience because it does not specify why stakeholders regard their relationships with firms as being critical. Furthermore, this theory does not attempt to predict the circumstances under which '*time will be of the essence*' (Mitchell *et al.* 1997). When both factors are operating, the resulting multidimensional attribute is captured as urgency (put side by side with the attributes of power and legitimacy) and proposes dynamism in the systematic identification of stakeholders (Mitchell *et al.* 1997, p868).

Mitchell *et al.* (1997) call for empirical research that answers these questions:

1. Are present descriptions of stakeholder attributes adequate?
2. Do the inferences hold when examining real stakeholder manager relationship?
3. Are there models of interrelationships among the variables identified here (and possible others) that reveal more subtle but perhaps more basics, systematic?

The necessity of item and scale development, demographic calibration and second-order model building should also be addressed, among other things. Despite the logical and theoretical justification of power, legitimacy and urgency's importance in developing a

more inferential and empirically based stakeholder theory, other stakeholder attributes also may be well suited to stakeholder analysis. Despite Mitchell *et al.*'s (1997) contribution, the model also ignores the different levels of the attributes (Pajunen 2006).

Agle *et al.* (1999) take the opportunity to test empirically the model produced by Mitchell *et al.* (1997) as it applies to specific decisions made by chief executive officers (CEOs) in various companies. Leaders, especially the CEOs of business organisations, imprint their firms with their own values, which then become manifest in the decision processes that lead to stakeholder salience and corporate social performance. Therefore, Agle *et al.* (1999) consider the perceptions of CEOs as important managerial outcomes described by the theory stated above, taking their values into account as Mitchell *et al.* (1997) suggest. The Agle *et al.* (1999) research results confirmed the model of Mitchell *et al.* (1997) and they go on to suggest that the stakeholder attributes of power, legitimacy and urgency are indeed related to stakeholder salience.

However, a secondary objective of the study was to test other relationships: the potentially moderating effect of CEO values on the attribute salience and salience-performance links, and the effects of salience on performance. This research by Agle *et al.* (1997) showed that much more work is necessary before researchers will be able to fully understand these phenomena (Agle *et al.* 1999).

Friedman and Miles (2002) try to develop a model which combines stakeholder theory with a realist theory of social change and differentiation. Their model focuses on analysing stakeholder relationships with an organisation and how they may change over time. It also highlights the importance of recognising the different individual stakeholders involved. According to Friedman and Miles (2002), in Mitchell's model each attribute is a variable rather than a steady state, and they also briefly discuss dynamism in stakeholder-manager relations. However, Mitchell *et al.* (1997) focus on defining who or what are the stakeholders of the firm, rather than the dynamics of the organisation/stakeholder relationship (Friedman and Miles 2002). They also criticise Agle *et al.*'s. (1999) research, because they do not explore:

1. Why some stakeholders will be perceived as having more of the three attributes than others.
2. How managers' perceptions of stakeholders may change.
3. Differences in the way managers behave in relation to stakeholders perceived as possessing widely different degrees of these attributes.

Friedman and Miles (2002) work is based on two distinctions. First, the relationships are *compatible* or *incompatible* in terms of sets of ideas and material interests associated with social structures: whether they help or hinder each other. The second distinction concerns the type of relationship between groups – are they necessary or contingent. *Necessary* relationships are internal to a social structure (such as an organisation) or to a set of logically concentrated ideas. *Contingent* relations are external or not integrally connected. Each of the four institutional configurations is associated with a particular situational logic and is common in sociological theory. They provide a useful heuristic when considering why, for example, environmental groups generally behave as they do. However, neither the identification of the stakeholder group having compatible interests, nor of some other group having either an incompatible or contingent relationship, provides much information about the stakeholder's actual or potential level of influence over organisational survival (Pajunen 2006).

Pajunen (2006, p1261) states that “*although much of the stakeholder literature is written on declines and turnarounds, virtually no research has examined stakeholders' influence in an existence threatening crisis of an organisation*”. Her work provides a theory that shows how the most influential stakeholders can be identified and managed during an organisational survival. The model demonstrates how stakeholders' influence in organisational survival consists of both direct resource dependence and structure-based forms of power. The case analysis then examines actual stakeholder influences and the changes in them during the decline and turnaround process. Pajunen (2006) also states that the continued existence of a business is dependent on its relationships with the actors that are stakeholders. This dependency is likely to culminate in a crisis situation when

that business needs to implement change in order to survive. Thus, for an organisation in crisis it becomes essential to understand (Pajunen (2006) :

1. What kinds of stakeholders are the most influential in the organisational survival?
2. How should these stakeholders handled?

Pajunen (2006) states that one drawback of resource dependence analysis is that it only focuses on the nature of resource relationships. The network perspective needs to be considered when defining stakeholders' structure-based influence. This can be achieved by exploiting the concept of structural network centrality (Rowley 1997; Pavlovich 2003). The model combines resource dependence and network centrality analysis (Freeman 1979; Cook *et al.* 1983; Brass and Burkhardt 1993; Pajunen 2006) showing how stakeholders' influence in organisational survival consists of both attribute and structure-based forms of power. She takes into account network position based power and direct resource dependence based power as two variables.

Stakeholders may possess means with which to influence organisational behaviour and control access to and allocation of critical resources. They may also have the power to regulate the possession of resources (Frooman 1999). According to Pajunen (2006) sometimes the mere existence of power exerts an affect without the need for any actual action (such as nuclear weapons). This is explained in detail in the next chapter.

However, Pajunen's (2006) research does not take into account the relational attribute legitimacy, and its influence on the organisation. Mitchell *et al.* (1997) derive from their research that power is a crucial variable in the theory of stakeholder-manager relationships. However, it is also clear from their research that power alone does not help when trying to fully understand salience in the stakeholder-manager relationship. There remain stakeholders who do not have power but whom, never the less, matter to firms and managers. Other means to identify 'who or what really counts' are needed. Mitchell *et al.* (1997) claim, in the socially constructed world within which managers engage stakeholders, their study suggests that legitimate stakeholders are the ones who '*really*

*count'*. Legitimacy figures heavily in helping to identify stakeholders who merit managerial attention.

In relation to that, Tsai *et al.* (2005) found in their research on business downsizing decisions that legitimacy is one of the crucial elements in stakeholder theory. Tsai *et al.* (2005) suggest resource dependence alone (as researched by Frooman 1999; Pajunen 2006) can not explain the complete picture in the stakeholder network. So, they take on board both resource dependence and legitimacy.

The application of stakeholder theory in tourism is limited. Stakeholder theory has been applied as a planning and management tool by Getz and Jamal (1994), Sautter and Leisen (1999), Yuksel *et al.* (1999) and Timur and Getz (2002). Robson and Robson (1996) have applied the theory as an ethical business management tool where they argue that stakeholders should take part in decision making and stakeholder concerns, goals, and values should be included in the strategic framework of tourism businesses. Stakeholder identification and involvement has been recognised as the key step towards achieving partnerships and collaboration within tourism in the studies of Araujo and Bramwell (1999), Jamal and Getz (2000) and Ladkin and Bertramini (2002).

More applications of stakeholder theory include a longitudinal analysis of stakeholder attitudes by Ioannides (2001). In this study, a stakeholder framework in conjunction with destination life cycle concept has been used to analyse varying stakeholder attributes towards tourism and sustainable development. Stakeholder theory has been applied as an ethical tool in sustainable tourism marketing by Walsh *et al.* (2001). Hardy and Beeton (2001) investigated and compared stakeholder perceptions of sustainable tourism by applying stakeholder theory. Sheehan and Ritchie (2002) assessed stakeholder salience groups of DMOs and identified 32 groups as perceived by the CEOs of the DMOs.

A study by Timur and Getz (2002) applies stakeholder theory in tourism destinations as well. They applied it to a sustainable development policy domain and tested how key players of urban tourism destinations define the concept of stakeholders. The results

illustrate that participants identified urban tourism stakeholders, ranked them according to their importance for implementation process, determined the barriers impeding the implementation of sustainable development strategies, and suggested solutions to eliminate them.

Therefore, the application of stakeholder theory to tourism so far has been mostly superficial (Timur and Getz 2002). Only a few studies contribute to theory by testing its application to destination development. A review of stakeholder literature shows there is little research focussing on the implementation of development strategies from the perspective of stakeholder management because existing theory focuses on the concept of the stakeholder in an organisation rather than in the development of that organisation. (Timur and Getz 2002).

Consequently, the researcher wishes to apply stakeholder theory to a different organisational context where a mix of interrelated groups exists. Therefore, stakeholder theory is applied to a tourism destination area. Timur and Getz (2002) predict that some of the stakeholders might have more network-based power; resource-based power or perceived legitimacy than others. Stakeholder theory submits that management has to take care of the stakeholder balance and give consideration to each stakeholder group regardless of the relative attributes (Nasi 1995; Timur and Getz 2002). Therefore, it will be useful to study these stakeholder's relational attributes in detail in order to understand the phenomena better.

## **2.4 Chapter Summary**

This chapter reviews literature on studies related to stakeholders in general as well as those involved in tourism. The stakeholder concept is critically evaluated in this chapter. The complexity of stakeholder theory which in the past has mostly concentrated on single firms makes it harder to apply to the tourism destination context. Tourism is a multi-sector industry serving both tangible and intangible products and services which are difficult to classify and therefore complex to study. This also implies that the range of tourism industry stakeholders across tourism destinations is wide and includes those who

are directly involved in tourism activities (such as tour operators, travel agents, hotels, restaurants, tourist offices) and others who are not so involved but are affected by the tourism activity (such as local councils, development authorities, suppliers, trade associations, chambers of commerce) (Cooper *et al.* 2005; Cooper *et al.* 2009).

However, with the help of the model of Six As, it identifies key tourism destination stakeholders. The evidence from the literature review also identifies key stakeholder relationship attributes. They are resource-based power, network-based power, legitimacy and urgency. In the next chapter these stakeholder relational attributes are studied in greater detail to help understand the phenomena better.

# Chapter 3

## Review of the Literature: Power and Resource Dependence

### 3.1 Introduction

The previous chapter identifies key stakeholder relationship attributes including resource-based power, structure-based forms of power, legitimacy and urgency. This chapter examines the concept of power in greater detail to investigate the bases of these power relationships. It discovers that power is a relative term which is connected to resource dependence. The chapter then goes on to study resources of the tourism industry as a whole. As it has been found in the previous chapter, a tourism destination is an amalgam of product, services and experiences which requires a wide range of resources in order to function effectively. Thus, the complexity of tourism stakeholders contributes to the complexity of tourism destination resources. However, key tourism destination resources are identified from existing literature and their interactions are examined closely. Then the research turns its attention to structure-based forms of power. Structure-based forms of power are best explained by network theory. Therefore, power as a stakeholder relationship attribute can be studied in two ways: resource-based power and network-based power.

### 3.2 Power and Resource Dependence

Power is one of the key agendas for future research, especially in tourism where diverse stakeholders confront unequal power relations which often result in conflict (Hannam *et al.* 2006). Scherle and Coles (2006) conceptualise power as subjective in nature therefore tricky to define. Ujma (2001, p38) observes power as “*the ability of one channel member*

*to get another channel member to do what it otherwise would have not done*". Scott (2006) explains that at its simplest, power is a social relation between two agents who may usefully be called the 'principal' and the 'subaltern'. The principal or the paramount agent has or exercises power, while the subaltern or the subordinate agent is affected by this power. However, Scott (2006) argues that such relationships are rarely as one-sided as this implies. He describes how a principal in one relationship may be a subaltern in another, and subalterns often exercise countervailing power to that of their principal. Scott (2006) strongly suggests that, analytically, the dynamics of power relations can initially be understood in terms of this relatively simple relation of principal and subaltern. Mitchell *et al.* (1997) try to simplify the concept of power relations and come up with a definition which suggests power as "*a relationship with social actors in which one social actor, A, can get another social actor, B, to do something that B would not otherwise have done*". Mitchell *et al.* (1997, p865) find that power may be tricky to define but it is not that difficult to recognise: "*[it is] the ability of those who possess power to bring about the outcomes they desire*".

However, Tsai *et al.* (2005) and Scott (2006) find that if a firm depends on stakeholders for critical resources for survival the stakeholders will have absolute power over the firm and *vice versa*. Therefore, this supports the Scott (2006) argument that power is rooted in relations of dependence. Resources are anything an actor perceives as valuable, whereas dependence is a state in which one actor relies on the actions of another to achieve particular outcomes (Frooman 1999). In that respect Scott (2006) explains power as the capacity to influence others, and so they see the overall power of an individual as the maximum possible influence that someone can exert on others. Frooman (1999) and Tsai *et al.* (2005, p1863) define power as "*the structurally determined potential for obtaining favoured payoffs in relations where interests are opposed*". An unbalanced relationship occurs when one party has power over the other party in an exchange providing opportunities for one party to gain control over the other party.

Johnson and Scholes (2002, p206) state that "*stakeholders are those individuals or groups who depend on the organisation to fulfil their own goals and on whom, in turn,*

*the organisation depends*”. Although such a definition clearly defines stakeholders, it is not necessary for the dependence to be reciprocal for the term “stakeholder” to be applied. Especially in tourism, a multi-sector industry, there are difficulties determining how to deal with multiple power relations among stakeholders where unitary interests are lacking (Luke 2005; Scherle and Coles 2006). As Cooper *et al.* (2005) and Ritchie and Crouch (2005) find tourism businesses not only compete but also complement and cooperate with each other, consequently the duality of independence-interdependence is at the heart of a series of distinctive power relations resulting from this and their interaction (Scherle and Coles 2006). This makes power a contested concept in the tourism industry scenario and will be useful to identify and study the sources of such power.

According to Stern and El-Ansary (1992, p268) “*power is obtained through the possession and control of resources that are valued by another party*”. This type of power can be described as ‘*resource-based power*’. These resources are the assets and conditions within a relationship that generate and represent each channel member’s dependence, gratitude, loyalty or trust to another. They value each others resources; otherwise they would not do business with one another. Therefore, power is a two way street (Stern and El-Ansary 1992). Resources could include land, labour, capital, culture, infrastructure, man made or natural attractions, knowledge and so on depending on the characteristics of the tourism destination (Ritchie and Crouch 2005; Cooper *et al.* 2005).

Frooman (1999) merges stakeholder theory with resource dependence theory to propose that the types of influence strategies can be understood in terms of resources and that a determinant of the choice of strategies will be the type of resource relationship the firm and the stakeholder have and where the balance of power lies within that relationship. A resource is essentially anything an actor perceives as valuable, whereas dependence is a state in which one actor relies on the actions of another to achieve a particular outcome. He also considers the resource dimension of a relationship and the power that stems from it, viewing power as an attribute of the relationship between the actors, not of the actors themselves. Furthermore, Scott (2006) adds the relative power of each actor as directly reflecting their overall dependence on each other in their relations. The power relations in

these networks reflect the balance of dependence that is stuck in each case. According to Frooman (1999) resource dependence theory gives a useful account of stakeholder power.

Power is structurally determined in the sense that the nature of the relationship (that is, who is dependent on whom and by how much) determines who has power. Resource dependence theory describes power as follows (Frooman 1999, p196): “*for the dependence between two organisations to provide one organisation with power over the other, there must be asymmetry in the exchange relationship*”. For example, in order to know if A has power over B, one must verify both that B is dependent on A and that A is not dependent on B. Power is defined in relative terms (Frooman 1999; Scherle and Coles 2006) which is particularly useful for this research project where social groups are involved and investigated, Scott (2006, p138) adds that “*social groups can be seen as composed of long and entwined chains of dyadic interdependence*”.

### **3.3 Resources**

Resources can be defined as stocks of available factors that are owned or controlled by the individual or groups of organisations. Frooman (1999, p195) defines that “*a resource is essentially anything an actor perceives as valuable .....*” It can be said that resources are “things needed to get a job done”. Similarly resources are something that one uses to achieve an objective. In contrast, Amit and Schoemaker (1993) say resources are the inputs or the factors available to an organisation which help to perform its operations or carry out its activities. The perception of resources could also be any physical or virtual entity of limited availability (Harrison *et al.* 2001; Fill and Fill 2005). Furthermore, these authors suggest that resources, “*if considered as isolated factors do not result in productivity*” and that the co-ordination of resources is important. Amit and Schoemaker (1993, p35) explain the situation as “*Resources are converted into final products or services by using a wide range of other firm assets and bonding mechanisms such as technology, management information systems, incentive systems, trust between management and labour, and more*”.

These resources can include important know-how that can be traded (such as patents and licenses), financial or physical assets (such as property, plant and equipment), human capital etc (Amit and Schoemaker 1993). Such arguments support Burney's (1991) conceptualisation of '*resources*' as they include all assets, capabilities, organisational process, firm attributes, information, knowledge etc, controlled by a firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness. Some of the heavily used tourism resources are considered below.

### **3.3.1 Land as a Resource**

Land is one of the basic resources of all (Dietvorst and Ashworth 1995; Buckley 2003; Nepal and Chipeniuk 2005; Ritchie and Crouch 2005; Cooper *et al.* 2005; Massyn 2007). Especially, in creating the tourism product the physical resource of the landscape in the broadest sense no doubt plays a crucial role. However, human modification coupled with technology and rationalisation has exerted a tremendous influence on landscape, evidence of which Dietvorst and Ashworth (1995) find in their research in the Netherlands. They also mention developments such as those relating to tourism transform the original resources (such as the landscape) by direct actions (building facilities, transforming coastal landscapes into resorts, transforming historic buildings into hotels and restaurants etc). This could get out of control and the local authority may forbid certain activities.

Similarly, Buckley (2003) reflects the influence of tourism activities on destination-land in North America and Australia. He argues that seeing the benefit (mostly economic) of tourism many private, public and community land owners are replacing farming, forestry or fisheries with tourism development. Thus the construction of tourism related businesses has pushed land prices up in some areas; hence the imbalance of land price is visible (Buckley 2003). Uncontrolled land management and sprouting tourism establishments can be seen as a visual blight to the destination too.

Jutla (2000) states that the visual image of a city is a powerful one through which the city is known to people. It provides a visual identity for the city and creates pride in its residents. Architecturally significant buildings, landmarks and areas with a distinctive

character or history create '*a sense of place*' which makes a city memorable (Law 1993, 1996; Jutla 2000, p404-405). Subsequently, the importance of nature in attracting tourists is significant and as Williams (1992) and Sekher (2003) state nature and cultural heritage represents a competitive advantage for many areas.

Further, Haywood (1992) suggests that tourism and city planners need to become familiar with the aesthetic aspect of their cities in terms of sense of place, social setting and visual identity. Dhariwal (2005) mentions it is not only the visual factor that catches the eye, but also unplanned and uncontrolled development which obstructs water supply and sewage clearance and brings the tourism businesses to the heart of the community. This is arguably not necessarily good both for the community and the tourists (Murphy 1985). Accessibility is an example as tourism can bring unnecessary crowds into residential areas and a love-hate relationship can build up among the host and the tourists. In Goa, India, in particular, beach privatisation and the development of large multinational hotels made the government think about land distribution and its management considerably (Brammer and Beech 2004). In most cases it is down to the local authority to take action. For example, both Ashworth and Dietvorst (1995) and Brammer and Beech (2004) stress that if a state government is to plan effectively for the development of tourism throughout a particular destination, it must do so by adopting an effective policy of land use.

However, Brammer and Beech (2004) discuss that, in some cases, the evidence is that the state's strategy in land use is emergent rather than intended. They stress strategy emerges on a piecemeal basis as a result of lobbying by powerful stakeholders such as the large hotel chains and fails to take sufficient note of local needs. Massyn (2007) in Namibia suggests that to have control over land use, both the authorities and private landowners should only lease land for a certain number of years. Thus, it is clear that in most destination areas land is either managed or controlled by governmental or development authorities and by private landowners. Therefore, as mentioned by Pajunen (2006) and Frooman (1999) these individuals and organizations would have resource-based power over the usage of the land.

### **3.3.2 Labour Force as a Resource**

Labour can be defined as physical or mental exertion of living beings. As it has been discussed earlier in Chapter 1 tourism, being a multi-sector and dynamic industry requires a diverse labour force to meet the needs and demands of the industry. Cooper *et al.* (2005) mention particularly in tourism, the higher wages and salaries than those of the more traditional industries such as farming and fishing, and relatively easy to find jobs, means more and more people are encouraged towards the tourism profession. Service sector employment generally lends itself better to a more fluid and flexible, less technological, incorporation of human skill and initiative (Baldacchino 1997). On many occasions, mostly in developing countries given the economic factors, tourism would attract employees from other industries as well as neighbouring regions of the destination (Cooper *et al.* 2005).

On the other hand, when cities become tourism destinations they face a different set of issues. Traditionally, cities develop on heavy industries (such as coal, iron and textile) and then when these industries are at the decline stage, they may be replaced by tourism e.g. Glasgow, UK (Baum *et al.* 1997). Baum *et al.* (1997) argue that it is an equally valid scenario in locations where the exploitations of natural resources no longer provide the same level of employment opportunity as they did in the past. Therefore, workers in these locations with little or no choice join the tourism sector to earn a living.

Consequently, as Baum *et al.* (1997) show, the sector is one of unconstrained access to most of its working positions and one which, therefore, benefits from unrestrained recruitment to most of its positions but, conversely, also suffers because the skills it engenders in its workforce are in considerable demand within other areas of the service economy. Thus, while entry is open, so is the opportunity to move out elsewhere, both within tourism and hospitality, and to other employment areas. Staff turnover, therefore, can be very high, especially in tight and competitive labour markets, and is a major inhibitor for organizations and destinations seeking to achieve an overall enhancement of service and product quality.

Thus, the tourism industry needs both a qualified and unqualified labour force (Riley and Szivas 2009, Vincent 1987) and by the same token that labour force has an indirect but very immediate influence on the industry (Riley and Szivas 2009).

Research undertaken in European countries by Riley and Szivas (2009), and New Zealand by Aitken and Hall (2000) stress that, especially in tourism-related jobs, employees need social skills and a degree of cognitive skill to handle the complexity that comes with handling people. Similarly, a global study undertaken by Baum *et al.* (1997) confirms that the tourism and hospitality sectors in all locations has a close relationship with the labour market environment from which it draws its skills. Consequently it depends on its workforce for the delivery of service and product standards to meet existing and anticipated demand from its visitor marketplace. Thus, tourism and hospitality workers play a crucial role in meeting customer expectations which could also be used to competitive advantage among others in the industry (Baum *et al.* 1997). They all bring local knowledge to the system and are one of the many reasons why staff recruitment must be taken seriously in the tourism and hospitality trade, confirming the dependency of the industry on the labour force available.

Furthermore, these jobs are also fulfilled by workers from different cultures, background and nationality. For example, hotels employ both qualified and unqualified staff. Interestingly Vincent (1987) finds from his research that, for example, the higher the quality of the hotel, the less likely it is held in local hands. Large and multinational chain organizations are often part of a corporate group which, in most cases, is situated outside the actual tourism destination. Therefore, qualified staff for these kinds of organizations are likely to come through head offices, hence are foreign to the work place. Otherwise, Vincent (1987) also discusses that mostly lower class unskilled jobs are advertised to locals. Therefore, to locals these unskilled jobs are relatively easy to find and generally employees are given on-the-job-training on the premises to enhance performance (Baum *et al.* 1997; Riley and Szivas 2009). However, from their research, it is clear that both skilled and unskilled labour is valued in the same way in the tourism and hospitality business (such as chefs and kitchen porters).

Working for long periods of time in the same industry would allow employees to gain experience and skills along the way, even if they did not have the relative qualification in the first place. However, many ready-made qualified-skilled labourers come from tourism and hospitality institutions (Baum *et al.* 1997; Aitken and Hall 2000). Having said that one of the difficulties for tourism and hospitality education is that it is expected to dance to the tune of a fragmented and heterogeneous sector where there are few commonly defined needs at a technical or knowledge level (Baum *et al.* 1997). The requirements of major airlines, hotel companies or heritage sites are not only diverse but are also significantly different from the needs of SMEs across the sector. This shows that the tourism labour force is a complex issue to tackle overall.

One of the consequences of a fragmented public and private sector interest in tourism and hospitality is that there is rarely a clear, single authority with responsibility for the management and direction of education, training and development initiatives in support of the sector (Baum *et al.* 1997). In reality, there is frequently a range of organizations and agencies which have some involvement but also have loyalties and interests which lie outside the domain of tourism and hospitality. Such organizations and providers may include (Baum *et al.* 1997; Zhang *et al.* 1999):

- National, regional or local tourism development agencies, generally public but also in the private domain.
- National or state education providers.
- Private education providers.
- Specialist training agencies such as national employment, labour or manpower agencies and their respective government departments.
- Last but not least, social partner organisations such as trade unions and various industries sub-sectors and their representative associations.

For example in China, after the open-door-policy of 1978, tourism developed rapidly and gradually become a significant economic activity. In 1996 visitor arrivals totalled 51.1

million, a 27 fold increase from 1.8 million in 1978 (Zhang *et al.* 1999). China had to feed the ever-hungry demand of the tourism labour force. However, from 1978 to 1983 when sufficient funds were not available to establish educational tourism institutes and there was urgent need for manpower the China National Tourism Administration (CNTA) offered financial and human resources to jointly run tourism programmes with some universities. Later CNTA formulated an education policy to establish a nationwide tourism education system. CNTA then went on to create its own educational institutions, which comprises vocational schools, secondary professional schools, colleges and universities offering tourism courses. Zhang *et al.* (1999) also mention that meanwhile many managers are also selectively sent abroad for tourism management training.

These establishments, organisations and individuals would have control and manoeuvrability to train, manage and supply labour to the tourism industry. Associations and groups in particular can shape power relations and outcomes in their favour (Church and Coles 2007). Therefore, all these individual and group organisations would have resource-based power over supplying labour to the local tourism industry (Pajunen 2006; Frooman 1999).

### **3.3.3 Capital as a Resource**

Like land and labour, capital is a crucial resource for any establishments. Hess and Ross (1993) state 'capital' is wealth in the form of money or property owned by a person or business. They explain in the process of providing goods and services, organisations hire labour, rent land, exert resources from nature, and borrow money to purchase physical capital items (such as plant, equipment, machinery). Capital items can be treated as assets which then can be used in the production of further assets. Butler's life cycle model (1980) for tourism development implies that as a destination develops over time, tourism becomes increasingly capital intensive. Hampton (2003) considers that if communities wish to enter the tourism businesses to capture some of the economic benefits of employment and tourist expenditure the question arises of the capital requirement needed. On the other hand, mostly in the developing countries where resources are scarce and

there is an absence of a strong and experienced private sector, it is essential that the government takes an active role in the development of tourism.

Zhang *et al.* (1999) and Alhemoud (2005) suggest that without active government involvement, it is unlikely that any industry players would have been able to formulate a series of actions to foster and promote the development of tourism. They also echoed that these roles will vary according to the situation and needs of the industry, and one would also expect the roles to change over time. Both, Zhang *et al.* (1999) and Hampton (2003) evidence from their research in China and Indonesia respectively, that particularly in developing countries with scarce resources, governments also need to carefully nurture their investment stimulator roles to introduce, as well as control, foreign investment. In the case of China, foreign investment was carefully controlled so that the necessary facilities and expertise could be brought in without 'selling out' the country's assets to foreign interests. Furthermore, the introduction of foreign investment was handled in such a way that mutual benefits were gained for both host and foreign participants.

Zhang *et al.* (1999) found in China that the first industry sector permitted foreign investment was hotels. In China the government acts as an investment stimulator for tourism by granting financial incentives especially to tourism businesses. All foreign invested hotels were exempt from tax for the first three years and this exemption was reduced to 50% for the following two years. Initially, only two forms of foreign investment were permitted: joint ventures and cooperatives, where ownership of these investments would be transferred to the Chinese side after 10 to 20 years. This protected the Chinese people from their counterparts: the giant multinational corporations. Zhang *et al.* (1999) mention the introduction of foreign investment in hotel development was very successful and by 1985, there were 45 foreign invested hotels which represented 85% of the total investment in the tourism industry. Not surprisingly, hotels were the largest foreign investment sector in the tourism industry. Despite these foreign investors who have less worry regarding source of capital, domestic ones are the suffer most in their quest to collect capital from various sources.

Many researchers including Zhang *et al.* (1999), Colombia (2001), Hampton (2003), Smeral (2003), and Alhemoud (2005), state that apart from government help, other sources of capital for tourism businesses may include money lenders, banks (both government and private), families/relatives/individual savings, partnership businesses and so on. In Hampton's (2003) research in Indonesia, he found that most small tourism businesses relied upon their family to support their activities. In most cases they inherit family homes and then sell them or transform them in tourism businesses. Hampton (2003) also finds evidence of people using their parent's savings to open tourism related businesses. Particularly in developing countries both Zhang *et al.* (1999) and Hampton (2003) suggest that the lack of collateral would appear to be common and individuals are seen to have relied upon family capital or inheriting a house for their needs.

### **3.3.4 Knowledge as a Resource**

Knowledge is one of the important resources in this ever-changing business environment (Cooper 2006; Scott *et al.* 2008). Knowledge is information with guidance for action based upon insight and experience. Knowledge is learning, reasoning and the result of knowing. Davenport and Prusak (1998, p5) define knowledge thus:

*“A fluid mix of framed experience, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information. It originates and is applied in the minds of knowers”.*

Buhalis (2000) states destinations are undergoing fundamental structural change, partly driven by the demands of the knowledge economy. Similarly WTO (2001) explains destinations are constantly adapting to changing situations by creating and using knowledge in order to respond to, for example, the safety and security measures necessary following the September 11<sup>th</sup> attacks on the United States. The generation and use of new knowledge to feed innovation and product development is crucial for the competitiveness of both tourism destinations and enterprises within those destinations (Davenport and Prusak 1998; Hjalager 2002; Cooper 2006). Noel *et al.* (2008) and Cooper (2006) classify two distinct types of knowledge, explicit and tacit.

Explicit knowledge is knowledge that has been or can be articulated, codified or expressed in words, numbers and other symbols, and stored in documents, databases, files and other certain media (Cooper 2006; Scott *et al.* 2008). Therefore, it can be readily transmitted to others. In contrast, tacit knowledge is knowledge that cannot be transferred to another person by means of writing it down or verbalising it (Cooper 2006; Scott *et al.* 2008). People carry tacit knowledge in their minds which is therefore difficult to access. Thus, tacit knowledge is difficult to codify, difficult to communicate to others as information, and it is difficult to digitise. Scott *et al.* (2008) give an example of tacit knowledge which is knowledge which is passed from a tourism destination marketing manager to an assistant in terms of designing and managing promotional literature. Scott *et al.* (2008, p42) also state that “*the majority of knowledge available to a tourism destination is tacit knowledge*”. Tacit knowledge in particular is more valuable for tourism organisations because it provides context for people, places, ideas and experiences. With tacit knowledge, people are often unaware of the knowledge they possess or how it can be valued by others (Davenport and Prusak 1998; Hjalager 2002). Tacit knowledge can be described as ‘know how’ as opposed to ‘know what’ in explicit knowledge.

Scott *et al.* (2008) suggest that if knowledge is to be used as a competitive tool, it needs to be captured, transferred and shared and that organisations need to optimise its flow and manage it effectively. Cooper (2006) describes how knowledge flows within organisation networks can be used to boost competitiveness and the analogy with tourism destinations is clear. The sharing of knowledge is essential in order to create a strategic competitive advantage, particularly where small and medium sized enterprises lack management expertise and are unable to access research information (Pavlovich 2003 and 2008; Cooper 2006; Scott *et al.* 2008). As mentioned earlier, the transfer of explicit knowledge is relatively easy but the effective transfer of tacit knowledge generally requires extensive personal contact and trust. It can only be transmitted via training or gained through personal experience. Therefore the power here lies with the transporters (those to channel it) of the tacit knowledge. According to Cooper (2006), within a destination tacit

knowledge flows through the network of different channels including technological systems, trade systems where transfer takes place through its associations, the regulatory bodies and the infrastructure system such as attractions and national resource managers where there is a greater tendency to accept and use knowledge.

Overall, for tourism, barriers to knowledge transfer are related to its very nature. It is dominated by small enterprises, fragmented across a variety of activities, and has vocational reinforcements such as poor human resource practices militating against the continuity of absorption. As a result there is a lack of trust between the knowledge creators and those who might use it, due to the different cultures and vocabularies of different communities of practise (Davenport and Prusak 1998; Hjalager 2002; Cooper 2006).

### **3.3.5 Access to Clients as a Resource**

Access to clients is one of the most important resources of all. In most of the cases, clients, such as tourists, book their holidays through travel intermediaries (Hadjinicola and Panayi 1997). Travel intermediaries include tour operators and travel agents. The primary task of travel agents is to supply the public with travel services. This they do on behalf of their suppliers or 'principals', the latter being a trade term. An agent may also offer travel related services such as insurance or foreign exchange. For providing these services, the agent is rewarded by commission from the principals. (Cooper *et al.* 2005). At its most fundamental, tour operating is a process of combining aircraft seats and beds in hotels (or other forms of accommodation) in a manner that will make the purchase price attractive to potential holidaymakers. Tour wholesalers achieve this through bulk buying which generates economics of scale that can be passed on to the customer (Cooper *et al.* 2005). The conceptual principal of tour operating is to link transport and accommodation to produce a package that can be offered in a brochure (Cooper *et al.* 2005).

Buhalis (2000, p114) suggests that:

*“In tourism the position of the distribution sector is much stronger: trade intermediaries have a far greater power to influence and to direct demand than their counterparts in other industries do. Since, they do, in fact, control demand; they also have increased bargaining power in their relations with suppliers of tourist’s services and are in a position to influence their pricing, their product policies and their promotional activities”.*

Similarly, Carey *et al.* (1997) emphasise that tourism development at destination level is led primarily by the tour operators. They also argue that the image of the product is primarily influenced by a tour operator’s promotional activities at home. The tour operators’ control over the whole tourism experience due to their volume planning, image creation, destination contracting, the type of excursions offered, nationality of overseas staff and pricing policy puts them firmly in control of the demand (Carey *et al.* 1997). The tour operators will move to another destination as soon as their financial interests can be served better (Josephides 1993). As mentioned, the supply of commodity destinations is greater than the potential demand. This results in destinations being vulnerable and initiates a dependency culture upon the tour operators. Therefore, these intermediaries are valued tremendously in the tourism network (Josephides 1993; Scherle and Coles 2006). This sometimes leads tour operators take advantage of their position. Buhalis (2000), in his research, finds that, mostly, hoteliers have very strong feelings against tour operators and use terms such as ‘blackmail’ and ‘blood sucker’ and consider they treat everyone at the destination as ‘slaves’.

To some extent, to counterbalance this power, businesses try to use the internet as a tool to attract clients. The availability of the new distribution channel in the form of the internet means travel product suppliers such as airlines, car rental companies and hotels have taken the opportunity to revolutionize their traditional distribution process by introducing their products on the internet (Law *et al.* 2001). With the growing numbers of independent travellers, airlines and hotels have taken advantage of the do-it-yourself

culture to reduce their administrative costs by giving opportunities to customers to make reservations through the internet (Hadjinicola and Panayi 1997; Cooper *et al.* 2005). Consequently, with the help of the internet, consumers are becoming less and less reliant on travel intermediaries (Law *et al.* 2001). Other modes for tourism businesses to get clients are by allowing direct walk-ins and by in-taxi promotion too (Hayter and Allmark 1998). Sometimes, people would turn up, for example, to a hotel without pre-booking, or take a taxi from the airport or from a railway station and ask the driver to take them to a hotel. Tourism businesses do see many unexpected clients on their doorstep regularly (Hayter and Allmark 1998).

These establishments, organisations and individuals would have control and manoeuvrability to supply clients to the tourism industry. Therefore, all these individuals and groups would have resource-based power over channelling tourists to the local tourism industry (Frooman 1999; Pajunen 2006).

Resources, on their own do not add complete value to an end product. However, without resources, any process cannot be completed. Resources have to go through a number of processes to contribute to the end product. Similarly Weiermair (2005), Klaus (2006), and Umit (2006) describe the tourism industry's product as a composite one with its production, distribution and marketing being configured along a *value chain* (Porter 1985; Kotler *et al.* 1999; Fill 2006) involving many activities which are vertically, horizontally and diagonally related and integrated in varying degrees. Yildirim and Umit (2006) also state that the tourism industry consists of various players and tourist demand is met by the joint efforts of those players.

Consequently, interdependency within the tourism industry is high. Stakeholders constantly add value to the product to make it more desirable for clients, because, as Kotler *et al.* (1999) describes, customer values and satisfaction are important ingredients in the formula for a successful business. So, if customers seek to satisfy their needs through their purchase of specific products and services then it can be said that the satisfaction of needs is a way of delivering value (Fill 2006). Fill (2006) argues that the

creation of value is dependent upon an organisation's ability to deliver high performance on the benefits that are important to the customers and this in turn is rooted in their competency in technology and business process, or core competences. Therefore, the main point of the value chain is that each member adds value to the end product by processing resources using its capabilities.

Harrison *et al.* (2001, p679) propose that:

*“Resources complementarily create the potential for greater synergy from acquisitions and alliances, leading to higher long-term firm performance as end results. The valuable, unique and inimitable synergy that can be realised by integrating complementary resources provides an opportunity for the firm to create competitive advantages that can be sustained for a period of time”.*

As supported by Stern and El-Ansary (1992) organisations are the primary entities that have been created to put resources together in such a way that the output from the combined resources is greater than the sum of the individual parts. According to Pfeffer and Salancik (1978) and later by Harrison *et al.* (2001), common factors driving trends is that in a hypercompetitive environment with increasing globalisation, it is difficult for a single firm to process all resources needed to develop and sustain current competitive advantages while trying simultaneously to build new ones. Furthermore, the technological complexity of modern products and services increases interdependence among organisations (Harrison *et al.* 2001). Basically, the need to be globally competitive requires organisations to combine or co-operate. Also the advantages created through complementary working are more sustainable than those created through combinations of highly similar resource sets (Harrison *et al.* 2001).

Thus stakeholders conceptually can be viewed as part of 'super organisations' comprising interdependent institutions and agencies involved in the task of making products and services available for consumption by end users (Stern and El-Ansary 1992). This makes

such stakeholders part of a larger whole i.e. an inter-organisational collective or network. In the view of Rowley (1997) and Pajunen's (2006) resources are only effective if they are distributed and traded through a network. This also implies that each and every stakeholder has some valued resources at its command and as the resources are assets, attributes and conditions within a relationship that generate and represent each stakeholder's dependence, indebtedness or allegiance to another (Stern and El-Ansary 1992).

Amit and Schoemaker (1993) admit that resources can be scarce, durable, not easily traded and difficult to imitate which goes beyond their contribution to the production process. Barney (1991) categorises them as valuable, rare and the rest of those supported by Amit and Schoemaker (1993). Resources can possess a wide range of characteristics. For example, if the value of a firm's resources is enhanced the more difficult they are to buy, sell, imitate or substitute. Similarly, resource dependence is said to exist when one actor is supplying another with a resource that is marked by concentration (such as suppliers are few in numbers), controllability, non-mobility, non-substitutability and essentiality. For example, invisible assets such as tacit organisational knowledge or trust between management and labour cannot be traded or easily replicated by competitors since they are deeply rooted in the organisation's history. Such firm specific and often tacit assets accumulate slowly over a period of time.

### **3.4 Structure-based Forms of Power**

Thus it is found that resources are tradable goods which are processes through a particular channel. It is also found that these resources are only effective if distributed and traded through a value chain and/or a network. Power can therefore also stem from being positioned in the network in a way that controls the flow of resources (Rowley 1997; Pajunen 2006). This is structure-based forms of power which can be explained by network theory. This can also be termed as 'network-based power'.

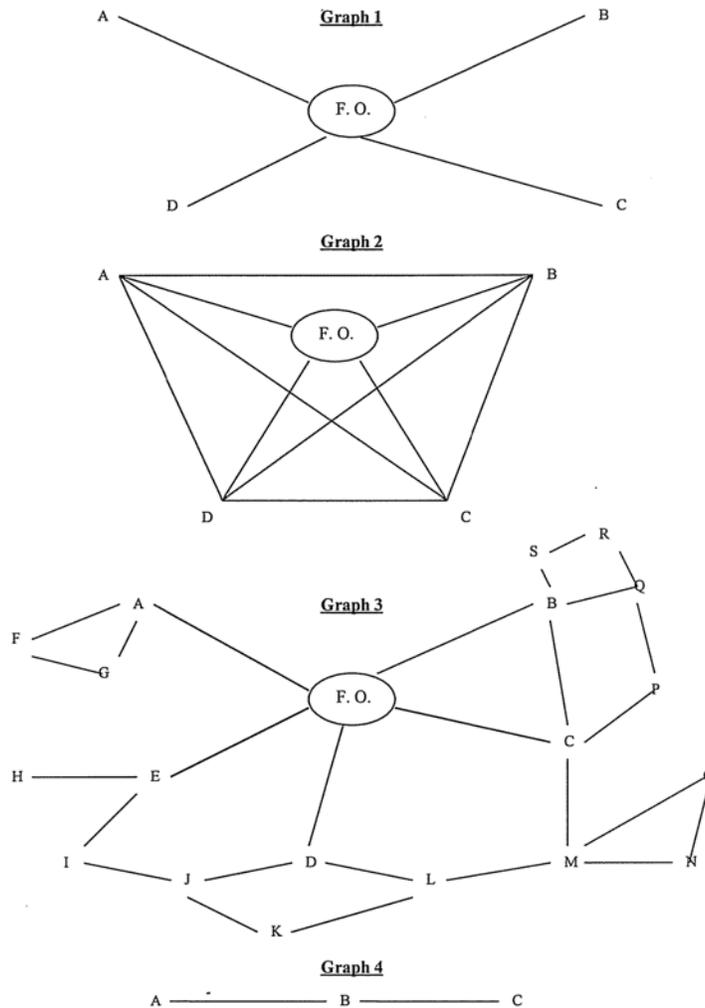
Network theory is also concerned with the collective nature of organisational action, constraint and co-ordination (Pavlovich 2003). It assumes that "*relationships do not*

*occur within a vacuum of dyadic ties, but rather in a network of influences, where a firm's stakeholders are likely to have direct relationships with one another"* (Rowley 1997, p890). Relational data are the ties relating one actor to another and cannot be classified as properties of individual actors because they exist only as part of a group of actors. In other words, relational data are properties of a system of actors (Wellman and Berkowitz 1988).

The network analysis approach has potential for stakeholder researchers, because it can be used to examine central elements in the stakeholder perspective and to move research in a valuable direction (Edelenbos and Klijn 2006). Network analysis provides a means for examining how the pattern of the relationships, the "*interaction of interactions*", in a stakeholder environment influences an organisation's behaviour (Rowley 1997, p894). Social network analysis offers scholars valuable insights for developing stakeholder theories (Rowley 1997). Network models begin where stakeholder research stops, the dyadic relationship and systems of dyadic interactions, capture the influence of multiple and independent relationships on organisations' behaviours. Pavlovich (2003) examines the process of evolution and transformation of the tourism destination in the New Zealand context over a period of 15 years. She focuses on how the relationships between organisations can act as a self-organising mechanism for the destination, with flexibility and change being a critical component in this process. Pavlovich's paper uses network theory to express these dynamics and it emphasises structural features of architectural density and centrality. Pajunen (2006) uses network theory to identify stakeholders in an organisation so that they can be managed properly in organisational survival.

The constructs that have emerged as favoured representations of relational data are the overall structure of the network (density) and the nodal position within the network (centrality), which embodies the characteristics of resource dependence theories (Rowley 1997; Pavlovich 2003; Pajunen 2006). Those ties in the network stand for relationship, connectivity and interactions (Rowley 1997; Pavlovich 2003; Fill 2006; Pajunen 2006).

Rowley (1997) emphasises that the focal organisation is not only a central point of its own stakeholders but also can be a stakeholder of many other focal points in its relevant social system. The organisation is not necessarily at the centre of the network, therefore treating its position as a variable in its complex social system provides an opportunity to understand more fully how patterns of stakeholders' interactions occur within the tourism system. Graph 3 in Figure 3.1 shows a focal organisation (FO) in a network of stakeholders, each possessing its own set of stakeholders. It is clear from this perspective that organisations are not necessarily at the centre of the stakeholder set; hence an organisation's position in its network is an important determinant of its behaviour.



**Figure: 3.1. Network Structures: Patterns of Relationships**

**Source: Adapted from Rowley 1997 and Pajunen 2006.**

### **3.4.1 Density**

Density is a characteristic of the whole network. It measures the relative number of ties within the network that link actors together and is calculated as a ratio to the number of relationships that exist (stakeholder environment) compared with the total number of possible ties if each network member was tied to every other member (Oliver 1991; Rowley 1997). According to Pavlovich (2003), a complete network is one in which all possible ties exist. Graph 2, Figure 3.1 has a density of 1, since all actors have direct ties to one another. Graph 1, the traditional stakeholder perspective, illustrates a network with a lower density than Graph 2.

Two characteristics of density are relevant to examining organisational responses to stakeholder pressures (Rowley 1997; Pavlovich 2003). First, as density increases, as the number of ties between networks members grow, communication across the network can become more efficient. Granovetter (2004) puts it as the denser the network the more unique paths along which information, ideas and influence can travel between any two nodes. By virtue of having many ties, the network structure can facilitate information exchange among all its regions. Second, the consequence of a dense network structure is the diffusion of norms across the network. Through extensive ties between network members, actors form patterns of exchange and produce shared behavioural expectations.

### **3.4.2 Centrality**

Whereas density characterises a network as a whole, centrality refers to an individual actor's position within the network relative to others. Centrality evaluates an actor's prominence or power (Rowley 1997; Pavlovich 2003; Pajunen 2006). The key difference between formally and informally (network) derived power is that network-based power comes from actors' positions in the actual patterns of interactions that define a social network (Rowley 1997). Centrality refers to power obtained through the network's structure, as opposed to power gained through individual attributes. Three types of centrality commonly are discussed in the social network literature, corresponding to a different aspect of an actor's positional status. They are 'degree', 'closeness' and

'betweenness' (Freeman 1994; Rowley 1997; Pavlovich 2003; Freeman *et al.* 2004; Pajunen 2006) and are measures of an actor's number of direct ties to other actors, independent access to others, and control over other actors, respectively.

*Degree* centrality can be measured by the number of ties an actor has with other actors in the network. The intuition behind degree centrality is that players 'well connected'; in terms of having many relations in their local environment, will have access to many alternative sources of information, resources and so forth. Graph 1 in Figure 3.1 shows the focal organisation in a highly central position, where it has access to all other actors (Rowley 1997, p899).

*Closeness* centrality defines an actor's ability to access independently all other members of the network (Pajunen 2006). For example, in Graph 3 in Figure 3.1, actor B is two steps from R, P, M, E, A, D, three steps from J and four steps from K. When an actor is close to all the others, he or she can spread information quickly throughout the network. Rowley (1997) associates closeness centrality with efficient communication, stating that closeness means fewer message transmissions, shorter times and lower costs.

*Betweenness* centrality is similar to closeness centrality, since both measures consider access to other actors, but it is based on the viewpoint of an intermediary actor who is positioned between other actors, rather than the standpoint of the 'sending' and 'receiving' actors who must form exchanges via third parties. Betweenness centrality measures the frequency with which an actor falls on the geodesic paths between pairs of other actors (Rowley 1997). If actor A is connected to actor C only through actor B, such as in Graph 4 in Figure 3.1, then actor B controls all resource flows between them. Betweenness centrality captures an actor's ability to control others. Actors with high betweenness centrality are brokers or gatekeepers in the sense that they facilitate exchanges between less central actors (Rowley 1997).

Pavlovich (2003) states that focussing on the connectivity that occurs within the network arrangement is a related consideration. Granovetter (1985) identifies two groupings of

network relations. They are ‘strong ties’ which an actor has with others within a linked group, and ‘weak ties’ which an actor has with others in external groups. Strong ties are created by groups of people-congruent relationships that perform to convince acceptable action and inclusion. Consequently they create a clustering of people in strong relationships in which each person knows what the other knows. Weak ties are those that are disconnected with the stronger social group either directly through having no contact with each other or indirectly through contacts that exclude each other (Granovetter 1973). They are necessary to gain new ideas and opportunities that emerge from the external environment, and provide contacts with people in more distant clusters.

Granovetter (1973, p1361) proposes that the “*most intuitive notions of the ‘strength’ of an interpersonal tie should be satisfied by the following definition: the strength of a tie is a (probably linear) combination of the amount of time, the emotional intensity, the intimacy (mutual confiding), and the reciprocal services which characterise the tie*”. Furthermore, he stresses that each of these attributes is somewhat independent of the other, though the set is obviously highly intra-correlated. Granovetter (2004) suggests the presence of both strong and weak ties in the social network. Weak ties are created by actors, for example, friends coming together to form a closely knit clique. However, this does not explain the degree of importance or urgency of the issue needing attention. Weak ties can be invisible or endless in the social world therefore difficult to identify. This can also be described as an informal network. However, according to Granovetter (1973; 1983) unimportant relations are often the cause of important shifts. Weak ties can generate strong structures. Although they might not have an upper hand in the business world directly, given time and opportunities weak ties can help integration which can result in the building of stronger ties. This implies that unimportant relations are often the cause of important shifts.

On the other hand, the stronger the tie connecting two individuals, the more similar they are, in various ways (Granovetter 1983; 2004). In other words, similar people with similar characteristics and needs join to create strong ties. For example in a business scenario actors can be a part of a community, group or association to optimise business

dealings resulting in greater profit margins. This may be as part of a formal relationship-network and easy to identify. As Granovetter's work is mainly based on sociological and psychological views, it has purely social purpose. Social needs and demands are given priority here. In the business world (i.e. the tourism industry structure in which stakeholders are mostly profit oriented organisations) it has little applicability. The social values might be important in the tourism industry network too, but profit related values would most likely overcome the former. Business relations are at the fore of any industry structure. Consequently and importantly Granovetter's work has little influence, in particular with respect to this research, as it seeks to explore mainly the power and resource dependency relationships among the stakeholders involved in the tourism industry networks.

Taking a dynamic approach, Pavlovich (2003) examines the process of a tourism destination's evolution and transformation. She focuses on how the relationships between organisations can act as a self organising mechanism for the destination, with fluidity and change being a critical component in this process. This study uses network theory to express this dynamism and it emphasises structural features of architectural density and centrality. Pavlovich's (2003) research enables the understanding of the importance of relational connectivity with networks. However, it also points to the need for further research in understanding how this connectivity and process information exchange can assist organisations in building stronger coherency with destination networks and beyond. This approach also helps to move the focus away from a single firm to one that looks at the network which is more appropriate to the tourism industry. Overall, network theory opens more avenues to enable the understanding and study of stakeholders as well as the understanding of the characteristics of the destination too. Previously with resource-based power, it was difficult to explain intermediaries or 'gatekeeper's' power. Now with the help of network centrality, specifically betweenness centrality 'network-based power' can be explained. Overall, network theory adds an extra dressing to the stakeholder relationships and enables them to be better understood. Thus power as an attribute can be studied in two different ways: *resource-based power* and *network-based power*.

However, possession of power does not necessarily imply its actual or intended use nor does possession of power imply consciousness of such possession by the processor or 'correct' perception of objective reality by the perceivers. An entity may possess power to impose its will upon a firm but unless it is aware of its power and willing to exercise it, it is not a stakeholder with high salience. Mitchell *et al.* (1997) suggest that latent power exists in stakeholder relationships and the exercise of stakeholder power is triggered by conditions that are manifest in the other two attributes of the relationship: legitimacy and urgency. That is power by itself does not guarantee high salience in stakeholder relationships. Power gains authority through legitimacy and exercise through urgency.

### **3.5 Chapter Summary**

This chapter explored the characteristics of the power concept. Power in this context is defined as the ability of one entity to influence the behaviour of another entity. These powers can stem from a number of sources including resources and the network position. Thus power and resource dependence theories are interrelated. Ultimately, it is the result of being able to control the resources others need to carry out their businesses. This can be called as *resource-based power*. This chapter identifies key tourism resources including land, labour, capital, access to clients, and less tangible resources such as knowledge and expertise. These make resources as tradable and desirable goods for particular channel members.

The literature also identifies that resources are only effective if distributed and traded through a channel or network. Therefore, power can also stem from being positioned in a network in a way that controls the flow of resources. This can be described as *network-based power*. The literature identifies that network theory explains structure-based forms of power. It is the network centrality which determines network-based power. The introduction of network aspects to the tourism literature has proven to be very useful particularly because it moves stakeholder theory from single firm focus to the context of a multi-sector industry. Consequently, this chapter demonstrates the theoretical overlap between stakeholder theory and network theory. These issues are investigated in finer

detail in a tourism destination scenario in order to comprehend the phenomena within a multi-sector and dynamic industry setting. Finally, the literature hints at the possibility that power itself does not guarantee high salience in stakeholder relationships. Previous researchers in Chapter 2 have identified other two influential attributes in stakeholder relationships – legitimacy and urgency. Therefore, in the next chapter, a detailed study on these two attributes is conducted to help comprehend the situation better.

# Chapter 4

## Review of the Literature: Legitimacy and Urgency

### 4.1 Introduction

This is one of the most important chapters of the research because it not only takes into consideration the study of the two remaining stakeholder relationship attributes of legitimacy and urgency, which gained momentum in the previous chapters, but it also develops a conceptual framework to take the research further. The interrelationship of these attributes is also demonstrated in this chapter. This aids a greater understanding of the interactions of these complexly related attributes.

### 4.2 Legitimacy

Legitimacy is the legal, ethical and moral framework required for organisations and businesses to operate in society. Geddes (1999) emphasises that the operation of all businesses requires some knowledge of the law. He further stresses that this is of particular importance where a business involves regular contact with the general public. The tourism and hospitality industry clearly falls into this category and it is vital, for example, that the management of a successful hotel is aware of the legal framework within which it must operate. Geddes (1999) also mentions that there are many fields of law which have an influence on the conduct of the business. The fields of law which will be focussed on here are those which affect relationships among tourism stakeholders.

Fundamental to this is the law of contract (Hadjinicola and Panayi 1997; Geddes 1999). The law of contract regulates the rights and obligations of the parties who are dealing

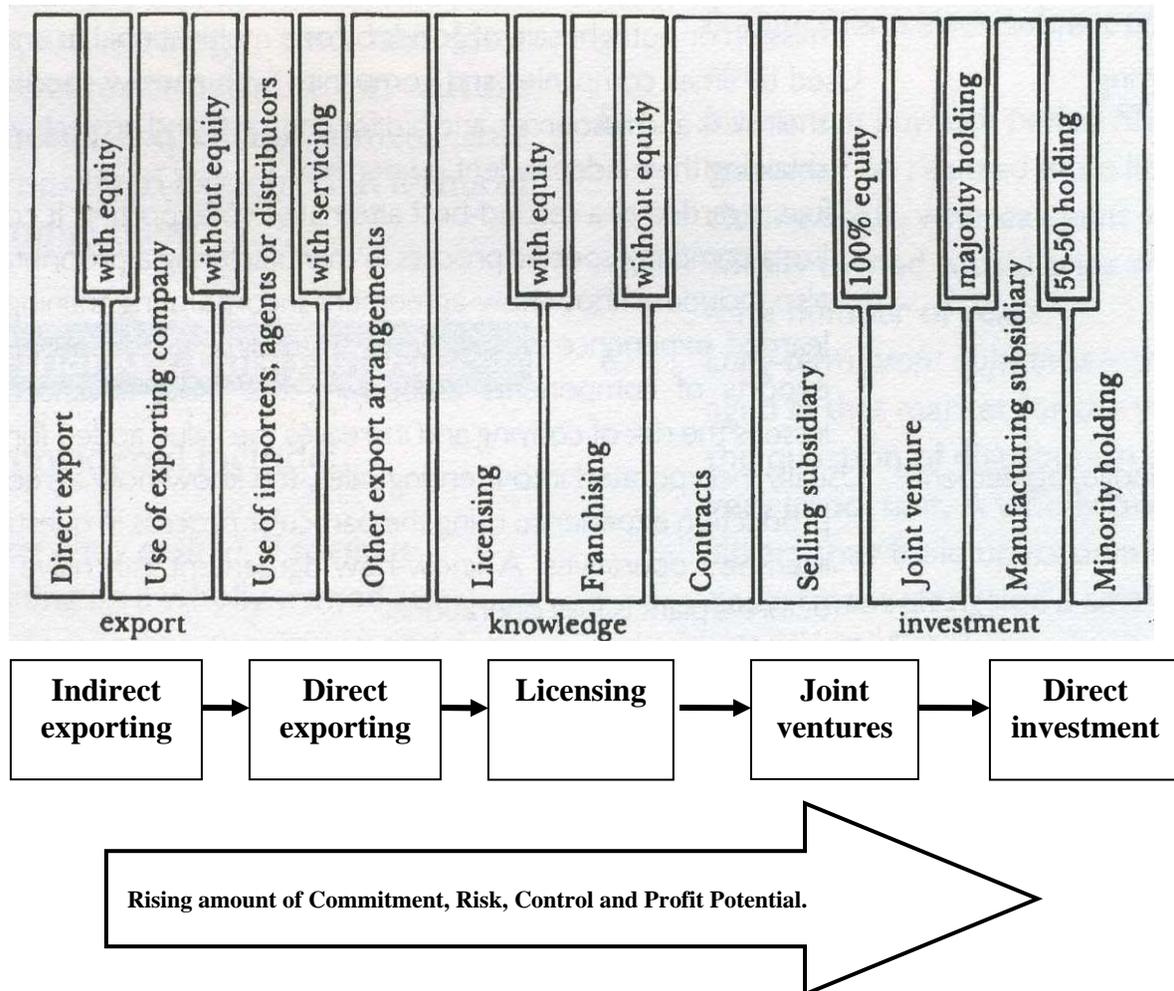
with each other and knowledge of the principles of contract law is important. A valid contract will not be constituted unless the parties to the contract are in agreement over its terms (Geddes 1999). Contracts require an offer by one party which is accepted by the other.

Eisenhardt (1989) describes a 'contract' as an appropriate metaphor for the relationships between the firm and its stakeholders. Contracts can take the form of exchanges, transactions, or the delegation of the decision making authority, as well as formal legal documents (Eisenhardt 1989; Jones 1995). The firm can thus be seen a 'nexus of contracts' between itself and its stakeholders (Jones 1995, p407). According to him top corporate managers, because they (a) contract with all other stakeholders either directly or indirectly through their agents and (b) have 'strategic position' regarding key decisions of the firm, can be considered the contracting agents of the firm. The firm is thus recast as a nexus of contracts between its top managers and its stakeholders. So, firms have relationships called contracts with many stakeholders.

For example, Robson and Robson (1996) suggest that the key principle of stakeholder theory is that a company, such as the tour operator, is granted a licence to operate by virtue of its social contract with stakeholders. As long as society sees a benefit in company activity, it will allow the company to operate and *vice versa*. It could also be a commitment for licensing to SMTEs (Small and Medium Sized Tourism Enterprises) or even a government's commitment to develop the place as a tourism destination. On the other hand, stakeholders enter into contracts for material benefits and commitments. Hadjinicola and Panayi (1997) find in their research that every year, tour operators and hotels sign contracts regarding the number of rooms required, prices, time limits (seasonality) etc.

Kotler (2003) refers that in general companies prefer to enter to a country or market that ranks high on market attractiveness and that is low in risk and commitment and, which possesses a competitive advantage. Once a company decides to target a particular market with which to have a relationship, mainly international, it has to determine the modes of

entry. Its broad choices are *indirect exporting*, *direct exporting*, *licensing*, *joint ventures* and *direct investment* (Figure 4.1). Each succeeding strategy involves more commitment and thus it shows the level of commitment in each stage.



**Figure: 4.1. Keyboard Analogy of International Strategies and Five Modes of Entry into Market**

Source: Adapted from Brooke 1996; Paliwoda and Thomas 1999; and Kotler 2003.

#### 4.2.1 Indirect Exporting

The normal way to get involved in a foreign market is through export. Occasional exporting is a passive level of involvement in which the company exports from time to time, either on its own initiative or in response to unsolicited orders from abroad. Active

exporting takes place when the company makes a commitment to expand into a particular market. In both cases the company produces its goods in the home country and might or might not adapt them for the foreign market. Companies can also decide to export indirectly or directly and often use exporting as a way to “test the waters” before building a plant to manufacture a product in an overseas location (Kotler 2003, p391).

Companies usually start with indirect exporting by working through independent intermediaries. Domestic based export merchants buy the manufacturer’s products and then sell them abroad. Domestic based export agents seek and negotiate for foreign purchasers and are paid a commission. Included in this group are trading companies. Co-operative organisations carry on exporting activities on behalf of several producers of primary products such as fruits and nuts. Export-management companies agree to manage a company’s export activities for a fee. Indirect export has two advantages. First, it involves less investment; the firm does not have to develop an export department, an overseas sales force, or a set of foreign contacts. Secondly, it involves less risk and commitment and, because international marketing intermediaries bring know-how and services to the relationship, the seller will normally make fewer mistakes.

#### **4.2.2 Direct Exporting**

A company may eventually decide to handle its own exports. The investment, risk and commitment are somewhat greater, but so is the potential return. According to Kotler (2003) a company can carry on direct exporting in several ways:

- Domestic-based export department or division: Might evolve into a self-contained export department operating as a profit centre.
- Overseas sales branch or subsidiary: The sales branch handles sales and distribution and might handle warehousing and promotion as well. It often serves as a display and customer service centre.
- Travelling export sales representatives: Home-based sales representatives are sent abroad to find business.

- Foreign-based distributors or agents: These distributors and agents might be given exclusive rights to represent the company in that country, or only limited rights.

### **4.2.3 Licensing**

Licensing is a simple way to become involved in international marketing. The licensor licenses a foreign company to use a manufacturing process, trademark, patent, trade secret, or other item of value for a fee or royalty (Kotler 2003). The licensor gains entry at little risk, the licensee gains production expertise or a well known product or brand name. Licensing has potential disadvantages as well. The licensor has less control over the licensee than it does over its own production and sales facilities. Furthermore, if the licensee is very successful, the firm has given up profits, and if and when the contract ends, the company might find that it has created a competitor. To avoid this, the licensor usually supplies some proprietary ingredients or components needed in the product, but the best strategy is for the licensor to lead in innovation so that the licensee will continue to depend on the licensor.

There are several variations on a licensing agreement. Companies such as Hyatt and Marriott sell ‘management contracts’ to owners of foreign hotels to manage these businesses for a fee. The management firm may even be given the option to purchase some share in the managed company within a stated period. Another variation is contract manufacturing, in which the firm hires local manufacturers to produce the product. Contract manufacturing gives the company less control over the manufacturing process and the loss of potential profits on manufacturing. However it offers a chance to start faster, with less risk and commitment, and with the opportunity to form a partnership or buy out the local manufacturer later. Finally a company can enter a foreign market through franchising, which is a more complete form of licensing. The franchiser offers a complete brand concept and operating system. In return the franchisee invests in and pays certain fees to the franchiser. McDonald’s, KFC etc have entered scores of countries by franchising their retail concepts.

#### **4.2.4 Joint Ventures**

Foreign investors may join with local investors to create a 'joint venture' company in which they share ownership and control. For example Coca Cola and Nestlé joined forces to develop the international market for "ready to drink" tea and coffee which currently sell in significant amounts in Japan (Kotler 2003, p392). A joint venture may be necessary or desirable for economic and political reasons. The foreign firm might lack the financial, physical or managerial resources to undertake the venture alone, or the foreign government might require joint ownership as a condition for entry. Even corporate giants need joint ventures to crack the toughest markets. When it wanted to enter China's ice cream market, Unilever joined forces with Sumstar, a state-owned Chinese investment company. The venture's general manager says Sumstar's help with the formidable Chinese bureaucracy was crucial in getting a high tech ice cream plant up and running in just 12 months (Kotler 2003).

Joint ownership has certain drawbacks. The partners might disagree over investment, marketing or other policies. One partner might want to reinvest earnings for growth and the other partner might want to declare more dividends. Joint ownership can also prevent a multinational company from carrying out specific manufacturing and marketing policies on a worldwide basis.

#### **4.2.5 Direct Investment**

The ultimate form of foreign involvement is direct ownership of foreign based assembly or manufacturing facilities (Kotler 2003). The foreign company can buy part or full interest in a local company or build its own facilities. If the market appears large enough, foreign production facilities offer distinct advantages. First, the firm secures cost economics in the form of cheaper labour or raw materials, foreign government investment incentives and cargo savings. Secondly, the firm strengthens its image in the host country because it creates job. Thirdly, the firm develops a deeper relationship with government, customers, local suppliers and distributors, enabling it to adapt its product better to the local environment. Fourthly, the firm retains full control over its investment and can, therefore, develop manufacturing and marketing policies that serve its long term

international objectives. Fifth, the firm assures itself access to the market in case the host country starts insisting that locally purchase goods have domestic content.

The main disadvantage of direct investment is that the firm exposes a large investment to risks such as blocked or devalued currencies, worsening markets or expropriation. The firm may find it expensive to reduce or close down its operation because the host country might require substantial severance pay to the employees.

By thinking of foreign markets as tourism destinations and the firms as the stakeholders, then these strategies can be used to examine and evaluate the tourism system. Stakeholder's legal written contracts through their trading activities towards the very destination can be measured through those modes of entries. The primary research into the case study destination will explore the mode of entry of stakeholders and this will show the level of their involvement in tourism in the city. However, to simplify the concept of 'contracts' and apply them within a tourism destination scenario, the researcher classifies them as follows:

- **Transactional** (occasional business).
- **Contractual** (has a written contract on anything, i.e. numbers, prices, timescale etc).
- **Investment** (joint venture, acquisition, new build etc).

Geddes (1999) finds in his research, concentrated mainly in European countries, that although it is not always necessary for a contract to be made in writing, there are certain requirements which must be met for a valid contract to be constituted. The parties entering into the contract must have a legal capability to enter such relations. There must also be agreement between the parties and an intention to be legally bound. In addition contracts must not be for an illegal purpose.

However, Geddes (1999) also stresses that regardless of whether or not a contract exists the law places an obligation of conduct on everyone to conduct themselves in a manner

which should not cause harm to others. Hill and Jones (1992, p152) define stakeholders as “*constituents who have a legitimate claim on the firm*”. According to Mitchell *et al.* (1997) ‘legitimacy’ also refers to those behaviours that are “accepted and expected” by society. Despite this common linkage Weber (1947) proposes that legitimacy and power are distinct attributes that can combine to create authority (legitimate use of power) but can exist independently as well. An entity may have a legitimate standing in society, or it may have a legitimate claim on the firm, but unless it has either power to enforce its will in the relationship or a perception that its claim is urgent, it will not achieve salience. This illustrates the importance in stakeholder salience theory of legitimacy as a separate attribute of stakeholder relationships. Suchman (1995, p580) defines legitimacy as:

*“A generalised perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed systems of norms, values, beliefs and definitions”.*

According to Mitchell *et al.* (1997) this represents a sociologically based definition of legitimacy and contains several descriptions that are useful in the approach to stakeholder identification. Therefore, the above definition can be used, recognising that the social system within which legitimacy is attained is a system with multiple levels of analysis, the most common of which are the *individual, organisational* and *social* (Table 4.1). Wood (1991) suggests this definition implies that legitimacy is a desirable social good, that it is something larger and more shared than a mere self perception, and that it may be defined and negotiated differently at various levels of social organisation. This facilitates further understanding of legitimacy in social context such as tourism industry networks.

**Table: 4.1. Principles of Corporate Social Responsibility**

**Source: Adapted from Wood 1991.**

<b>The Principles</b>	<p><b>Social Legitimacy</b> (Davis in Wood 1991): Society grants legitimacy and power to businesses. In the long run, those who do not use power in a manner which society considers responsible will tend to lose it.</p> <p><u>Level of Application:</u> <b>Institutional</b>, based on a firm's generic obligations a business organisation.</p>	<p><b>Public Responsibility</b> (Preston and Post 1975 in Wood 1991): Businesses are responsible for outcomes related to their primary and secondary areas of involvement with society.</p> <p><u>Level of Application:</u> <b>Organisational</b>, based on a firm's specific circumstances and relationships to the environment.</p>	<p><b>Managerial Discretion</b> (Carroll 1979 and Wood 1990 in Wood 1991): Managers are moral actors. Within every domain of corporate social responsibility, they are obliged exercise such discretion as is available to them, towards socially responsible outcomes.</p> <p><u>Level of Application:</u> <b>Individual</b>, based on people as actors within organisations.</p>
<b>Focus</b>	Obligations and Sanctions.	Behavioural parameters for organisations.	Choice, opportunity, personal responsibility.
<b>Value</b>	Defines the institutional relationship between business and society and specifies what is expected of any business.	Confines a business's responsibility to those problems related to the firm's activities and interests, without specifying a too-narrow domain of possible action.	Defines manager's responsibility to be moral actors and to perceive and exercise choice in the service of social responsibility.
<b>For example: Economic domain</b>	Produce goods and services, provide jobs, create wealth for shareholders.	Price goods and services to reflect true production costs by incorporating all externalities.	Produce ecologically sound products, use low-polluting technologies, cut costs with recycling.
<b>For example: Legal domain</b>	Obeys laws and regulations. Don't lobby for or expect privileged positions in public policy.	Work for public policies representing enlightened self-interest.	Take advantage of regulatory requirements to innovate in products or technologies.
<b>For example: Ethical domain</b>	Follow fundamental ethical principles (i.e. honesty, product labelling etc).	Provide full and accurate product use information, to enhance user safety beyond legal requirements.	Target product use information to specific markets (i.e. children, foreign speakers etc) and promote as a product advantage.
<b>For example: Discretionary domain</b>	Acts as a good citizen in all matters beyond law and ethical rules. Return a portion of revenues to the community.	Invest in firm's charitable resources in social problems related to the firm's primary and secondary involvements with society.	Choose charitable investments that actually pay off in social problem solving (i.e. apply an effectiveness criterion).

Tsai *et al.* (2005) in their research into business downsizing found that resource dependence theory alone did not adequately predict stakeholder influence strategy and therefore combined this with a legitimacy variable. Overall, like power, legitimacy is a

variable rather than a steady state: a dynamic attribute of the stakeholder relationships. If it is present, it is based upon a generalised virtue that is perceived by or attributed to a stakeholder at one or more social levels of analysis. Likewise, managers may have perceptions of stakeholder legitimacy that are at variance with the stakeholder's own perception. Like the power attribute, legitimacy's contribution to stakeholder salience depends upon interaction with the other two attributes: power and urgency. Legitimacy gains rights through power and voice through urgency. However, the existing literature doesn't give much insight into the sources and bases of this perceived legitimacy. The primary research in a tourism destination context with the tourism stakeholders may reveal some of the issues related to it.

### **4.3 Urgency**

Following on the dynamic approach it could be considered that urgency is the degree with which stakeholders' claims call for immediate attention in their relationships. Mitchell *et al.* (1997) suggest that to better understand 'The Principle of Who or What Really Counts', stakeholder relationships need to be evaluated systematically, both actually and potentially in terms of relative absence or presence of all or some of the attributes.

Mitchell *et al.* (1997, p867) propose that adding the stakeholder attribute of urgency helps move the relationship from static to dynamic. Jones (1993) and Mitchell *et al.* (1997) describe moral intensity as a multidimensional construct and argue that urgency is based on the following two attributes:

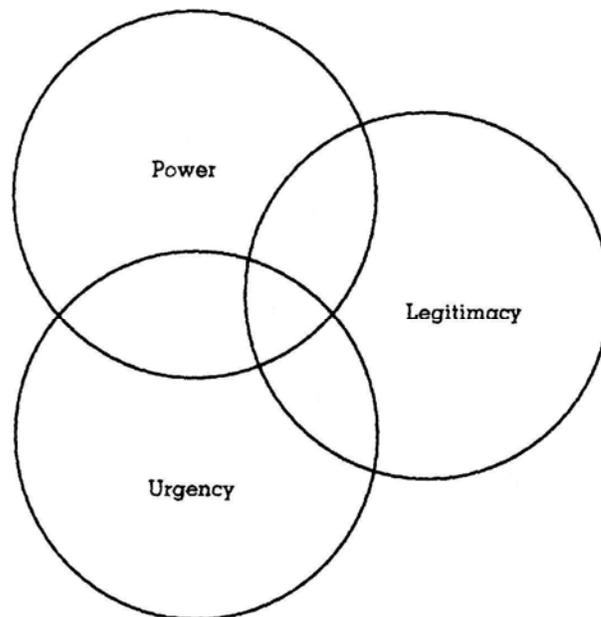
- (1) Time sensitivity - the degree to which managerial delay in attending to a claim or relationship is unacceptable to the stakeholder.
- (2) Criticality - the importance of the claim or the relationship to the stakeholder.

Urgency is also a socially constructed perceptual phenomenon and may be perceived correctly or falsely by the stakeholders in the firm's environment. Urgency by itself is not sufficient to guarantee high salience in the stakeholder relationships. However, when it is

combined with at least one of the other attributes, urgency will change the relationship and cause it to increase in salience. Especially, in combination with legitimacy, urgency promotes access to decision making channels, and in combination with power, it encourages one-sided stakeholder action. In combination with both, urgency triggers reciprocal acknowledgement and action between stakeholders (Mitchell *et al.* 1997). However, the literature does not explain why and how an urgent situation may occur; ‘the root cause’ which can be invaluable in addressing, evaluating and treating these issues in further details. Primary research in a tourism destination context may offer an opportunity to explore these issues in finer detail.

#### 4.4 Power Relations and Interrelationships

The relationships among the stakeholder key relationship attributes are explained by Mitchell *et al.* (1997) illustrated as a Venn diagram (Figure 4.2). Mitchell *et al.* (1997) suggest stakeholders can be identified by their possession or attributed possession of one, two or all three of these attributes.

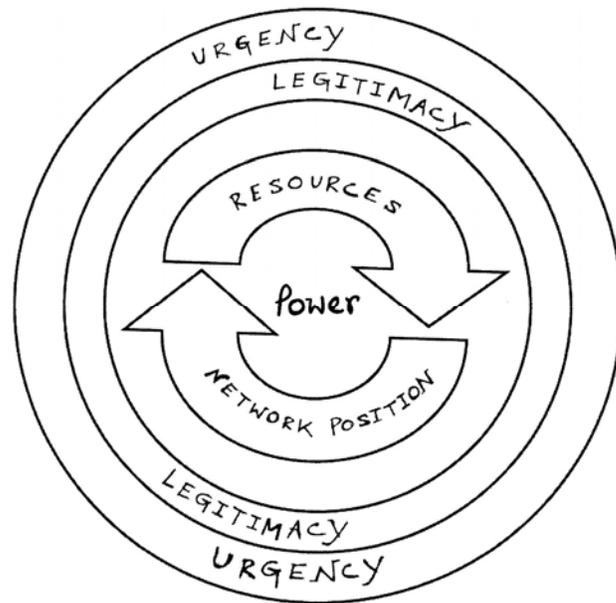


**Figure: 4.2. Stakeholder Relationship Attributes**

**Source: Mitchell *et al.* 1997.**

However, it can be argued that the above diagram is not particularly suited to tourism because it is a diverse and fragmented industry better described as a network of interlocking networks. Consequently the researcher has adapted the above diagram as illustrated below (Figure 4.3). Mitchell *et al.* (1997) focus their research on single firms. But, the tourism industry is different because it consists of a network of various organisations across the destination and beyond. Tourism stakeholders can accrue and have all three attributes present at the same time and are able to choose when to use them, if at all. The fact an organisation is a stakeholder means it has certain resources and also possesses legal and moral/ethical standing. The attribute urgency comes into action depending on how quickly stakeholders want to address an issue.

It can be observed from the analysis of the literature in Chapter 3 that resources and network-bases of power are intertwined. Stakeholders should have, or be able to accumulate, resources which are valued by another party and may wish to secure a nodal position in the network, the centrality of which will allow access to more resources. Thus, the cycle of resources and network centrality operates. However, power remains at the core of these activities (the Target diagram, Figure 4.3) because power is obtained through the possession and control of resources that are valued by another party. Thus power becomes the core of many activities. Figure 4.3 is more appropriate to the tourism destination scenario in order to comprehend interactions of stakeholder relationship attributes than Figure 4.2.



**Figure: 4.3. The Interaction of Stakeholder Relationship Attributes**

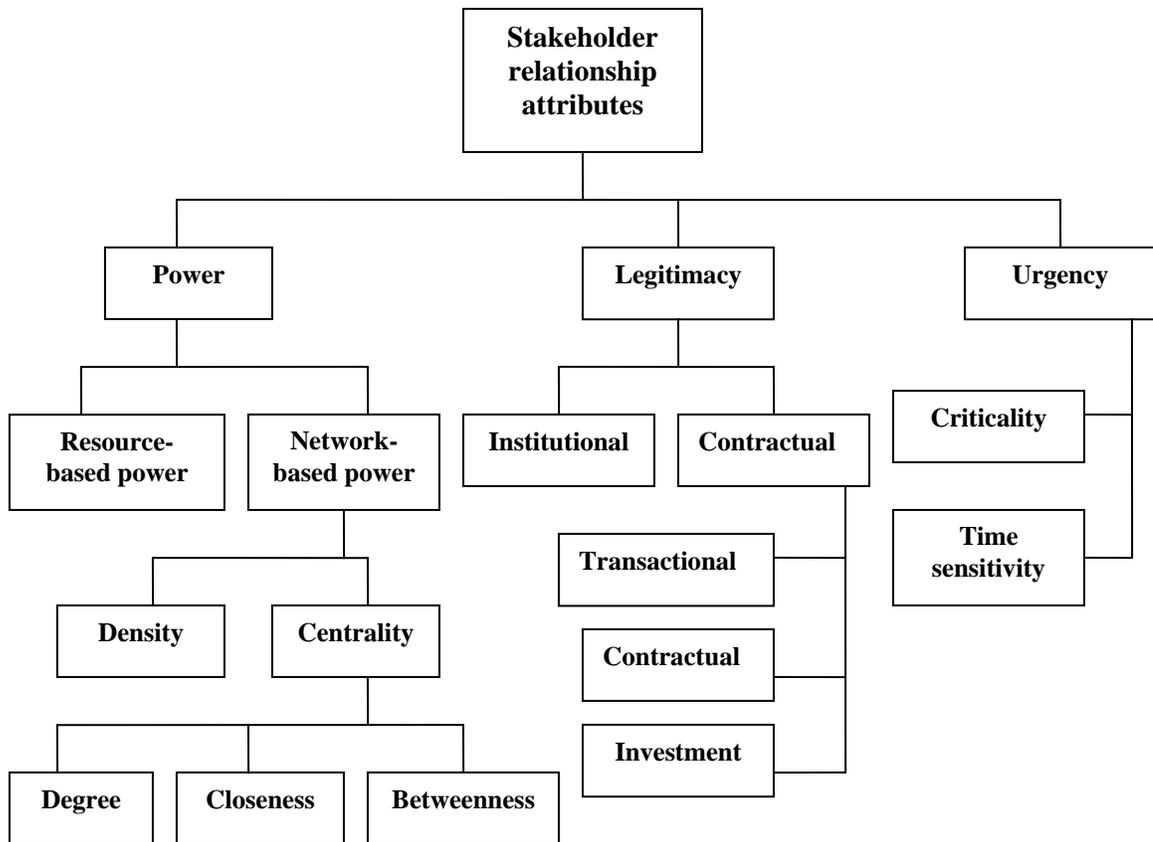
**Source: Author**

It has also been found from the literature that all the activities in a destination are bound by legal actions and the codes of mutually accepted behaviour of that particular destination. Legitimacy decides if an action is legal, moral and/or appropriate. At the outer layer of this framework is urgency. Urgency makes relationships dynamic. Urgency is also a socially constructed perceptual phenomenon but by itself it is not sufficient to guarantee high salience. Stakeholders may have power and/or legitimacy but unless an issue needs attention, they will not take any action towards it.

Power gains authority through legitimacy and exercise through urgency. Legitimacy gains rights through power and voice through urgency. It is also found that urgency combined with legitimacy promotes access to decision making and combined with power, urgency triggers reciprocal acknowledgement and action among stakeholders. Thus it will be useful to study how these attributes interact within the daily operations between stakeholders in a tourism destination scenario in creating effective power.

To summarise the review of the literature, and to view the study in a logical way, a conceptual framework is drawn (Figure 4.4). This figure demonstrates the threads of different theories, concepts and ideas pulled together and used to guide this particular piece of research. As Walker and Avant (2005) describe, concepts and theoretical frameworks provide a way in which to clarify and provide a foundation for practice and research in order to make the investigation meaningful and worthwhile. Without this clarity, decisions about the research design and later the interpretation of the findings can become muddled.

Figure 4.4 identifies the main stakeholder attributes and the use of these attributes through bases of power in stakeholder relationships. There is an urgent need for this framework to be explored in practice in a tourism destination. To evaluate the framework stakeholders need to be approached in the destination who is involved in the activities set out in the Six As model, (*Attraction, Accessibility, Amenities, Available Package, Activities and Ancillary Services*).



**Figure: 4.4. The Conceptual Framework of the Research**

**Source: Author**

### **4.5 Chapter Summary**

This chapter closely studies the remaining two attributes of legitimacy and urgency in stakeholder relationships. Interestingly, it finds that, in social networks, power is limited by ethical constraints – either through regulations embodied in laws or in mutually accepted codes of behaviours. These sources of influence are termed legitimacy. Thus legitimacy can also refer to the legal standing of the stakeholders to establish their organisations, undertake business and engage in trade with others in the system. By the same token legitimacy can therefore be broken into contractual legitimacy and institutional legitimacy. Contractual agreements include transactional, contractual and investment types and institutional legitimacy refers to the rules of the society which are accepted and expected by the society.

Then the study proceeds to the climax of these relational attributes. Literature introduces the fourth attribute of this research in stakeholder relationship management. It is urgency which moves stakeholder relationships from static to dynamic ones. Arguably, urgency is the most important stakeholder relationship attribute. According to the literature the attribute urgency is the degree with which stakeholders' claims call for immediate attention within a relationship. It finds that urgency is influenced by the time sensitivity and criticality of the issue under the spotlight.

The interrelationships between stakeholder attributes are then examined and developed using the model created by Mitchell *et al.* (1997, Figure 4.2). It can be observed from Figure 4.3 that resource power enables a stakeholder to become a member of a network and ultimately helps that stakeholder to access more desirable resources. Therefore, network position and resources are interrelated. The activities of stakeholders are judged by the law of the land and the very society stakeholders' deal with creating the attribute of legitimacy. It is the attribute urgency that makes the relationship between stakeholders dynamic rather than static. Stakeholders may have resource, network and legitimate bases of power, but if the issue is not urgent, then they remain dormant. Thus urgency plays a crucial role in stakeholder relationships.

On a positive note, this chapter throws together these relational attributes to construct a conceptual framework which has been developed solely from a review of existing research. The framework includes attributes from existing literature and concentrates them on tourism stakeholders using the model of Six As. The framework also provides a useful foundation on which to carry out primary data collection in a chosen tourism destination area. The next chapter will concentrate on a case study of the tourism destination where the primary research will take place.

# Chapter 5

## Case Study Chapter: Agra, India

### 5.1 Introduction

This chapter introduces the reader to the case study destination of this research project. Agra, India is one of the honey pot tourism destinations drawing millions of tourists each year. The importance and justification of choosing Agra as a case study area is given in the following chapter.

### 5.2 The Research Context

The world's largest democracy, and second most populous country (more than 1.15 billion, UN 2008), India, has emerged as a major power after a period of foreign rule and several decades during which its economy was virtually closed. From the late 1980s India began to open up to the outside world, encouraging economic reform and foreign investment. It is now courted by the world's leading economic (rising around 7% per annum) and political powers, including China and Brazil (Bhattacharya and Narayan 2005; BBC News 2006). In contrast, Michael Carter, the World Bank's Country Director for India says the country occupies two worlds simultaneously:

*“In the first, economic reform and social changes have begun to take hold and growth has had an impact on people's lives, opportunities have opened up. In the other, citizens appear almost completely left behind by public services, employment opportunities and brighter prospects. Bridging the gap between two India is perhaps the greatest challenge facing the country today”* (World Bank 2005).

There is a widespread acknowledgement of the fact that tourism is a fast growing industry globally and that its impact on the economy is significant (Raguraman 1998). Tourism in India has emerged as the third largest export industry after gems, jewellery, and ready-made garments for the country (Raguraman 1998). Moreover, according to Centre for Monitoring the Indian Economy (CMIE), the tourism industry in India has been ranked fourth behind textiles in earning foreign exchange revenue since 1999 (Bhattacharya and Narayan 2005). For developing countries having large populations, such as India, this is particularly important as tourism is known to create relatively more jobs for the semi-skilled and unskilled compared to job requirements in other export industries (Singh 1997; Chaudhury 1999).

The worldwide travel and tourism industry generates 25m jobs (6% of overall employment), ranking second in the world (Dhariwal 2005). On top are worldwide receipts from international tourism which reached nearly £630 billion in 2008, and ‘UNWTO Tourism 2010 Vision’ projects that international arrivals are expected to reach nearly 1.6 billion by the year 2020 (UNWTO 2010). By the same token, the share of South Asia is expected to rise significantly. Therefore, Sreekumar and Parayil (2002, p529) pronounce that government and bureaucracy organisations now project tourism as ‘*an engine of growth*’: an excellent source of foreign exchange and employment to revive the local economy. In relation to that a former Prime Minister of India, Mr. Vajpayee, at a Ministerial conference in October 2001 stated:

*“Tourism is a major engine of economic growth in most parts of the world. Several countries have transformed their economics using the tourism potential to the fullest. Tourism has great capacity to create large scale employment of drivers kind- from the most specialised to the unskilled and all of us know that generation of massive productive employment is what India needs the most”* (Dhariwal 2005, p188).

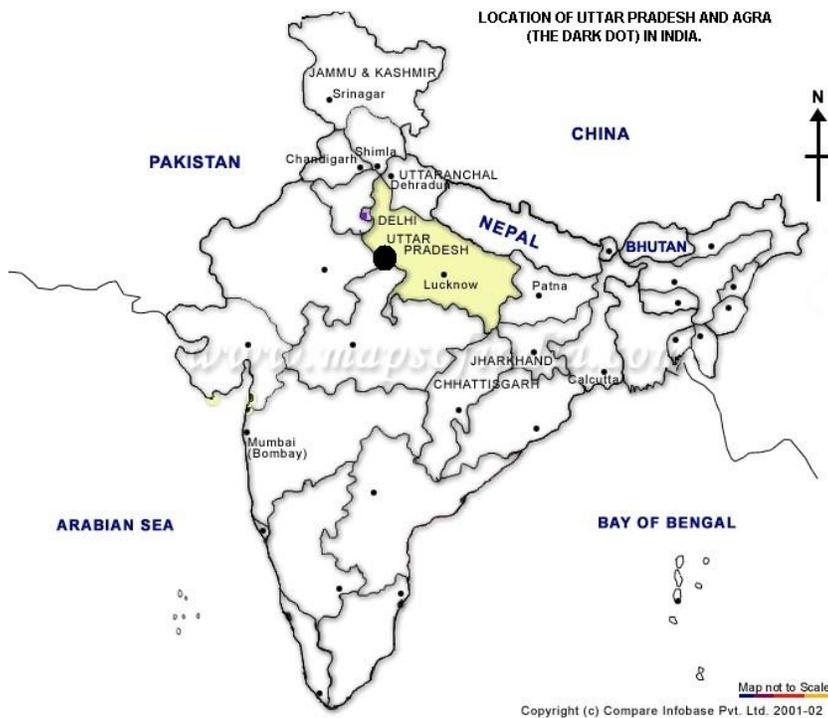
India is the only country in the world where citizens communicate in more than 23 completely different official languages. A vast diversity of people, culture and landscape

can be found in India. Maikhuri *et al.* (2001, p356) states India is recognised as one of the four ‘*mega-diversity*’ countries in Asia. This mega-diversity of culture and language may pose intricacy, such as in communication, but it has advantages too. In fact, many westerners travel to India because it is culturally different (Hottola 2005). Chaudhury (1999) describes India as a sprawling mosaic of snow covered mountain ranges, plains, forests and scorching deserts. Its varied regions have diverse inhabitants who are descendents of central Asia, near Eastern and European races. India, with its cultural, spiritual and natural richness, offers an experience unparalleled in any other country: tradition, lifestyle, cultural heritage and colourful fairs and festivals all serve to make India a unique tourism destination. However, all these attributes and characteristics within one country contribute to complications in the operation and management of people and commerce. A hint of which can be found in the quote below.

*“One fails to understand why this position is persisting despite the most mosaic personality of the Indian nation. India is a land of spectacular landscape, enhancing the coastline, colourful seasons, wildlife paradise, aesthetic and exquisite traditions of architecture and a land of rich music and dances.....The above versatile characteristics of India attracted many voyagers to our country but today our tourism industry is not keeping pace with the volume of trade elsewhere in the world”* (Raguraman 1998, p533).

Therefore, there is an urgent need both for the public and private sector tourism organisations in Indian destinations to study stakeholder relationships and how the individual and group stakeholders influence the operation of tourism. This may enhance the effectiveness of the individual stakeholders and the industry as a whole. Therefore, understanding the relationship between these stakeholders may help to understand of a destination and its characteristics and how tourism developed and how it is managed both in the present and the future. India as an extremely diverse nation and consequently its characteristics further complicate stakeholder relationships which make it an interesting country in which to undertake such research and studying those relationships should reveal useful findings.

Uttar Pradesh (UP), one of the 28 states of India, is one of the busiest with respect to tourism activities. With over 166 million inhabitants, UP is the most populous state in India and is also the most populous sub-national entity in the world (Source: <http://www.up-tourism.com>). UP attracts a large number of both national and international visitors. Therefore central government has a particularly vested interest in UP. Central government deploys many tourism offices throughout UP to facilitate the visitor experience. Unlike other states in India, the Central government keeps a close eye on the activities and development within UP through their Archaeological Survey Department and India Tourism Offices. However day-to-day activities are largely left on the local government. There are two regions in the state where the majority of tourists go. These are the historic city of Agra and the holy cities. Agra (area 82 sq km; population 1400000 according to 2001 Census) is one of the 15<sup>th</sup> districts in UP (Agra Calling 2006). The location of Agra is shown in Figure 5.1. Agra receives the lion's share of tourist numbers and foreign exchange earnings of the country.



**Figure: 5.1. Agra. Uttar Pradesh, India**

**Source: Google Map of India, 2009**

The Agra district is named after the ancient city of Agra which lies on the southern bank of Yamuna (the second largest influential river in India after the Ganges) and about 210 km from the capital New Delhi. It achieved prominence as the capital of the Mughal sovereigns from 1526 to 1658 and remains a major tourism destination because of its many splendid historic buildings, most notably the Taj Mahal, the Red Fort, and Fatehpur Sikri, all three of which are UNESCO World Heritage Sites. Taj Mahal (or, as locals call it; the Taj) is India's most celebrated monument. Agra is globally renowned as the city of the Taj which is the crowning glory of that city; the Taj is a monument of love and imagination that represents India to the world. The Mausoleum complex is hailed as the finest example of Mughal architecture, a blending of Indian, Persian and Islamic styles. The intensity of the Emperor's love towards his wife is carved in white marble as the most beautiful and wondrous expression of love ever which has been described as:

*“too pure, too holy to be the work of human hands- a poem in marble - lovely beyond description - incomparable in India and in the world”* (Chand 1944, p1).

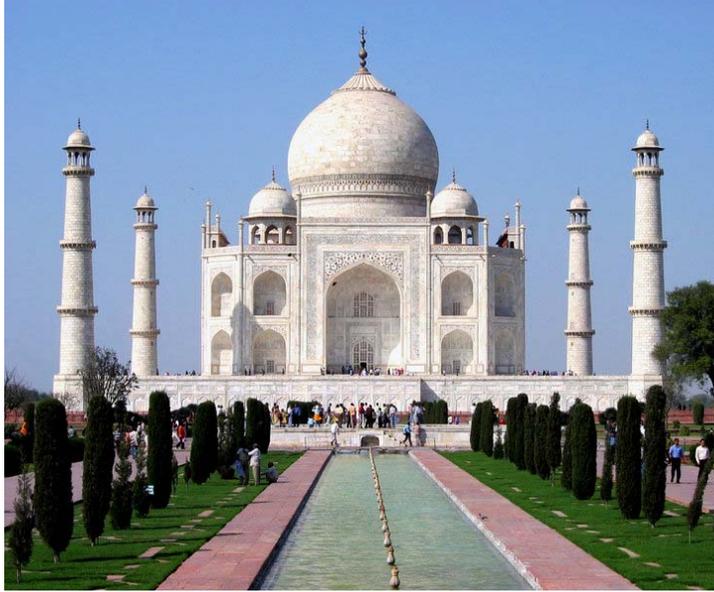
The Taj is also identified by the *National Geographic Traveller* as one of two ‘must see’ spots in India (Kerala being the other) in the list of 50 such places across the world, a fact also advertised by the Department of Tourism (Sreekumar and Parayil 2002). The Indian government markets Agra to the rest of the world as a sophisticated, luxurious and man-made paradise on earth. These praises help to attract more tourists to the region. The tourist map of the city of Agra is illustrated in Figure 5.2.



**Figure: 5.2. The Tourist Map of Agra City**

**Source: Uttar Pradesh Tourism, 2009**

Standing tall and gracefully in its glory and splendour, the beauty of the Taj (Figure 5.3) can be discovered and rediscovered time after time for it not only changes colour according to the time of the day but also with every season. The splendid Taj sparkles like a jewel on a starlit night as the semi-precious inlaid stones reflect the glow of moon. However, it is on a full moon night that the silver brilliance of the Taj becomes evident. The sight is indeed mesmerizing to visitors. These aspects help to illustrate time factors (day and night), and seasonality of visits to the monument. Tourist numbers may fluctuate, but the Taj remains a year round destination for tourists.



**Figure: 5.3. The Taj Mahal, Agra, India**

**Source: Uttar Pradesh Tourism, 2009**

Associated with the rich Mughal era, this magnificent edifice is testimony to the highest stage in the evolution of a Tomb not only in India but across the world. It is here that the art capabilities of the Indian builder under the Mughal are seen at their best. Bill Clinton, former President of the USA, mentions the Taj as ‘where Gods and Nature meets’. During his visit to the Taj he was spellbound:

*“The world is divided in between those who have seen the Taj and those who have not”* (Press Release India, Deccan Herald 21<sup>st</sup> September 2003). Unfortunately, he also mentions that *“pollution has managed to do what 350 years of war, invasions and natural disasters have failed to do. It has begun to mar the magnificent walls of the Taj Mahal”*.

Over the past two decades the fate of the country’s foremost tourist attraction has repeatedly come into the spotlight. Time and time again experts have warned that environmental pollution is eating away at the monument and discolouring its once translucent white marble. It is harming India’s most prized tourist attraction. However, the prescription to control pollution by relocating a number of industries around the

protected Taj Trapezium Zone (TTZ), a 10,400 sq km area around the monument, is putting conservationists and environmentalists against business interests and unions (Rajalakshmi 2000).

Because of the presence of the three UNESCO Heritage Sites, the government had to choose between the monuments and the thousands of workers employed by the heavy industries and the factories in and around Agra. The stakes are so high that the case is being fought out in the country's Supreme Court. These industries/factories include Matura Oil Refinery, iron foundries, glass factories and brick kilns, which use coal and produce harmful thick black smoke. As Rajalakshmi (2000) describes sulphur dioxide emissions from industries in the area have reached levels ten times above the prescribed standard level on many occasions. Consequently, when combined with oxygen and moisture, sulphur dioxide settles on the surface of the tomb and corrodes the marble forming a fungus that experts refer to as '*marble cancer*'. Pollution was also affecting the health of workers and people living in Agra.

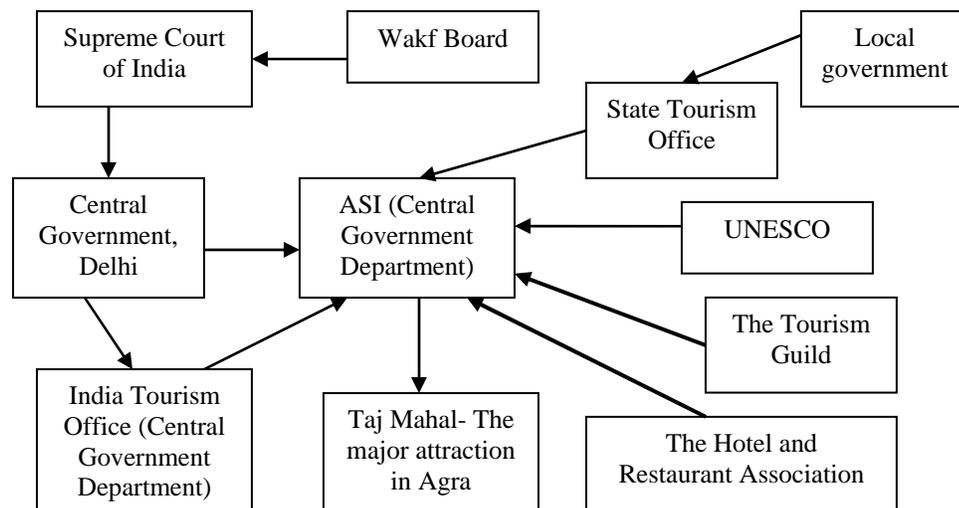
In 1996, the Supreme Court of India finally ruled that all the industries contributing to air pollution have to install pollution control devices (Sterling Machine Tools). They had to switch to natural gas or relocate their factories by 1997. On the installation and ongoing maintenance of pollution control devices is expensive. Some of the industries were not ready to shift from coal to natural gas. Some of them had to move elsewhere and some of them could not afford to do anything so they just closed down. The Indian government also ruled that factories which opted for relocation would be obliged to re-employ workers under favourable terms and to give them a one year bonus. And if their plant were to close down, workers would be entitled to six years worth of wages in compensation. As a result of the legislation laid down by the government, some companies ended up having to go bankrupt. It appears that no-one considered the legislation and its consequences from the point of individual companies and their workers.

Industries aside, the Taj is an economic asset in and of itself; more than two million (2.2m in 2004; 2.4m in 2005; 2.5m in 2006 – both domestic and international ticket sales numbers from the ASI) tourists visit the Taj every year making it a major source of revenue and foreign exchange for the region (Agra Calling 2006). It keeps hotels, restaurants, souvenirs shops etc. thriving. It became evident that the only industry which could flourish easily in Agra is tourism. Within a few years those people made jobless through the removal of the polluting industries began to understand that and they had to make a living too. So they had little choice but to diversify, with their compensation money, into tourism related businesses. Friends and families got together and opened tourism businesses such as hotels and restaurants. Some opened souvenir shops and the rest of them rushed for hospitality jobs. However, there was no systematic way of building these new establishments. The streets became over crowded with the new tourism businesses. Consequently Agra became crowded with businesses and workers that had little or no experience in the field of tourism. Like every industry, tourism requires professionals and effective communication. Without much industry specific knowledge all these businesses suddenly become the stakeholders in Agra tourism. The image and landscape of Agra changed forever because of the immense growth of tourism businesses in the city within a very short time. These issues further contribute to the complicated operation and management of the place both for management organisations and the authorities (Agra Calling 2006; <http://www.up-tourism.com>).

Besides these pollution and development problems, there are other issues attached to Agra as a tourism destination. At the destination level the Taj is looked after by the Archaeological Survey of India (ASI). ASI is a central government department. Therefore, central government based in Delhi has an influence on activities concerning the Taj. The Taj was built by a Muslim king and as a result of that, a Sunni Muslim group called the Wakf Board demanded the right to run the Taj as a Muslim shrine. The case went to the Supreme Court of India (SCI). Consequently, the administration of the Taj is now overseen by the SCI and the Wakf Board is allowed to input into activities surrounding the Taj. The maintenance of the Taj is undertaken by the ASI with the consent of both central government and the SCI. At the destination level, ASI consults

with state government departments including the state tourist office for their support in the Taj related activities. External organisations such as UNESCO are also accountable for the wellbeing of the Taj.

This make Agra a destination where the major attraction, the Taj, is outside the control of local policymakers – a situation replicated in many other major attractions of the world such as Victoria Falls, Stonehenge and the Great Wall of China. This makes the management of the Agra destination complex. For these reasons, authorities in Agra would sometimes try to impose regulations which do not always favour tourism businesses. As with other destinations, to militate against these issues, people formed groups and associations to protect their interests and needs against outside forces. Among all those apex bodies, pressure groups and private organisations two have a prominent role to play in the development of tourism in Agra. They are the Hotel and Restaurant Association (the Association) and the Tourism Guild (the Guild). This does not mean that Agra lacks state intervention, but simultaneously other stakeholder groups are also powerful enough to raise a voice. Consequently, the operation of the Taj is influenced by many organisations and groups at the local, national and global level (Figure 5.4).



**Figure: 5.4. Organisations That Can Actively Influence the Operation of the Taj**

Source: Author

The Guild is an apex body across the industry including leading hotels, restaurants, TO, TA and emporiums of Agra. The Guild has 40 members overall and works as a spokesman for the hospitality trade of Agra. It continually lobbies the state and central government in an effort to obtain the resources its members feel the city and the tourism industry of Agra deserve. Registered under the Society Registration Act the body was formed in 1982. Through its own efforts in the city, the Guild has managed to create an understanding of tourism in the minds and bodies of the people of the region. The body also, along with the government agencies and sustainable tourism in the region, has the vision to make Agra a world class tourism destination (Agra Calling 2006). It has an Executive Committee of nine people who meet monthly. These nine people have to host the meeting mainly in their business establishments and make necessary arrangements. They can have issue based meetings as well if necessary. However, at least four times a year all the members get together to talk. From this platform they discuss tourism development issues in general along as well as individual problems.

The Association is also an independent private organisation. Only hotel and restaurant owners can be members. Overall, it has 100 plus members and is also recognised by the government. Its committee is formed of seven people who meet on the 15<sup>th</sup> day of every month. Each committee member has to bear the cost of the meetings which are held in their own properties. Like the Guild, the Association discusses city-wide tourism issues as well as individual issues. Examples of city-wide tourism issues include: the education of taxi drivers in Agra; deployment of tourism police; issues surrounding the airport; tourism land; the cleanliness of the city and issues relating to the Taj. Examples of individual issues are specific to individual establishments and include: safety and security of premises; dealing with customers; dealing with outside forces (such as tour operators, travel agents, hotels) and the day-to-day operation of individual businesses. These issues are studied in details in Chapters 7, 8 and 9.

Both bodies have specific membership. In Agra tourism establishments can be members of the Guild or the Association, members of both or members of neither of them. The Guild and the Association deal with both foreign and domestic tourists. However, the

class of tourist dealt with by each organisation differs considerably. Guild members deal mostly with upmarket quality tourists. Association members deal mostly with backpackers (some of whom often stay in India for up to six months), students, budget, and long-stay tourists.

Overall, the management and development of Agra as a destination is overseen by central government, ASI, local government, tourism offices and local businesses. Without a doubt the tourism trade associations also have their say in Agra. This makes the management of the destination complex but one which has advantages for a researcher. It is an area where interaction and conflicts of interest between rival stakeholder groups and individuals is a matter of controversy and debate among members of the tourism industry. This means that participants are able, ready and indeed eager to articulate their views on their relationships with other stakeholders and authorities, making it easier for the researcher to gain rich data on their perceptions on the topic.

### **5.3 Chapter Summary**

In Agra, tourism plays a crucial role in economic development mainly in terms of employment and improving infrastructure. This is why authorities and locals get involved in, and encourage, tourism related activities. Conversely, according to Raguraman (1998), tourism in India is almost an '*invisible*' industry in the sense that there is limited understanding and appreciation of its tremendous economic potential and its wide ranging impacts. Attention from the Government as well as the local tourism industry is needed to encourage the healthy growth of tourism in India. It is imperative that there is coordination and cooperation within the tourism system. Stakeholders need to understand each other and have a happy and healthy relationship. This would send a positive message to everyone including the tourists too. Therefore, understanding tourism stakeholder relationships in Agra becomes paramount in order to manage them effectively, and to ensure the smooth running of the place. Thus, a detailed survey to study and comprehend the phenomena in the Agra tourism network will be undertaken as part of this research. The next chapter discusses and evaluates different techniques and approaches to advance the investigation further.

# Chapter 6

## Research Methodology

### 6.1 Introduction

This chapter examines the various methodological considerations that could be used to explore the research objectives. In doing so, it discusses the advantages and disadvantages of those methods. Having justified the adoption of the approach, it further explains the theoretical assumptions behind real life experiences, the use of a case study method to understand the phenomena of the interactions of stakeholder relationship attributes.

### 6.2 Methodological Approaches Used in the Past in Similar Research

There have been theoretical, empirical and mixed studies conducted in relation to stakeholder theory and its development over the years. Most, however, were conducted in non-tourism business environments. One of the influential authors in this research project is Mitchell *et al.* (1997) who did not conduct empirical research to study the stakeholder relationship attributes of power, legitimacy and urgency. Their study is purely deductive in nature. Agle *et al.* (1999) took the opportunity to test empirically the model produced by Mitchell *et al.* (1997) as it applies to specific decisions made by chief executive officers in various companies. Agle *et al.* (1999) conducted their research through postal surveys and telephone interviews. Subsequently, Friedman and Miles (2002) used both Mitchell *et al.* (1997) and Agle *et al.* (1999) concepts to develop a model which combines stakeholder theory with a realist theory of social exchange and differentiation. Friedman and Miles (2002) take the case studies involving Greenpeace to analyse the situation using, archival data, newspapers and internet resources as the main source of information for their research.

Frooman (1999) is one of the few researchers to consider resource dependence theory to investigate what type of influence strategies are available to stakeholders and what determines the type of strategy a stakeholder chooses to use. Frooman builds his case using theory. Pajunen (2006) went a step further and found resource dependence analysis only focuses on the nature of the resource relationship and therefore the network perspective is needed in order to completely comprehend the phenomena. Pajunen's (2006) research investigated the most influential stakeholders within an organisation the best way of handling them in order to help the organisation survive. The methodological approach of the study was an interpretive historical case analysis (Miles and Huberman 1994) which is a research strategy particularly suitable for the examination of relatively long processes such as organisational declines and turnarounds. Pajunen (2006) studied both personal and business archives of the companies under investigation.

However, Pajunen (2006) did not take into account the legitimacy of stakeholders – a point which is argued by both Wood (1991) and Tsai *et al.* (2005). Wood's (1991) study defined corporate social performance (CSP) and reformulated the CSP model to build a coherent, integrative framework for business and society research. Similar to that of Pajunen (2006), Wood's (1991) study on institutional legitimacy and public responsibility did not include any primary data collection. Tsai *et al.* (2005) found in their research on business downsizing decisions that legitimacy is one of the crucial elements in stakeholder theory. Tsai *et al.* (2005) conducted an empirical investigation because of the complex cognition and human interaction involved in the event of a corporate downsizing. They learnt from their research that a qualitative approach is a better tool to use when examining the uniqueness and the causes of Human Resource Management practices. They conducted individual interviews, survey questionnaires, exploratory focus group interviews and semi-structured surveys. Pavlovich (2003) on the other hand is one of the few researchers who applied stakeholder and network theory to a tourism destination context. She examined the process of a tourism destination's evolution and transformation. It was a chronological study and case data were collected over a 5 year period (1996-2000). A mixture of interviews, archival data and personal observations

were used to gather information from the 12 firms located within the destination in question.

The network analysis and tourism studies conducted by Scott *et al.* (2008) illustrate a broad methodological approach. They suggested that both qualitative and quantitative approaches can be appropriate to apply to social networks given that both the research question as well as the aim is compatible with the method. Scott *et al.* (2008) mentions that for quantitative studies mainly social network analysis techniques are used which are based on mathematical algorithms – i.e. counting the nodes and ties which exist in a network. On the other hand, Wilkinson and March (2008) move away from mere counting ties and take more a qualitative path to analyse social networks. Their research examined networks constructed to achieve marketing outcomes for individual stakeholders - outcomes which are also contingent on and intertwined with marketing initiatives aimed at promoting the overall destination. Wilkinson and March (2008) used a case study approach because they found that networks are complex social organisms, comprising formal and informal stakeholders, and only in-depth interviews with numerous individuals can adequately reveal the dynamics of relationships between stakeholders.

The above shows that a wide variety of research methodological approaches have been exploited by different researchers. These methodological approaches correspond with the particular research question and justifications are given by those researchers for choosing one method over another. Thus encourages this research to be conducted in Agra: firstly to study the research question, aim and objectives and then find appropriate ways to collect data that sets the Agra tourism destination in context.

### **6.3 Aim and Objectives of the Research**

The aim of the research is to develop a framework to understand and evaluate the implications of stakeholder relationships within a tourism destination in achieving effective power. To achieve this aim the research attempts to:

1. Evaluate the stakeholder concept including stakeholder theory and tourism stakeholders from the literature.
2. Critically evaluate stakeholder relationship attributes and their interrelationships.
3. Construct a conceptual framework of stakeholder relational attributes on the basis of the analysis of the existing literature.
4. Explore the conceptual framework in a tourism destination context.
5. Evaluate the influence of stakeholder relationship attributes and develop a framework to explain the interactions of these attributes in the operation of a tourism system at the destination level.
6. Identify and suggest implications of the research in the operation and development of tourism at different levels.

The first, second and third objectives are met by the review of the literature. The conceptual framework is then developed based on the primary analysis of the literature (the third objective). To meet the fourth objective, the researcher needs to examine the framework in the context of the Agra tourism network to facilitate the collection of primary data in the context of the Agra tourism industry, consequently meeting the rest of the objectives of the research.

## 6.4 Research Paradigm

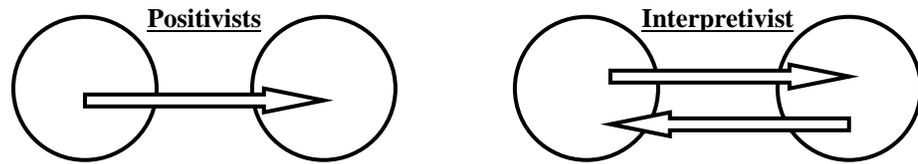
Macdonald *et al.* (2002) argue that individual researchers do not act in a vacuum but rather within a community of scholars who share similar conceptions of proper questions, methods, techniques, forms of explanation and perhaps theories. Such research affiliations and the conceptions of the problem, methods and theories they share are referred to as paradigms or frameworks that function as maps or guides for designing and carrying out inquiry.

Macdonald *et al.* (2002) and Lather (2006) argue that a paradigm is a world view and a general set of beliefs which permeates through every act even those tangentially associated with enquiry, such that any consideration even remotely attached to inquiry processes demands rethinking to bring decisions in line with the world view embodied in the paradigm itself. Therefore, a discussion of theory cannot be divorced from a discussion about paradigms in terms of the ontological (nature of existence) and epistemological (nature of knowledge, the rules of knowing) theories which inform them (Macdonald *et al.* 2002). The two most important ones are the *positivists* and the *post-positivists* (such as *interpretivist*) paradigm (Lather 2006; Gratton and Jones 2007). Please see Table 6.1 for paradigm chart.

The key questions asked during interpretative research are: “what is happening here?” and “what do these events mean to the people engaged in them?” These questions are useful when attempting to identify the specific sequence and significance of a particular social phenomenon (Macdonald *et al.* 2002). They attempt to answer what is happening in this particular place at this particular time and why? Questions appropriate to interpretative inquiry allow researchers to link participants’ meaning and actions in a time and place of interest in ways that may offer insightful explanations of events (Guba 1990).

**Table: 6.1. The Paradigm Chart**

Source: Adapted from Guba 1990; Macdonald *et al.* 2002; Lather 2006; Gratton and Jones 2007.



<p><b>Ontology. (the truth)</b></p>	<p>Realist- reality exists “out there” and is driven by immutable natural laws and mechanisms. Knowledge of these entities, laws and mechanisms is conventionally summarised in the form of time-and context-free generalisations. Some of these later generalisations take the form of cause-effect laws.</p>	<p>Critical realist- reality exists but can never be fully apprehended. It is driven by natural laws that can be only incompletely understood.</p>
<p><b>Epistemology. (subjectivity/ objectivity)</b></p>	<p>Dualist/objectivist- it is both possible and essential for the inquirer to adopt a distant, non-interactive posture. Values and other biasing and confounding factors are thereby automatically excluded from influencing the outcomes.</p>	<p>Modified objectivist- objectivity remains a regulatory ideal, but it can only be approximated, with special emphasis placed on external guardians such as the critical tradition and the critical community.</p>
<p><b>Methodology (the method)</b></p>	<p>Experimental/manipulative- questions and/or hypothesis are stated in advance in propositional form and subjected to empirical tests (falsification) under carefully controlled conditions.</p>	<p>Modified experimental/manipulative- emphasise critical multiplism. Redress imbalances by doing inquiry in more natural settings, using more qualitative methods, depending more on grounded theory, and reintroducing discovery into the inquiry process.</p>
<p><b>Other characteristics</b></p>	<ul style="list-style-type: none"> <li>• Discourse is structured and transparent, reflecting reality.</li> <li>• What is true?</li> <li>• What can we know?</li> <li>• Knowing the world.</li> <li>• Communication as transmission.</li> <li>• Questions such as ‘what’, ‘when’ and ‘how many’.</li> <li>• Follows a predetermined design.</li> <li>• Establishes causality.</li> <li>• Confirms theory.</li> </ul>	<ul style="list-style-type: none"> <li>• Discourse is dialogic and creates reality.</li> <li>• What is heuristic?</li> <li>• What can we understand?</li> <li>• Understanding the world.</li> <li>• Communication as transaction.</li> <li>• Questions such as ‘why’ and ‘how’.</li> <li>• Follows a flexible research design that may be continually adapted.</li> <li>• Explains causality.</li> <li>• Develops theory.</li> </ul>
<p><b>If this research paradigm is a colour, it would be:</b></p>	<p><b>Blue</b> (cool, “scientific”, objective)</p>	<p><b>Green</b> (natural, symbolic of organic growth)</p>
<p><b>If this research paradigm is a public event, it would be:</b></p>	<p><b>A marching band or classical ballet</b> (precise, rule-dominated).</p>	<p><b>Community picnic</b> (co-operative, interactive, humanistic)</p>
<p><b>Criticism</b></p>	<p>We are subjective beings; therefore research should be subjective too.</p>	<p>Research is biased due to subjectivity of researcher, thus results can be ‘fictional’ accounts.</p>

As has been shown, some of the explanations may include the fact that tourism is a social phenomenon i.e. those who participate in, control or manage tourism are acted upon by a number of external social factors. But, they also have free will to respond to such forces in an active way and are not inanimate objects whose behaviour can be understood in terms of casual relationships. When examining tourism it cannot be predicted whether X will always cause Y as unlike the subject matter of the natural sciences people have, to differing extents, the freedom to act in a number of different ways.

In relation to those Andrews *et al.* (2005, p6) stress:

*“Given that human behaviour is not reducible to fixed patterns, and that is shaped by, and in turn produces cultures, positivist science is not well suited to capturing the myriad perspectives of those in the social world, the contextual character of human interaction (Hammersley 1989) and thereby the network of political, economic and social linkages that produce, and give meaning to”.*

Particularly, in this research, the relational aspects studied are very much subjective in nature, supporting a move away from traditional positivists thinking.

## **6.5 Methodological Approaches**

### **6.5.1 Qualitative and Quantitative Research**

As discussed earlier, a methodology defines how one will go about studying a particular phenomenon. In social research, methodologies may be defined broadly as quantitative or qualitative (Silverman 2000, see Table 6.2 for characterises of both qualitative and quantitative approaches). The decision to collect either quantitative or qualitative data depends upon the nature of the research question, the objectives of the research, and the paradigm it nests on. Similarly, Gratton and Jones (2007) mention there is no one ‘better’ approach, rather that an approach should be dictated by the research question itself.

**Table: 6.2. Qualitative and Quantitative Approaches to Research**

Source: Adapted from Denzin and Lincoln 2000; Silverman 2000; Gratton and Jones 2007; Redwood 2007.

	<b>Qualitative approaches to research.</b>	<b>Quantitative approaches to research.</b>
<b>Aim.</b>	<ul style="list-style-type: none"> <li>• Exploration of participants' meaning, gaining understanding of human experience.</li> <li>• Generating theory from data.</li> </ul>	<ul style="list-style-type: none"> <li>• Search for casual explanations.</li> <li>• Testing hypothesis.</li> <li>• Prediction, control.</li> </ul>
<b>Approach</b>	<ul style="list-style-type: none"> <li>• Broad focus.</li> <li>• Process-orientated.</li> <li>• Context bound, mostly natural setting.</li> <li>• Getting close to data.</li> </ul>	<ul style="list-style-type: none"> <li>• Narrow focus.</li> <li>• Product-orientated.</li> <li>• Context-free, often in artificial setting.</li> </ul>
<b>Sample.</b>	<ul style="list-style-type: none"> <li>• Participants, informants.</li> <li>• Sampling units such as place, time and concepts.</li> <li>• Flexible sampling which develops during research.</li> </ul>	<ul style="list-style-type: none"> <li>• Subjects, respondents.</li> <li>• Pre-determined.</li> </ul>
<b>Data collection.</b>	<ul style="list-style-type: none"> <li>• In-depth, non standardised interviews.</li> <li>• Observation fieldwork.</li> <li>• Documents, photographs, videos.</li> </ul>	<ul style="list-style-type: none"> <li>• Measurements.</li> <li>• Questionnaires.</li> <li>• Standardised interviews.</li> <li>• Tightly structured observation.</li> <li>• Documents.</li> <li>• Randomised controlled trials.</li> </ul>
<b>Analysis.</b>	<ul style="list-style-type: none"> <li>• Thematic and content analysis by coding and categorising.</li> <li>• Grounded theory, ethnographic, phenomenological analysis.</li> </ul>	<ul style="list-style-type: none"> <li>• Statistical analysis (descriptive and inferential).</li> </ul>
<b>Outcome.</b>	<ul style="list-style-type: none"> <li>• A story, an ethnography, a theory.</li> </ul>	<ul style="list-style-type: none"> <li>• Measurable results.</li> </ul>
<b>Relationships.</b>	<ul style="list-style-type: none"> <li>• Direct involvement of researcher.</li> <li>• Research relationship close.</li> </ul>	<ul style="list-style-type: none"> <li>• Limited involvement of researcher.</li> <li>• Research relationship distant.</li> </ul>
<b>Validity.</b>	<ul style="list-style-type: none"> <li>• Trustworthiness.</li> <li>• Credibility.</li> <li>• Dependability.</li> <li>• Transferability.</li> <li>• Confirmability.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal/external validity.</li> <li>• Reliability.</li> <li>• Generalisability.</li> <li>• Objectivity.</li> </ul>
<b>Philosophical assumptions.</b>	<ul style="list-style-type: none"> <li>• Interpretivist: human being differ from the material world.</li> </ul>	<ul style="list-style-type: none"> <li>• Positivists: belief in universal laws, objectivity and neutrality.</li> </ul>

Qualitative research aims to capture qualities that are not strictly quantifiable, such as feelings, thoughts, and experiences. These concepts are associated with post positivists-interpretative approaches to knowledge (Gratton and Jones 2007). Silk *et al.* (2005) and Andrews *et al.* (2005) emphasise that qualitative research involves an interpretative, naturalistic approach to the world. Qualitative research involves not only reporting participants' experiences and attitudes but also some degree of interpretation to develop meanings and patterns of the data which ultimately lead to the conceptualisation of theories and frameworks. In quantitative research (such as questionnaires), the answers are already there for the subjects to tick the boxes, whereas in qualitative research (such as interviews), the participants come up with the answers. Therefore, there is an element of invention in qualitative research. Unlike quantitative research, the issue of 'how many' is not relevant, as Krane *et al.* (1997, p214) suggest:

*“Placing a frequency count after a category of experiences is tantamount to saying how important it is; thus value is derived by number. In many cases, rare experiences are no less meaningful, useful or important than common ones. In some cases, the rare experience may be the most enlightening one”.*

According to Creswell (2003) characteristics of qualitative research include:

- Takes place in a natural setting.
- Diversity of data collection methods.
- Emergent rather than tightly preconfigured.
- Fundamentally interpretative.
- Views phenomena holistically.
- Requires research flexibility.
- Activities of collecting, analysing and writing up data are simultaneous.

However, there are problems with qualitative research. They may include:

- No *a priori* concrete framework or hypothesis.
- Relatively small sample.
- Not easy to generalise.
- Tolerance of ambiguity.

- Researchers' bias.
- Does not focus on facts alone but predictions and perspectives.
- Can be disturbing for participants.
- Time consuming and so on.

After careful consideration it was decided that for this particular research project, it was more appropriate to take the path of qualitative methodological considerations. The aim of this research is to develop a framework to understand and evaluate the implications of stakeholder relationships within a tourism destination in achieving effective power. So far it has known, this has not yet been studied in the tourism destination context and, therefore, needs in-depth investigation to comprehend the phenomena fully. Qualitative approaches offer a deeper understanding to the knowledge. The subjective nature of the study (stakeholder relationship attributes): stakeholder perception, experiences, behaviour and attitude are indispensable in this study which is best achieved by the qualitative enquiry.

### **6.5.2 Qualitative Methodological Considerations**

Qualitative methodological considerations include general exploratory/descriptive study, grounded theory, ethnography, case study, phenomenology, narrative research/life histories and post-structuralism (Redwood 2007). Out of those research designs the majority, with respect to this study, are grounded theory designs, ethnographic designs and case study research (Gibbs 2002; Gratton and Jones 2007). To fulfil the purpose of this particular research project a case study approach was chosen.

### 6.5.3 Case Study Research

*“The case study is a research strategy which focuses on understanding the dynamics present within single settings”* (Eisenhardt 2002, p8). Case study research involves the intensive study of a specific case. A case refers to a specific instance, for example a case study research could be undertaken on (Yin 2003):

- Organisations.
- Communities.
- Relationships.
- Individuals.

The use of case study research is based upon the argument that understanding human activity requires the analysis of both its development over time and the environment and context within which the activity occurs. Case study designs are used to gain this holistic understanding of a set of issues and how they relate to a particular group, organisation or even a single individual. These issues are often researched using a variety of methods.

Both, Gall *et al.* (1996) and Gratton and Jones (2007) note characteristics of case study research as:

- Phenomena are studied through focusing on specific cases.
- Each case is studied in depth.
- Phenomena are studied in their natural context.
- Case study research takes the perspective of those within the case, rather than the researcher’s perspective.

According to Yin (2003), research may consider the use of a case study design in three instances including:

- The theory suggests particular outcomes in a particular context. Thus the research would need to choose a case that provides such an appropriate context.

- To be able to describe and explain a unique or rare situation.
- To describe and explain a case that has yet to be studied in any detail.

After reviewing the above points, it was decided that a case study approach would be the most appropriate option to use when researching the tourism industry in this context. The researcher is able to collect in-depth information as much as possible using the Agra tourism industry as a case study to satisfy the research and addressing the research objectives set out in chapter one.

The commonly used sources of evidence in undertaking case studies may be words, numbers or both (Eisenhardt 2002). Some of the sources include documentation, archival records, interviews, direct observations, participant observation and physical artefacts (Yin 2003). However, other sources may also include films, photographs, videotapes and psychological testing (Marshall and Rossman 1999). Table 6.3 illustrates the strengths and weaknesses of the sources of evidence.

**Table: 6.3. Six Sources of Evidence: Strengths and Weaknesses**  
**Source: Adopted from Yin 2003.**

<u>Source of evidence.</u>	<u>Strengths.</u>	<u>Weaknesses.</u>
<p><b>Documentation.</b></p> <p>(Sources: letters, memoranda, agendas, administrative documents, formal studies, newspaper clippings etc)</p>	<ul style="list-style-type: none"> <li>• Stable: can be viewed repeatedly.</li> <li>• Unobtrusive: not created as a result of the case study.</li> <li>• Exact: contains exact names, references and details of an event.</li> <li>• Broad coverage: long span of time, many events and many settings.</li> </ul>	<ul style="list-style-type: none"> <li>• Retrievability : can be low.</li> <li>• Biased selectively, if collection is incomplete.</li> <li>• Reporting bias: reflects (unknown) bias of author.</li> <li>• Access: may be deliberately blocked.</li> </ul>
<p><b>Archival Records.</b></p> <p>(Sources: service records, organisational records, maps and charts, survey data, personal records etc)</p>	<ul style="list-style-type: none"> <li>• (same as above for documentation).</li> <li>• Precise and quantitative.</li> </ul>	<ul style="list-style-type: none"> <li>• (same as above for documentation).</li> <li>• Accessibility due to privacy reason.</li> </ul>
<p><b>Interviews.</b></p> <p>(Sources: structured, unstructured and semi-structured interviews)</p>	<ul style="list-style-type: none"> <li>• Targeted: focuses directly on case study topic.</li> <li>• Insightful: provides perceived casual inferences.</li> </ul>	<ul style="list-style-type: none"> <li>• Bias due to poorly constructed questions.</li> <li>• Response bias.</li> <li>• Inaccuracies due to poor recall.</li> <li>• Reflexivity: interviewee gives what interviewer want to hear.</li> </ul>
<p><b>Direct Observations.</b></p> <p>(Sources: direct observation of meetings, sidewalk activities, factory work, field visits etc)</p>	<ul style="list-style-type: none"> <li>• Reality: covers events in real time.</li> <li>• Contextual: covers context of events.</li> </ul>	<ul style="list-style-type: none"> <li>• Time consuming.</li> <li>• Selectivity, unless broad coverage.</li> <li>• Reflexivity: event may proceed differently because it is being observed.</li> <li>• Cost: hours needed by human observation.</li> </ul>
<p><b>Participant Observation.</b></p> <p>(Sources: as above, but the researcher may actually participate in the events being studied)</p>	<ul style="list-style-type: none"> <li>• (same as above for direct observations).</li> <li>• insightful into interpersonal behaviour and motives.</li> </ul>	<ul style="list-style-type: none"> <li>• (same as above for direct observations).</li> <li>• Bias due to investigator's manipulation of events.</li> </ul>
<p><b>Physical Artefacts.</b></p> <p>(Sources: physical or cultural artefact, technological device, tool or instrument, work of art etc)</p>	<ul style="list-style-type: none"> <li>• Insightful into cultural features.</li> <li>• Insightful into technical operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Selectivity.</li> <li>• Availability.</li> </ul>

#### 6.5.4 Interviews

There are many other reasons why the ‘*interview*’ was chosen as a qualitative primary data collection technique. According to Yin (2003), interviews are an essential source of case study evidence, since most studies are about human affairs. These human affairs should be reported and interpreted through the eyes of specific interviewees. Well-informed participants can provide important insights into a situation and help the researcher to identify other relevant sources of evidence (Yin 2003). Rubin and Rubin (1995) noted that interviewing involves ‘*weaving together*’ several accounts in order to provide a coherent narrative. This emphasises the subjective nature of qualitative research and the role of the researcher in constructing a view of reality. Similarly, understanding various interpretations of social life requires a position of relativism: the realisation that realities are multiple and exist in people’s minds (Amis 2005). He also emphasises that the most logical way to access these realities is to talk to people, and within most social science disciplines, interview-based research has predominantly featured ‘individualistic’ interviewing in which a single interviewer explores relevant issues with a single participant.

Interviews should be guided conversations rather than structured queries. Daymon and Holloway (2002) use the term “*conversation with a purpose*” to define a qualitative interview where the researcher and the interviewee become conversational partners. Interviews can be described as critical in understanding what has happened, how it has happened, and why (Amis 2005). Thus interviewing is better fitted as a data collection method than others, as the research seeks to find out what happens in stakeholder relationships, and how and why do they behave in such a way in their relationships. According to Yin (2003), throughout the interview process, the interviewer should have two jobs:

- To follow the line of enquiry as reflected by the case study protocol.
- And to ask the actual (conversational) questions in an unbiased manner that also serves the needs of the line of research enquiry.

Both Saunders *et al.* (2009) and Cohen *et al.* (2001) say that an interview is an interchange of views between two or more people on a topic of mutual interest, which produces knowledge and emphasises the social situated use of research data. Holstein and Gubrium (2004) suggest that the interviewee is not a passive '*vessel waiting to be tapped*'. One of the major advantages of interviewing is that it allows extra comments or observation to be made by the interviewee, which can help the researcher to identify and access emotions, values and attitudes (Veal 1997). At the same time the interviewee has a considerable amount of time to view and develop ideas and to address the issue. However, Amis (2005) suggests it is the task of the interviewer to project an air of professionalism at all times and act in a manner appropriate to the task in hand.

There are three characteristics inherent in the three different face-to-face, in-depth interview formats - structured, unstructured and semi-structured interviews (Amis 2005; Silverman 2006; Gratton and Jones 2007). Semi-structured interviews allow a certain level of freedom and flexibility which helps reach a good understanding of the topic under discussion (Kayat 2002). Some probing of the participants is essential in semi-structured interviews (Silverman 2006). The researcher can have a checklist or a guideline of questions to follow, but at the same time allow the participants to express their views on the topic as well. Bryman (2001) states semi-structured interviews are those in which the interviewer has a series of questions in a general form or schedule, but feels free to vary the sequence and to ask further questions in response to replies that are considered significant. Yin (2003) mentions that, most commonly, case study interviews are of an open-ended nature where not only facts are discussed but opinions can be obtained as well. However, Mia and Patiar (2001) point out that the drawback of semi-structured interviews is that comparisons are more complicated when analysing the results.

For the reasons given above, this research used a semi-structured interview approach to carry out primary data collection in the context of Agra. The structure of the interview was derived from the conceptual framework (Figure 4.4, p65) of the research. Interviews

were conducted with stakeholders and took on board the resources and dynamics of stakeholder networks within Agra.

### **6.5.5 The Interview Checklist**

The interview checklist is one of the indispensable parts in the data collection particularly in semi-structured interviews. There are a number of points to consider in respect to the wording of the questions to be asked. These are crucial because, as Patton (2002) has pointed out, perhaps the most important element governing a response is the way in which a question is asked. The first point to consider is the language that will be used (Amis 2005). The interviewer needs to learn the language including technical, colloquialisms and slang terms used by the individuals to be interviewed. Amis (2005) further emphasises that the issues of language can be particularly important when interviewing individuals of different ages and those from different education and cultural backgrounds. In relation to that, Denscombe (1998) points out that the interviewer is the research instrument and thus, must take responsibility for a bad interview. As such, anything the researcher can do to improve the likelihood of gaining an open and honest interview should be carefully considered. In this respect, social skills can be more important than technical ones in data gathering (Amis 2005). These were all conquered by the researcher, as the interviews were conducted in the same language, English. Furthermore, being an Indian, the researcher has an awareness of the culture, and importantly, custom of the people under investigation.

According to Amis (2005), the style of the question is also important. Interview questions should be neutral and singular, thus allowing individuals to answer in their own terms without being given any suggestion as to how to respond by the interviewer. The interview checklist was structured to meet the aim of the research. The overall structure came from the literature review and, as time passed by, the checklist evolved as suggested by Bryman (2001) and Yin (2003). Two main driving forces were used to create the checklist: to critically evaluate stakeholder relationship attributes (towards a more comprehensive list of relational-attributes) and find out how they influence stakeholder effectiveness (the framework in creation of effective power). The researcher

started each interview with background information to “*break the ice*” as Amis (2005) states that it is a good idea to start the interview with relatively straight forward, non-controversial questions. This helps to get both the interviewer and the interviewee accustomed to their roles, and helps to build understanding. Then the conversation went on to find out the interviewees’ place in the Agra tourism industry network. In most interviews participants corroborate network maps and charts as suggested by Rowley (1997), Pavlovich (2003) and Pajunen (2006) to explain their place in the network and to illustrate the tourism system as a whole, resource flow in Agra. A detailed investigation of types and kinds of tourism resources was also conducted through the same interviews.

However, as Frooman (1999) suggests, finding out what resources participants perceive as valuable, an open question was used to stimulate the conversation and was followed by discussions on controllability, substitutability and dependency of resources. Such an approach has helped the researcher to study resource-based power and network-based power. The final few questions were on legitimacy and commitment. This helped to examine the legal standing of the interviewee and the moral and ethical considerations which are accepted and expected by that particular society. Then the issue of urgency was brought up in the conversation. Interviewees were asked to explain if they have an issue or problem needing immediate attention what they would do to resolve it. Importantly it was also discussed why those issues were urgent in order to explore the root cause of ‘urgency’. All these questions were contained within the overarching checklist (Appendix 1, p271).

#### **6.5.6 The Sampling Issues**

Once the researcher had decided what information was needed and the most appropriate method of obtaining this information, it was crucial to identify from whom the data should be collected. Amis (2005) suggests there is a need to identify participants able to provide appropriate levels of insight to the phenomena being studied. In most cases the population under investigation will be too large to collect data from every member. Thus, a *sample* must be taken. There is a variety of sampling methods of which, probability and

non-probability or purposive sampling are most common (Silverman 2000; Gratton and Jones 2007).

Probability samples are essential if the characteristics of the sample are to be used to estimate the characteristics of the population. Therefore, it was decided purposive sampling would be the most appropriate way to move forward since it allows the researcher to choose a particular case because it illustrates some feature or processes in which the researcher is interested. However, this does not provide a simple approval to any case that happens to be chosen (Silverman 2000). Rather purposive sampling demands that the parameters of the population in which are of interest needs to be thought about critically and the sample for this case study was carefully chosen on this basis. As Denzin and Lincoln (1994) support Silverman (2000, p104) puts it as:

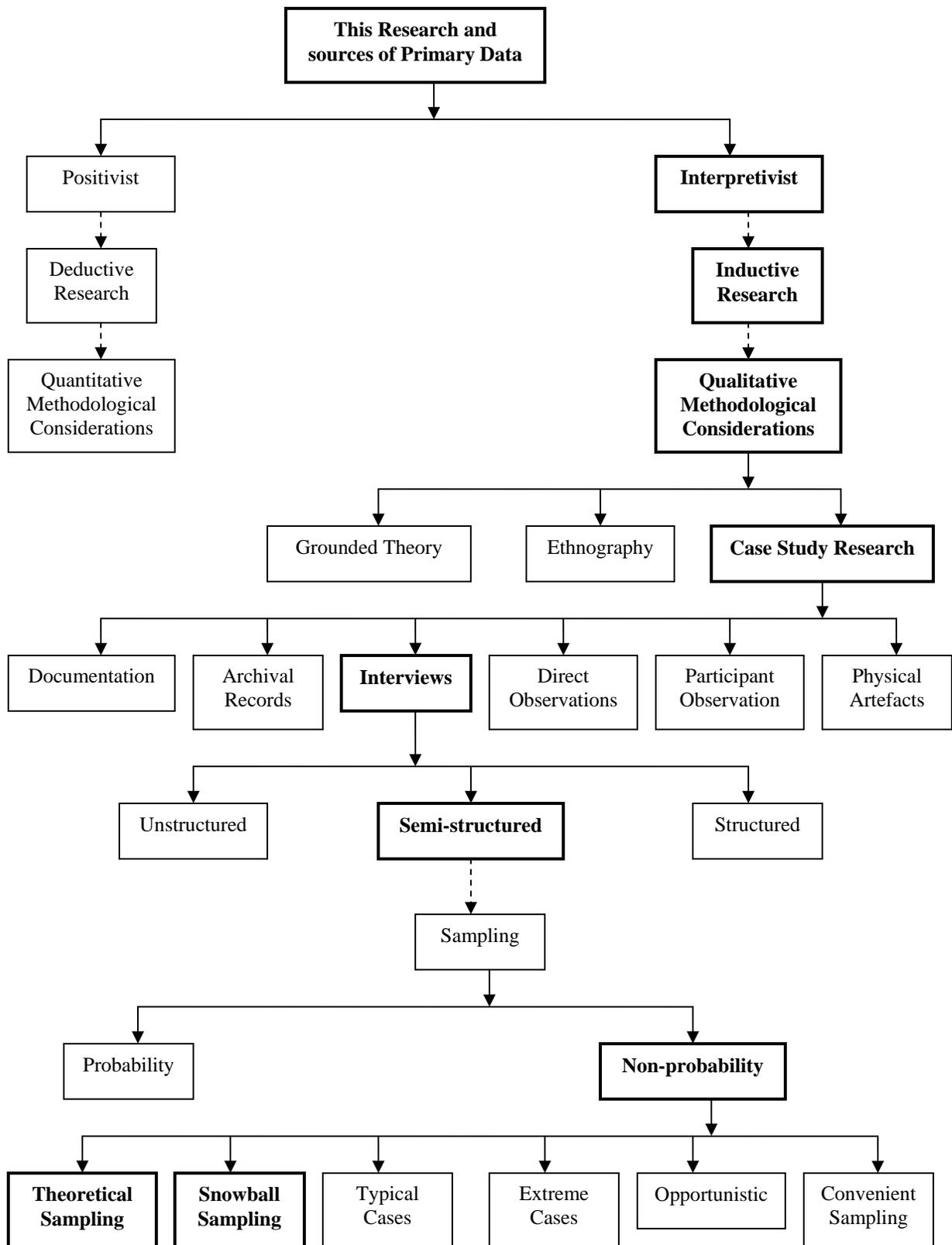
*“Many qualitative researchers employ.... purposive, and not random, sampling methods. They seek out groups, settings and individuals where.... the processes being studied are most likely to occur”.*

Purposive methods of sampling can be considered from an interpretative standpoint of research. Purposive sampling methods include snowball sampling, theoretical sampling, typical cases, extreme cases, opportunistic and convenience (Gratton and Jones 2007). For this research project theoretical and snowball sampling was the most useful ones to use.

Building, understanding and explaining a case study's theoretical sampling is justified because the cases are chosen for theoretical reasons not for statistical reasons. Cases may be chosen to fill theoretical categories and provide examples of polar types (Eisenhardt 2002). Silverman (2000) also suggests sampling in qualitative research is neither statistical nor purely personal; it is or should be theoretically grounded. This is likely to be more productive than a random selection from the entire population of the industry. However, it is essential to choose diverse cases across the population to reflect rather than represent the industry as a whole. The researcher aimed for information rich cases,

such as managers and key decision makers within the stakeholders in the model of Six As.

After locating the initial participants through theoretical sampling, these initial participants identified further potential participants themselves. Thus the researcher found access to a 'gatekeeper' or influential members of the population. Then these 'gatekeepers' introduced the researcher to other participants. This is known as snowball sampling in which initial contact with an informant generates further contacts (Jensen 2003). He further identifies that, for each roll of the snowball, it is, in fact, possible to specify how a given choice relates to the overall purpose and design of a study. One potential advantage of this is that by being introduced by a known member of the population, the researcher may be able to engender greater trust between researcher and subject and hence improve response rates. Thus '*theoretical-snowballing*' approach was deemed to be the most appropriate one in this research project. The theoretical-snowballing approach should only end when data becomes saturation and no new information is obtained from the contact. The synopsis of the research methodological approach is illustrated in Figure 6.1.



**Figure: 6.1. Synopsis of the Chosen Methodological Approach**

**Source: Author**

### 6.5.7 The Sampling Frame

A frequently asked question is ‘how big should the sample be?’ Unfortunately, there is no simple answer to this question, other than to say ‘make sure it is big enough’ (Gratton and Jones 2007). However, they also suggest that a sample can never provide a precise answer for the overall population. Mintzberg (1979, p585) states “*no matter how small our sample or what our interest, we have always tried to go into organisations with well-defined focus-to collect specific kinds of data systematically*”. Patton (2002) puts it as:

*“The validity, meaningfulness and insights generated from qualitative inquiry has more to do with the information richness of the cases selected and the observational/analytical capabilities of the researcher than with sample size”.*

The researcher, according to Silverman (2006, 2000), and Gratton and Jones (2007), needs to keep in mind the following factors while choosing the sample for the research:

- Aim for information rich cases; people who can answer the related questions, such as in this case: owners, managers, and senior level staff.
- Sample until redundant or saturated; the researcher finds after a certain number of interviews there is nothing new arising and enough information has been received to build the case.
- Take an atypical sample (small); to have perception of unusual cases.
- Heterogeneous or homogeneous sample; the researcher conducted the interviews with people across the tourism industry vertically and horizontally to compare and contrast the results among similar and consequently with different organisations.

As a tourism destination, Agra is one of the busiest places in India with a large number of varied organisations involved in the tourism economy. The interviewees were carefully selected across the tourism sectors guided by the model of the Six As. The participants included representatives from the food and accommodation, public and tourism office sectors, tour operators, travel agents, and tour guides to reflect the industry as a whole

(Appendix 2, p273). They were carefully chosen using the list above. A balanced choice of interviewees was made to reflect the tourism industry in Agra as a whole. In the case of Agra, willing people who are involved and aware of the operation and management of that particular establishment were interviewed. They would also have a large degree of influence in the decision making process within that particular organisation including managers, supervisors, owners, senior officials, as guided by the purposive sampling techniques.

### **6.5.8 The Pilot Study**

The pilot study was undertaken in the UK as well as in the research case study area. Being a student of a UK university, the researcher piloted the first interviews with the Chair of Poole Tourism Association. This was useful in identifying some initial issues with the questions and it was then necessary to pilot it again in Agra. The first four interviews among diverse stakeholders in Agra were treated as a pilot study. As a result of these pilots, the interview structure was amended. For example, before the pilot study urgency related questions were 'what is urgency and how would you deal with this'. The responses were thin. Afterwards, to encourage conversation regarding urgency, participants were asked to give examples of such incidents. Also, to make the meaning clearer to the participants, the researcher added words which are familiar to the local tourism industry, the language they use in their everyday business in Agra. For example people in Agra refer the Taj Mahal as the 'Taj'. As a result in the interviews, interviewees often use the word Taj.

### **6.5.9 The Participant Interviews**

All together the researcher conducted 42 interviews across the tourism sectors in Agra. Only senior officials in the organisations were interviewed and it was anticipated they would not have a huge amount of spare time to spend with the researcher. Interviews ranged from 25 to 50 minutes. Only a handful of e-mail addresses could be collected from directories to contact the interviewees for an appointment. Furthermore, it was extremely difficult to get a positive response through e-mail. The researcher found door-to-door visits and, if possible, making an appointment either on the spot or another day

was most fruitful. As mentioned previously in describing the '*theoretical-snowballing*' approach, the researcher would go to an organisation with a reference to book an appointment with the designated people. As a result a representative sampling was possible to cover the whole tourism industry of Agra.

The interviews took place in a variety of locations respecting the preference of the interviewees. Some were conducted in their offices, in between their breaks in coffee shops, at their homes and when they were travelling. Out of 42 interviews, four of them were taken in the back of their car while travelling. The researcher found these conversations were particularly fruitful and one of the reasons could be because participants do not have anything else to do while travelling and have the time to concentrate on the actual interview. Even interviews taken in the comfort of their homes were often disrupted by family members, telephone calls and their pets. On the other hand, these also illustrated that the friendly and casual environment of home helps to ease the pressure on the interviewee a great deal and encourages free flowing conversation.

The question of digitally recording an interview commonly arises. According to Yin (2003, p92) "*audiotapes certainly provide a more accurate rendition of any interview than any other method*". Consequently recording leaves the researcher free to manage the interview and take field notes without having to worry about trying to make copious notes (Amis 2005). Due to the competitive nature of the industry, confidentiality was guaranteed to protect trade secrets. In this piece of research, consent was obtained from all the interviewees to take notes and record the interviews. Assurance was given that no-one's individual data which are sensitive and controversial would be published and would remain confidential. The researcher has put the details of the interviewees in the appendices in the public domain; however it is virtually impossible to identify interviewees against the interview quotations used in this piece of work. This technique is commonly been used by many of the researchers in the academic world.

Amis (2005) suggests that a short sound test with the interviewee to ensure that the equipment is working properly and that the environment is conducive to good quality

sound recording can save a great deal of time and frustration when it comes to transcribing the interview. He also mentions the nitty-gritty such as having spare batteries and cassettes readily available at the interview. These issues were considered by the researcher in order to ensure interviews were conducted smoothly.

#### **6.5.10 Interview Data Analysis**

The variety of different research philosophies (such as positivist, interpretivist) adopted, kinds of research problem (such as explanatory, exploratory) and types of data (such as interview recordings/transcripts, observations and field diaries) govern the way data can be analysed in individual studies. Thus, it would be unrealistic to prescribe a restrictive analytic blueprint as there is no one best way to analyse qualitative data (Sandiford and Seymour 2007, Gratton and Jones 2007). In relation to that Robson (1993, p306) suggests that “*the process and product of analysis provide bases for interpretation*”. Patton (2002) and Gibbs (2002) describe that qualitative data interpretation and analysis involves making sense out of what people have said, looking for patterns, putting together what is said in one place with what is said in another place, and integrating what different people have said. Consequently, qualitative data analysis includes developing categories of phenomena in order to deconstruct raw data. Lofland (1971, p57) puts it as:

*“The strong suit of the qualitative researcher is his [sic] ability to provide an orderly presentation of rich, descriptive detail. He can move close to a social setting and bring back an accurate picture of patterns and phenomenological reality as they are experienced by human beings in social capacities”.*

Hammersley and Atkinson (1983) support this broad and holistic view by suggesting that qualitative data analysis should not be seen as a ‘distinct stage’ in a research project, but that it continues throughout the research process in an interactive way from problem formulation to final writing up. The data to be analysed are not only made up of the primary data collected during fieldwork, but all other relevant secondary material collected while working in the project. Sandiford and Seymour (2007) mention such an

awareness should encourage a more thoughtful and reflexive approach to an investigation in general, reflecting on the analytic process of the research project more holistically. Because of these characteristics, often qualitative researchers play a role of a narrator to explain certain phenomena as suggested by Miles and Huberman (1994, 1984), Silverman (2003), and Gratton and Jones (2007).

Data analysis within interpretative or naturalistic methodologies is complicated by the central assumptions made about people by such researchers, notably the idea that social interactions are different in nature from natural phenomena, such as those studied by natural scientists (Sandiford and Seymour 2007). Social phenomena are seen as not objective, external and inevitable but socially constructed by individuals. Sandiford and Seymour (2007) also emphasise that for research to be effective both data collection and analysis need to be tailored to fit the research problem, and the type of the problem itself is inevitably close linked to the epistemology of the researcher.

The situation for qualitative researchers is further complicated by a lack of explicit and easy to follow analytical procedures. Yin (2003) describes quantitative researchers as having access to numerous tried and tested statistical tools whilst qualitative and case study researchers have a number of language-based analytical techniques available to them. Unlike statistical analyses, there are few fixed formulas or cookbook recipes to guide the novice. In contrast Silverman (2006) describes qualitative analysis as merely requiring a researcher to read and reread interview transcripts until a set of comprehensive categories and themes emerge.

Many researchers suggest that the process of analysis involves different stages. Hampton (1999) breaks down the analytical process into a variety of stages which does not include a pre-fieldwork analysis suggested by Hammersley and Atkinson (1995), but does include all of Miles and Huberman's (1984) tasks of analysis. On the other hand Spradley (1980) and Hammersley and Atkinson (1995) concentrate on ethnographic analysis and explain how analysis continues during data collection itself. According to Sandiford and Seymour (2007), this enables a gradual increase in research focus with

fieldworks analytically selecting phenomena and concepts for deeper investigation based on data collected at each stage of the project. A comparison of these views of analysis is outlined in Table 6.4.

**Table: 6.4. Comparison of Differing Views of the Tasks of Data Analysis**

**Source: Adapted from Sandiford and Seymour 2007.**

Spradley 1980 (Participant observation)	Miles and Huberman 1984 (General qualitative)	Hammersley and Atkinson 1995 (Ethnography)	Hampton 1999 (Qualitative hospitality)	Lindseth and Norberg 2004 (Phenomenology)
		Formulation and clarification of research problem		
Domain analysis and progressive increase in focus	Data reduction. Refining 'raw data' into clear text Guiding fieldwork	Ongoing 'dialectical interaction between data collection and analysis' and progressive increase in focus	Preparation of data for analysis	Naïve reading
↓	↓	Generating analytical concepts (participant terms; observer-identified; constructive rhetoric)	Familiarisation and discovery	Structural analysis
↓	↓	↓	Coding and display	↓
Taxonomic analysis Componential analysis Theme analysis	Data display (to assists conceptualisation) Conclusion drawing and verification	Developing typologies Respondent validation; triangulation theorising	Ordering and display Developing interpretations and verification	↓
↓		↓	Presentation and writing	Comprehensive understanding

Although Miles and Huberman (1994) suggest a variety of analytic practices, this could be summarised as: coding data, reflecting on data, sorting data, identifying patterns in data, moving towards generalisations and developing theories and conceptualising. This revised and comprehensive version of Miles and Huberman's (1994) would be useful in

analysing the data in this research. This analytical practice is well established in the field of general qualitative research and meets the criteria of this particular research project too.

As the researcher has found, there are no clear recipes for reporting and interpreting any sort of qualitative data, although there seems to be an assumption that a conceptual jump is necessary to construct (or reconstruct) knowledge out of the raw data (Sandiford and Seymour 2007). Consequently a frequent criticism of qualitative research is that a researcher's interpretation of data is difficult, or even impossible, to verify or replicate (Sandiford and Seymour 2007). Therefore, verification and interpretation requires considerable attention by qualitative researchers, and designing a systematic audit trail is a useful approach (Miles and Huberman 1994; Gratton and Jones 2007; Sandiford and Seymour 2007).

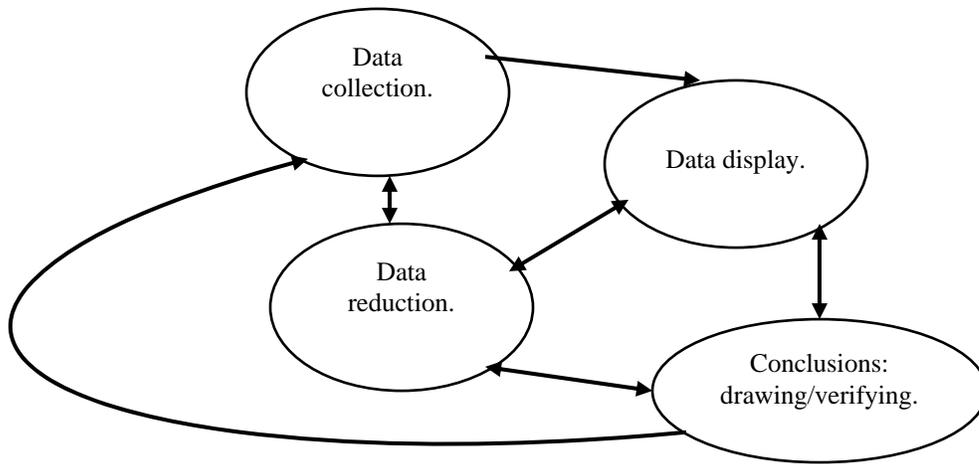
Amis (2005) suggests that it is a good idea to start formal coding as soon as possible, ideally after the first one or two interviews. This allows the interviewer to get an early appreciation of the data, to start identifying themes, and if necessary, to modify the interview instrument. This was followed in the actual process of interviewing in Agra. Amis (2005) also suggests that themes may originate in predetermined research questions, in the research instrument, from concepts or categories used by other researchers, from the data, or from the socio-cultural context. To follow the systematic approach suggested by Miles and Huberman (1994), the researcher started coding the data with pre-determined themes (Amis 2005) based on the analysis of the literature (the conceptual framework, Figure 4.4, p65). Lincoln (1990) suggests that as well as adding new codes, researchers should always be willing to re-interrogate the data to explore new themes, linkages and relationships. Furthermore, Amis (2005) emphasises that a partly deductive (theory inspired) and partly inductive (data inspired) approach can be very fruitful because it allows one to gain creative insight from the data without necessarily denying or reinventing concepts that have been useful previously.

To critically evaluate stakeholder power relationships, the foundation of the themes were based on resource, network and legitimate bases of power. Data were reflected and then sorted in and around those themes. There were useful findings based on and grown in and around these themes which allowed the researcher to understand the phenomena closely, enabling the drawing of network charts and graphs of stakeholder relationships in the Agra tourism network.

The researcher identified critical incidents and issues from the data to deduce stakeholder relationships and conflicts in the network in order to understand the decision making process. Then the researcher identified patterns, within those case studies, around balancing power relationships to resolve conflicts. This enabled the researcher to conceptualise and generalise the phenomena studied. Thus, a framework (stakeholder effective power) was developed to comprehend and evaluate activities in stakeholder relationships.

All the interviews were fully transcribed onto a computer as a text document making it easy to read, move and cross-reference material. The process of carefully listening to, and writing out, each interview was useful to the researcher. It allowed the researcher to achieve the same level of closeness to the data which is the rawest available to the researcher after leaving the field. While reading and rereading the data, the researcher made notes in the margins of manuscripts to gain familiarity with the data. The use of qualitative data analysis software such as NVivo was also considered to help analyse interview data. However, it was disregarded because the level of closeness to the data would not be achieved using computer programmes. Thus the appropriateness of the analysis to achieve the research objectives was ensured.

As discussed earlier, the researcher started analysing the data guided by Figure 6.2. This analysis also consists of the following concurrent flows of activity: collection, display, reduction and interpretation of the data.



**Figure: 6.2. Components of Data Analysis: Interactive Model**

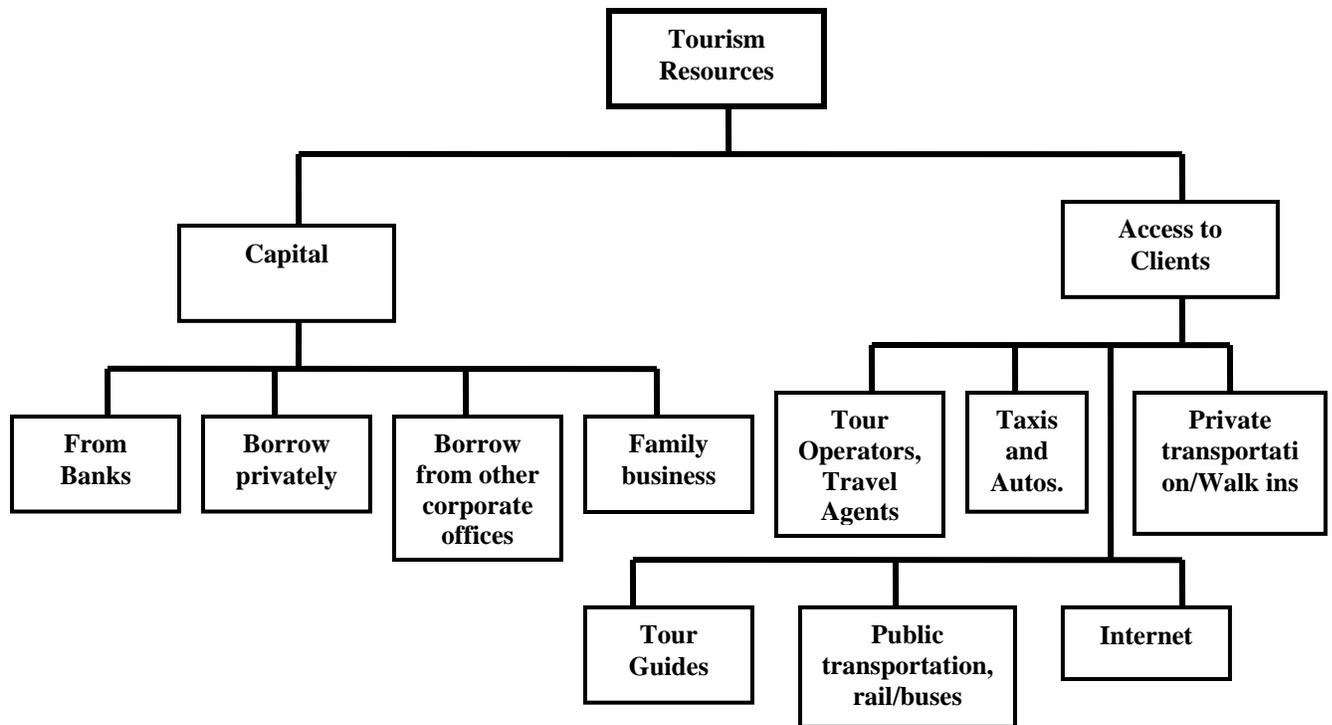
**Source: Miles and Huberman 1984.**

Data reduction refers to the process of selecting; focusing, simplifying, obstructing and transforming the ‘raw’ data that appear in written-up field notes, interview transcriptions etc. (Miles and Huberman 1984; Gratton and Jones 2007). As data collection proceeds, there are further episodes of data reduction: summarising, coding, teasing out themes, making clusters, making partitions, writing memos etc. The key process in the data reduction stage is coding. As suggested by Miles and Huberman (1984), Ritchie and Spencer (2002) and Gratton and Jones (2007) codes are used to organise the raw data into conceptual categories. They are derived from research questions, key concepts or important *themes* (from the literature and the raw data). In this research project, the researcher looked for key words in the interview transcription such as “tourism resources”, “stakeholder communication”, “stakeholder influence”, a sentence or a quote where participants illustrated their prominence and achievements etc. Colour coded pens were used to highlight the information in the transcription to analyse the data.

As Boyatzis (1998) and Ritchie and Spencer (2002) point out, using explicit codes is a part of thematic analysis. Therefore, the researcher used thematic analysis to analyse the interview data. Other key tools to analyse qualitative interview data include grounded theory, discourse and content (Jensen 2003; Silverman 2005; Flick 2009). Grounded

theory analysis is mainly used where the researcher does not have predetermined themes and codes therefore the theory is grounded in the raw data. In content analysis it is mainly used to quantify certain things, such as counting the number of times a particular word is used (Silverman 2005). Discourse analysis is mostly associated with linguistics i.e. analysing the use of language in the interview (Jensen 2003).

Like themes, the researcher also started with pre-determined codes and concepts from the literature. Those codes under the theme resources included land, labour and capital. Some examples of the thematic framework reached as a result of this process of investigating tourism resources can be seen in Figure 6.3 within which the material was sifted and sorted as described in Figure 6.2. As Ritchie and Spencer (2002) suggest while identifying and constructing this framework or index, the researcher draws upon *a priori* issues (those informed by the original research aim and introduced into the interviews via the topic guide), emergent issues raised by the participants themselves, and analytical themes arising from the recurrence or patterning of particular views or experiences. However, devising and refining a thematic framework was not just a mechanical process, it also involved both logical and intuitive thinking and making judgements about meaning, about the relevance and importance of issues and about implicit connections between ideas (Ritchie and Spencer 2002).



**Figure: 6.3. Examples of Research Themes**

**Source: Author**

Miles and Huberman (1984) describe *data display* as an organised assembly of information that permits conclusion drawing and action taking. In this piece of research data display included network maps and charts which allowed the researcher to begin to develop conclusions regarding the study. The initial maps were complex but failed to reveal any clear patterns for further analysis. Then the researcher started looking at the resource structure and other attributes of stakeholder relationship management and a comprehensive list of relationship attributes and a framework to evaluate their relationships was developed.

In doing so, the researcher used quotes from the interview transcripts wherever necessary to support or decline arguments in the findings and discussion chapter. The participant interviews were conducted in English. English is widely spoken in India and especially in the tourism and hospitality trade. However, it is not Indians' first language and as a result their spoken English is slightly different than a person whose first language is English

(such countries are UK, Canada, and Australia). The researcher transcribed the interviews word for word; therefore, some of the quotes are in broken English and sound incomplete. This is the way Indians including the researcher, communicate among each other. This was seen as an advantage as the researcher could camouflage himself with the interviewees and engages in an in-depth discussion on the topic. Most of the participants treated the researcher as one of them which helped the researcher to gain access to rich data. It is reflected by many authors in qualitative research including Miles and Huberman (1984, 1994), Gibbs (2002), Silverman (2005, 2006), that the quotes from the interview transcription data should not be altered or changed, otherwise they lose authenticity. Although in this research the essence and the meaning of the quotes are kept intact, the researcher has corrected some grammatical mistakes to bring the English-level up to help the reader read fluently. The researcher is convinced that these minor alterations have no effect at all to the richness of the data.

There are two types of quotes: (a) from tape recorded interviews and (b) from hand written notes. The tape recorded interview quotes are marked in English numerals (such as 1, 2, 3) and the hand written interviews are numbered in Roman numerals (such as i, ii, iii). These quotes are the outcomes of conversations between the researcher and interviewees, thus within the quotes, 1, stands for the researcher and 2, stands for the interviewee.

The conclusion was drawn on the basis of the data analysis. However, Miles and Huberman (1984, p22) suggest the '*final*' conclusions may not appear until data collection is completely over. Conclusions were also verified as analysis proceeds. In addition to that, interviews are biased and only done in the presence of the researcher. Furthermore the researcher undertakes the analysis process. Qualitative studies should refer to the trustworthiness of the data rather than the validity and reliability used in quantitative surveys. Robson (1993) suggests the following to improve trustworthiness including credibility, transferability, dependability and confirmability.

To meet credibility, which is equivalent to internal validity, the research was carried out in a way which ensured the subject of the enquiry was accurately identified and described. Transferability which is equivalent to external validity or generalisability is discussed later on in this section. Dependability which is equivalent to reliability was matched by focusing the research on credibility (Saunders 2009). The meanings emerging from the data were tested for plausibility, strength and ‘confirmability’- their validity. A clear enquiry audit was kept and details of all stages of the design and analysis were recorded. For example, overall coding of data (data reduction) led to new ideas on what should go on into a matrix (data display) and the preliminary conclusions were drawn. As a result, this led to the decision to add another column to the matrix to test the conclusion.

## **6.6 Originality in Qualitative Research**

Originality is unlikely to be derived, copied or imitated, but also the positive components of originality: novel, creative, inventive etc. make research a worthwhile piece of work. Silverman (2003) describes how most research is unlikely to involve a ‘paradigm shift’ and that its contribution to the knowledge bank generally does not have a profound effect on the world. In relation to that Phillips and Pugh (1994, p61-62) describe good research as:

*“Making a synthesis that has not been made before; using already known material but with a new interpretation, bringing new evidence to bear on an old issue ..... [and] adding to knowledge in a way that has not been done before”.*

The originality within this research project includes the comprehensive list-naming and classification of stakeholder relationship attributes and the framework of the interactions of stakeholder relationship attributes in creating effective power in making decisions. The comprehensive list was developed guided by the literate review and supported by the primary data. Then the framework was developed based on the researcher’s understanding of the phenomenon through the review of the literature and the rigorous case study of Agra tourism industry.

## **6.7 Generalisability or Transferability in Qualitative Research**

Generalisability refers to the extent to which findings can be generalised. The problem of 'representativeness' is a perennial worry of many qualitative or case study researchers because the world is changing constantly and what is true today might not be true tomorrow (Saunders 2009).

In contrast Mason (1996, p6) puts it as:

*“I do not think qualitative researchers should be satisfied with producing explanations which are idiosyncratic or particular to the limited empirical parameters of their study.....Qualitative research should [therefore] produce explanations which are generalisable in some way, or which have a wider resonance”.*

In this research a detailed analysis of tourism stakeholder relationship attributes is undertaken in the context of the Agra tourism industry. However, broad descriptions are also produced to enable others to apply the concepts elsewhere. The comprehensive list of stakeholder relationship attributes and the framework of stakeholder effectiveness in creating effective power can be applied to other disciplines and research contexts across the globe. However, limitations such as socio-demographics and cultural aspects should be respected and treated carefully.

## **6.8 Chapter Summary**

This chapter has demonstrated how the aim and objectives of the research contributed to the selection of research methods. This chapter explains both the methodology and the approach to data generation, analysis and translation. The research is best suited to the post-positivist (interpretative) paradigm to comply with the research question, as the research attempts to investigate the interactions and activities of these stakeholder relationship activities. These include questions of why and how. These are the indications of qualitative research approaches which ultimately generate theory from the data. Among the qualitative methodological considerations, the case study approach was

chosen for this particular research project. The research concentrates on a single case of a tourism destination, Agra, Uttar Pradesh, India. However, it deals with multiple stakeholders within the destination including private tourism businesses and government organisations.

The interview checklist was derived from the conceptual framework described in the previous chapter and subsequently sorted and developed during the process of conducting interviews. The sampling frame and sample size was tricky in this research. Research on stakeholder relationship attributes offered limited guidance regarding sampling frames. The researcher mitigated the situation by asking interviewees to draw a comprehensive network graph of the tourism industry in Agra. That way the research identified who to include in the interviewing process. This research adopted a theoretical-snowball approach to cover interviewees across the tourism sectors in Agra. Major themes came from the conceptual framework and then sub-themes and codes developed under new themes. Interview data analysis followed the amalgam of structures suggested by Miles and Huberman (1984; 1994). The next chapter explores the findings of the research and discusses them accordingly. A brief discussion of the findings has been given (Figure 6.3) to provide guidance to the reader for the forthcoming chapters. Towards the end of this chapter, the originality and generalisability of this qualitative research is considered and discussed.

# Chapter 7

## Research Findings and Discussion: Resource and Network Bases of Power

### 7.1 Introduction

The following three chapters set out the findings and discussion relating to this research. They are derived from the major thematic and sub-thematic framework outlined in Chapter 4 (Figure 4.4, p65). The findings are drawn from the interviews conducted with tourism stakeholders in Agra as guided by the research methodological approaches. Findings are based on key stakeholder understanding of the relationship attributes of power (resource and network position), legitimacy and urgency. These attributes are categorised to enhance the understanding of stakeholder relationships. In this chapter the power relations between tourism stakeholders in Agra are investigated in association with the existing literature.

### 7.2 Analysis of Primary Data

Interview data are gathered based on the conceptual framework theories, concepts and ideas (Figure 4.4, p65). The researcher describes data analysis in this research project as '*weaving from a raw piece of wool*', such as the raw interview data. Tourism stakeholder perceptions, views and attitudes are taken and analysed with respect to the issues relating to resource-based power, network-based power, legitimacy (institutional and contractual) and urgency in their relationships. To identify tourism stakeholders in Agra, initially the

model of Six As is used, and then, through the pilot interviews, identified the key stakeholders in the Agra tourism industry. Therefore, this process is an amalgamation of theory and practice. Key stakeholders in the Agra tourism industry include hotels, restaurants, tour operators, travel agents, emporiums, tour guides, tourist offices, tourism trade associations and relevant government departments.

At the beginning of the analysis of the primary research data, the structure of the tourism network in Agra at macro-level was studied closely. This revealed the level of involvement of tourism stakeholders to the industry and the resource-based power of these stakeholders, both in terms of performance and support network, is evaluated. The sources of power relations were investigated in the context of the Agra tourism industry. Key tourism resources were identified and discussed. Sources of these resources were also identified and then investigated to explore power relationships and dependency. Themes and patterns relating to tourism resources were extracted from the data and then used to study resource-based power. Similarly network-based power was studied which allowed a review of centrality and nodal positions of the stakeholders in the network.

The evidence of exercising legitimate power is also examined using the primary data collected throughout this research. Similarly, themes and patterns have emerged from the interview transcriptions relating to legitimacy. This resulted in the construction of a revised version of the stakeholder relationship attribute list using power, legitimacy and urgency attributes. However, urgency as a relational attribute is studied through the adoption of a different approach. As found in the methodology chapter, there is no standard approach to the study and analysis of qualitative data. Interviewees used examples to discuss and explain the attribute of urgency. Critical incidents/cases are assembled from the interviews in order to understand and explain the phenomena. Themes and patterns are also identified during this process. The result is the development of further understanding and explanations of stakeholder relational attributes, such as power, legitimacy and urgency and the construction of a framework of stakeholder effectiveness in creating effective power enhancing the framework (Figure 4.3)

previously created on the basis of the analysis of the review of the literature. This fulfils the second part of the fifth objective.

Quotes used in this chapter are taken from the interview transcripts as evidence to support or reject arguments. These quotes are the outcomes of conversations between the researcher and interviewees. Within the quotes, 1, stands for the researcher and 2, stands for the interviewee.

### **7.3 Tourism Stakeholder Network in Agra**

The evidence from the literature (Sautter and Leisen 1999; Buhalis 2000; Cooper *et al.* 2005; Scott *et al.* 2008) and the interview data (from the observation of the Agra tourism industry and interpretation of the interview transcriptions) suggests that, in common with many destinations, the Agra tourism industry is a multi-sector, dynamic, organic amalgam of different products and services. To draw the tourism stakeholders of Agra under one network is a complex and huge task. However from the interview transcriptions, it is possible to provide some insight into the structure of the tourism network in Agra.

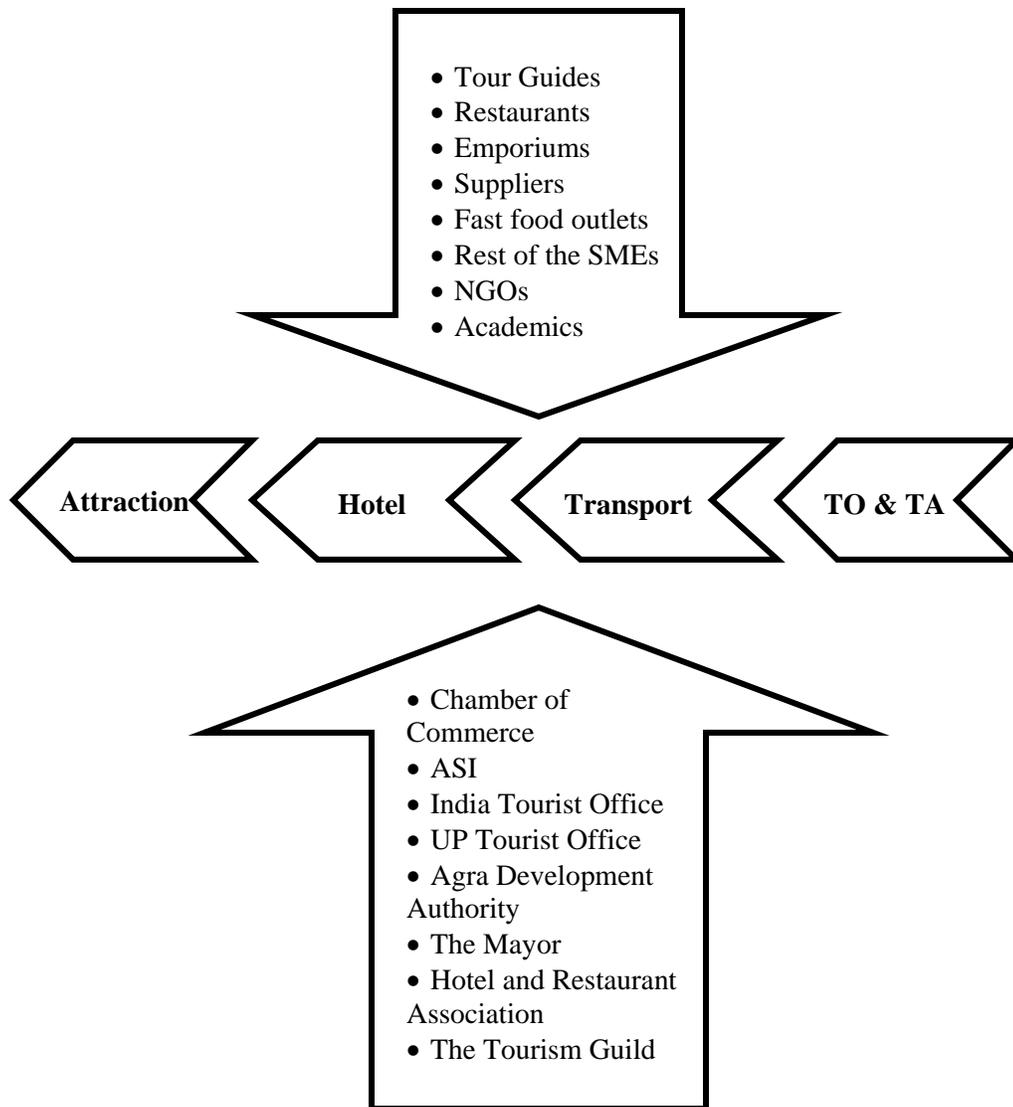
As suggested by Fill (2006) this research starts with the performance network. In the performance network stakeholders are those who are directly involved; those who make things happen in the tourism industry in Agra. Stakeholders in the performance network include travel intermediaries, hotels and the major attraction in the area (the Taj) [the horizontal arrows in Figure 7.1]. These organisations are the central hub of the Agra tourism industry. The vertical arrows can be said to indicate members of the support network. The stakeholders in the support network also feed, manage and maintain the needs and demands of the tourism crowd of the destination. They can also be referred to as the '*complementors*' of the whole tourism system, as suggested by Wilkinson and March (2008). To sustain, preserve and grow, the industry needs the blessing of all of these stakeholders in both the performance and support networks. This is supported by both Fill (2006) and the data. As one of the interviewees, a tour guide, stated:

*“To be frank with you, I think I am talking from my life long experience, I and everybody else need people from top to bottom to co-operate and work peacefully”.* (xviii)

He continues by saying that as they complement each other, they also need to compete with each other to sustain in the marketplace. He expresses his perspective of the case:

*“..... in the summer not many tourists come to see Taj. 45 degree centigrade sometimes. We do not need too many guides, you see what I mean. We have to fight to get job that time. Not enough work.....”* (xviii)

The concept of performance and support networks has not been examined in a tourism destination scenario before, and the characteristics (multi-sector and dynamic) of tourism make such an application complicated. Industries, such as tourism, make it difficult to draw a clear partition/distinction between performers and supporters. It is not one sector, but an amalgam of sectors, working to create tourism products and experiences. Therefore, especially in tourism, actors in a support network need to perform in the daily operation of the tourism industry. Everybody in the tourism system needs to be supported and at the same time, perform, within the network. Figure 7.1 is drawn as guided by Fill (2006).



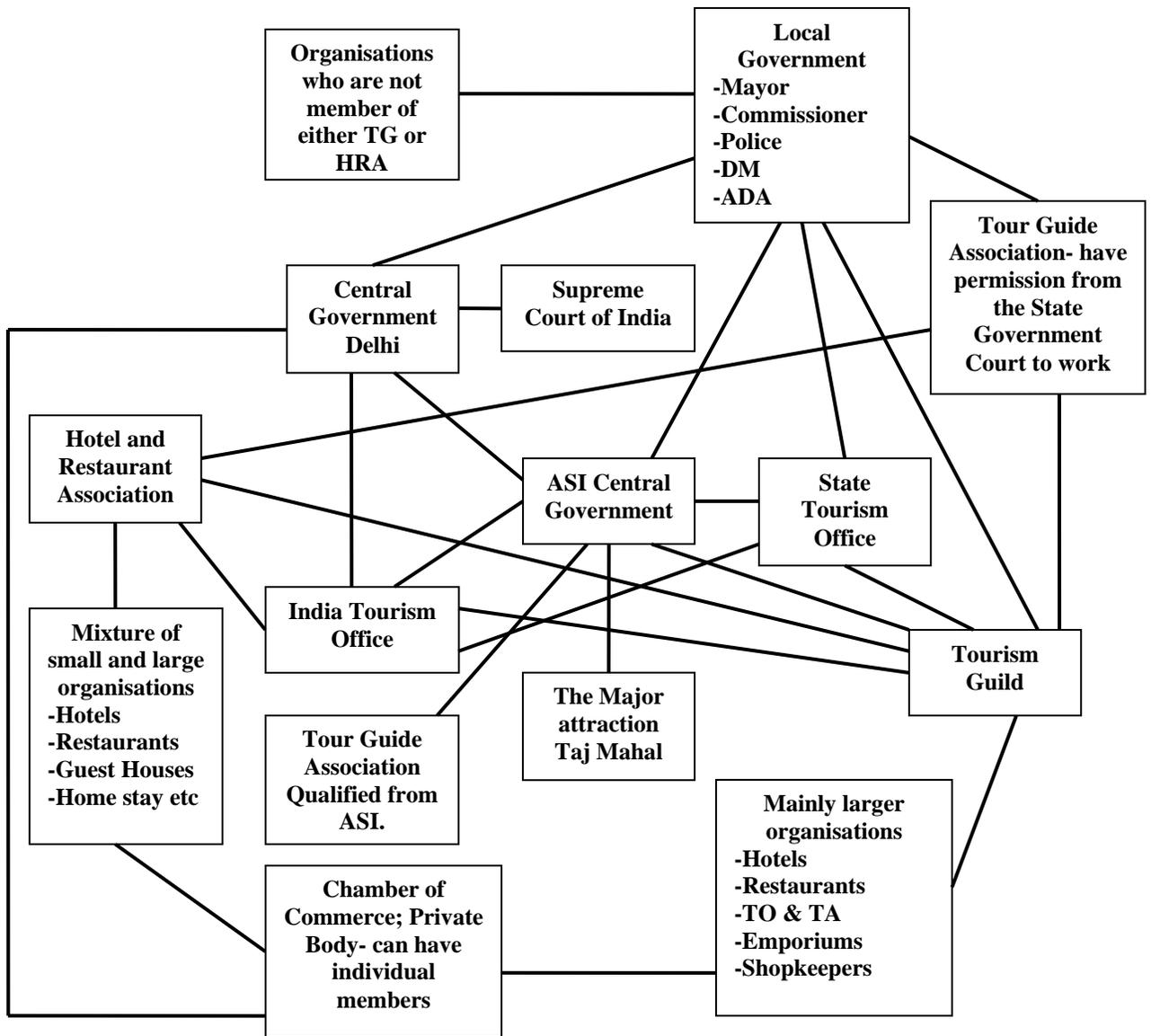
**Figure: 7.1. Macro Tourism Network (Performance and Support) in Agra**

**Source: Author**

Figure 7.1 is a representation of the tourism network as a whole in Agra. In the researcher's view, it can be called as a '*Macro*' network. Macro network diagrams can give a generalised view of the whole network which includes most of the activities and resource flow of the network. Previous research into stakeholder involvement in destinations (such as Wilmshurst 1992; Carey *et al.* 1997; Kaplinsky and Morris 2003; Ritchie and Crouch 2005; Fill 2006; Weiermair 2006; Johnson *et al.* 2006) have discussed networks at this macro level. This Macro network does not, however, give in-

depth insight into any of the functions of the stakeholder network (such as communication or resource flow).

The mapping of individual stakeholders' networks of activity was informed by the answers to the questions in the interview checklist about their place in the network and with whom they communicated. As found in the literature, stakeholders need various resources, and this tends to determine their network. Individual stakeholder networks can be called '*Micro*' networks. Micro-network mapping contributes towards understanding the stakeholders in greater detail by plotting the flow of each specific resource through the network. The problem is that the possible combinations of stakeholders and resource flows are potentially endless. For example, in the tourism destination of Agra, each stakeholder has some communication with others in both formal and informal ways. In addition, they could communicate or involve themselves in different activities for a variety of reasons. To chart such variety of key interest (informal network) would be too complex and messy. It was therefore necessary to simplify the chart by confining it to the formal network of stakeholder relationship in the tourism system in Agra (Figure 7.2). Figure 7.2 is derived from the interviews where interviewees often put the Taj at the centre of their diagram and draw the network of influences around it making the Taj a Focal Organisation as suggested by Rowley (1997), Pavlovich (2003) and Pajunen (2006). This illustrates the connectivity and interactions of various stakeholders within the network of Agra tourism industry. The characteristics of this particular network are explained more closely in the Case Study Chapter, and an extended version of the Figure 5.4 (p76).



**Figure: 7.2. Formal Communication/Interaction of Key Stakeholders in Tourism in Agra**

**Source: Author**

Figure 7.2, drawn from the primary data, presents an overview of the tourism industry network in Agra. It also illustrates the fact that the operation of tourism in the destination requires communication between complex networks of organisations. The figure also identifies the formal lines of communication in the daily operation of the Agra tourism industry. The dependency mainly in terms of resource-flow among these organisations in

Figure 7.2 is studied close in the following sections. The sample of the semi-structured interviews of individuals and groups can be seen from the above figure. Stakeholders discussed resource flows in their internal networks as well as the flows operating within the external networks of their industry. Thus the next section explores the tourism resources and their influence on the network.

#### **7.4 Analysis of Tourism Stakeholder Resources and Power Relationships**

For any industry or organisation resources can be defined as stocks of available factors that are owned or controlled by individual or groups of organisations. Frooman (1999, p195) defines that “*a resource is essentially anything an actor perceives as valuable .....*” It can be said that a resource includes “*things needed to get a job done*”. Similarly, resources are something that one uses to achieve an objective. Furthermore, Amit and Schoemaker (1993) say resources are the inputs or the factors available to an organisation which helps it to perform its operation or carry out its activities. The perception of resources could also be any physical or virtual entity of limited availability (Harrison *et al.* 2001; Fill and Fill 2005).

Resources are diverse in tourism because, as it has been discussed earlier, tourism is a multi-sector industry; therefore, various resources are needed to allow the organisations and the industry as a whole to function. Some examples of tourism resources are given by researchers (Hess and Ross 1993; Dietvorst and Ashworth 1995; Baldacchino 1997; Brammer and Beech 2004; Cooper *et al.* 2005; Ritchie and Crouch 2005; Massyn 2007; Riley and Szivas 2009) and include land, labour, capital, culture, infrastructure, attraction, wildlife, knowledge, etc., depending on the characteristics of the destination. From the interview transcriptions, a wide range of tourism resources can also be found in the context of Agra.

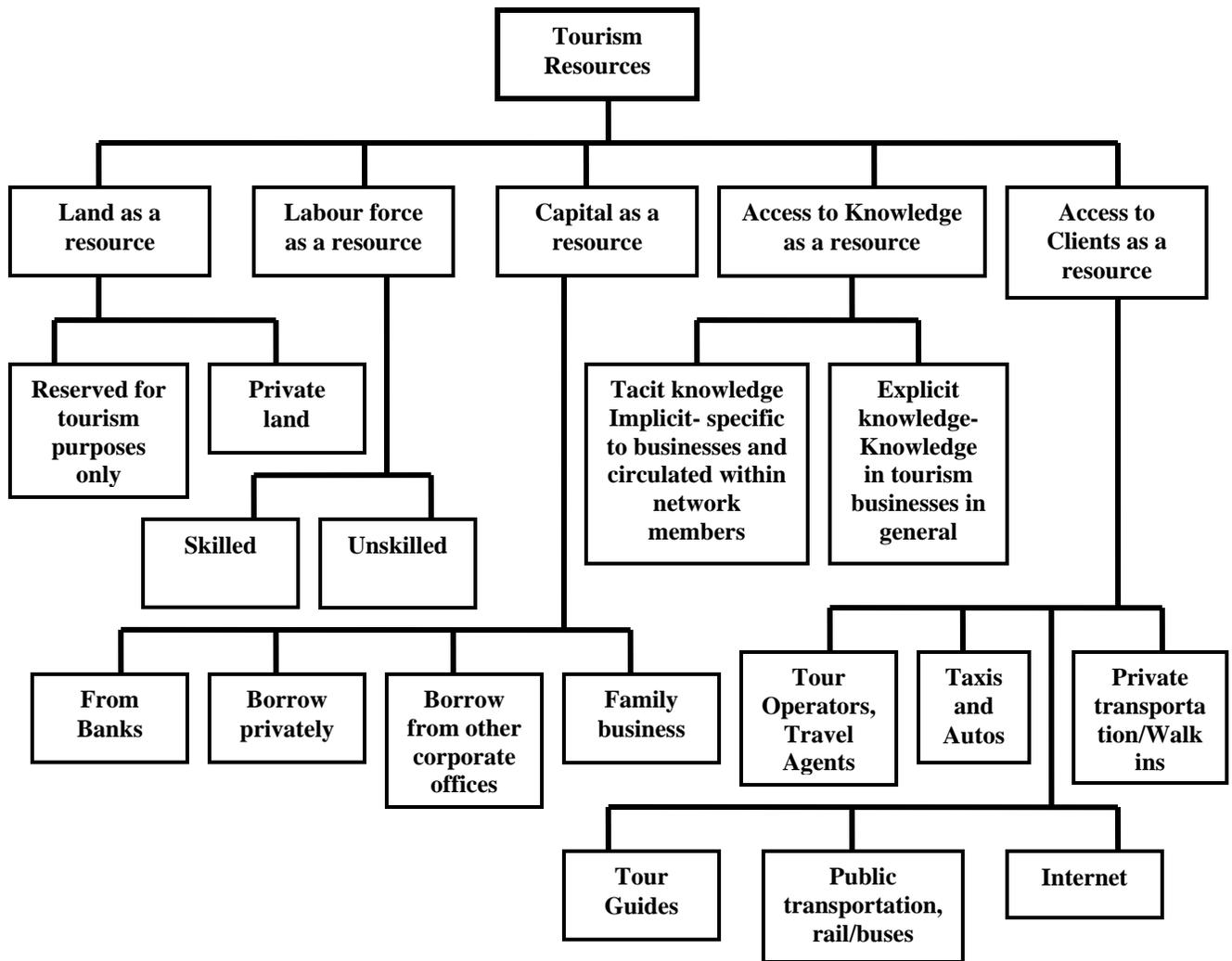
Interviewees agreed that the generic resources needed for any kind of tourism-related organisation must include land, labour, capital, knowledge & skill and access to

customers. As an example one of the representative quotes comes from an emporium owner:

*“Main tourism resources are location, money, workers. My father was in this business. I worked with my father. I have experience in this field. I need customer to sell my products too.....”* (12B)

The quote signifies that the basic resources needed to operate a tourism-related business often include location (land on which to build the tourism establishment), money (capital to establish the operations and functions of the tourism business), workers (labour force needed to run the tourism business), knowledge (knowledge in general to operate the tourism-related businesses: in this case it can be conceived also as ‘experience’ which is tacit knowledge) and access to clients (how would they go about bringing customers to their establishments). Thus, the resources tourism stakeholders in Agra give most salience to are land, labour, capital, knowledge and access to customer (see Figure 7.3).

In the next section the research investigates these resources in greater detail. Figure 7.3 identifies the key themes on resources of tourism in Agra and emerged as a result of the analysis of the existing literature and primary data. The first row in Figure 7.3 of tourism resources is mainly guided by the literature (the top five themes) and the rest are specific to Agra tourism industry. The possible sources of these resources are also identified according to the tourism stakeholders in Agra within this diagram. This figure helps the reader as this informs the structure of the following sections.



**Figure: 7.3. Key Themes of Resources in Agra Tourism Industry**

**Source: Author**

The interviews revealed a wide range of resources associated with the operation and functioning of tourism-related business. These include not only the more common ones such as land, labour, capital, customers, knowledge, skill, but also more detailed and specific resources. For instance, when asked questions like “what do you need to run your day-to-day business”, answers ranged from tap water, electricity, building material, maintenance of the road. It can be seen from the data that, at the individual stakeholder level, the list of resources to operate an organisation is quite inclusive but it also varies from stakeholder to stakeholder, depending upon their size, type, the type of ownership,

type of tourist and location. Because of the primary importance attributed to the generic resources the following section focuses upon them before going on to the more specific resources.

#### **7.4.1 Land as a Resource**

Tourism is an industry based on real estate development (Cooper *et al.* 2005) and therefore it is not surprising to see land identified as a key resource. Understanding the sources of this resource will aid understanding of the dependency and restrictions involved in its use and distribution in Agra. There are two main types of land found in the Agra tourism context: private land and land reserved especially for tourism purposes (Figure 7.3). This system is replicated in other places too. This is suggested by Dietvorst and Ashworth (1995), Buckley (2003) and Brammer and Beech (2004), despite their research being conducted in different parts of the world (such as Netherlands; North America and Australia, and Goa, India respectively), the theory seems to hold together. In this section both the advantages and challenges associated with this type of land use are discussed and the findings from the literature review are brought in to assist with the debate.

Private land is relatively easy to accrue in Agra. When the level of tourism activity increases it puts pressure on the demand for prime land sites suitable for tourism-related businesses. Consequently, when demand exceeds supply, many private landowners are eager to sell their land at an inflated price (Buckley 2003). As a result suitable land for tourism development tends to rapidly increase in monetary value. This is evident in the context of Agra and the situation is expressed by many in the tourism industry as one of the typical quotes given by an emporium owner shows:

*“Prime land may be difficult to find but easy to buy. People may ask a high price for it and if you have the money just pay for it. Don’t you think so? Some people even seen this as good business. They buy from the villagers cheap price and then sell the land to developers mostly foreigners.....”*  
(18A)

Also paying heed to the issues relating to land price inflation, a local hotel owner responded by saying:

*“..... land is not expanding but our businesses are. So you just have to pay higher price for it, if you want it. Am I right or not? ..... ” (19A)*

Moreover, having witnessed the benefits of these transactions in land, some stakeholders are buying both domestic and industrial land in bulk from the indigenous population at a relatively low price before selling it on to developers at an inflated price. This speculative development approach stimulates the market imbalances further and encourages local residents to abandon their activity land to transform it into tourism activity buildings.

This speculative development of land can also lead to negative aesthetic effects within the destination as suggested by Buckley (2003) in North America and Australia, and others including Jutla (2000) and Sekher (2003). In some parts of Agra the uncontrolled use of land and the construction of tourism related-buildings have brought a visual blight to the destination. It also spoils the true identity of an historic city. This view is put forward by many of the interviewees and typified by one quote from a member of staff in the Uttar Pradesh (regional) tourist office:

*“In places like Jeonimandi and Lohamandi is littered with small hotels. There is no synchronisation in there. Some are old, some are new, some are two storied, some are 5-6 storied. No proper sanitation. They often have fight with water supply. In some cases they share water supply. It's a hodge potch (messy). We really had to sort that out. Our department can't do anything now but we are very strict now..... ” (6A)*

These places are at the heart of Agra's host community. Locals are driven out of the area to provide facilities for tourists. However, in some areas the price of domestic land and property is falling. If the community is too close to tourism businesses, such as a hotel, residents want to move out to a quieter and more private area, selling their private property at reduced prices. This further helps tourism businesses to buy those private

properties and expand. This works like a double-edged sword and the situation is echoed in the interviews. One of the victims (a tour guide) of this situation speaks out in anger:

*“I had to sell my own house to get out of this place. After all these years I did not make any profit at all. I never had hotels and emporiums in our community. Since they make these the place is so busy. I have a boy and a girl. 6 and 8 years old. I am worried about them. They can’t study because of the noise, they are not safe to go out to street, too much traffic. I tell you what happen. One day my boy was going to school for exam. I give him lift. I could not take my car out because one very big tourist bus parked at the corner. My boy was really worried and I called the police. I had a fight with the hotel man too. Eventually I had to move out from my family home. I was born in that place and my childhood was enjoyable here in this neighbourhood.....I am a guide and I depend on tourists but I need to draw the line somewhere. Government should not allow to build hotels too close to the domestic area.” (2B)*

Therefore, parking is an example of conflict among the unregulated development of tourism establishments in residential areas (Murphy 1985; Ashworth and Dietvorst 1995; Brammer and Beech 2004; Dhariwal 2005). Putting tourism establishments in residential areas has an impact on residents as well as tourists. Murphy (1985) and Dhariwal (2005) especially discuss that this is not generally a good thing as it results in the community and the industry fighting for the use of the same resources.

The above interviewee quote also puts the blame for this problem firmly on the doorstep of the government officials. The tour guide urged the authorities to draw attention to these issues. Surprisingly, these issues are also reflected by the authorities in Agra, as one representative, a senior official in the India Tourism Office, said:

*“2. I had to step in. there was a physical fight between a hotelier a member of a community over electric use. They blame each other. Sometimes it is overload because of the hotels and then transformer blasts. When this happens it will be few days before you get electricity back. Alternatively everyone have to use their own petrol generators. Now, petrol price is going up. It’s a horrible situation. Locals complains about the parking all the time. Too many tourist taxis and buses park in their neighbourhood. This brings a bad reputation for tourists too. I can’t lose our valuable tourists.  
1. Can it be resolved by any chance?”*

*2. No, I personally don't think so. However it can be eased a bit. The government has to improve electric, water supply and so on. But if you thing about it, if the government had a rule that hotels should not be constructed in the heart of the community, today we would not have this problem. We learn from mistakes.....” (6B)*

In Agra hotels often run into conflict with respect to the supply of resources such as water and electricity. For example, tourism businesses like hotels consume considerably more water than domestic users. The state supplies water twice a day from a central reserve in Agra, as is the practice in many cities in India. Houses mostly store water in tanks and containers for domestic use. These small scale hotels also do similar things. Therefore when the time comes for the state water supply to begin, the water pressure falls because too many people are trying to store water from the same source.

The government, the tourism industry and the residents all want a solution to these conflicts. Researchers have discussed some solutions to this problem. Brammer and Beech (2004) say, from their experience in other parts of India, Goa in particular, it comes down to the authorities taking appropriate action. Ashworth and Dietvorst (1995) stress that if the state government is to plan effectively for the development of tourism throughout a particular destination, it must do so by adopting an effective policy of land use. They further mention research undertaken in the Netherlands that in order to maintain the identity of the place and control development; the local authority may forbid certain activities. Research undertaken by Massyn (2007) in Namibia suggests that to have control over land use, both the authorities and the private land owners should only lease land for a certain number of years. However, the tourism industry in Agra has gone one step further than the solutions suggested above.

Through lobbying by people (some industries and residents) in Agra, the authorities have reached a decision. Until 2008 it was permitted to build tourism-related establishments anywhere in Agra. Now the situation has changed with respect to tourism land use and establishments are restricted to 189 hectares of land reserved solely for tourism purposes. The benefit of this land allocation is the simplification of planning procedures, for example, if someone wants to build a hotel on the allocated tourism land, all the other

consents including licences and permits will be given automatically. This is easier than going through various departments for different permits for tourism businesses. This legislation seems to have captured general agreement as one hotel owner echoes:

*“2. First of all tourism land, there was no land where the tourism activities should go on. Allocation of land. Land use.*

*1. I see.*

*2. We argued on that. Then they reserved 189 hectares for tourism purpose. Next to Jaypee hotel. Then ADA acquired that land for residential purposes. Only tourism activity can be done on that land. If someone wants to make a hotel, then they can do it immediately, buy the land and start building. All the consents I will get automatically .....” (14B&15A)*

However, the local government is in control of this land and sets criteria for the standards and scale of any proposed tourism development. Being the authority in charge of tourism land allocation, this gives the local government more resource-based power than ever on these issues. This statement can be supported by drawing attention to a widely quoted view, as mentioned by a tour operator:

*“..... government has given us the tourism development land to settle in. These land are only tourism development purposes. Government has full control over these lands..... [long pause].” (7A - TO & TA)*

Research by Brammer and Beech (2004) in Goa and Massyn (2007) in Namibia identify that the state’s strategy for land use is emergent rather than intended. They stress strategy emerges on a piecemeal basis as a result of lobbying by powerful stakeholders, such as the large hotel chains, and fails to take sufficient note of local needs mainly SMEs in the area. In spite of the fact that this research has been undertaken in different geographical and cultural areas, their findings apply to Agra as well. The elite group of the tourism businesses, the Guild, is blamed by the rival group the Association, which mostly made up of smaller enterprises, for having made suggestions to the authorities with respect to the criteria on which land allocation is based. The larger and multinational chain organisations have no problems in meeting the criteria for tourism development land. As one of them (i- hotel) describes *“money and land are not a problem because we are chain hotels”*.

In contrast, the Association's view on these criteria is different. The Association complains that the present policies (the criteria) on the use of tourism land favour the larger tourism businesses. As tourism sectors in Agra are mostly small privately owned organisations, they are struggling to meet the criteria in order to gain access to the tourism land. One of the interviewees (the owner of a privately run hotel) explains the policy and implications of the tourism land restrictions. Being the president of the Hotel and Restaurant Association in Agra, he is also passing the message to the policymakers through the Association on behalf of his members. Thus, the Association challenges the power of the authority. This quote below explains the situation:

*“1. If the policy changes then everyone is affected by it, big and small.  
2. So that's why we are not part of any policy. That is the problem. In other word you can say when they make policy they keep 5 star hotels in their mind. Got it.*

*1. So you have to follow the same policy.  
2. How can? When they made the hotel policy they said that only those people can apply in this who is having already 100 corers Rupees (1000 m Rs.) turnover every year.*

*1. So they distinguish between you.  
2. So how can we enter? Only groups can enter. They I immediately shout on it, how come. Then I wrote a letter to Chief Minister that in your village please call these companies and they will make a hotel. Because you belong to that village as well.*

*1. You should think that if you are making a policy, then that should be applicable for everyone.  
2. Everyone, but the setup is changed. Because big hotels are in touch with everyone from Agra to Delhi minister level. They all are connected and dinner parties affect a lot. But now we started another task. We need our own legislative members.” (14B&15A)*

Despite these conflicts between stakeholders in the tourism network, including the Association, the Guild and the authorities, the members of these bodies across the sector agree that individual businesses would seek help from their respective association to get access to resources including tourism land. This carries implications for both the use of private and government own land. The quote below supports the fact these tourism trade bodies help to sort disputes between businesses and private land owners:

*“I go to Association president. He helped me. I had problem with land-lease. I want to renew lease. Landlord asking for more and more money. Myself and landlord went to see Association president. He is a good man. We had a meeting and sorted the problem. If I am not a member, forget about it. I pay .....*” (xiii - A restaurant owner).

It is a mixed view of the land management in the Agra tourism industry. As observed earlier, both systems have advantages and disadvantages. Although there was no restriction to buy private land for tourism purposes in the past, it had its problems including social, land price and uneven development. However, the new system of tourism land use poses different sets of challenges. It has brought some changes to the power structure over land use for tourism purposes. The resource-based power of land has shifted mainly from private land owners to the local authorities and the policies they produce. This system can be seen as more institutionalised than the previous one.

Both tourism trade associations in Agra can influence these policies and decision making processes with respect to land use and also assist their members in accruing tourism land for their businesses. Consequently, organisations and individual businesses often use these bodies to counterbalance the power of the authorities and policymakers. Thus, these tourism trade associations bring their influence on organisations both vertically and horizontally in the Agra tourism network.

#### **7.4.2 Labour Force as a Resource**

Tourism is a labour intensive industry (Aitkin and Hall 2000; Riley and Szivas 2009). It is not only the number of workers but also the variety of labour force needed to meet the needs of the tourism industry. Agra is no exception and, like other destinations, needs both a skilled and unskilled labour force to operate (Figure 7.3, p123). This is supported by research conducted in different locations, such as Riley and Szivas (2009) in European countries, Baum *et al.* (1997) in a global study. In Agra the sources of this labour force are investigated to evaluate resource-based power. The advantages and disadvantages of having these different types of labour and their sources are also investigated. In this research on Agra unskilled labour refers to those workers who may have a general qualification but do not have the knowledge and experience in the particular field of the

tourism industry in which they are involved. The evidence of both skilled and unskilled labour in the Agra tourism industry is found in most of the conversations with the interviewees. One of the statisticians in the Agra Regional Tourist Office confirms:

*“Agra is full of tourist business. They like people with basic education and people who have hotel management certificates. Illiterate people come to work in Agra too. Lots of places to work. Overall I can divide them in skilled and unskilled people..... ” (v)*

In Agra, the unskilled labour force comes mostly from the neighbouring villages. As Baldacchino (1997) and Cooper *et al.* (2005) mention, seeing the opportunities and benefits of tourism jobs which are relatively easy to find, people are drawn to them. As a result, from the industry point of view, there is no indication of a labour crisis in Agra at present. This is supported by an owner of a restaurant:

*“To me, my employees come from the next village. They want a better life. If they can read and write, I will employ them and give them training. They will learn slowly as time passes by [long pause] they become experts. .... ” (xii)*

On the other hand, when cities become tourism destinations they face different sets of issues. Traditionally, cities have developed through heavy industries (such as coal, iron, oil, and textiles) and then, when these industries go into decline there is a tendency for them to be replaced by tertiary industries which focus upon infrastructure and tourism. This scenario applies the city of Glasgow, UK, where tourism was introduced in the declining stage of traditional heavy industries. Baum *et al.* (1997) argue that it is an equally valid scenario in locations where the exploitation of natural resources no longer provide the same level of employment opportunities as they did in the past. Therefore, workers in these locations, with or without a choice, join the tourism sector to earn a living.

The scenario in Agra is somewhat different because tourism always existed there alongside the heavy industries. However, the heavy industries in Agra were not subject to a long decline but closed suddenly in 1996-97. After the closure of many heavy

industries, the people of Agra had little choice but to earn a living from tourism related businesses. The pollution from the heavy industries such as coal, iron and oil affecting the white marble of the Taj led to the Supreme Court of India (1996) finally ruling that all the industries contributing to air pollution being forced to install pollution control devices (Sterling Machine Tools). They had to switch to natural gas or relocate their factories by 1997. It is expensive to install and maintain a pollution control device in the long term. Some industries were not ready to shift from coal to natural gas users while others had to move elsewhere and some of them could not afford to make the necessary changes so they closed down. The Indian Government also ruled that factories that opted for relocation would be obliged to re-employ workers under favourable terms and give them a one-year bonus. In addition if their plant were to close down, workers would be entitled to six years worth of wages in compensation. Consequently, some companies went bankrupt.

The Taj Mahal is the most celebrated monument in India and a UNESCO Heritage site. One of the biggest advantages of having the UNESCO recognition was the increased profile the site achieved, bringing in increasing visitor numbers, the flow of expertise, knowledge and funds to look after the Taj in Agra. However, it also brought challenges for the people in Agra. The management and control of Taj is outside the hands of the local policymakers and this complicates the maintenance of the monument.

The Taj is an economic asset in and of itself and millions of tourists visits it every year. Consequently it is a major source of revenue and a foreign exchange earner for the region and keeps tourism businesses thriving. It seemed, therefore, that the only industry that can flourish easily in Agra is tourism. Within a few years unemployed people were quick to understand that if they wanted to remain in Agra, the unproblematic way to make a living was through tourism. Many therefore invested their compensation money into tourism related businesses. This is one of the main reasons for having a mix of skilled and unskilled labour force in the Agra tourism industry. Friends and families got together to open hotels and restaurants. Some opened souvenir shops and the rest of them went

into hospitality jobs. This is echoed in most of the interviews and one typical example of the changing trend of trades in Agra is captured below:

*“My grandfather and my father worked in the coal fire station near Agra fort. When I was a child I wanted to work with my father. I was working there. Then the place closed down in the 1990s. Myself and my father lost our jobs. I did not know what to do. I know Agra well. My family suggested that I become a tour guide. That was the only choice I had at that time. I had to feed my family. And now my son is in the travel agency business. He is earning well .....”* (xviii - Tour guide)

One of the emporium owner states:

*“Firstly I worked in Bijlighar (electric supply office). As you know it is virtually closed now. They offered me job in Lucknow, my family don’t want to move. I have to sell the house, children’s educations..... [long pause]..... And importantly, I am well settled here. I opened ‘fashion art bazaar’. It is a business, so it has certain risks.....”* (12B)

However, there was no systematic way of building these tourism businesses. Streets became overcrowded with tourism businesses contributing to the ‘visual blight’ of the city found in the previous section (land as a resource) and noted by Jutla (2000), Buckley (2003), and Sekher (2003). The tourism labour force in Agra comes not only from the traditional industries such as farming and fishing as suggested by Baldacchino (1997) and Cooper *et al.* (2005) but also from a wide range of other industries which were forced to close down because of the government policy changes.

As a result, the Agra tourism industry contains a labour force which comes from many different cultures, backgrounds and education levels. This is something that was identified by others such as Aitkin and Hall (2000) in their research in New Zealand and Vincent (1987) and Riley and Szivas (2009). The evidence in Agra shows that giving unskilled staff on-the-job training to enhance their performance is a well practiced approach as noted by Riley and Szivas (2009). This is agreed widely across the tourism sectors in Agra as one restaurant owner mentions:

*“If my staff don’t know manners and English, I give them training. After work I bring my staff together and talk. We are all learning. I don’t want to offend my customers.” (xiii)*

An unskilled labourer may need expensive and time-consuming training on the job, but one of the advantages is that they are cheaper to hire than more skilled ones. So this may bring long-term financial benefit to the establishment. As a result many tourism establishments just accept the situation and make it work in their favour. Another interviewee who runs a hotel adds:

*“Unskilled people (are) not a problem. They are cheap. This hotel has both staff. They learn by working here. Often they get briefs from my hotel manager. They are ok. I am ok with this situation.” (16B)*

In contrast, most of the skilled labour comes from the tourism and hospitality institutions. In Agra trained labour tends to come from the Hotel Management Schools (HMSs) outside the city because the only HMS in Agra is relatively new. One of the disadvantages of hiring qualified-skilled labour is that their salaries are usually higher than those of unskilled staff. However, qualified-skilled labour may apply theory to practice and thus bring experience and expertise along with fresh ideas to the organisation. This can provide an extra edge to the organisations they work for in this highly competitive marketplace. Overall, the number of qualified workers is not much of a problem in India. There are HMSs in many places and they send students for industrial training to all the different tourism sectors. This is common throughout India including Agra. As a representative quote one hotelier mentions:

*“They need staff from Hotel Management Schools. Mostly from outside Agra. Agra management school is new. We have connections with schools in other part of India. They send students for industrial training to us. We do campus interviews for them.” (i)*

Thus the students come into contact with the industry whilst studying and are subsequently absorbed by it. In this respect HMSs may potentially have resource-based power but as the supply is often greater than demand no noteworthy influence or exercise of power can be observed at present. One of the interviewees explains:

*“Staff are not that difficult to get. But we also can’t just have anyone working in our hotel. We go for good management schools. Obviously we have to keep the existing experienced ones. They are the backbone of our hotel.” (x - Hotel Personnel Manager)*

However, as Baum *et al.* (1997) suggest, it is found, in the tourism destination context, that there is a range of organisations including public and private (in groups and individually) providing training for tourism-related businesses. Individual businesses take steps to train their staff through different sources. Particularly, in some of the tour operation businesses, it is evident that good relationships with their principle tour operators bring benefits. Principal tour operators can train others in their network. This is an example of a foreign Tour Operator (TO) in Agra having a good relationship with a TO in Delhi who often comes down to train the Agra staff. This works on a mutual understanding basis and benefits both sides.

*“1. So most of them are Indian tour operators and they get their businesses from foreign countries.*

*2. Yes. They are good actually. If you deal with them for a long time or give them satisfactory business they will come down and train tour staff. How to deal with the foreign customers, what they like or dislike. Once we invited them to visit Agra. They just had to pay for flights, we arranged food and accommodation. They gave us training and roamed around the places. It’s a win-win situation. I know there is always a financial thing going on there, but if you have a good relationship with them it becomes much easier to deal with them. I often travel to Delhi to have business meetings.” (7A, TO & TA - General Manager)*

On the other hand, within Agra, groups of organisations also collectively arrange training for various establishments. The Association and the Guild are at the forefront of this activity. The Guild combined with other industries and institutions arranges training programmes for its members’ staff. Outside its members’ businesses, people can also join its training programmes with an agreement and a fee. The Association also often arranges training for its members’ staff as happens in other places which is a practice also noted by Baum *et al.* (1997). Newly employed staff can go for training arranged by the Association. They can undertake their training in the premises of different members.

They even exchange staff within fellow members' businesses. This level of co-operation is common in Agra as one hotelier put it:

*“Association members are not a problem. You can send your chefs to other Association member’s hotel. We help each other. This benefits both of us. We pay membership fees, we get benefit from it. Another thing is that both the hotels can learn from each other.” (xv)*

Unlike the hospitality labour force, there are two main types of tour guide in Agra the qualified and the unqualified. However, both types of guide have the ability to perform through different skill sets. Unqualified tour guides work from their experience in the field over a long period of time having gained the skill from their forefathers. The biggest advantage of this is in the flexibility of this type of tour guide. If such workers know the destination, they can become tour guides and in the off-peak season can engage themselves in a different trade. One of the disadvantages of this system is the fact it is not institutionalised and anybody could potentially become a tour guide even if they did not have the right knowledge, information and skill to perform the job.

Qualified tour guides have to gain the necessary qualifications to work in Agra. It might be a lengthy process but it is a rigorous one. This type of tour guide receives education and training, including learning different languages, in order to enable them to carry out their job at a professional level. This definitely enhances the tourist experience and in the long-run will benefit the industry. However, tour guiding in Agra is mostly a seasonal job. As a result, one of the disadvantages of these qualified tour guides that as they are trained to do one job properly they are less able to carry out other work out of the tourist season. Tour guides in Agra earn most of their earnings in the peak season months (mainly from September to March). Consequently, during the peak tourist season, the competition for guides to find work is fierce and often leads to conflict. There might be enough jobs for the guides but all of them want to grab as many of those jobs as possible. In the off-season they mostly take holidays, stay idle and maybe try to bring themselves up to date with the ever changing system.

At present Agra is encouraging the employment of qualified tour guides but, given the length of the training period, there is a shortage of them. This issue has been raised by many organisations including the Association and the Guild. Now the government is working closely with these trade bodies and the tourism offices to tackle the issue. Jointly the Archaeological Survey of India (ASI) and India Tourism Office set the criteria by which tour guides can become qualified and arrange examinations. They are trying to speed up the process to meet the demand. Successful candidates receive a permit or licence to work as a tour guide and have to renew their permit after a certain length of time. The Secretary of the Guild explains the scenario well:

*“2. .... in the month of December we had a problem with the tour guides and the government was not aware of this problem. So we took this issue to the central government. We met the ASI chief; we met the district magistrate, joint secretary tourism. To a great extent the problem was resolved. The government of India understood the problem of a shortage of guides. They already released 100 guides another 200 guides will be released in June or July. So more guides will be released by the Indian Institute of Travel and Tourism Management, Gwalior.*

*1. What do you have to do to become a tour guide?*

*2. There is a written test, interview, then the government of India, high command recommends that these guides pass their exams. And then ASI gives the licence. You cannot apply for the guide course throughout the year. There has to be some advertisement. Right now Gwalior is advertising for guide courses. They conduct 4 months training. The ad is everywhere including the newspaper.” (7A)*

According to many interviewees, educating and training tourism staff would be of benefit both to the individual businesses and to the industry as a whole. Particularly in the service industries, staffs play a crucial role in meeting customer expectations which could also be used as a competitive advantage over others in the industry. Employees bring local knowledge to the system. This would also help enhance the effectiveness of the industry as a whole. The industry values both its skilled and unskilled labour force. This is replicated in other destinations studied by Baum *et al.* (1997), Aitken and Hall (2000) and Riley and Szivas (2009). A typical quote is given by a guest house owner who is also a lecturer of tour guides:

*“In Agra most of us depend on tourism. All the tourism businesses make sure the tourists are happy with our product and service. We should do everything to make them happy. If tourists are happy we are happy too. I always teach manners and the way we should talk to a tourist. If they are not from hotel management schools, it does not matter. Just give them training. Educate them about the importance of tourism in Agra. I guarantee you they will perform much better. I am sure that this will help in the long term prosperity of our tourism industry in Agra.....” (10A&B)*

As the interview data illustrates, the type (skilled and unskilled) of labour force needed for the establishments not only varies from sector to sector but is also dependent on their sizes. Unlike small domestic organisations, multi-national ones prefer qualified-skilled labour to run their business. In that respect smaller organisations have little or no worries about the numbers or quality of skilled labour. Smaller organisations do not depend on skilled labour force. The Guild represents the elite organisations which include mostly multi-national and larger organisations and, interestingly, they are the ones who have shown a keen interest in balancing the qualified-skilled labour force in Agra. For example, the Guild is working closely with the local government to send the taxi drivers of Agra on a short course about tourism through academic establishments. It was through the Guild’s initiative that the local government has introduced tourism-related courses in local institutions, colleges and universities which will further increase the supply of qualified-skilled labour. The President of the Guild adds:

*“Making a hotel management school was needed in Agra. It’s so difficult to deal with government these days. You know..... you are an Indian. You see because there was no hotel management school in Agra, our workers come from outside. With our enforcement there is a hotel management school in Agra now.” (12A)*

Literature supports these interview findings. The help from groups and associations is common in other tourism destinations. To meet the demand of the qualified-skilled labour force in tourism and hospitality sectors, China National Tourism Administration stepped in to ease the situation (Zhang *et al.* 1999). CNTA offered financial and human resources to jointly run tourism programmes with some universities. Later CNTA formulated an education policy which established a nationwide tourism education system.

CNTA established its own educational institutions, which comprises vocational schools, secondary professional schools, colleges and universities offering tourism courses. Zhang *et al.* (1999) also mention that meanwhile many managers are also selectively sent abroad for tourism management training which is replicated in the context of Agra too.

However, the overall perception of the interviewees is that the Guild has done this to benefit its own member's businesses which might also benefit the tourism industry as a whole in Agra. Overall, as explained by Frooman (1999) and Pajunen (2006), these groups and individuals in Agra, including tourism institutions, hotel management schools, individual businesses, government bodies, the Association and the Guild, would have resource-based power over training and supplying the labour force to the local tourism industry.

### **7.4.3 Capital as a Resource**

Capital is a resource essential for any organisation or industry to establish and flourish (Hess and Ross 1993; Hampton 2003). Tourism industry establishments in Agra are no exception to this. In Agra, the sources of capital for tourism businesses include: (a) banks (both government and private), (b) private lenders, (c) families, relatives, individual savings and, (d) partnership businesses (Figure 7.3, p123). This theory seems to hold in a variety of circumstances as noted by many researchers, including Alhemoud (2005), Smeral (2003), Hampton (2003), Colombia (2001) and Zhang *et al.* (1999) who found similar results in different cultural contexts in different countries (Kuwait, Indonesia, Colombia and China). Understanding the sources of this resource will help to evaluate the power and dependency structure of the flow of 'capital'. Benefits and challenges regarding the ways to accrue this resource are also discussed in this analytical section.

Agra has both multinational and domestic businesses in operation. In India foreign business owners have to abide by special rules and regulations one of which is that foreign businesses must have an Indian partner with a larger share in the business. However, sources of capital, especially for multinational organisations, are not a major problem in Agra. This is also something that Zhang *et al.* (1999) found in their research

in China. Many are backed up by their corporate head offices. Below are representative quotes from two large hotels that find little difficulty in raising funds for their businesses:

*“Money and land are not a problem because we are a chain hotel.”* (i)

*“Money is ok ..... we can borrow from bank for example or from the corporate office.”* (iv)

Where larger organisations can rely on their corporate head offices for finances, smaller ones seize other sources as mentioned earlier. Some seek loans from banks and others fund themselves. In India, for example, hotels can apply for bank loans specially prioritised for tourism businesses under a government scheme to encourage people to open related businesses. These loans are available mostly at the government (state controlled) banks in India, and offer tourism businesses loans under preferential terms and conditions - Hampton (2003) in Indonesia and Zhang *et al.* (1999) in China. In this respect it can be said that, to a certain extent, both private and government banks have resource-based power over the development of new tourism businesses.

Many of the young and dynamic students who have completed tourism and hospitality management courses are setting up their own tourism related businesses. For example, one of the tourism-qualified people has successfully opened his restaurant in Agra. He has received government help to finance the project. He mentions:

*“I am fresher. I do not have plenty of money to fund a restaurant. My dream came true. I took a loan from the State Bank of India. The Government is encouraging locals to open their own businesses. This is only for tourism businesses. Hotels, restaurants, emporiums, travel agents etc etc. I have a hotel management diploma and I qualify for the loan. If you don't study tourism related course, you do not qualify for the loan. My restaurant is nearly 4 years old now .....”* (xiii)

One of the criteria for applying to the government loan-scheme is that the person in question has to have a tourism qualification. For those who do not have a tourism-related qualification, there are alternative sources of capital. For example, in Agra, many of the

smaller tourism businesses family run where family invest in the business. As one of the small hotel owner states:

*“This is my father’s business. I have always worked here. Now my father has retired, this is my hotel. This is my everything. When we need money, we take it our savings.....” (19A)*

An emporium owner explains how he got involved in the family tourism business and is happy to carry on. He is also expanding his business and explains:

*“My father ran a fashion art bazaar (emporium). I do the same. I have extended the business and now part of my family house is converted for the business. There are so many rooms in the house.” (12B - Emporium)*

Hampton (2003) notes a similar situation in Yogyakarta, Indonesia. Convincingly, he finds that the vast majority of participants obtained capital to start their businesses from personal individual savings and from their families. Apart from banks, savings or families, there is one more major source of capital that has come to the aid of tourism businesses in Agra. As mentioned in the previous section, many people lost their jobs because of the closure of the heavy industries in Agra, but they were left with a generous compensation or redundancy money. With the encouragement of the government and on their own initiative people in Agra used this money to fund new businesses, preferably tourism, to earn a living. Maybe, at the beginning they were disappointed but as time passed by; they indulged themselves in tourism-related activities to earn a good living and overlook the past. Therefore, today, many tourism businesses owners see this as a ‘*blessing in disguise*’. As many of the interviewees support the case as a tour guide explains:

*“2. My grandfather and my father worked in the coal fire station near Agra fort. When I was a child I wanted to work with my father. I was working there. Then the place closed down in the 1990s. My father and I lost our jobs. I did not know what to do. I know Agra well. My family suggested me to become a tour guide. That was the only choice I had that time. I had to feed my family. And now my son is in the travel agency business. He is*

*earning well these days. You know that. Business is business. There is always ups and down here.*

*1. Where did your son get the finances for the business?*

*2. We receive money from the company. My father did not get much because he is old. My money I did not do anything. My wife said to keep it for my only son. We did not know what is going to happen with him. We want to secure his future. Now the money went towards his business. His travel agency business.” (xviii)*

Other examples include:

*“I have two incomes. I work in AVIS travel agent and I lend cars. My father has all these money from his early retirement from “Bijlighar” (Electric Supply Office in Agra). With this money I bought cars and lent them to my boss. Actually my father looks after this business.” (5A- Travel agent)*

*“2. The foundry closed down. I was seriously worried. The Government said they are doing something for us. It will take 10 years to find job for us. Now the government is better. I had all this compensation money, and told my friend, I want to open a hotel. My friend was already running a hotel.*

*1. Did you buy a hotel?*

*2. No, Mrinal said his hotel needs renovating. He wants a “jhakkas” (good quality/shinny) hotel. So I invested my money into his hotel. I am his partner now.*

*1. How is the business?*

*2. It is ok. Without that money, I could not have improved my life.....”*

*(18B - Hotel owner)*

The above quote also demonstrates how partnership businesses can evolve under these challenging circumstances.

In contrast, it is found in Agra that those who do not have personal savings or support from banks or families try other routes to get finance. On some occasions the Association and the Guild can gather money from members and lend to other members’ businesses to fund their growth. Therefore, tourism establishments have to be a member of one of these trade groups in order to enjoy this particular benefit. This is supported by many interviewees, as the president of the Association puts it as:

*“I help many hotels through the budget of the Association. The hotel has to be a member. We have membership fees. Even within our member-businesses, they lend each other and become partners. We are all in the same boat and I like to help other hotels to grow. This unity makes us a strong group.” (14B&15A)*

Therefore, membership of these bodies gives additional access to resources within the tourism network. Good relationships and networking among tourism sectors is important for organisations wishing to draw these benefits. Overall, all these individuals and groups would have resource-based power over the controlling of the finances for tourism related businesses.

#### **7.4.4 Knowledge as a Resource**

Knowledge becomes especially crucial in fragmented industries like tourism where stakeholders not only co-operate but also compete with each other to present a coherent tourism destination to both domestic and overseas markets (Davenport and Prusak 1998; Hjalager 2002; Cooper 2006). Knowledge and skill become as paramount as any other key resource. An experienced hotel manager explains that:

*“One of the other things you need is knowledge and information to move your business smoothly. This is very important. This helps your business to sustain and grow as well.” (i)*

The WTO (2001) further emphasises that at present world destinations are constantly adapting to changing situations by creating and using knowledge in order to respond to, for example, the safety and security measures necessary following the September 11 attacks on the United States. This has affected most destinations, including Agra. As many interviewees agree. An employee of the Central Government Tourist Office in Agra clarifies:

*“We in the industry have to keep up with the rest of the world. We have to keep up to date ourselves. Introduce new technology and safety measures. I get all the information from the head office Delhi. Then I pass them to*

*different organisations. We have to be very careful about terrorist issues. They can be anywhere. ....” (6B)*

Others state that:

*“I had to update my hotel after the American terrorist attack and Bali bombing. I have CCTV cameras in my hotel now. I have lots of new rules and regulations to follow. Authorities said if I don’t meet the new requirements they will not allow me to open my business. It was a big headache for me, but it is ok now. It is good for my business too as I can tell my customers that my hotel has extra safety things in place.” (16B - Front office manager)*

Interestingly, the types of knowledge flowing through the network of organisations within the Agra tourism industry are both *explicit* and *tacit* in nature (Figure 7.3, p123) as suggested by Cooper (2006) and Scott *et al.* (2008) in their study in Australia and Europe. Many of the interviewees agree with this statement. As one of the senior officials at the National Chamber of Industries and Commerce, Uttar Pradesh, Agra states:

*“..... going to college gives you education and you learn about the theories. Then you should try to apply them at work. There are very experienced people in this industry. You can learn practical knowledge from them too. Now that practical knowledge is not always written in books. You should deal with these people to gain this kind of knowledge.” (13B)*

The above quote not only explains that explicit knowledge is documented and can be readily transmitted to others, but also shows the complexity of tacit knowledge in communicating to others. Tacit knowledge is also more valued by people in the tourism industry. (Scott *et al.* 2008) show that the majority of knowledge available to tourism destinations is tacit knowledge. They further add that tacit knowledge in particular is more valuable for tourism organisations because it provides knowledge in the context of people, places, ideas and experiences. Many interviewees strongly agree with this statement as one of the representatives (senior official in the Agra Development Authority) explains:

*“I always talk to people in the industry. They have knowledge of the place. Some of the tourism businesses were here before I was born. Their experience is valuable to our work. You can’t find their experience written*

*in books. People may have a degree like you, but you have to work in a particular place and in a particular industry to know the ins and outs of the organisation. Similar organisations in different places run differently. With any development project from my department we always consult with experienced people in Agra.” (xvi)*

Both tacit and explicit knowledge are shared among the tourism network in different ways. Knowledge can be exchanged as a ‘gift’ through connections and conversations within networks (Scott *et al.* 2008). This can only happen on trust, mutual respect and reciprocity.

Cooper (2006) found that special knowledge (tacit) in particular tourism businesses can be passed from generation to generation or can circulate within a group of colleagues working in an organisation, or within the network members. The evidence of tacit knowledge flowing from father to a son includes:

*“..... four generations of us are in the stone business. My great grandfather and my grandfather worked for the British Raj. Then after the British, my father opened this emporium. Before that he did everything by himself. He learnt it from his father and grandfather. Now I am in the same marble business. I always learn things from my father. I employ others now to do job for me. This business is in our blood now. Technique and skill handed down from father to son. I am lucky to get all of this knowledge.”  
(xiv - Emporium owner)*

The circulation of tacit knowledge among colleagues within an organisation is also common in the Agra tourism industry. Scott *et al.* (2008) give an example of tacit knowledge as that which is being passed from a tourism destination marketing manager to an assistant in terms of designing and managing promotional literature. This research finds similar examples in the context of the Agra tourism industry too. One typical quote is given by an emporium manager:

*“2. This is one of the largest and beautiful emporiums in Agra. It has branches elsewhere in India. I am responsible for maintaining the whole emporium. Presently I am training my assistant manager. He will go to another outlet for a manager post. My training is simple. Whatever I learn*

*from books and my experience, I tell him. If he listens what I say from my 20 years of experience, he will be ok.*

*1. How long do you think it takes to prepare him for the job?*

*2. I can tell from my experience. My target is to get him ready before the beginning of the next crowd. It will be after the festival. Let's say September-October....." (14A)*

The flow of knowledge through an informal network is difficult to track. Informally anyone can communicate with everyone else within the industry and beyond.

*"1. Do you have contacts with anyone in the industry?*

*2. I talk to everyone. I train tour guides. I work as a tour guide. I communicate with hotels. I communicate with emporiums. This all comes within my work circle. Outside my son in law works in the transport department. I get different information from him. I speak to some of his colleagues too. They all know me. On one occasion I had to speak to a lawyer about tourism activity. One of my guests lost his camera. What a day [long pause]. I have contacts with ASI. They issue guide licences and rules and regulations on Taj Mahal. I need to know and then pass them to others. I particularly know this place since my childhood." (10A/B - Guest house owner)*

However, knowledge flowing through a formal network of members may be demonstrable and more conducive to tracking, but only through a complex process. Multinational and chain organisations can develop and share knowledge within their internal networks. For example, principal tour operators from Delhi come down to train the staff of tour operators in Agra. They share this knowledge in exchange for good business relationships; trust and mutual benefit is a fact observed by Davenport and Prusak (1998), Hjalager (2002) and Cooper (2006). A typical quote is given below by a manager of a tour operating company who is also the secretary of the Guild. He explains that besides financial bonding, good relationships and trust are needed to engage in a knowledge sharing network.

*"1. So most of them are Indian TO and they get their businesses from foreign countries?*

*2. Yes. They are good actually. If you deal with them for a long time or give them satisfactory business they will come down and train your staff. How to deal with the foreign customers, what they like/dislike. Once we invited them*

*to visit Agra. They just had to pay for flights, we arranged food and accommodation. They gave us training and roamed around the places. It's a win-win situation. I know there is always a financial thing going on there, but if you have a good relationship with them it becomes much easier to deal with them.” (7A)*

Similarly, multinational and chain hotels take steps to gain knowledge. They rely on their corporate offices and other more successful branches to share knowledge and skill. This knowledge and skill can be sector and organisation specific too.

*“It's a five star deluxe hotel. This hotel only recruits experienced and qualified staff. This hotel exchanges staff among different branches under the same umbrella brand. No need to depend on someone outside for knowledge and skill. This hotel is doing ok.” (iv - Hotel manager)*

Therefore, large, multinational, and chain organisations are supported by their counterparts. In contrast, smaller or independent firms in the tourism system have to learn knowledge from different sources. Researchers such as Pavlovich (2003 and 2008), Cooper (2006) and Scott *et al.* (2008) argue that small and independent organisations do not have the luxury of corporate offices for this resource. Interviews in Agra reveal that one of the important sources of knowledge is that which comes from belonging to a formal network within the destination. Formal networks for tourism businesses in Agra could include membership of the trade bodies, such as the Hotel and Restaurant Association, the Tourism Guild, Chamber of Commerce etc, where members discuss different issues, solve problems and show guidance. This can be both individual organisation specific as well as the “know how” of the surrounding business environment. These networks of different channels are also found in Cooper's (2006) research conducted in different parts of the world. One of the interviewees admits that as a newcomer to the tourism business in Agra, membership of the Association bought invaluable benefits (such as knowledge) to a member's business. The President of the Association emphasises that:

*“1. Do you help them [Association members] in some way?  
2. Yeh, yeh, yeh, it is a help. This is why he is our member. What is the use?  
Why he will be our member. He is our member because he wants all these*

*things to be done. We tell them these are the things you need to do immediately, where to go, I will guide them. You have to know the people in the industry well. Without them you don't get help and customers. In our industry you can't survive in isolation. You have to have knowledge of what you are doing of course. If you are new to the business ..... Join our group. We will help you throughout. The other thing is the guide book. It helps a lot.*" (14B&15A)

Furthermore:

*"1. Do you suggest to them [Association members] what is wrong and what is right?  
2. Then after we try to equip them with the stationary setup. That's the most important thing. Then we tell them what legal formalities you have to follow to run a hotel. Check them."* (14B/15A – Hotel owner, Association member)

A Guild member argues for the importance and circulation of knowledge within their group:

*"If you are in our group, you are covered..... I mean we help each other a lot, our members. You see, mostly new ones. They don't know about Agra and the way we do business here. They can have all the information.....Without harmony in Agra as a whole we cannot succeed....."* (12A - Hotel, Guild member)

Specific and valuable information is also circulated among the channel members but restricted to the members of the particular group. For example, in an emergency or in critical cases any of the members within the same group can circulate the information effectively and quickly. On many occasions the researcher has come across such evidence in the field interviews. One of the examples demonstrates the situation well is as follows:

*"I had a default customer once. Two foreigners. One boy, one girl. They left without paying. I quickly spread the word among the Association members. You see one e-mail is everything. I have a database. I told them the description of the person. No-one will keep them in their hotels and if the customers are found, then they will contact me and the police."* (19A - Hotel owner)

However, the type of knowledge flow and its implementation differs between the members of the two main tourism trade groups in Agra. The Association consists of mostly small and medium sized enterprises (SMEs) of hotels and restaurants only, whereas the Guild consists of elite establishments (larger chain and group of organisations) across the industry. The Association members' businesses are mainly privately owned and managed single handedly. In contrast, Guild members' businesses are managed by various managers (such as general managers, assistant managers) on the premises directed by corporate offices mostly outside the destination. The organisational chart of a chain or a multinational organisation is complex. Therefore, any decision made in a larger organisation, has to be agreed by all of these people inside and outside the local establishment. The President of the Association emphasises that:

*“1. Is it possible to be member of both guild and hotel and restaurant association?”*

*2. There are several members who are both. Actually the work in guild is bit different. They are manipulating a lot with the local bureaucracy. Secondly they always fight with their own problems. Because the Guild has 5 star hotels and we don't have 5 star hotels members in our association.*

*1. Why?*

*2. Because their problems are different and our problems are different.*

*1. Are all hotels alike?*

*2. So what the basic difference is that budget hotels, up to three star hotels proprietorship and ownership is there. But in 5 star hotels the MD and GMs are there. So when any problems come to them they always try to handle according to the direction of the corporate office. They cannot take any decision here. At our table if we decide something we immediately want comprehends.*

*1. Can you give an example please?*

*2. Like we say ok these are the seven people we do not want to accommodate them. The defaulters, the staff defaulters. We should refuse it from the industry. The message will circulate how they have to behave. The five star hotels they have to get permission from the corporate office. They will say sorry sir; we have to get permission we can not apply this in our system. Then it is useless.*

*1. Where are their corporate office?*

*2. Some of them in Delhi, some of them in Mumbai. Headquarters.”*

*(14B&15A)*

This is supported by the literature for tourism; barriers to transfer knowledge are related to its very nature (Cooper *et al.* 2005). It is dominated by small enterprises, fragmented across a variety of activities, and has vocational reinforcements such as poor human resource practices militating against the continuity of absorption. As a result there is a lack of trust between the knowledge creators and those who might use it, due to different cultures and vocabularies of the different communities of practise (Davenport and Prusak 1998; Hjalager 2002; Cooper 2006). Overall, all these individuals and groups including tourism offices, trade associations and individual businesses would have resource-based power over the controlling and channelling of knowledge to other tourism organisations in Agra.

#### **7.4.5 Access to Clients as a Resource**

Clients are one of the most important factors that make a business successful (Hess and Ross 1993; Cooper *et al.* 2005) and thus access to clients is paramount to any organisation. Likewise, interview data shows the importance of clients to a tourism business is immense. Hence, access to clients is an important resource. An organisation's survival depends on this particular resource. The most important action in the tourism system is to attract consumers to purchase the tourism product, generate profit and make it worthwhile for stakeholders. This statement is echoed across the tourism industry, as one of the emporium managers says:

*“Without customers my emporium ceases to exist. This is a big emporium and I want regular profits to manage this. In summer it is difficult to run. I keep many part time workers and they don't work in summer. I have to do it this way.....”* (18A)

The sources of these clients would reveal the power structure and dependency within the channel members. The advantages and challenges to access clients are also evaluated in this section. In Agra tourism businesses can gain clients through a wide range of channels. They can range from tour operators and travel agents to tour guides and the internet (Figure 7.3, p123).

Hadjinicola and Panayi (1997) argue that in most destinations clients, such as tourists, book their holidays through travel intermediaries. In other words travel intermediaries bring tourists to the destinations. They also mention that these intermediaries include tour operators and travel agents. Agra is no exception to that. The majority of the interviewees agree with this and a senior officer at the India Tourism Office gives a representative quote:

*“I don’t know about other cities in India, but tour operators and travel agents mostly from Delhi bring many tourists to Agra. One of the reasons could be not having a proper international airport in Agra.....” (6B)*

As mentioned by Cooper *et al.* (2005) and experienced by the researcher in Agra, the tour operators and travel agents provide travel-related services such as combining aircraft seats and hotel beds. Both Carey *et al.* (1997) and Cooper *et al.* (2005) agree that travel intermediaries are able to offer an attractive price tag through bulk buying which generates economies of scale that can be passed on to the customers. They also found in the research that, because of this, service travel intermediaries get a commission from the suppliers or the principals (such as hotels, airlines). This is supported by many interviewees in Agra, one hotel staff member mentions:

*“Tourists come through tour operators. You see, this is good for both of us. I get my guests and tour operators get commission from us. They make good money because the guests pay them too.” (19A)*

For further confirmation of the above statement, a typical quote is presented by a tour operator:

*“..... it is a win win situation. We bring tourists to the hotel and then they pay a small token money. Actually we do them a favour. For example I can take my clients to other hotels. Actually both need to be satisfied with the deal.....” (11A)*

A travel intermediary who happens to be both a tour operator and a travel agent agrees with this and further adds:

*“Most of the good clients come to Agra from foreign countries. This is an international company. Hotels here do not have a clue about the foreign market. Hotels here are lucky. Because of people like us, foreign clients stay with them.” (5A)*

These quotes maintain that whilst intermediaries may take commission from the respected tourism establishments, they also do them a favour by bringing tourists to particular establishments. This gives them a prominent position in the operation of the tourism system. The position of the tour operators and travel agents gives them power over the hotels that often become dependent on them for business; which explains the literature by Buhalis (2000). This also creates a bond, for example between a hotel and a tour operator, which arguably is mostly maintained by the hotel sectors. The explanation is given below in the quote. Tour operators and travel agents become a valuable ally to the hotel businesses. As one of the hoteliers said *“it is easier for TO & TA to change a hotel than a hotel to change a TO & TA. Hotels want to have a long term relationships and build trust in the business”* (x). Others in the network comment that:

*“2. .... The Hotel is running at the mercy of the internet and the TO. And sometimes the taxi and auto drivers bring customers from the rail station. We are connected to both TO in Delhi and outside. They are happy with us and we are happy with them.*

*1. Would you like to change TO often?*

*2. Not really. We can't lose them. They keep us going. Again it will take time to get used to a new TO. Trust, mutual understanding and benefit is important.” (iii - Hotel)*

*“2. I depend on TO a lot. This is a part of a tour operating company as well. But the thing is..... our company does not have offices in the foreign countries. And foreigners book their holidays through them. So for example if they don't include our emporium in their trip, we miss out. TO receive commission for that. Tour guides also receive commission. Not good commission..... They go somewhere else. It's easy for them to change emporium. There are so many of them these days. Difficult for us to change TO*

*1. But there are so many TO too.*

*2. Long term relationship is good. You can trust them. Rely on them. Cox and Kings is with us for 25 years now.....” (14A - Emporium)*

Interviewees in general agree that the type of tourist flow to the destination can also be influenced by the tour operators (Carey *et al.* 1997). It is also found in Agra that tour operators will choose to control the flow of a particular type of tourist for their own personal benefit. Also, tour operators can move to another destination as soon as their financial interests can be served better (Josephides 1993). Evidence of these statements is found in the Agra tourism system:

*“Tour operators have lots of power, they can change things around. If they make more money, they decide what type of tourists to bring to Agra.....”* (xvii - Hotel)

*“..... if they are not happy with a hotel they will move somewhere else. Maybe to another part of India. Wherever they can milk money.....”* (18A - Emporium owner)

Josephides (1993) suggests that due to all these reasons tour operators take advantage of their position. Buhalis (2000) finds that in some cases businesses such as hotels, restaurants, emporiums and others which have a direct relationship with travel intermediaries have strong feelings against them. This is evident throughout this research. However, there are exceptions to this relationship. In some cases interviewees think it is a two way game. They mention it is obvious that they need tour operators, but tour operators need them too.

*“..... it is not good to change TO every time. We depend on each other. This hotel is the best hotel I can say in Agra. Sheraton group is so well known. Our TO likes to stay with us. We get 80 to 85% of our guests from them. .... No need to break their relationship. No guest I will lose my job.....”* (i - Hotel)

Therefore, tour operators and travel agents (TO & TA) have a crucial role to play in Agra and have power to control the flow of tourists. The relationship between the hotels and the TO/TA forms a complex system. Most of the hotels in Agra have contacts with TO and TA both inside and outside Agra. The TO and TA based in Agra have relationships with the principal TO & TA in major cities in India, such as Delhi. In turn these national

TO & TA in Delhi, for example, have connections with the TO & TA who bring tourists from foreign countries. Thus the network can draw in both domestic and foreign tourists. One of the tour operators explains that:

- “1. Where do you get your customer from sir?  
2. We get the customers from our principal agents in Delhi and Bombay.  
Sometimes we get direct.....  
1. Could you please tell me some of the TO’s name please?  
2. it’s a long list of 100s. Couple of them are Koni, Creative Travels, Indian Discoveries, World Tour etc.” (7A)*

Despite tour operators remaining the main source of tourist flow to Agra, people also arrange their travel through a more impersonal channel: the internet. With the growing awareness and spread of internet services, this method can often be cheaper than the traditional intermediaries. According to Law *et al.* (2001) both hotels and tourists take advantage of this facility. For example, hotels do not need to pay any commission to the intermediaries and at the same time reduce their own administrative costs. Thus, hotels can afford to present an attractive, lucrative deal than can be offered by the travel intermediaries. This can help lessen the strain between intermediaries and the hotels. Interview data speaks well of this. A typical quote is given by a happy hotelier:

- “I handle lots of direct bookings. They are good. You have the internet, use it. These days.....[long pause].....it is so easy. Good for us. Tour operators can’t dominate me any more. Their days are gone. Having said that I still have many tourists from them. I can’t deny their existence all together. ”  
(16B)*

Besides tour operators, tourism businesses in Agra see tourists coming from other channels. The most popular ones are the direct walk-ins. Furthermore, they have taxi drivers, tour guides and representatives standing at the railway station (examples of direct selling). Some of these sources are mentioned in research conducted by Hayter and Allmark (1998). Even hotels themselves exchange clients. If one hotel is full, then the clients are transferred to other hotels within their networks of acquaintances. Guide books such as Lonely Planet, India, play a crucial role too in drawing tourists to Agra and to a particular establishment. These books contain information on places to visit and

accommodation in Agra. This is echoed by many interviewees; one hotel manager makes it clear:

*“My business clients come from all over the place. From the rail-station, auto, walk-ins, through agencies, tour guide and of course internet. Every source is important for my business. They are all valuable.” (16B)*

However, the data also illustrates that not all the businesses are totally dependent on TO & TA in Agra. Large multinational organisations, in order to meet their own interests have frequent business dealings with TO & TA. They also mostly deal with upper class, elite customers. Unlike them, smaller businesses (such as smaller hotels, smaller emporiums, smaller restaurants) seldom deal with TO & TA. Smaller businesses in Agra mostly serve back-packers and student class clients. If the name of their organisation is in the guide book, then they do not have to rely heavily on travel intermediaries and pay commission to them. The disappearance of the middleman saves resources for both the clients and the businesses. Unlike the large businesses, smaller ones can gather clients from all these sources and survive. As one of the interviewee explains:

*“1. How do you get tourists here to your hotel? TO & TA?  
2. No, through guide books. All the tourists have guide books, mostly those who stay in small hotels. It is published in Europe only. You can find descriptions over there. i.e. the Lonely Planet, book called ‘India’. I have direct customers.  
1. What if the Auto driver and everyone brings lodgers? Do you have to give them commission as well?  
2. Long live the ‘guide book’. Auto does not bring customers, customers bring the Auto here.” (14B/15A - Hotel owner)*

However, in all the cases there is a cost to pay to have clients brought to particular tourism businesses. For example tour guides, taxi drivers and brokers regularly introduce customers to hotels and emporiums. In return they take commission, a financial reward. This system is replicated from the travel intermediaries as described by Cooper *et al.* (2005). The better the financial reward, the greater the number of customers they are willing to bring. These types of agents can sometimes be demanding and the arrangement often ends in conflicting relationships. Similarly in Agra, hoteliers and emporiums are

often not happy with their broker's actions. Buhalis (2000) describes that sometimes hotels refer to tour operators as '*blood suckers*'.

Overall, it is more challenging for larger organisations to deal with TO & TA than their smaller counterparts. Thus it is evident in the data that on some occasions TO & TA try hard to get the best deal. Sometimes TO & TA will even abuse their power in negotiations with the respected organisations. To counter this power, businesses in Agra seek sanctuary from the trade associations (such as the Association and the Guild). Collectively, they have the power to take sanctions against TO & TA who are not acting fairly towards any of their members. Therefore, no single stakeholder holds power over this particular resource: access to clients. Overall, as explained by Pajunen (2006) and Frooman (1999), all of these groups and individuals would possess resource-based power over channelling clients to particular tourism establishments.

### **7.5 Tourism Resources: Less Generic and Organisation Specific Ones**

Besides this, a group of other less homogeneous, organisation specific resources can also be found through the interviews. For example, in order to see what resources the interviewees perceived as valuable (Frooman 1999) an open question was asked to stimulate the discussion (what do you need to run your business?). The answers range from tap water, electricity, building materials, maintenance of the road etc. Diversity of these resources is also supported by Amit and Schoemaker (1993); Cooper *et al.* (2005) and Ritchie and Crouch (2005). At the macro level, the resources they need to carry out their business include absolutely everything at the destination. Most of the interviewees agree with this statement, one representative quote is more explicit than others:

*“1. what do you need to run your day to day business?  
2. well everything really. The list can range from all the basic needs of a business. And on top the business environment is important really. Need good roads, clean roads I mean- without pot holes, clear drains, building materials, hospital, post offices, staff, etc etc. And banks. How many banks have you seen on this road? Need more. The other thing, maintenance of the Taj Mahal very important for my business. All the time Taj should be very very clean and well maintained.....” (7B - Tour Operator)*

In relation to that, a classic quote is given by the Mayor of Agra. She spells it out:

*“Tourism needs everything and everything needs tourism.”* (viii)

Another member of the local government Agra Development Authority further adds:

*“There are plenty of tourism resources. Actually tourists need everything in the city to make them happy, have a good experience. We care about infrastructure, someone else care about something else. ADA want fund, come from tax and donations. Our income is good. Everybody want to work together for better Agra. I tell you, working together will solve many problems.”* (xvi)

This illustrates the demand and dependency of the tourism industry in Agra. It can also be seen from the data that at the individual stakeholder level the list of resources to run a business is huge and varies in each business/organisation depending on its size, type, the type of ownership, type of tourists, location and so on. One of the distinguishable examples would be the use of oil generators in Agra. Power cuts in India are common. They happen several times a week. The ever hungry growth of industries in India is to blame for this. Agra is no exception. However oil power generators are not allowed to run within the Taj Trapezium Zone. Thus if a business/organisation is within this zone, then either the generator has to be set outside the zone or an alternative method which is smoke free must be used. Thus the location of a business coincides with the resources needed to carry out that business.

## **7.6 The Comprehension of Resource-based Power in Agra Tourism Industry**

Overall, tourism-related businesses and organisations require almost everything discussed above in order to operate smoothly. These numerous resources can be accrued from more than one source. Therefore numerous numbers of individuals and groups of organisations would have resource-based power. This further complicates the study of power relationships and resource dependency. Therefore, it makes it complicated to study and comprehend the resource-based power of stakeholders in Agra tourism destination

settings. On the other hand, resource owners can be in control of more than one resource. This overlapping resource dependency relationship further complicates the issue in studying resource-based power.

Also as the literature shows “resources, if considered as isolated factors, do not result in productivity, hence the co-ordination of resources is important” (Harrison *et al.* 2001; Fill and Fill 2005). And in the value chain (Porter 1985; Kotler *et al.* 1999; Weiermair 2005; Umit 2006; Klaus 2006) the processes of various stakeholders add value to these resources and by joint effort create the tourism product. A personnel manager of a reputable hotel emphasises:

*“We deal with hotel rooms. Then we need transportation to take guests to the Taj. Then food, water, other materials and so on. Hotels alone can not do anything. It has to be a chain of activities put together to please a customer. We need each other.” (x)*

A travel agent mentions:

*“2. I arrange travel services. If I can't channel them through to my customers, I will be out of business. I am a tour operator too. I have networks of businesses working together to make a profit. The survival of my business depends on these businesses.*

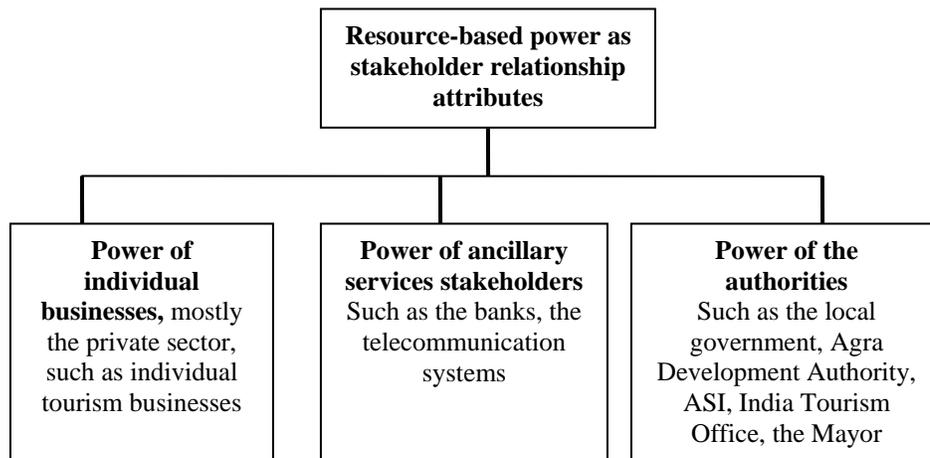
*1. Who are these businesses?*

*2. Well, they are my clients. They are hotels, restaurants, other tour operators, emporiums, tourists etc etc. The whole tourism network in Agra and some people from Delhi.” (11A)*

This is a representative quote and agreed by many in the tourism network in Agra. It is also a view supported by Stern and El-Ansary (1992) who state that organisations are the primary entities which have been created to put resources together in such a way that the output from the combined resources is greater than the sum of individual parts. Thus it is difficult to identify any one individual stakeholder/organisation in order to study resource relationships, e.g. resource-based power.

To comprehend resource-based power more closely and clearly the researcher studied the usage of these resources and bundled them accordingly. The researcher grouped them in

relation to their usage to uncover power relationships. By grouping them thus, it is easy to analyse their behaviour, characteristics and relationships. By segmenting those resources, patterns emerge which enables a deeper understanding of them. Thus the researcher isolates the resources needed in *day-to-day*, *year-to-year*, and *long-term* tourism activities. This is derived from understanding and interpreting the raw research data and working closely with the stakeholders in Agra. Thereafter, by understanding and closely studying resource-based power, the segments become: *power of the individual businesses*, *power of the ancillary services stakeholder* and *power of the authorities* (Figure 7.4). Evidence of such realisation is illustrated through the following sections.



**Figure: 7.4. Resource-based Power**

**Source: Author**

### **7.6.1 Power of Individual Businesses**

Some businesses may be individuals and fragmented over Agra in various trades, but each of them counts towards the survival and development of tourism in the city. It is evident from the transcriptions that, as they need various resources to run their organisations, they will need each other to process those resources. Tourism is an integrated industry where the joint involvement of many stakeholders to make a coherent tourist product is necessary.

Therefore, individual businesses need each other to run their activities, a fact that is prominent in their 'day to day' activities. Also, it has been found that as each stakeholder has some resources in stock (Burney 1991; Amit and Schoemaker 1993), they will therefore have some power at the individual level within the network. At this level, this kind of power can be referred to as the 'power of individual businesses'. These include mostly private sector tourism businesses. In some cases their illustration of power is prominent within the destination. Interviewees felt that, for example, without resources like rooms, restaurant covers or emporiums, the tourism industry as a whole will come to a standstill. In reality, without them there is no tourism industry. Almost all the interviewees agree with this statement. Some of the quotes show the importance of individuals in the tourism network in Agra:

*“Although there are not too many individual restaurants in Agra, still restaurants are important in Agra. You need to serve the customers. What would you do when they need food and drink? The restaurants inside the hotels are expensive. On top foreigners like to try local food. They want to mix with local culture. They come to restaurants. Restaurants work as a gathering place.”* (xii - Restaurant)

*“..... when the business is down I feel powerless..... when people visit places they always buy souvenirs. They all come to us. Therefore we are important here. For example tomorrow no emporiums here, the tourists will not be very happy about that.....”* ( 18A - Emporium)

*“Everybody has power in this area. Think carefully, I am a guide. Authorities may think that I am not valuable. But without us no-one there to show tourists around. We know this place like back of my hand. We have tour guide association. We can go strike. This place will be standstill. Our association care for us. Last year Agra had a shortage of the guides. Now big hotels have requested the government to release more guides.....”* (10 A/B - Tour guide)

*“Tourists come to us. We feed them. We are not there, they would go hungry. We depend on them for our business as well. We have power in a way that if we don't exist the things will go upside down. We are woven in this tourism system. You can't have a tourists place without having eating-out-places.....”* (xiii - Restaurant)

*“..... I tell you one thing, tourists are dependent on us as well. Wherever they go they want to take something home as souvenir. So if we are not there .....[long pause].... Then they will have less interest to come here to Agra. They wouldn't be fully satisfied when they get back home. Pictures and souvenirs will be the memories of the place for very long time.” (14A - Emporium).*

Stakeholders exploit the resources to create and meet tourist needs and demands. Individual tourism businesses collectively create an amalgam of products and services to serve the industry as a whole. Thus, individual tourism businesses can also be labelled as ‘*tourism resources*’. If a single one of them does not co-operate or run adequately the effect on the tourism industry in Agra will be profound. This could include both vertical and horizontal integration of businesses.

In addition to that, in the interviewees’ opinion, not only does tourism in Agra need a wide range of businesses but it also needs a mixture of larger multinational chain, smaller domestic and private business organisations. This mixture of smaller and larger organisations meets the need and demand of a diverse range of tourists. One tour operator flags up the necessity of both kinds of organisations in Agra:

*“My company deals with both domestic and foreign tourists. Foreigners can't go to a small hotel. My company send them to big hotels. You might also see that these days Indians also have money. Believe me domestic clients also want to spend money these days. So I send to big hotels too. The other thing my company also gets backpackers and students from foreign countries. They do not spend much. My company try to send them to small hotels. But believe me they stay long time..... ” (5A)*

Another large emporium manager shares similar views and revealed:

*“..... Very few locals come here. Actually some locals can afford, but they don't admire the value of these things. These things are so into their day to day life. They take them for granted. Local tourists normally go to small emporiums.” (14A).*

All organisations and businesses have roles to play in Agra. Both meet the need of the different tourism markets. Individual businesses are especially crucial in day to day

business operations, as one of the interviewees mentions “*every business counts in Agra*” (10A+B). Collectively they get the industry going. Their perception is that, if the harmony among private tourism organisations is broken, it will be chaotic to run the tourism industry in Agra. The closure or mismanagement of one of these businesses would have a wide spread effect on the industry and the region itself.

### **7.6.2 Power of Ancillary Services Stakeholders**

However, other stakeholder/organisations which are not directly related with tourism are also important to run a tourism destination smoothly. The tourism system cannot underestimate the contribution of these organisations. They can be called ancillary services (Burkart and Medlik 1981; Buhalis 2000; Cooper *et al.* 2005). They could be semi-government or semi-private organisations. They include banks, post offices, hospitals, news agents, telecommunications etc. The interviewees thought that without the presence and effective operation of these organisations, individual businesses along with the tourism industry as a whole would face difficulties both in day-to-day terms as well as year-to-year terms and beyond. These services are shared by organisations related to tourism and beyond. Thus, the importance of the ‘ancillary services stakeholders’ can be found in Agra. These stakeholders are included mostly in the tourism support network (Fill 2006, Figure 7.1, p118). Ancillary services stakeholders can exercise their power in different ways. Bank operations are one of the prominent examples.

The usefulness of banks for tourism businesses is paramount. These services need to work efficiently on the doorstep of the destination. Banks are not only shared by the businesses but also used by travellers and locals. One tour operator mentions that:

*“Banks are useful for everybody. Many clients not always exchange the money in Delhi. They change it in Agra too. If Agra do not provide this service then it will be a big problem for my clients.”* (11A)

A tour guide speaks from his experience:

*“without phone facilities in Agra, nothing will happen. I constantly need to communicate with everyone about everything. I don’t have a shop. People*

*always communicate with me to my mobile phone. Without mobile phone I have no job. I think everyone thinks in a same way as I do.....” (2B)*

Therefore, ancillary services stakeholders are important in the operation and survival of the tourism organisations in Agra. Hence understanding the resource-based power of the ancillary services stakeholders in tourism industry networks is useful in stakeholder relationship management studies.

### **7.6.3 Power of the Authorities**

Good relationships with local authorities always help tourism businesses to establish and flourish; as has been shown. Local government is in control and in some cases partially in charge of many useful tourism resources (such as land, capital, and knowledge) in Agra. Therefore the ‘power of the authorities’ is evident throughout the interview transcription. Authorities are also involved in mostly ‘long term’ policies and regulations. They could be policies which are specifically related to tourism or other policies which may affect the tourism industry in some way. The authorities in Agra include the local government, the Mayor’s Office, Agra Development Authority, Archaeological Survey of India and the India Tourism Office. These authorities hold, manage and control some of the important tourism resources. The example of tourism land use can be used to analyse the power of the local government.

Tourism-related establishments could be built anywhere in Agra until recently. Now however, tourism development is restricted to 189 hectares of land reserved solely for tourism purposes. The benefit of this land allocation is the simplification of planning procedure; for example, if someone wants to build a hotel on allocated tourism land, all other consent (licences and permits) will be given automatically. This is easier than going through various departments for different permits for a business. However, local government is in control of the land and sets criteria for the standards and scale of any proposed tourism development. Both multinational-large and domestic-small organisations face these conditions. This gives the authorities more power to control potential tourism development in Agra.

One of the cottage industry (handloom emporium) owners explains the power of the local Mayor in the Agra tourism industry:

*“I together with others may influence the tourism policies, but ultimately it the government or the Mayor of Agra decides on the issue and problems. I have good relation with the Mayor. Her mother is from my village.....”*  
(15B)

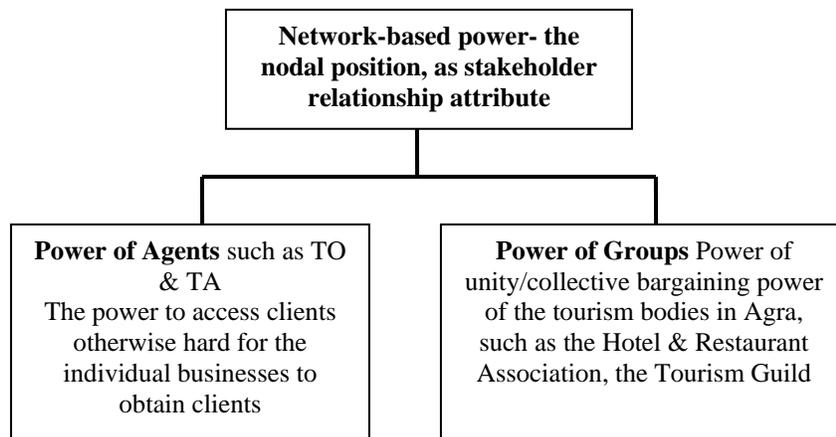
A development authority such as the Agra Development Authority itself articulates:

*“Any construction of any buildings including tourism or domestic has to go through us. We are a big establishment. We control only Agra. We have to look after this heritage-city. You can not just make anything here. Come on - do you not agree. There must be rules and regulations. We need to look into different things, for example water supply, drainage, location and so on.”*  
(xvi - Agra Development Authority)

Therefore, the resources of the government and local authorities are not only important but also, in some cases, are a mandatory requirement in the operation and survival of tourism organisations in Agra. Hence the comprehension of the resource-based power of authorities in tourism industry networks is useful when analysing the power relationship between authorities and tourism organisations. Overall the study of resource-based power opens new doors to the understanding of such a complex relationship. In the tourism stakeholder and destination management studies, in order to analyse the resource and dependency structure of resources in that particular destination, the resource-based power of individual businesses, ancillary services stakeholders and the power of authorities becomes especially useful. However, as is shown in the literature, resource-based power alone does not explain the power of intermediaries and agents, because they do not hold and/or own resources as such but can channel them as they wish. The following section sets out to investigate some of these issues in details.

## **7.7 The Comprehension of Network-based Power in Agra Tourism Industry**

It has been shown that power can stem from a number of sources. It has also been shown from the above analysis that resources are only effective if distributed and traded through a channel or a network. Power can therefore also stem from being positioned in the network in a way that controls the flow of resources. This is known as structure-based forms of power or network-based power (Rowley 1997; Pajunen 2006) or the capability (as described by Burney 1991) of an organisation to accrue such a role within the network to distribute resources. There are two prominent examples of these structure-based forms of power found in the Agra tourism network. There is evidence of *power of agents* and *power of groups* respectively (Figure 7.5).



**Figure: 7.5. Network-based Power**

**Source: Author**

### 7.7.1 Power of Agents

Agents comprise a link between parties or resources. Agents are capable and wish to share the resources based on the material benefit they receive by the trading of those resources. According to the perception of the majority of the interviewees, an agent’s power is one of the types of network-based power evident in the tourism industry network in Agra. As a representative quote, the F&B Manager of a reputed hotel in Agra confesses:

*“They get 70% foreign guests and the rest are domestic. Among those 70%, they get more than 50% from TO and rest from walk ins, direct bookings etc. then taxi bring customers too.....” (i)*

Another member of the tourism network discusses:

*“Both the tour operator and travel agency business done here. I deal with domestic and foreign clients. I have power to deal with the hotels and bring customers to Agra. We are not happy with the situation we can divert our clients to somewhere else.” (5B - TO & TA)*

The above quote illustrates the power of these agents in the Agra tourism network. Businesses and organisations in Agra may have other sources through which to get clients, but most of them consider these travel intermediaries as a major source:

*“2. .... hotel is running on the mercy of the internet and the TO. And sometimes the taxi and auto drivers bring customers from the rail station. We are connected to both TO in Delhi and outside. They are happy with us and we are happy with them.*

*1. Would you like to change TO often?*

*2. Not really. We can't lose them. They keep us going. Again it will take time to get used to the new TO. Trust, mutual understanding and benefit is important.” (iii - Hotel)*

These quotes support what has been said in the literature. The power of agents can be defined as betweenness centrality where it measures the frequency with which an actor falls on the paths between pairs of other actors (as defined by Rowley 1997; Pajunen 2006). Betweenness centrality captures an actor's ability to control others. According to these authors, actors with high betweenness centrality are brokers, agents or gatekeepers in the sense that they facilitate exchanges between less central actors. Agents, such as tour operators and travel agents have high betweenness centrality because, as was found earlier on, in the context of Agra, they control the flow of clients to various businesses. This also refers to Frooman's (1999) explanation of 'controllability'. These individual stakeholders have access to clients and fall on the path between clients and other service providers (such as hotels, emporiums, attractions). These travel intermediaries have network-based power to control the flow of clients into the city and to different

organisations within Agra. Up to a certain extent this is countered by other agents in the network who then further distribute the clients within Agra, as found earlier on, they include tour guides, taxi drivers, and individual businesses. This refers to Frooman's (1999) 'substitutability' of resources.

Overall agents can exploit their network position by distributing clients to other businesses in any way they wish. A well known example of such an agent would be tour guides in Agra, who take clients to the emporiums for souvenir shopping. Therefore, it falls upon the tour guides to choose an emporium. As an incentive, emporiums give tour guides a commission to bring the clients to their particular shop. Tour guides have the 'power of agents' to bargain for commissions. The quote below shows the power of agents of both the travel intermediaries and the tour guides. As one emporium owner recites:

*"2. I depend on TO a lot. This is a part of a tour operating company any way. But the thing is..... our company do not have offices in the foreign countries. And foreigners book their holidays through them. So for example if they don't include our emporium in their trip, we miss out. TO receive commission for that. Tour guides also receive commission. Not good commission..... They go somewhere else. It's easy for them to change emporium. There are so many of them these days. Difficult for us to change TO." (14A)*

It is also suggested from the above analysis that on some occasions travel intermediaries and agents would try hard to get the best deal out of the tourism businesses. They would abuse their power to negotiate with the respected organisations. Thus, businesses form alliances to protect themselves from any unfair deals. These alliances or groups in Agra have prominence as found previously. Therefore, the next section explores and evaluates the bases of such power of groups in the Agra tourism context to comprehend their relationship and behaviour.

### **7.7.2 Power of Groups**

Groups can be defined by collective behaviour or achievement. Groups have collective bargaining power on their side. Their activities are influenced by their circumstances. The

majority of the participants believe that, individually, it is hard to control the power of these agents, policymakers or any outside forces. Individual businesses can be bypassed easily by intermediaries and authorities in the network. In their opinion, it is beneficial for individual businesses and the industry as a whole to form alliances. This formation creates the ‘power of groups’ which empower individual organisations. An experienced owner of an emporium demonstrates the strength of these groups and gives an example of one of the achievements of these groups:

*“.....Again when we work as an association our power even increases against authorities and other businesses. This is called the power of unity. Especially for cottage industry the wool come from New Zealand and they used to pay a lot of tax. They protested through industry associations. Now government give discounts on tax for buying wools.....” (18A)*

A member of these groups can also receive extra benefits compared with non members. An Association member further emphasises that:

*“.....You have to know the people in the industry well. Without them you won’t get customers. In our industry you can’t survive in isolation. You have to have knowledge what you are doing of course. If you are new in the business..... Join our group. We will help you throughout.....” (14B/15A - Hotel)*

The other prominent elite trade association group, the Guild, is also involved in similar activities. As a general manager of a reputed hotel in Agra and member of the Guild claims:

*“If you are in our group, you are covered..... I mean we help a lot each other our members. You see, mostly new ones. They don’t know about Agra and the way we do business here. They can have all the information. With good relationships with our members, we share our customers. If they don’t have room we can take their customers and if we don’t have rooms they can take our customers. Without harmony Agra as a whole and we can not succeed.....” (12A - Hotel)*

Stakeholder groups are the bodies that bring together various tourism stakeholders under one umbrella. This can be identified as another kind of network-based power which has

the characteristics of ‘closeness centrality’ described by Rowley (1997) and Pajunen (2006) as one of the components of network theory. Closeness centrality defines an actor’s ability to access independently all other members of the network. The ‘*power of unity*’ as in the form of a single body would allow independent access to others in the network.

As has been seen so far, individual businesses can have low network-based power because they can be bypassed easily. By forming alliances collectively, businesses can increase their power against outside forces. They could work in a ‘pack’ to defend their interests and draw collective benefits. Unlike an individual, the group as a whole can control the flow of resources through the network because of its collective bargaining power. Hence businesses/stakeholders form associations and unions.

Authorities (such as tourism offices, Agra Development Authority, Archaeological Survey of India) have to consult with and get consent from these trade bodies for any tourism related planning and development activities in Agra. For example, these bodies have successfully argued for the provision of land reserved for tourism development, for the reduction of the ‘luxury’ tax on hotel rooms, and prevented an increase of entry fees to the Taj.

On the other hand the literature also associates closeness centrality with efficient communication, stating that closeness means fewer message transmissions, shorter times and lower costs. As the official voice of the tourism industry, these bodies can communicate directly with others in the network and *vice versa*. The regional tourist office in Agra says that:

*“..... through Association and Guild we pass lots of tourism information. Otherwise it is impossible to reach most of them individually. Saves time, yes. See, they have meetings among themselves and they pass our message. For example the Taj Mahasav, such a big gathering of tourists and locals. Need to spread so much information. Tourist offices have leaflet too.....”*

(v)

Like information, the majority of the businesses feel that knowledge, as one of the important tourism resources, resides in these networks. Knowledge becomes crucial in

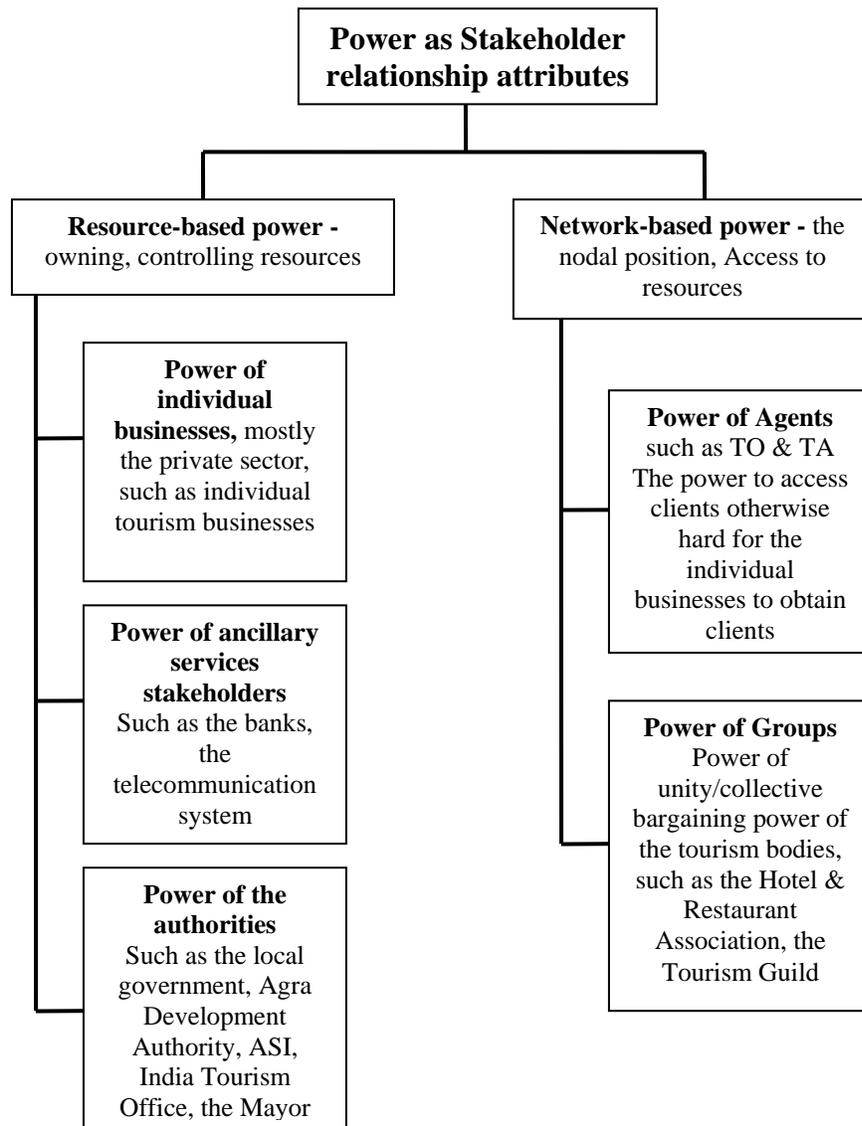
industries like tourism where stakeholders not only co-operate to present a coherent tourism destination but also compete with each other for domestic and overseas markets. This is supported by the literature where some of the interviewees stress that knowledge can be exchanged as a 'gift' through connections and conversations within networks. This can only happen if the exchange of that knowledge is based on trust, mutual respect and reciprocity.

Multinational and chain organisations can develop and share knowledge within their internal networks. Other smaller or independent firms in the tourism system have to learn and gain knowledge through different sources. Access to knowledge and skills is not straight forward. Tacit tourism knowledge cannot be bought or applied for – it needs to be gained through experience.

The data reveal that one of the important sources of knowledge and information is that which comes from belonging to a formal network/group within the destination. In relation to that Granovetter (2004) states that social networks affect the flow and the quality of information. He also stresses that much information is subtle, nuanced and difficult to verify, so, stakeholders cannot always believe impersonal sources and instead rely on people they know (formal network). Formal networks for tourism businesses in Agra could include membership of these trade associations, Chamber of Commerce etc, where the members discuss different issues, solve problems and show guidance. One of the interviewees admits that as a newcomer to the tourism business in Agra, membership of one of these bodies brought invaluable benefits to the business. In that respect these trade associations have network-based power over knowledge and skill.

The researcher himself has experienced the exercise of the betweenness (one-to-one) and closeness (one-to-many) centrality in the sampling process. The researcher had a small network of acquaintances with whom to start interviewing. As the process continued, the network grew because the interviewees started to introduce the researcher to others in the network. References are given to enable the researcher to meet others in the tourism industry. This helped to strengthen the bond, and grew trust, between potential

interviewees and the researcher. These gatekeepers allowed the researcher to enter their ‘circle of people’ – ‘the circle of trust’ in the tourism industry in Agra. Thus, it contributed to the receipt of in-depth information which is paramount especially in qualitative research. Figure 7.6 brings together the comprehensive list/classifications of resource and network bases of power. This is helpful especially in stakeholder and destination management studies. It is developed from the study evolved in the Agra tourism network. The list contributes to the understanding of power as a stakeholder relationship attribute.



**Figure: 7.6. Power Relationship Attributes**

**Source: Author**

## 7.8 Chapter Summary

This chapter adds further knowledge to the understanding of power relationships among tourism stakeholders. The review of the literature give indications of the stakeholder relationship attributes of resource and structure-based forms of power, legitimacy and urgency. However, there is limited research conducted on these attributes in practice let alone in a tourism destination setting. The stakeholder relationship study in Agra certainly adds to the comprehension of these phenomena. It draws together macro and micro stakeholder networks within the Agra tourism industry. This chapter has mainly analysed power relationships thematically from the interview transcriptions. It offers a broad overview of the breadth of possibilities experienced by the interviewees and what has come to the fore is the recognition that most interviewees agreed with the issues which were explored.

The findings suggest resource-based power of stakeholders can be classified as the *power of the individual businesses*, *power of ancillary services stakeholders*, and *power of the authorities*. Furthermore, it also suggests network-based power can be classified as the *power of agents* and *power of groups*. Figure 7.6 illustrates at a glance these stakeholder relationship attributes. Tourism is a multi-sector industry, a network of individuals and groups working towards a similar aim to provide both products and services to clients. These characteristics add further complications when conducting studies. However, these new classifications shed more light on these issues and advance knowledge which in turn helps existing and potential tourism businesses, developers and the authorities to understand these complex relationships better and work effectively with them. The next chapter takes a similar approach to investigate the attributes of legitimacy.

# Chapter 8

## Research Findings and Discussion: Legitimacy

### 8.1 Introduction

This chapter reflects the major thematic and sub-thematic framework illustrated in Chapter 4 and focuses on the analysis of legitimacy-related issues in the tourism industry network in Agra.

### 8.2 Analysis of Legitimate Bases of Power

Understanding power relationships among stakeholders is an important element of understanding tourism development. Power is defined as the ability of one entity to influence another entity in order for it to behave in a particular way. Both resource and network bases of power play roles in stakeholder relationships. In social networks power is limited by ethical constraints, either embodied in laws and regulations, or in mutually accepted codes of behaviour (Wood 1991; Robson and Robson 1996; Geddes 1999). Precisely, Suchman (1995) suggests that legitimacy can be defined as a generalised perception or assumption that the actions of an entity are *legal, desirable, or appropriate* within some *socially constructed system of norms, values, beliefs and definitions*. Thus, the activities of the stakeholders are determined by the laws, regulations and codes of behaviour which are accepted and/or expected by the very society they deal with and *vice versa*. These sources of influence are termed legitimacy.

However, previous research on legitimacy including Wood (1991), Mitchell *et al.* (1997) and Tsai *et al.* (2005) does not explain the sources of legitimacy very well and partitions them as categories in the context of stakeholder management. These researchers use legitimacy to describe a particular phenomenon such as the corporate social responsibility of a company or the role of legitimacy in business downsizing respectively. However, there has been no research undertaken in a tourism destination context. It will be useful to study tourism stakeholders to see if there is evidence of such actions or behaviour and compare them with the literature from other disciplines.

The interview transcriptions suggest that the legitimacy of stakeholders in the Agra tourism network is complex and diverse as inferred by the literature. In Agra, there are a variety of issues which need to be dealt with in respect of the laws and regulations of the city. Agra is the only place in the world where three UNESCO World Heritage Sites can be found requiring extra care and diligence. Regulations concerned with looking after the sites by the government and external authorities abound. Stakeholders in the Agra tourism network have to follow, obey and implement these regulations. However, there are specific rules drawn for specific stakeholder groups. Such rules and regulations are often not popular.

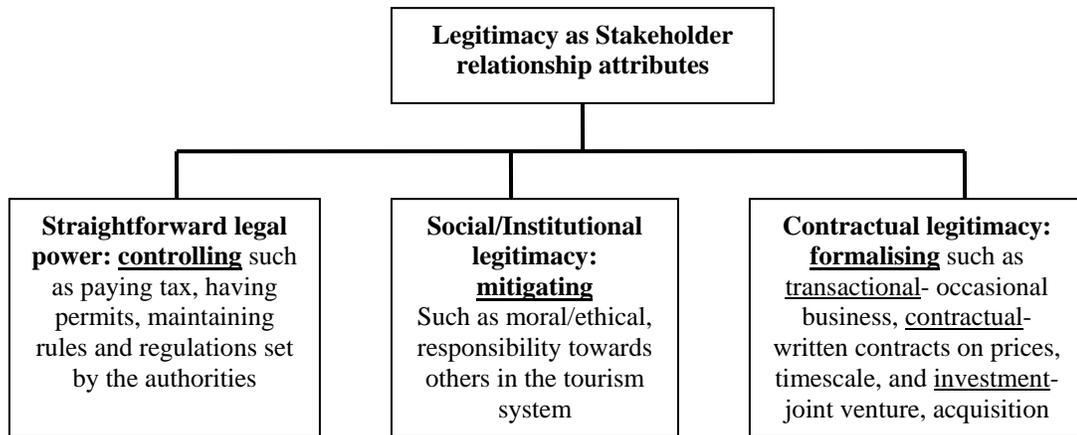
Stakeholders need to be aware of these regulations in order to proceed with tourism-related activities in the city and those already active in the tourism industry need to ensure that their knowledge on these issues is updated as they progress. For example, authorities have established a population control board around the Taj complex, introduced the Taj Trapezium Zone and a Green Belt for conservation purposes (see Chapter 5 for details). Authorities have also secured tourism land for incoming tourism businesses, thus restricting tourism activities. Such regulations are supported by authors such as Geddes (1999) in order to protect the operations within the destination and the area's specific characteristics. The complexity of regulations is reflected in the responses made by tourism stakeholders in Agra. One hotelier mentions:

“It is increasingly becoming difficult to open hotels in Agra. You just can’t open a hotel anywhere. Agra has got now tourism development lands and lots of rules and regulations to follow. Pollution and waste control are just a few of them. We are committed to look after Agra. Well it is mandatory now-a-days. We have to look after the place for the sake of tourism and the place itself.” (x)

Another hotelier expresses his frustration regarding planning regulations for construction and/or the renovation of buildings in Agra:

“Expanding could be a problem though in Agra. We can’t move further towards Taj and locality is there as well. Restriction, restriction and restriction.” (i)

These above mentioned issues add further complications with respect to the legitimacy situation in the Agra tourism system and they all have a profound effect on the way tourism in the city operates. The evidence of legitimacy in action from the Agra interviews suggests that it can be classified into *straightforward legal power*, *institutional legitimacy* and *contractual legitimacy* (Figure 8.1). Hence, the role of legitimacy is to *control*, *mitigate*, and *formalise* activities among stakeholders within the Agra tourism network. Examples of this legitimacy, found within the Agra tourism system, are discussed below.



**Figure: 8.1. Stakeholder Legitimacy Relationships**

**Source: Author**

### 8.2.1 Straightforward Legal Power

Tourism businesses have a straightforward legal right to operate their establishments. Tourism businesses have to comply with the rules of that particular constitution including paying taxes, licensing, registration, permissions and approvals from the respective authorities. This is something that is reiterated throughout many of the interviews, one of the representative quotes given by an hotelier explains the phenomena:

*“My yaar [friend], in this business everything is legally done. Then I pay tax and other entitlements. I have legal right to be here and continue my business. Government buildings make sure our businesses are legal. Any illegal activities they will give penalty. They can shut your business forever. I tell you.....” (xi)*

Similarly a restaurant owner adds:

*“In India it’s hard to get alcohol licence. So many shops are there ready to get into alcohol business. There are restrictions. Especially in Agra there are so many things can happen. Many tourists and locals buy alcohol. Government do not want us to drink alcohol. I pay good money for the permit. Profit is high too.” (xiii)*

Furthermore, a travel agent adds:

*“I pay tax therefore I have rights and legal power to be here. I do business as well.” (5A)*

Geddes (1999) supports the recognition of straightforward legitimacy as he describes this as a legal framework for the operation of accommodation businesses in a particular destination. However, his research does not cover all businesses in the tourism industry. In the Agra tourism industry, the rules and codes of behaviour apply to all those involved in tourism activities including the accommodation sector, restaurants, tour operators, travel agents and emporiums. This allows tourism businesses to operate legally and for the authorities to exercise a ‘controlling’ legal power over businesses. This applies across the tourism industry and has a profound effect in the operation of the associated businesses.

On the other hand, businesses have the right to demand action from the respective authorities. As organisations achieve the necessary approvals and pay taxes to run their business, in return they expect help, guidance and contributions from the government to keep the destination in order, tidy and running. For example, if tourism businesses are affected by any of the activities which can be solved by the authorities, or created through the negligence of the authorities, those businesses are quick to make demands on the authorities. Tourism businesses in Agra often complain to the respective authorities demanding they solve problems and issues within the destination. This is a predominant theme throughout many of the interviews. A representative quote is given by an emporium owner:

*“I had a blockage of a septic tank just at the gate of my shop. My God, the smell was horrible. I straight went to the Mayor’s office. They had to clear it within a day. I lost customers for that day but at least it did not take long. I pay my tax. They have to listen to us. If I don’t pay taxes, she (the Mayor) will not have any salary.....” (18A)*

This can be seen as a win-win situation both for the businesses and the local authorities only if they work in harmony. The concept of straightforward legal power is useful for stakeholders including authorities, businesses and developers to understand and study the operation and development of tourism in Agra. However, tourism stakeholders including authorities not only keep a check on the legal requirements of the firm, they also keep an eye on the ethical practices and moral responsibilities of the firm towards others in the system. Consequently, the next section explores institutional legitimacy in detail with respect to the Agra tourism system.

### **8.2.2 Social/Institutional Legitimacy**

It is important for organisations in a destination to act legally, but, at the same time, act morally. This helps to maintain a standard, reduce conflict and safeguard society. Tourism businesses in Agra mention that authorities inspect business dealings to make sure that they are paying their taxes, maintaining the rules and regulations and undertaking their business ethically. Mitchell *et al.* (1997) suggest this is the legitimate use of power and creates authority for the government organisations to act accordingly.

The evidence of such power is clear in Agra. As one of the travel agent speaks from his experience:

*“2. I pay tax therefore I have rights and legal power to be here. I do business legally as well.*

*1. Do you have any moral and ethical responsibility towards other businesses and to the destination?*

*2. Authorities make sure that my business is running lawfully. Government agencies come time to time to check my business. They check prices of the products. I need to maintain a standard. I should not overcharge tourists and pay my colleagues and suppliers well. I am member of both travel association and the Guild. They also make sure members are following the rules. It is bad reputation for them if their members are caught doing business wrongly.” (5A)*

Furthermore, a tour guide adds:

*“I have certificates both from the ASI and India Tourist Office. I do it legally. I receive cheques and pay tax to the government. Some people take cash and government does not know that. I even went to a course to become a tour guide. Although ethically doing business is not easy these days. There is competition in the off season. Peak season is all right. That’s why we go on holidays in the off peak season. We are all friends here. We should work together. We have understanding with each other. Everybody should respect and maintain the unwritten code of practice within the trade and the destination. Respect the society, respect the law.” (2B)*

On the other hand, respected authorities and departments stress the importance of keeping a watchful eye on businesses which benefits everybody, including tourists, suppliers, the destination and the authorities themselves. The Mayor’s Office is one of the important local government’s offices and a representative from there discusses the issue of legitimacy as:

*2. My office has legal power. Our party were selected by the people in Agra. I make sure the place is clean, tidy. We work alongside with police. Crime has fallen in recent years. Jobs are important to have. No jobs, they will do wrong things. As we say idle mind devil workshop. With the blessing of lord Krishna jobs are available in Agra..... however to run business ethically is a tricky one. Our department keep an eye on the businesses. Fair trade is the slogan in these days.*

1. Do they have any responsibility outside their business? For example, looking after the environment.
2. Every business in Agra especially in the Taj Trapezium Zone and the Green Belt area must comply with the rules and regulations. Because of the pollution and the chemical reaction, the white marble in Taj is becoming grey. This is a wonder of the world and it draws lots of tourists in the country. If tourist number falls, businesses lose money. This is not good for anybody. Businesses make sure the environment is not affected or damaged too much by their activities.” (viii)

A representative from the India Tourism Office, one of the central government tourist offices, further adds:

*“I have legal power. We are part of the central government. We may not run a business but we supply information and guide to the city and other places in India. Most of the travellers travel different places in India. When they finish here ..... India office makes sure both tourist and businesses are getting a fair deal. I go to the meetings with the Association, ADA and the Guild. I communicate with the Chamber of Commerce as well. State Tourism Office as well sits down with me to discuss issues. We all need to work together to have a fruitful Agra without harming the environment. We also should work as a team with other businesses. Without co-operation and co-ordination from others in the city will be difficult to do business in harmony. They need to understand each other and as well the city itself to respect it accordingly.” (6B)*

A representative from the Agra Development Authority expresses their authority to mitigate situations in the tourism system in Agra:

*“2. Per se when someone is making an unauthorised building..... [long pause]... can be stopped immediately. ADA has the authority to do checks on buildings, roads and so on to make Agra a good city. Many tourists come here. ADA also wants to make sure the businesses are maintaining the regulations. The housing complex as well. So many people come from outside Agra to work here. They can live in the housing complex. They are cheap houses. .... they need to apply for the houses.*

1. Do you do anything, I mean do you have any responsibility to look after others in the city.
2. ADA always look after everyone. ADA makes sure overall Agra is looking ok. ADA wants to give tourists a good impression of Agra.” (xvi)

These quotes highlight the legitimate power of government bodies in ‘mitigating’ circumstances. However, they illustrate both legal powers as well as social or institutional legitimacy across the industry. Suchman (1995) supports this argument as he defines ‘legitimacy’ as those behaviours that are accepted and expected by the society. However, Suchman’s research is not conducted in a tourism destination setting; therefore, it was important to examine the issues in the Agra tourism network. The results are similar and social/institutional legitimacy is proven to be useful in this context too.

Therefore, the moral code of practice and responsibility towards society and the destination can be looked after by the authorities. Actually, both the authorities and the businesses depend on each other. Without taxes authorities cannot finance projects, including those concerned with the cleanliness and development of the area which is necessary for individual businesses and the destination as a whole to run. Also, businesses cannot function if they do not have necessary permits and approvals.

In contrast, individual businesses show institutional legitimacy in the running of their businesses. Cooper *et al.* (2005) and Ritchie and Crouch (2005) support the findings of this study that show that tourism businesses not only compete but also complement each other within the system. Tourism businesses understand that if they do not work together, in the long run, they will lose business. Geddes (1999) states that organisations should behave in such a way so as not to cause harm to others. Tourism businesses in Agra acknowledge their responsibility to others in the network. It is the code of behaviour suited to, developed for and accepted by that particular destination in order to manoeuvre such behaviour. This kind of behaviour among tourism stakeholders is not explained in the literature well but convincing evidence of it has been found in the interview data collected in Agra. It also provides details of the rationale and implications of such behaviour within tourism stakeholders in Agra. This section on social/institutional legitimacy helps to unravel the complexity and aids the understanding of these issues in detail in the Agra tourism network.

Despite some conflicts, it seems that such an attitude is quite commonplace within the Agra tourism industry. Businesses tend to live in harmony with each other; otherwise their reputations may be damaged as a result of any conflict which could jeopardise their own survival in the long run. This sentiment is acknowledged by many of the interviewees. A typical quote is given by an emporium owner thus:

*“2. We are responsible to look after my business as well as others. If I misbehave with any of the customers, they will tell other tourists about this. And this is not good for the business. We need to learn how to behave ..... we are all connected to each other.*

*1. Is there anything else you need to look after besides your business?*

*2. Certainly, the rule is there. You can't have unnecessary pollution in the area. We had to move the factory further away from this place. If we don't look after the place, in the long run we will lose customers. Government departments make sure that all of these rules are maintained. These days government along with trade associations are trying to educate businesses to trade properly and at the same time respect the surrounding environment”.*

*1. Can you give me some examples of trade associations?*

*2. So many of them. Taxi drivers association, tour guide association, hotel and restaurant association, Tourism Guild etc etc.” (14A)*

A front office manager of a reputed hotel in Agra further emphasises that:

*“Caring for each other is important. Different hotels exchange customers. I need to be helpful to each other. This is not the rule written on the paper but this is good for my business and ultimately for Agra. You see, you have to be a member of the association. They make sure the businesses are running legally and ethically. The problem is our businesses are in the middle of this heritage site. Myself and others need to maintain rules and regulations to run business. I tell you the rules are becoming more and more complicated.....” (iii)*

Interestingly, the issue of institutional legitimacy is also looked after by other organisations (such as tourism trade bodies) within the destination too. There is no literature with a tourism context to study this issue in detail. Interview data suggests that, along with the authorities, tourism trade associations especially make sure that their members' businesses are running legally and ethically. This can be seen across all tourism sectors. As can be seen throughout the data, there are two main tourism bodies in Agra. They are the Association and the Guild. These bodies are supported and sponsored

by Agra's tourism industry making them the official voice of tourism in the city. These bodies also protect their members from outside forces. This common theme is presented by many members and also, surprisingly, by non members of these bodies. One hotel owner (a member of the Association) says:

*“Even an unfair deal..... if the tour operators push too much to a hotel on prices. We stop them. You see, if the hotel is our member. Then we can tell the whole range of other hotels to stop dealing with that particular tour operator. Then the tour operators cannot do business here. Tour operators have to do business here fairly. This way we work as a team.” (14B&15A)*

These trade bodies defend the interests of their members. If it is necessary, these bodies would go against authorities as well to solve the issues raised by their members. Evidence of such acts by the tourism trade bodies is not prominent in the literature. The president of one of these bodies mentions:

*“2. .... My members always come to me. Can't renew the licence..... We will help them to do it. I will tell the authority, look he is my member which means he is not running a bad business. If the government official does not do it then we explain. He is our member. Otherwise next day we will bring all other members and protest and go to high officials. This is the work can you do it or not. 1. I suppose that's the Indian way of solving things.....” (14B&15A)*

Therefore, institutional legitimacy is proven to be useful for both existing and potential tourism businesses, authorities and developers and allows them to study the characteristics of the destination to run coherently. The implication of the discovery of the use of institutional legitimacy in the Agra tourism network is that it has an influence on the operation of tourism activities but, nevertheless it helps to maintain codes of practice.

However, in many cases it is necessary to formalise these codes of behaviour in order to reduce any misunderstandings. Therefore, stakeholders duly sign written documents. This type of arrangement can be referred to as a contractual agreement. The next section, will discuss the issues relating to these contracts in the context of stakeholder relationships.

### 8.2.3 Contractual Legitimacy

Legal power can also be based on the way businesses deal with others in the system. Tourism businesses in Agra have contracts relating to their business dealings. Legitimate power can reside in these contracts. They can be in different forms depending on the businesses and their requirements (Geddes 1999; Kotler 2003). However, no detailed studies have been undertaken which explore the issues of contractual legitimacy among tourism stakeholder networks. It is found in the Agra stakeholder network that stakeholders *formalise* their relationships through these contractual agreements. Many of the tourism businesses enter into this activity and one hotelier gives clear examples of the type of transactional agreements that usually take place between tourism businesses:

*“My hotel is small. I don’t have star sign on the door. I use local goods. Local people supply me Indian products. I need only little bit things, so I don’t need any written contracts with them. But for example, if they get commission then I try to sign contracts. For example I have written contract with tour operators and travel agents. Another example, I have a joint venture with a travel agent. He uses part of my hotel as his travel agency office and in return he has renovated parts of my hotel. Actually he is my brother. He brings customers too. This is for mutual benefit.....” (xv)*

The above quote demonstrates the fact that, in the Agra tourism industry, a variety of contractual agreements is present. However, their nature may depend on the type and size of businesses. This also indicates some of the types of contractual agreements which are found in the literature. They are ‘*transactional*’ contracts doing occasional business. Legitimacy can be a ‘*contractual*’ relationship, where a proper written contract exists on i.e. numbers, prices, and timescale. It may also be an ‘*investment*’ (such as joint venture, acquisition) contract with the businesses (Geddes 1999; Kotler *et al.* 1999; Kotler 2003).

Other organisations agree to have written contracts with their suppliers. For example, a cottage industry emporium mentions that:

*“2. Now-a-days the wool for my cottage emporium comes from New Zealand. India don’t produce much wool these days. You know about the Kashmir conflict. I have signed contracts with them; otherwise they won’t do business with us. The other thing when I sign contracts, I have fixed rates*

*of wools against the quality I need for these beautiful carpets. Please have a look before you go. Ok. You can take pictures and show your friends in England.*

*1. Thank you. Would you please tell me more about these contracts please?*

*2. For example, this contract also guaranties me a steady supply of wool. I need wool from them. The quality is ok. By the way I have people doing business for long time as well. People who colour wool, they only work for us. They are working for us nearly ten years. Actually it is a ten years deal my father made. They can't colour for anyone else. I supply them the best paint materials and they use their knowledge and technique to get a good result.” (15B)*

It is also evident from the interviews that if a contractual agreement is misleading or broken, businesses on both sides can take legal action. This is echoed in many of the interviews. On one occasion a restaurant business had a poor experience with one of its suppliers and it took legal action against the supplier.

*“One of my food supplier once delivered bad quality of meat. After the meal diners are sick and unwell. My chef found the meat was not good. It is my fault as well. I did not check it. But supplier fooled me by giving me bad meat. I had all the paperwork. I got money back. And he is in the custody. Many times I deal without paperwork. This time I did a legal transaction..... that's way I took legal action against him.” (xiii)*

However, not all businesses in Agra will take legal action if the contractual agreement is not maintained properly. In the example below the hotelier did not take any legal action, but instead manoeuvred the contract to the advantage of the business. According to the hotelier this is a form of punishment used against a tour operator who does not keep to the terms of a contract.

*“Customers can come from tour operators (TO). But contracts are important. This year they (TO) did not give as much business as on the paper. I put the price up. TO can not complain. I can take them to court. There are advantages if you deal legally.....” (xv)*

Geddes (1999) finds in his research in European countries that the criteria for contracts are similar to those in Agra. Parties entering into contracts must have a legal capacity to enter into such relations; there must also be agreement between the parties and an

intention to be legally bound. Tourism businesses in Agra might have a legal capacity to enter into contractual relationships however, according to the interviews; it is the larger organisations that tend to have much more formalised and legal written contracts in their business dealings. In relation to that a reputed international hotel *maitre d'hotel* ascribes:

*“.....trust has to grow with our dealers. It takes time. But, this is an international hotel and everything has to done by the book. People can change in our organisation. If business dealings are not properly documented, what the next person going to do? It should be black and white. Clear for everybody. Any problem, managers can refer back to the signed contracts.....” (1B)*

In contrast, the interview data illustrates that it is common practice among small and medium-sized tourism businesses in Agra not to have a proper legal written contract with their suppliers. Interviews also reveal that these forms of un-written ‘*verbal*’ contracts are built on trust, mutual understanding and the length of their relationship. This is widely accepted by most of the interviewees across the tourism sector. One of the tour operator managers gives an outstanding example of this phenomenon:

*“1. Do you sign any contracts with any of them?  
2. It is just understanding, and with some companies, yes there is a contract. With Kuoni, we have signed a contract. Rest of the Indian companies we deal as understanding.  
1. Because in contracts you have to abide the contract and bound for the commitment.  
2. No, it is all about mutual understanding. It can be called as memorandum of understanding- MOU.” (7A)*

Verbal contracts can be beneficial for both parties involved allowing them to enjoy flexibility and freedom within their relationship. However, the parties cannot impose things or take legal action should a broken-promise or case of misconduct arise. One of the implications of verbal contracts is that organisations and employees can build trustworthy relationships amongst themselves. However, on a negative note, if an employee changes jobs the relational-thread with that particular employee dissolves and the process of gaining trust has to start all over again. This is applicable for all parties involved in the deal and can be a time consuming process.

### 8.3 Chapter Summary

This chapter analyses the stakeholder attribute of legitimacy in fine detail in the Agra tourism industry. Findings identify similarities and differences with existing literature. It suggests the role of legitimacy in the tourism stakeholder network in Agra is to control, mitigate and formalise relationships. The attribute legitimacy, therefore, can be classified as a straightforward legal right, social/institutional legitimacy and contractual legitimacy. Stern and El-Ansary (1992) cite legitimate power stems from values internalized by B that give him/her a feeling that A '*should*' or '*has a right*' to exert influence and that he or she, B, has an commitment to accept it. The appearance of legitimate power is the most obvious in intra-organisational relations. For example, a supervisor gives a directive to a subordinate. Subordinates feel that supervisors have rights to direct them in a certain manner and therefore will generally conform to the supervisor's desires. This legitimate power is similar to authority power. Law allows firms to maintain agreements such as franchises and other contracts that confer legitimate power. Patent and trademark laws give owners a certain amount of freedom and justification in supervising the distribution of their products. Another example could be the protection afforded a manufacturer and its dealers when the former adopts an exclusive distribution policy.

It is difficult to describe legitimate power within a multi-sector tourism industry setting. In this research context, legitimacy refers to the kind of power or influence that does not come from the control of resources or access to the network. For example, tourist offices do not have that kind of direct power but they have influence as a result of their official position. They could have moral legitimacy because they represent the rights and interests of citizens as well as tourists. An example of what Elbe (2002) calls pragmatic legitimacy can be seen in the way in which private companies co-operate with the tour operators in order to expand their network and gain knowledge. In Agra trade unions such as the Guild and the Association are the prominent examples of organisations with such legitimacy. The next chapter discusses activities related to the final attribute, urgency in stakeholder relationship management. It is one of the most important attributes in stakeholder relationships because it moves a relationship from static to dynamic.

# Chapter 9

## Research Findings and Discussion: Urgency

### 9.1 Introduction

From the discussions in Chapters 7 and 8, it is evident that resource, network and, legitimacy-based power are prominent in stakeholder relationships, especially in a tourism destination scenario. However, these power bases can remain latent unless and until the stakeholders express interest and act on them with some urgency. This chapter focuses on the issues related to the stakeholder relationship attribute, urgency. Later, it draws upon cases involving mainly tourism trade associations in Agra to illustrate stakeholder attributes of power, legitimacy and especially urgency in action in a tourism destination scenario. The analysis of these cases tries to explain the influence these relational attributes have on the creation of effective power in decision making. As a result, a framework is developed to study the interactions of stakeholder relationship attributes. The limitations of the framework are also discussed at the end of this chapter.

### 9.2 Analysis of the Stakeholder Relationship Attribute - Urgency

The stakeholder relational attributes of power and legitimacy have distinctive characteristics and are active when needed depending on the urgency of the issue. Urgency is the degree to which stakeholders' claims call for immediate action in their relationship (Mitchell *et al.* 1997). Jones (1993) and Mitchell *et al.* (1997) propose that the stakeholder relationship attribute of urgency helps move the relationship from a static one to a dynamic one. Without urgency in action the other stakeholder attributes may

remain dormant. Therefore, these relationship attributes, including resource and network bases of power and legitimacy together, can be labelled as *latent stakeholder power* or the ‘*capacity*’ of that particular stakeholder. The capacity of stakeholders in conjunction with urgency enhances the willingness to act which triggers the ‘*effective power*’.

The notion that urgency moves a stakeholder relationship from being static to becoming dynamic is supported by many of the interviews conducted in this research. One of the typical quotes explains it well. A food and beverage manager of a reputable hotel in Agra speaks:

*“It does not matter how powerful you are if you don’t have any vested interest, for example or urgency on the case or a problem..... [long pause]..... simply you will not act quickly.”* (i - Hotel manager)

Another interviewee mentions:

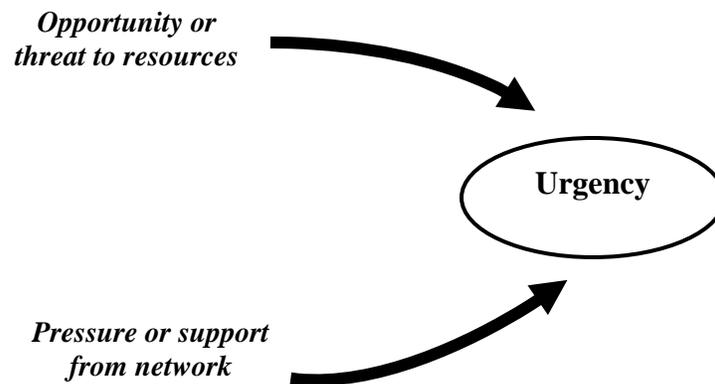
*“Especially in India, only someone is in trouble, then only try to sort it without any delay. No urgency in the matter, in other words the issue don’t affect them much. Nobody is going to act in a hurry. Many people don’t care.....”* (xiii - Restaurant owner)

Therefore, it is also evident that urgency is clearly related to having a vested interest and whether a stakeholder is likely to be affected by the issue or not. Both Jones (1993) and Mitchell *et al.* (1997) argue that urgency is based on the following two attributes: *time sensitivity* (the degree to which a stakeholder’s delay in attending to a claim or relationship is acceptable), and *criticality* (the importance of the claim or relationship to the stakeholder). These two issues of time sensitivity and criticality are also interlinked. However, the literature does not explain in any great detail as to why an issue may be perceived by a stakeholder as needing urgent attention or not. The literature does not explain the root cause of time sensitivity and/or the criticality of the issues to stakeholders. Furthermore, there is limited literature on how stakeholders, in general, take different routes to sort particular issues. There is also no existing literature which

provides an understanding of the stakeholder attribute urgency in detail in a tourism destination context.

It can be shown from the data that it is the ‘importance’ of the issue/decision which causes stakeholders to act. Therefore, it was useful to investigate, in detail, what drives or causes the perceived ‘importance’ of a particular issue, since it is one of the crucial attributes in their relationship and moves the relationship from static to dynamic. Therefore, investigation of these issues among tourism stakeholders in Agra is carried out to improve understanding of the phenomenon. During the interviews, to stimulate the conversation to investigate the stakeholder relationship attribute of ‘urgency’, the researcher asked questions including “how would stakeholders handle issues?” And “why do some issues needed to be resolved urgently?” A wide range of answers emerged and these were coded into pre-defined categories. Interviewees explained the phenomenon with examples from their own experience in dealing with the issues. Most of the examples include the tourism trade bodies of Agra (such as the Association and the Guild) based on their actions in dealing with various issues and decisions. Later on the researcher builds on common themes running through the interview transcripts and the people involved in dealing with the action to investigate the ‘urgency’ scenario more closely.

Analysis of the data reveals that it is the *opportunity or threat to stakeholder resources*, and *pressure or support from their network* that drive stakeholders to act urgently in their relationships (Figure 9.1). The latent stakeholder power coupled with opportunity or threat to resources, and/or pressure or support from the network drives a willingness to act in creating effective power in their relationships. Thus, urgency moves the relationship from static to dynamic as suggested by Jones (1993) and Mitchell *et al.* (1997).



**Figure: 9.1. Urgency, Stakeholder Relationships Attribute**

**Source: Author**

To study the stakeholder attribute urgency in detail, opportunities or threats to resources and pressure or support from network issues are investigated. There is general agreement among tourism stakeholder in Agra on these issues. As discussed earlier, the attribute ‘urgency’ can become active when there is threat to stakeholders’ resources. This is supported by many of the interviewees as this restaurant owner expressed:

*“Especially in India, only someone is in trouble, then only try to sort it without any delay. No urgency in the matter, in other words the issue don’t affect them much. Nobody is going to act hurry. Many people don’t care.....” (xiii)*

Similarly, it is also evident that the opportunity to gain or access resources makes stakeholders acts on the issues or make decisions urgently. This is also echoed in most of the interviews. One hotelier emphasises:

*“It is like the local government development authority is distributing tourism land. I mean they are asking us to submit application forms. If I don’t do it quickly, I will miss the opportunity to expand this hotel. This is my dream. I really want to ..... Then I sign contracts with agents. If the deal is good, I waste no time”. (16B)*

On the other hand, it is also clear that pressure or support from the network also helps to persuade stakeholders to act on something urgently. This is prominent in the actions of the tourism trade association groups in Agra. As mentioned earlier in this chapter, interviewees tended to use two tourism trade association bodies in Agra in order to give examples and explain the ‘urgency’ situation. These association groups represent certain groups of establishments. Therefore, they often get pushed by their members to act on some issues more urgently than others. The pressure or support from the respective network influences the level of urgency used to tackle the issue. In the context of the Agra tourism industry, the above statement is agreed and acted upon in practice. The President of the Association says:

*“In the meetings we discuss about different issues. They have different priorities. Then members put pressure on some issues, I need to consider them first.....” (14B)*

The President of the Guild mentions:

*“The Guild supports its members and the members dictate to the Guild. Our decisions are supported by our members. If the solution doesn’t get approved by Guild members, we will not take any quick action. Even sometimes active members support help us to take action asap.” (12A)*

Their members support these arguments and disclose that:

*“.....put pressure on the group you belong to. Then it will take less time to solve. This is India my friend. Without pressure the government officials will sleep for the rest of their life. When they see these association groups, they are afraid and quickly discuss the issue.” (13A - Emporium)*

Another member of the Guild describes:

*“For me it will take 50 years to deals with these idiots in the government departments. They are so ignorant. But they are afraid of the Association. Collect many members, pass the issue in Association meeting. Then see. Like magic.....[long pause].....job done.” (17A/B - TO&TA)*

Therefore, it is the opportunity or threat to resources and support or pressure that causes the network to prioritise issues. This is visible from the above analysis and illustrated in

further detail in the section below. This also explains the influence of time sensitivity and criticality to the issues of urgency as described in the literature. Therefore, it will be useful to see these attributes including power, legitimacy and, importantly, urgency in action in the Agra tourism network. The next section offers a wide range of examples from the interviews to build these cases.

### **9.3 Stakeholder Relationship Attributes in Action in the Agra Tourism Industry**

To focus more closely on these issues among tourism stakeholder relationships in Agra, the researcher develops popular examples, incidents or cases given by the interviewees, mainly involving the two tourism trade association bodies (the Association and the Guild) in Agra to analyse resource and network-based power, legitimacy and, in particular, the urgency in their relationships. Along with the support from the interview data the researcher plays the role of narrator here. The prime purpose of these cases is to illustrate the interaction of these attributes in action. Consequently, it also illustrates that the theories generated by the primary research data are working. The researcher develops and analyses four different incidents/cases where the use of these power bases is clear and in action. This aids the understanding of these phenomena further. From many other examples, the issues of the Taj ticket price row, coach drop-off point conflict, the airport issue and the tour guide issue are explicit and used to focus the next stage of the study. The first two cases are concentrated on activities documented by the two tourism trade associations. The final two cases involve one or both of these bodies against the government officials.

Before the details of the case studies are explored in depth, it is important to weigh up the parties involved. The Association and the Guild are the two rival bodies here. The members of the Association mostly are small and medium-sized enterprises. In contrast the Guild is an elite body which consists of larger, multinational and leading tourism organisations. Tourism organisations can be members of both the groups, providing they meet the necessary criteria.

In contrast, where Association members only include hotels and restaurants, Guild members are from across the tourism sector and include hotels, restaurants, tour operators, travel agents, emporiums. Both organisations have influence which reaches to virtually every corner of Agra and up to a certain level they are able to communicate to outside the city boundaries. For example, the Association in Agra is a member of the Federation of Hotel and Restaurant Association, India. Both the Association and the Guild serve similar purposes by working as a spokesperson of the hospitality trade of Agra and continuously pursue the state as well as central government to allocate what the city and the tourism industry of Agra deserve. They fight for the improvement of tourist facilities, appropriate distribution and use of resources, looking after tourism development, and looking after their members' interest. These bodies along with government agencies and sustainable tourism in the region have the vision to make Agra as a world class tourism destination (Agra Calling 2006).

The prominence of the power of both of these bodies is agreed by all the interviewees as a tour guide spells out:

*“1. who has most power in Agra tourism to turn things around?  
2. No doubt the government. Government can do a lot of good here for us.  
From our side the two associations. Local government, Mayor are  
sometimes worried of them. These are respected organisations- Association  
and Guild.” (10A&B)*

The capacity of both bodies is similar within the tourism destination of Agra (Table 9.1). Both of them have similar sources of collective power (power of groups, as mentioned earlier). Both of them have resources, legitimacy and, importantly, nodal position as they are the tourism trade associations of the destination. Both of them are the official voice of the tourism industry in the city, thus, having both legal and moral/institutional legitimacy. Therefore, both the bodies have the capacity to challenge issues and influence decision making. These statements are also supported by the research done in China by Zhang *et al.* (1999) and in the UK by Baum *et al.* (1997) [discussed in Chapters 4 and 7]. However, with respect to stakeholder resources, the Association has a better position in terms of the number of members, rooms and customers than the Guild. Thus, the

Association can be seen as a stronger lobbyist than the Guild. However, there are exceptions and these are discussed later in this chapter.

The Association (100 plus) has more members than the Guild (40 plus). On top of that, one of the Association members adds:

*“..... by the way I was just looking at this. Total number of rooms in Agra is 5,240 in which star category has 1,477 and this is our share, non-star 3,763. We are paying taxes too, but when they are making policies the star hotel .....”*

Therefore, the Association controls more rooms in Agra than the Guild. Thus, they would deal with a greater number of tourists than the Guild. These rooms and clients are important resources in Agra as a tourism destination. This could give the Association a vantage point from which to influence the network.

**Table: 9.1. The Capacity of the Association and the Guild**

**Source: Author**

		<b>The Association</b>	<b>The Guild</b>
Capacity (Latent Power)	<u>Resources</u>	<ul style="list-style-type: none"> <li>• Only hotels and restaurants can be members.</li> <li>• In Agra the members are mainly small and medium sized enterprises.</li> <li>• Number of businesses (member 100 plus)</li> <li>• Control of rooms approx 3763.</li> <li>• Therefore deals with more customers.</li> </ul>	<ul style="list-style-type: none"> <li>• Members are from across the tourism sector.</li> <li>• Members are elite tourism businesses in Agra.</li> <li>• Number of businesses (member 40 plus)</li> <li>• Control of rooms approx 1477.</li> <li>• Deals with fewer customers than the Association.</li> </ul>
	<u>Network position</u>	Nodes for views of members	Nodes for views of members
	<u>Legitimacy</u>	Recognised as part of the National Association	Recognised as an elite body within the destination

### 9.3.1 Case One

#### 9.3.1.1 *The Taj Ticket Price Row*

This case portrays a conflict between the two rival stakeholder groups, the Association and the Guild, on the entry fees of the Taj. Domestic and international visitors pay different prices to enter the Taj. The price of the Taj ticket for international visitors went up significantly. The Guild (group of elite stakeholders) raised no objections, but the Association campaigned to bring the price down. Interviewees comment on several occasions that the Guild suggested to the Archaeological Survey of India (ASI) that they should put the price up. Through lobbying at the local level and at the central government level, the issue was resolved. Eventually, ASI had to compromise with the situation and bring the entry fees down. The Association's voice was loud enough to influence the policy and decision making.

The Guild argued that the price had to go up because the authorities need to keep upgrading and developing facilities within and around the Taj. As one of the Guild members, a tour operator, says, investment was needed to improve the facilities:

*“The wheelchair access-service is terrible. We need shed where tourists buy their tickets; the window is right on the road. Need waiting room. Then security is through the gate. There should be proper corridor for security. There should be medical aid, first aid in the Taj. In fact we need a doctor in the Taj Mahal. The money from the ticket will help to sort some of the problems. ASI needs to bring the price up.” (7A)*

The Guild's clients are mostly up-market visitors with higher expectations. Therefore, better facilities are desirable even at a higher price. The Guild also predicted that the increased entry fees will deter visitors from entering the Taj complex. This may control visitor numbers which will lead to a better experience for the Guild's up-market clients. There is no set limit on the carrying capacity of the Taj at present. Taj sells tickets from sunrise to sunset and, as a result, sometimes the compound can be crowded in the peak season. The ASI is seriously reviewing the issue of carrying capacity.

However, the Association (group of mostly smaller organisations) claims that their clients are not particularly bothered about the facilities; they just want to access the Taj. The Association clients are mostly budget travellers, backpackers and students. Therefore, the extra costs will put an extra burden on these clients and in the long run Association members might start to lose customers. Consequently, the destination as a whole may suffer in the long run. The Association members even argue that quite a few foreign customers could not afford to go in to the Taj because of the high price. The Association say that crowds are never a problem in a vast place like the Taj and if they do occur there are many ways to manage the traffic flow rather just increasing the entry fees. As some of the Association members put it:

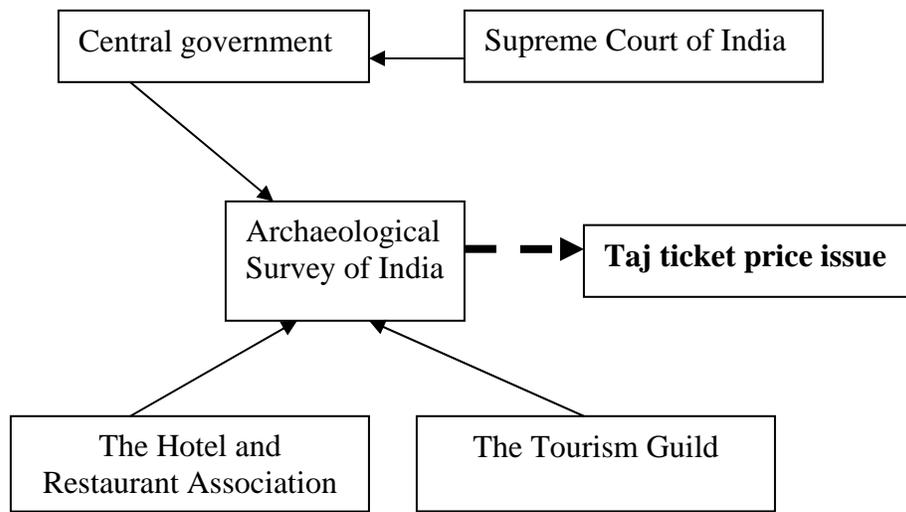
*“Once we were having the discussion about the entry fee of the Taj. Then someone said do you know how much you pay for the Eiffel tower. Its 50 pounds. You have paid the money because of the environment, atmosphere and facilities. You are not paying for the monuments; you are paying for everything else. Are you giving same facilities to them? So why are you charging more. Even you can climb the high up of the Eiffel tower. So this is different or not. They are not increasing the entry fees any more this year.”*  
(14B&15A – Hotel owner)

The situation is reminiscent of the old conundrum about which came first, the chicken or the egg. The Guild proposes to put the entry fee up, thus collecting money which can then be invested in development in and around the Taj. However, the Association proposes that the ASI should do the development first and then charge extra money for the enhanced facilities if necessary.

*“..... some of my customers would not go in because of the discrimination in the price of the Taj ticket and others would not simply afford to buy the ticket. They come this far and because of the high price they can't see Taj. This is bad for them and for our business too.”* (11A - Tour operator)

Both, the national and the state governments thought that an increased ticket price would bring extra revenue which could contribute towards the maintenance of the Taj. Maintenance is done in a complex way which is outside the control of local policymakers. ASI might be the local guardian of the Taj, but it has to consult and obtain consent from central government and the Supreme Court of India (SCI), as illustrated in

the figure below. The Taj was built by a Muslim king; therefore a Sunni Muslim group called the Wakf Board wants to take control of the Taj. Thus, the case had to go to the SCI; as a result both the central government and SCI oversee the Taj with the help of the ASI which is situated in Agra. However as the two trade bodies are the main driving forces of influence over tourism activities in the city, ASI has to consult with them for the smooth running of tourism in Agra (Figure 9.2).



**Figure: 9.2. The Taj Ticket Price Issue**

**Source: Author**

### ***9.3.1.2 The Role of Urgency in Handling the Issue by Both the Association and the Guild***

Urgency played a crucial role and dictated the decisions taken by these trade bodies. In this case the decision was made in the Association’s favour. It is the willingness to act which pushed the Association to fight harder than the Guild. The greater the urgency the more willing stakeholders are to tackle the issue. And urgency is determined by the opportunity or threat to resources and/or pressure or support from the network. It was also useful to find that the level of opportunity and threat to resources tends to increase the pressure or support level.

Such an increase in ticket price would affect both Association and Guild clients in different ways. According to the case study Guild members would have been affected in a more positive way than Association members. While most of the Guild's members agreed with the announcement, not everyone was convinced that it would have a positive impact on their clients. The Guild did not have any evidence to support its view that upmarket tourists would want to pay more to have a less crowded experience and more facilities within the Taj complex. There is also no evidence that the Guild members are losing business because of it. Therefore, there is little threat to their businesses. Thus the opportunity or threat to resources is slim for Guild members. These reasons were not strong enough to convince all the members within the Guild. They were assuming the consequences. As a result of the Guild did not have strong peer pressure or support to mobilise the network to gear up the urgency of the issue. Therefore, the willingness to act was not strong enough to drive the issue harder and further.

On the other hand, members of the Association believed they would experience a negative effect on their businesses because of the increased ticket price. Almost all the Association members considered that the extra cost would be a burden to their clients, i.e. budget travellers. They might lose potential customers in future. This is a threat to their resources. However, the Association was also assuming the consequences, but their fear was stronger and more valid than that of the Guild. Thus the threat to resources (such as losing clients) was significantly higher than the Guild. The members urged the Association to act on behalf of them. Peer pressure grew among almost all the members, which fuelled the Association to press on and win the battle (Table 9.2). Therefore, it can be said that the Association was more effective in mobilising its network of members than the rival body.

**Table: 9.2. Analyses of the Stakeholder Relationship Attribute - Urgency in Respect to Taj Ticket Price Conflict**

**Source: Author**

<b>Taj ticket price row</b>		<b>The Association</b>	<b>The Guild</b>
Willingness to act (Effective power)	<u>Opportunity or threat to resources</u>	All members will be adversely affected. Therefore the level of interest is <b>high</b> .	Some members will benefit and others will be affected. Therefore the level of interest is <b>divided</b> .
	<u>Pressure or support from the network</u>	Given the situation, the pressure or support is <b>high</b> from the member network to act <b>urgently</b> .	Because of the divided pressure and support the ability to mobilise the network is <b>low</b> . Thus the urgency is <b>low</b> .

The above case of the Taj ticket price row is used an example to illustrate the stakeholder attribute of urgency in action. Despite having similar sources of power (see Table 9.1); the Association won the battle in this case. As has been explained here, it is the pressure or support from the network as a result of the opportunity or threat to resources which drives a willingness to act. The better mobilising of the network, the stronger the willingness to act will be.

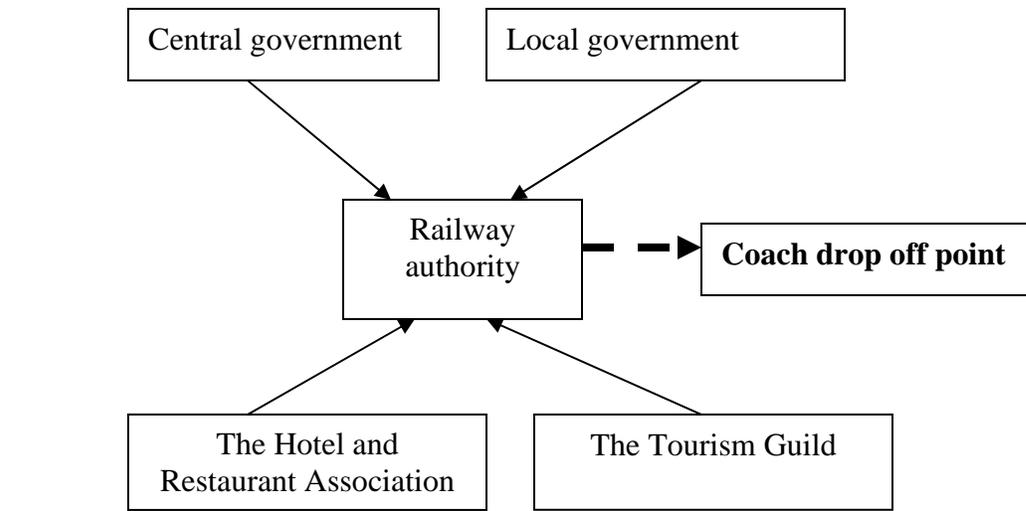
### **9.3.2 Case Two**

#### **9.3.2.1 Coach Drop-off Point Conflict**

This case also portrays a conflict between the two rival stakeholder groups, the Association and the Guild, on the issue of a coach drop-off point. The busiest railway station in Agra is Agra Cantonment Railway Station. Agra does not have a civilian airport and the second fastest transportation is by railway. Both international and domestic visitors flock to this station from other major cities in India (such as Delhi, Mumbai). Therefore, this is also one of the busiest zones for businesses to collect and drop clients. The coach drop-off point is situated nearly 12-15 minutes walking distance

from the rail station. The Guild stresses that passengers are already tired as a result of their journey and the additional walk to the parking area would damage visitor satisfaction. Therefore, the Tourism Guild suggested to the railway authority that it should provide a space within the station compound for Guild members' coaches to park. The Guild argued that it is uncomfortable for their clients (mostly foreign and elite tourist groups) to walk in the heat of the sun.

The Association debated and said it would be unnecessary to discriminate between the clients (such as elite and budget travellers). Even the locals have to walk the same distance to get to the station. If there is a parking space going to be built, it should be for everyone including big coaches, small buses and private cars. In this particular case the Association played the trump-card of institutional/social legitimacy. However, the railway compound does not have space to build a huge parking area to feed the crowd (both locals and tourists). Therefore, the railway board, the Association and the Guild got together to arrange a solution (Figure 9.3). After lengthy discussions they agreed that the parking in the railway compound would be built for everyone with a charge and a time limit attached to it. However, it was decided that to maximise the yield, none would be allowed to park there for more than half an hour. Now it is built and running smoothly. The weight (such as the capacity, Table 9.1) of both parties was mostly balanced in this case. The authorities had to listen to both parties. It is a win-win situation for both bodies but, the issue mostly is resolved in favour of the Association.



**Figure: 9.3. The Coach Drop off Point Issue in Agra**

**Source: Author**

### ***9.3.2.2 The Role of Urgency in Handling the Issue by Both the Association and the Guild***

Both the Association and the Guild fought for this issue. But, when there is division within a single party, it is difficult to get a single consistent message from that particular group. The Association comprises both small and large organisations; as a result some members mainly belonging to the large organisations kept quiet on this occasion. However, those who were fighting with the Association were determined and took advantage of institutional legitimacy. There was no real opportunity or threat to their resources but the pressure or support from the network was high enough to challenge the moral issues involved (Table 9.3).

In the opposing camp, there was no solid evidence, complaints or research that had been done about the ‘drop off point’ issue with respect to the tourists and locals. The elite group, the Guild would want to provide an extra facility to its upmarket customers. That is why not everybody joined in to make the case stronger. There was no real opportunity or threat to the Guild’s members’ businesses. Therefore, the pressure or support from the

network may have been high but it was also diverse. None of the parties were desperate to make a difference (Table 9.3). The material benefits of the Guild are overcome by the moral interest of the Association. In other words, although the latent power of weight was similar (see Table 9.1), in this case, it is the exercise of institutional legitimacy that dictated the outcome.

**Table: 9.3. The Analyses of the Stakeholder Relationship Attribute - Urgency in Respect to Coach Drop-off Point Issue in Agra**

**Source: Author**

Coach drop off point conflict		Hotel and Restaurant Association	The Tourism Guild
Willingness to act (Effective power)	<u>Opportunity or threat to resources</u>	<b>Moral interest.</b> Some members may benefit.	<b>Material benefit.</b> All members adversely affected.
	<u>Pressure or support from the network</u>	May be <b>diverted but high</b>	May be <b>diverted but high</b> too

Unlike the previous two cases, the following two cases were resolved by interactions between the government departments and the tourism trade bodies (the Association and the Guild). These cases are also used to understand and explain the interactions of relational attributes concentrating mainly on the attribute of urgency. The latent power, capacity of these parties is illustrated in Table 9.4.

**Table: 9.4. Capacity of the Tourism Businesses (the Association and the Guild), and the Government in Agra**

**Source: Author**

		<b>Tourism businesses: the Hotel and Restaurant Association, the Tourism Guild.</b>	<b>Government Departments</b>
Capacity (Latent Power)	<u>Resources</u>	Tourism businesses	<ul style="list-style-type: none"> <li>• Sources of fund.</li> <li>• Information provider.</li> <li>• Infrastructure, facilities provider.</li> <li>• Legal guardian of the major resources, i.e. the Taj.</li> </ul>
	<u>Network position</u>	Nodes for the views of the industry	Nodes for the views of the authorities
	<u>Legitimacy</u>	Recognised bodies within the destination. Official voice of the tourism industry in the city	Legal and moral responsibilities

### 9.3.3 Case Three

#### 9.3.3.1 *The Airport Issue*

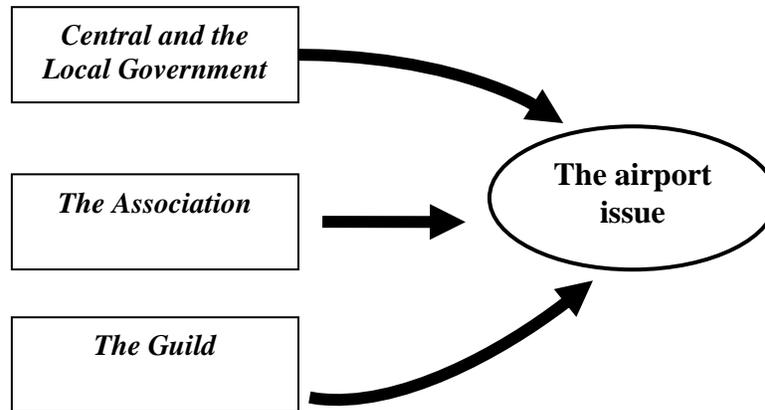
This case portrays a clash between the government departments and the trade association bodies in Agra. However, the trade association bodies, the Association and the Guild, were not united in this case. There are agreements and disagreements over the airport in Agra. Agra has an airport, but it is not fully operational. It is both a military and civilian airport which is used mainly by the military and only a small number of chartered civilian flights land there. However, civilian flights need to obtain permission from the military (CISF-Central Industrial Security Force) which guards the airport. Without permission, civilians are not even allowed into the airport premises. Because of these circumstances, not many flights operate from the airport. Only quality, up-market Guild clients use the airport through charter flights. Therefore, the Guild would like to have full access to the

airport and, if possible, a separate airport for civilian flights only. The Guild argues that having a civilian airport may increase the number of nights spent by the tourists, which will benefit all of the tourism businesses in Agra. However, the Guild is struggling to get this message across to the respective authorities.

The Association is not concerned about having a civilian airport in Agra. The Association argues that in order to increase the number of nights there needs to be a greater number of tourism activities in Agra. After dark there is not much for tourists to do in Agra. They stay and spend their time and money inside the hotels. On the other hand, Agra is well connected with other cities in India. There are three national highways passing through Agra and the city is on the main railway track linking Delhi, Mumbai and Calcutta. From other parts of India Agra can be accessed easily. Agra would have to improve its infrastructure significantly in order to move visitors smoothly. As a whole, Association clients are not much affected by the provision of airport facilities. The Association's clients (budget travellers, students and backpackers) mostly travel by train or coaches from different cities of India. Money (or a lack of it) is the essence of their trips, whereas the Guild's clients (upmarket elite travellers) value time more than money. The Association customers want to see the capital city of Delhi anyway, therefore, they can fly up to Delhi from abroad and then use road or rail (which is cheaper than flying) to get to Agra, whereas the Guild's clients want to fly to Agra directly. Therefore, in this case the Guild is more interested in having a fully operational airport than the Association is.

The development authorities are not in favour of having an airport in Agra either. Authorities fear that more flights will increase pollution levels which are not necessarily good for the Taj. Pollution is one of the major issues in Agra. Authorities were already concerned about the nearby Matura oil refinery which is several kilometre away from Agra. The black smoke from the refinery was affecting the white marble of the Taj (chemical reaction and change of colour). The refinery was closed for months but reopened with major changes such as the adoption of modern equipment to reduce and refine the thick black smoke coming out of the refinery. The Taj, being one of the wonders of the world and a UNESCO Heritage Site, means the authorities need to

comply with certain rules and regulations in order to tackle the level of pollution in Agra. Any proposed development in the area surrounding the Taj and in Agra has to obtain the consent of different departments and organisations within and outside Agra (Figure 9.4). So far the government is winning the battle in this case by not supporting the development of a fully operational civilian airport in Agra.



**Figure: 9.4. The Airport Issue in Agra**

**Source: Author**

### ***9.3.3.2 The Role of Urgency in Handling the Issue by Both the Association and the Guild***

This case highlights the truth of the statement about how division within a group or groups makes it difficult for a consistent message to emerge. Both the Association and the Guild are fighting jointly in this case. But many of the Association members are not fully convinced that a fully fledged civilian airport would make a real difference to the experience of their clients and ultimately to their businesses. Again there is no research to support the arguments on this issue. There was no real threat or opportunity to their resources and pressure or support from the network was also divided.

On the other hand, the government strongly believes and has supporting research evidence, that more flights into the airport will increase the pollution level which will

ultimately compromise the Taj (Agra Calling 2006). As has been shown, the Taj is the most celebrated monument in India and it has both social and economic value attached to it. On top of this, external bodies, such as UNESCO and the Archaeological Survey of India, who oversee the activities of the Taj, are not very keen to expand the airport. Therefore, the pressure or support from the network was high against the proposal of a civilian airport in Agra (Table 9.5). Thus, the urgency attributes played a crucial role to protect the wellbeing of the monument and the idea of a civilian airport in Agra has been resisted so far.

**Table: 9.5. The Analyses of the Stakeholder Relationship Attribute - Urgency in Respect to the Airport Issue in Agra**

**Source: Author**

The Airport issue		Tourism businesses: the Hotel and Restaurant Association, the Tourism Guild.	Government Officials
Willingness to act (Effective power)	<u>Opportunity or threat to resources</u>	Some members benefit, others affected.	Highly concerned about the wellbeing of the monument and the destination
	<u>Pressure or support from the network</u>	<b>Diverted</b>	<b>Strong and high</b>

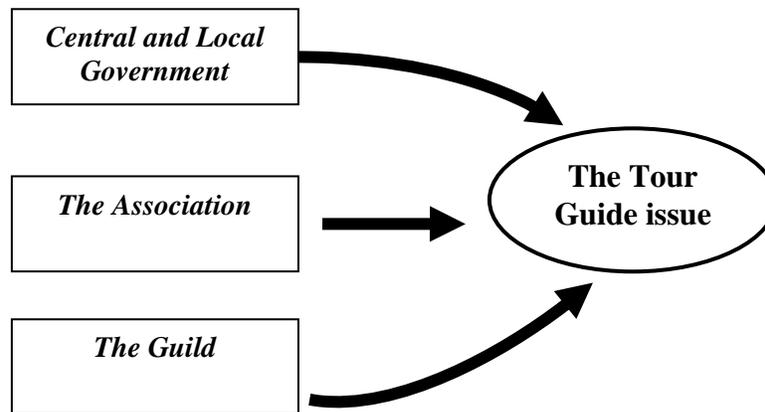
### 9.3.4 Case Four

#### 9.3.4.1 *The Shortage of Tour Guides in Agra*

This is a case where all parties illustrated their fullest interest simultaneously making it a win-win scenario. The parties involved are the Association, the Guild and the government departments (Figure 9.5). In 2007 for the majority of the peak season there was a shortage of tour guides in Agra. Therefore, tourism businesses got together to seek the government's assistance to solve the crisis, because it is government officials who issue

tour guide licences. Both the central government bodies, the ASI and the India Tourism Office are responsible for providing tour guides to Agra. The Central Government department, the India Tourism Office, organises written tests and on successful completion candidates go to the ASI for an interview and the issue of a licence. Thus, the government is in control of the quality and the numbers of tour guides in Agra. Tourism businesses sent the message out through their respective trade associations to the government to tackle the issue of the shortage of tour guides in 2007.

The Association and the Guild were at the forefront of this battle. They were united in a common cause. Both parties were extremely eager and supportive to resolve the issue. The government acted on the issue quickly too, not only because it wanted to resolve it but also because that resolution would create jobs. India has a huge population and the government is always looking for opportunities to create jobs to tackle the rising number of unemployed throughout the country. The government got in touch with a few of the universities and offered them incentives to start courses and training for ‘*tour guides*’. As a result Indian universities created and ran the necessary training courses. Thus, the following season, the government released many more tour guides into Agra and the tourism businesses were grateful to the government.



**Figure: 9.5. The Tour Guide Issue in Agra**

**Source: Author**

**9.3.4.2 The Role of Urgency in Handling the Issue by Both the Association and the Guild**

As has been found previously, tour guides play a crucial role in the tourism industry by providing tours of the historic city. The tour guide’s importance, as highlighted by the interviewees, as interpreter, educator, social facilitator and conservationist is central to the whole tourism destination experience. A shortage of tour guides is a threat to the tourism businesses regardless of their size and trade. They may lose their valuable customers and therefore, the threats to their resources are high which increases pressure or support from the network to act urgently on the issue.

A similar picture is seen from the government’s perspective. Seizing the opportunity, the government acted urgently to resolve the issue. The result benefited people by creating jobs and at the same time removed the problem from the tourism businesses. Therefore, for the government, the opportunity to gain resources pushed up the pressure or support from the network to act urgently (Table 9.6). Although the capacities of these parties are the same, the urgency attributes played a crucial role in the reinforcement of decision making.

**Table: 9.6. The Analyses of the Stakeholder Relationship Attribute - Urgency in Respect to the Tour Guide Issue in Agra**

**Source: Author**

<b>The Tour Guide issue</b>		<b>Tourism businesses: the Hotel and Restaurant Association, the Tourism Guild.</b>	<b>Government Officials</b>
Willingness to act (Effective power)	<u>Opportunity or threat to resources</u>	Members all adversely affected.	Opportunity for solving crisis and creating jobs at the same time
	<u>Pressure or support from the network</u>	High	High

It is clear from the above analysis that all of the attributes, coupled with the capacity and the willingness to act, play a crucial role in creating effective power. However, as suggested by the literature and from the data, it is the stakeholder relationship attribute, urgency, which moves the relationship from static to dynamic. To illustrate these activities at a glance, a framework is developed and discussed in the next section.

#### **9.4 Stakeholder Relationship Framework to Explain Effective Power**

This framework (Figure 9.6) is an explanation of the behaviour observed and supported by the qualitative research interviews with the stakeholders in the Agra tourism industry. It shows that forces act together to cause an action. However, it does not quantify or measure its outcomes. The framework below illustrates the links and relationships among stakeholder attributes in creating effective power which leads to decision making. This framework gives a hypothetical description of the complex processes, interactions and phenomena of stakeholder relationship attributes. Frameworks can have explanatory power allowing complex systems to be understood, and their behaviour predicted within the scope of that framework, but may also provide simple descriptions and predictions for situations outside the realm of their intended use.

All the above case studies were studied carefully. The researcher identified patterns of behaviours and relationships in the case studies. Later the researcher used the understanding and explanations coming out of the case studies to move towards generalising and conceptualising the phenomena, thus developing a formula to put into a framework of stakeholder effectiveness accordingly from the concepts (see Figure 4.4, p65) studied in the review of the literature.

The interview data reveals that attributes have major effects on stakeholder relationships. These attributes include resource-based power, their nodal position and perceived legitimacy. Therefore, stakeholder attributes are still at the core of this framework. Combined, they create latent power which can be termed as '*capacity*'. It is also evident from the data that stakeholder latent power becomes active only when it is coupled with

interest and urgency which triggers a '*willingness to act*'. This is replicated in almost all the cases.

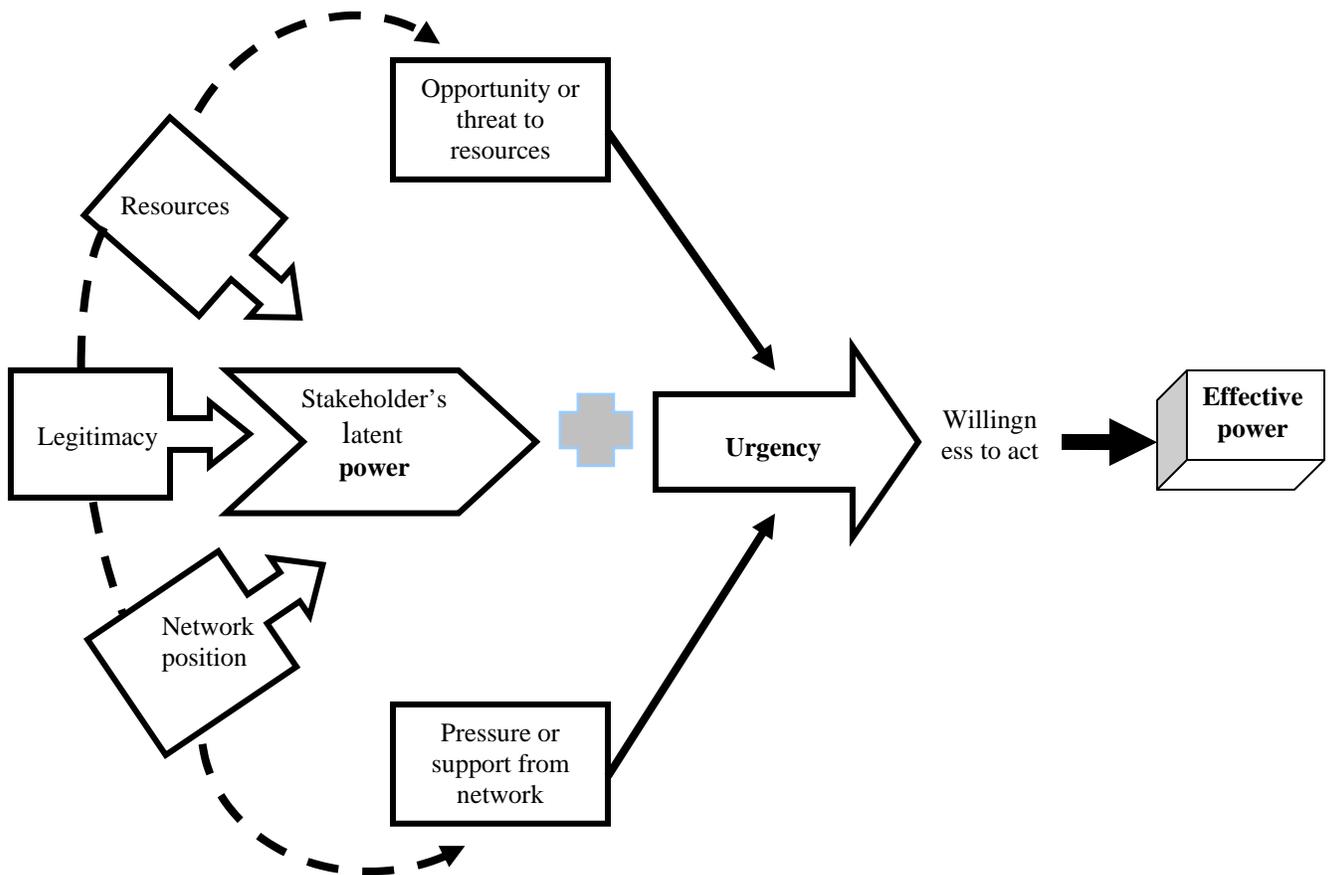
However, a similar pattern is also prominent from the case studies in that urgency is influenced by both stakeholder resources and their network position. The material interest of the stakeholders and the opportunity or threat to stakeholder resources will affect 'urgency' in dealing with issues. On the other hand, the ability to mobilise the network because of peer pressure or support from the network will fuel stakeholder interest in dealing with the issue urgently too. Combinations of all these stakeholder relationship attributes would build '*effective power*' which determines '*stakeholder effectiveness*'. This framework can be applied to explain group as well as individual stakeholder activities. Therefore, the driving forces behind stakeholder effectiveness depend on capacity and a willingness to act (Figure 9.6):

**Capacity:**

- Resource-based power: value of resources.
- Network-based power (the nodal position in the network): such as access to decision-makers, resources.
- Legitimacy: legal power and moral force (institutional legitimacy).

**Willingness to act:**

- Perceived urgency of the issue.



**Figure: 9.6. Interactions of Stakeholder Relationship Attributes in Creating Effective Power**

**Source: Author**

This framework has the ability to shed light on different situations, especially in tourism. It relates concepts together. It is particularly useful in tourism as the amalgam of products and services makes the destination stakeholder network quite complex. Different types of tourism businesses have similar aims which, ultimately, is to serve their clients (such as tourists), but they may pursue different objectives to achieve those aims. They interact with trade and collaborate and compete with other members within the network, both horizontally and vertically. This entangled network can only be mobilised as a reaction from the pressure or support from the network members when dealing with an opportunity or threat to their resources which boosts interest and urgency thus a

willingness to act. For example, this framework can also be used to explain the reasoning behind the decision to obtain membership of these tourism trade bodies. Individual businesses can be by-passed easily by policymakers and outside forces. Membership of these bodies provides businesses with network-based power which can then be used to mobilise the network to increase effectiveness.

## 9.5 Limitations of the Framework

- The framework illustrates interactions of stakeholder relationship attributes in the tourism industry network of Agra. However, it does not quantify the weight of the resources and the network position. Particularly where tourism is an amalgam of products and services, it is virtually impossible to weight the importance, sheer number and variety of resources. Therefore, this framework cannot be quantified.
- The network position is also difficult to quantify and weigh, as different tourism businesses have different bodies to represent them. Examples include hotels and restaurants that are represented by the Hotel and Restaurant Association, tour guides who are represented by the Tour Guide Association, the elite businesses that are represented by the Tourism Guild, and the employees who are represented by the Employees Trade Association.
- This framework also separates resources from network position. In practice it is difficult to divorce resources from the nodal position. Resources help stakeholders acquire nodal position in the tourism network and *vice versa*. This is argued in Figure 4.3 (p63). Without any resources at all, it would be impossible to achieve a position in the network. Therefore, resources and network position can be explained as a cause and effect scenario.
- As resources and network position are complementary, they can be played against each other too. As has been found, stakeholders would have some resources, but they may not have network-based power. Consequently, they join trade association groups to obtain such power. They often use the power of these

groups, for example, to confront the power of agents (intermediaries), and the power of authorities.

- Legitimacy is difficult to quantify too. It is a perception which is accepted and expected by the law of that particular land and by the society it operates.
- This framework depends on the network structure and thus takes into account the nodal position. A complex and dense network like tourism would have greater difficulty identifying the nodes than a single firm. Overall, the subjective and dynamic (ever changing) nature of these relational attributes contributes to characterise of the framework.

## 9.6 Chapter Summary

This is one of the most vital chapters of all. From the attitudes and experiences of the interviewees from the Agra tourism industry, the researcher builds the case and studies urgency in their relationships in great detail. Interestingly, the analysis of the data reveals that it is the *opportunity or threat to stakeholder resources*, and *pressure or support from their network* that drives stakeholders to act urgently in their relationships. Thus, latent power coupled with a willingness to act creates effective power in their relationships. This chapter, as well as the two previous chapters, witnesses the growing power and influence of the two tourism trade associations. It uses recent cases developed from the interview transcriptions to critically evaluate mainly the issue of stakeholder attribute urgency. Furthermore, this helps to develop, and reinforces, the framework of '*effective power*'. The framework explains the outcome or the behaviour of stakeholders' activities in the tourism industry network of Agra. The framework helps to unveil how a decision is made which is influenced by stakeholders' relationship attributes within a tourism destination scenario. This enables the understanding of the complex relationships of stakeholders, especially tourism ones, where they are entangled with each other far more than any other industry network.

# Chapter 10

## Conclusion

### 10.1 Introduction

The purpose of this chapter is to summarise the important elements presented in this thesis and identify the implications for tourism stakeholders. It also identifies contributions to the body of knowledge and benefits of the methodological, theoretical and practical aspects of this research and suggests further potential research opportunities.

### 10.2 Evaluation of the Research

There were six objectives of this research which played a crucial role in determining the research journey. As the research journey progressed, the objectives were further developed and the methodological techniques adapted to achieve them. The objectives were as follows:

1. Evaluate the stakeholder concept, including stakeholder theory and tourism stakeholders from the literature.
2. Critically evaluate stakeholder relationship attributes and their interrelationships.
3. Construct a conceptual framework of stakeholder relational attributes on the basis of the analysis of the existing literature.
4. Explore the framework in a tourism destination context.
5. Evaluate the influence of stakeholder relationship attributes and develop a framework to explain the interactions of these attributes in the operation of a tourism system at the destination level.

6. Identify and suggest implications of the research in the operation and development of tourism at different levels.

### **10.2.1 Objective One: Evaluate the Stakeholder Concept, Including Stakeholder Theory and Tourism Stakeholders from the Literature**

The first objective of this research was to evaluate the stakeholder concept, stakeholder theory and stakeholder relationship attributes in a tourism destination scenario through a review of the literature. The study of stakeholder relationships and how individual and group stakeholders can influence a firm's operation (Rowley 1997) may enhance the effectiveness of the industry (Mitchell *et al.* 1997; Fyall *et al.* 2003). Therefore, understanding the relationships between these stakeholders can help an interested party to understand a destination, its characteristics, how the tourism industry has developed in that destination and how it is managed now and how it could be managed in the future.

Most tourism activities take place in the destination. According to Fyall *et al.* (2003) destinations are composed of networks of different groups, organisations and individuals that undertake various activities. These networks are usually considered to be highly complex and difficult to manage. Groups, organisations and individuals can affect, or are affected by, tourism activities as a whole and can be referred to as stakeholders (Freeman 1984; Mitchell *et al.* 1997; Rowley 1997). The insights of stakeholder theory are considered to hold the key to more effective management of a destination and a more useful, comprehensive theory of the firm in society (Freeman 1994; Mitchell *et al.* 1997). Most of the available literature evaluates the stakeholder concept in non-tourist related businesses rather than in the context of a tourism destination where multiple stakeholders work to provide tangible and intangible goods and experiences to the tourists. Chapter 2 helped identify stakeholders within a tourism destination setting. It explored the model of the Six As as discussed by Burkart and Medlik (1981), Buhalis (2000), Kandampully *et al.* (2001), and Cooper *et al.* (2005). Later the researcher identified that it is mainly the supply side stakeholders who are directly to the activities involved in the Six As within a tourism destination context.

### **10.2.2 Objective Two: Critically Evaluate Stakeholder Relationship Attributes and Their Interrelationships**

The second objective was to critically evaluate stakeholder relationship attributes and their interrelationships. This is mainly discussed in Chapters 3 and 4. The power concept is defined and discussed and describes the ability of one entity to influence the behaviour of another entity. According to Stern and El-Ansary (1992, p268), “*power is obtained through the possession and control of resources that are valued by another party*”. This type of power can be referred to as resource-based power and relies on the demand for, and dependency on, the resources. These resources are the assets and conditions within a relationship that generate and represent each channel member’s dependence, gratitude, loyalty or trust to another. Members value each other’s resources; otherwise they would not do business with each other. Therefore, power is a two-way street, as suggested by Stern and El-Ansary (1992). Tourism resources include land, labour, capital, culture, infrastructure, man-made or natural attractions and knowledge, depending on the characteristics of the tourism destination (Cooper *et al.* 2005; Ritchie and Crouch 2005). The research then concentrated on a detailed study of these resources to comprehend resource-based power in relation to particular resources.

Resources are tradable goods which process through a particular channel. Therefore, resources are only effective if they are distributed and traded through a channel or a network. Interestingly, Rowley (1997) and Pajunen (2006) find stakeholder powers can also stem from being positioned in the network in a way that controls the flow of resources. This is structure-based power which can be explained by network theory and is referred to as network-based power. Network centrality can explain the bases of these structured-based forms of power.

Pavlovich (2003) suggests that network theory is concerned with the collective nature of organisational action, constraint and co-ordination. It assumes that “*relationships do not occur within a vacuum of dyadic ties, but rather in a network of influences, where a firm’s stakeholders are likely to have direct relationships with one another*” (Rowley 1997, p890). Relational data are the ties which link one actor to another and cannot be

classified as properties of individual actors because they exist only as part of a group of actors. In other words, relational data are properties of a system of actors (Wellman and Berkowitz 1988). The introduction of network theory to the stakeholder concept has proven to be useful, because it moves stakeholder theory from a single static focus to a more dynamic one. This is particularly useful for tourism related studies where tourism destinations are made of a network of individuals and groups of establishments from across a range of industries.

Mitchell *et al.* (1997) suggest that latent power exists in stakeholder relationships and the exercise of stakeholder power is triggered by conditions that are manifest in the other two attributes of the relationship: legitimacy and urgency. Power by itself does not guarantee high salience in a stakeholder relationship. Power gains authority through legitimacy and exercise through urgency. The literature also finds that in social networks, power is limited by ethical constraints, either embodied in laws and regulations, or in mutually accepted codes of behaviours and, these sources of influence are termed legitimacy in this research.

Overall, legitimacy, (like power), is a variable rather than a steady state: a dynamic attribute in stakeholder relationships. If it is present, it is based upon a generalised virtue that is perceived to be, or attributed to, a stakeholder at one or more social levels of analysis. Like the attribute of power, legitimacy's contribution to stakeholder salience depends upon its interaction with the other two attributes. Legitimacy gains rights through power and voice through urgency. The review of the literature identified two key classifications of the legitimacy attribute: contractual agreements (including transactual, contractual and investment) and the institutional legitimacy (the rules which are expected and accepted by the very society in which they operate).

The literature review then focused on the attribute of urgency. Urgency helps move stakeholder relationships from a static to a dynamic state. In this respect urgency can be defined as the degree to which stakeholders call for immediate attention in their relationship. Jones (1993) and Mitchell *et al.* (1997) describe moral intensity as a

multidimensional construct and argue that urgency is based on the two attributes: first time sensitivity – i.e. the degree to which managerial delay in attending to the claim or relationship is unacceptable to the stakeholder, and secondly, criticality: the importance of the claim or the relationship to the stakeholder.

Urgency by itself is not sufficient to guarantee high salience in stakeholder relationships. However, when it is combined with at least one of the other attributes, urgency changes the relationship and causes it to increase the salience of the stakeholders. Urgency, especially, in combination with legitimacy, promotes access to decision making channels, and in combination with power, it encourages one-sided stakeholder action. In combination with both power and legitimacy, urgency triggers reciprocal acknowledgement and action between stakeholders (Mitchell *et al.* 1997).

After identifying the key stakeholder relationship attributes, the study concentrated on their interrelations. A *Venn diagram* (Figure 4.2, p61, sourced from Mitchell *et al.* 1997) was adapted in combination with other literature to form the *Target diagram* (Figure 4.3, p63) of stakeholder interrelationships.

### **10.2.3 Objective Three: Construct a Conceptual Framework of Stakeholder Relational Attributes on the Basis of the Analysis of the Existing Literature**

Figure 4.3 was subsequently redesigned as Figure 4.4 (p65) and forms the conceptual framework of stakeholder relationship attributes. It has developed from analysis of the existing literature. This is one of the key objectives to take this research journey forward. As suggested by Walker and Avant (2005), this framework also pulls together theories, concepts and ideas evaluated in this study. In a later stage of the research, this framework guided the formation of an interview checklist to investigate these issues further in the research context. It also worked as a foundation of the overall research. The framework includes key stakeholder relationship attributes along with their classifications. This framework was used to explore tourism stakeholders directly involved in Accessibility, Amenities, Available Package, Activities and Ancillary Services within the destination (Buhalis 2000, Cooper *et al.* 2005).

#### **10.2.4 Objective Four: Explore the Framework in a Tourism Destination Context**

The fourth objective was to explore the framework in the context of a tourism destination in order to investigate the phenomena further. Agra, India was chosen as an appropriate context for the research (Chapter 5). Agra is a destination where the major attraction, the Taj, is outside the control of local policymakers and where power-struggle and power-imbalances may occur. This is a situation that is replicated on other major tourist destinations such as the Eiffel Tower in France and the Great Wall of China. Management of the destination of Agra is therefore complex, but one which has advantages for the research. It is an area where interactions and conflicts of interests between rival stakeholder groups is a matter of controversy and debate among members of the industry. This means the participants are able, ready and, indeed, sometimes eager to articulate their views on their relationships with other individuals and groups, making it easier to gain rich data on their perceptions of the topic. The largest industry in Agra is tourism and yet only a handful of studies have been undertaken there.

The chosen methodology (Chapter 6) defends the choice of a qualitative enquiry to investigate these phenomena, because, according to Silverman (2003, p32): “*the methods by qualitative researchers exemplify a common belief that they can provide a ‘deeper’ understanding of social phenomena than would be obtained from purely quantitative data*”. Quantitative methods are seen as reflecting an empiricist and realist view of the world and using a deductive logic of enquiry, whereas qualitative approaches tend more often to be idealist and to use an inductive logic of enquiry (Gibbs 2002). This research investigated the specific experiences and attitudes of the tourism stakeholders in their relationships within the Agra tourism industry.

The subjective nature of this research and the questions of ‘what is happening here’ and ‘what do they mean to the people who are engaged with them’ were asked from an interpretivist standpoint. Thus, the behaviour of people in their relationships can be discussed through in-depth interviews. Stakeholder power and relationships are as much about perceptions as they are about economic facts. Therefore, stakeholder relationships require qualitative methods to understand, explore and explain the phenomena

effectively. This research treats the tourism industry in Agra as an organic, dynamic and interactive system which also supports the need to conduct a qualitative study. It concentrated on 'what can we understand' rather than 'what can we know'. It not only confirmed some of the postulations arising from the theories, but also developed new theory to help understand the interactions of stakeholder relationship attributes more effectively.

#### **10.2.5 Objective Five: Evaluate the Influence of Stakeholder Relationship Attributes and Develop a Framework to Explain the Interactions of these Attributes in the Operation of a Tourism System at the Destination Level**

Chapters 7, 8 and 9 are dedicated to fulfilling this particular objective. Chapter 7 concentrated on the findings and discussion of stakeholder power relations by identifying initially macro and micro level stakeholder networks of the Agra tourism industry. It demonstrated that Agra is a tourism destination that has networks which comprise individuals and groups to provide both tangible products and intangible experiences to the clients. This agrees with the findings of Buhalis (2000, p97) that "*destinations are amalgams of tourism products offering an integrated experience to customers, e.g. a conglomerate of several elements that make up a place visited by non-residents for holiday, leisure or business purposes*". He refers to destinations as '*conglomerate of several elements*', however, this research in Agra takes understanding a step further by revealing destinations to be '*networks of establishments*'. This network concept is supported by Fyall *et al.* (2003), Pavlovich (2003, 2008), and Scott *et al.* (2008) in their research within the context of tourism. From this research in Agra, it can be defined that tourism destinations are made up of complex networks of individual and group establishments working towards a common goal of creating tourism products and experiences.

This research revealed that tourism stakeholder interactions are complex. They work within a network of acquaintances that they, in part, create for personal benefit and the smooth running of their individual organisations. They depend on each other for resources and often act in a '*pack*' to defend their interests. Therefore, networking is

proven to be useful in the context of the Agra tourism industry. From the researcher's personal experience of Indian culture it can be said that, '*who you know*' and '*an introduction from someone*' is key to carrying out successful business operations in India. This is reflected in the findings from the interviews. A snowballing approach to sampling was used whereby the initial interviewees were already known to the researcher and then the researcher was introduced to others in the network through the initial interviewees. Therefore, it can be said that snowball sampling would lead to conclusions such as '*who you know*'. If the researcher had gone to all of the interviewees independently, without any introduction, the task of getting interview appointments would have been extremely difficult. Therefore, networking is extremely important in the context of tourism in India. This, to some extent, contradicts the findings of Carey *et al.* (1997, p426) in the UK context, that the "*tourism industry embraces a wide range of sectors and services mostly working discretely and pursuing their own personal interests and agendas*" (Researcher's emphasis).

Attention was then focused on stakeholder resources in the context of the Agra tourism industry. Themes and sub-themes arise both from the literature and the interviews conducted in Agra. Stakeholder resources were scrutinised by comparing and contrasting the findings with those from the review of the literature. Both the literature and the interview data find examples of key tourism resources which include land, labour, capital, access to clients and less tangible ones such as knowledge and expertise. Besides this, a group of other less homogeneous, organisation specific resources can also be found from the interviews. For example, in order to see what resources the interviewees perceived as 'valuable' (Frooman 1999) an open question was asked to stimulate the discussion (what do you need to run your business?). The answers ranged from tap water, electricity, building materials to maintenance of the roads. Diversity of these resources is also supported by Amit and Schoemaker (1993), Ritchie and Crouch (2005) and Cooper *et al.* (2005). At the macro level the resources they need to carry out their business/organisation include absolutely everything at the destination.

Overall, tourism-related businesses and organisations require access to almost all of the resources to be found in the destination. These resources are accrued from more than one source. Therefore, many individuals and groups of organisations would have, to varying degrees, resource-based power. This further complicates the study of power relationships and resource dependency and adds to the complexity of studying and understanding the resource-based power of stakeholders within a tourism destination setting. Resource owners can be in control of more than one resource. This overlapping resource dependency relationship further complicates the issue of studying resource-based power. It also can be seen from the data that, at the individual stakeholder level, the list of resources to run a business is huge and varies between each business/organisation, depending on their size, type, the type of ownership, type of tourists, location and so on.

To understand resource-based power in greater detail a study was made of these resources which were grouped according to their usage from day-to-day, year-to-year, to long-term activities. This was derived from analysis and interpretation of the primary research data gained by working closely with the stakeholders in Agra. Thereafter, the segments of resource-based power to understand and study closely became the power of individual businesses, the power of ancillary services stakeholder and the power of the authorities.

Chapter 8 analysed the legitimacy of bases of power. Investigation of the literature uncovered examples of two main types of legitimacy, contractual legitimacy and institutional legitimacy. However, the primary data analysis advanced an understanding of issues related to legitimacy in stakeholder relationships. Findings from the interviews suggest that the role of legitimacy in the tourism stakeholder network in Agra is to control, mitigate and formalise relationships among tourism stakeholders. Attribute legitimacy can, therefore, be classified as straightforward legal power, social/institutional legitimacy and contractual legitimacy. In this research context, legitimacy refers to the kind of power or influence that does not come from direct control of resources or access to the network. For example tourist offices in Agra do not have that kind of direct power but they have influence as a result of their official position. They could have moral

legitimacy because they represent the rights and interests of citizens as well as tourists. Trade Unions, Tourism Trade Associations and other professional bodies in Agra are other examples of organisations with institutional legitimacy.

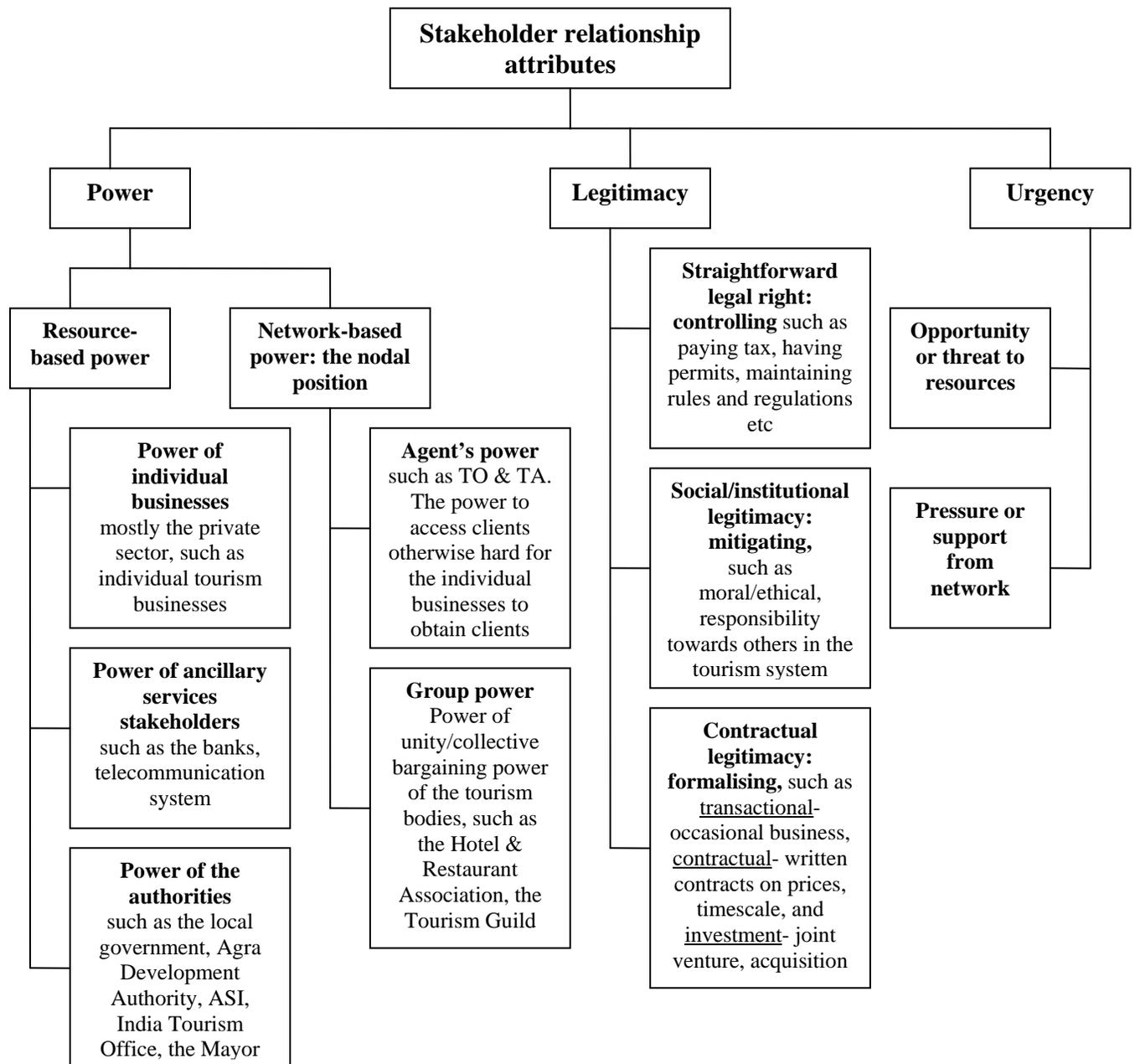
A stakeholder in an organisation (in the literature) is any group or individual who *can affect or is affected by* the achievement of the organisation's objectives (Freeman 1984 & 1994; Goodpastor 1991; Frooman 1999; Suatter and Leisen 1999) [researcher's emphasis]. However, it was found that in the Agra tourism destination there are a variety of stakeholders across the different sectors and they all have some resources under their control. This implies that every stakeholder in the tourism system would have some power (but maybe not the same degree of power) to affect the activities of the industry and at the same time can be affected by others in the network. This therefore contradicts what is stated in the literature, where there is a clear distinction between *strategic* and *moral* stakeholders.

Clearly within a tourism context, all stakeholders can try to make a difference, and at the same time can be affected by their own and other's activities. Both the characteristics of strategic and morale stakeholders reside comfortably within all the tourism stakeholders in the context of Agra. Therefore, it is difficult, especially in the context of the Agra tourism industry, to separate moral from strategic stakeholders. This makes all tourism stakeholders not only *unidirectional* but also *bidirectional* in nature. This is contradictory too, as researchers including Donaldson and Preston (1995), Mitchell *et al.* (1997), Frooman (1999), Timur and Getz (2002), and Tsai *et al.* (2005) whose studies concentrate on single firms, suggest stakeholders are *either* unidirectional *or* bidirectional in nature but not both. It is found in the research in Agra that stakeholders do not all have the same amount of power based on resources, so the moral basis of power (which is termed legitimacy) may be an important factor which enables them to influence the actions of others.

The final attribute in stakeholder relations is urgency. Chapter 9 is devoted to analysing the perceived urgency experienced by stakeholders in the tourism system in Agra.

Urgency moves a relationship from being static to being dynamic. It is found from the literature that time sensitivity and criticality influences the attribute, urgency. The evidence of these two factors is found in the analysis of the raw data. However, interestingly, the analysis of the data also explains why some issues are more critical and time sensitive than others. It reveals that it is the opportunity or threat to stakeholder resources, and pressure or support from their network that drives stakeholders to act urgently in their relationships.

After studying stakeholder relationship attributes of resource-based power, network-based power, legitimacy and urgency in the context of Agra tourism industry, a more comprehensive and precise classification and naming of stakeholder key relationship attributes are put together and illustrated in Figure 10.1. This figure is an advancement, from the conceptual framework (Figure 4.4, p65) drawn on the primary analysis of the literature because it adds further naming and classification of the stakeholder relationship-attributes. Furthermore, interviewees give examples to explain the urgency situation in their relationships. This enables four key examples to be developed to illustrate the applications of the theories generated in this research.



**Figure: 10.1. Stakeholder Relationship Attributes**

**Source: Author**

Research undertaken by Mitchell *et al.* (1997) and Tsai *et al.* (2005) suggests that stakeholder relationship attributes are variables rather than things that exist in some form of steady state. This argument is also supported by this research, however this study finds that all tourism stakeholders have some power/resources and if necessary will find the means to achieving their own interests. This makes their attributes steady state; unless stakeholders exercise their power which, when coupled with other attributes makes the relationship attributes variable. Additionally, Timur and Getz (2002) predict that some of the stakeholders might have more power bases or perceived legitimacy than others. This is also supported by this research and can be seen from the case study examples in the previous chapter. This is one of the justifications for joining different tourism trade groups or adopting various means to enhance individual stakeholder power.

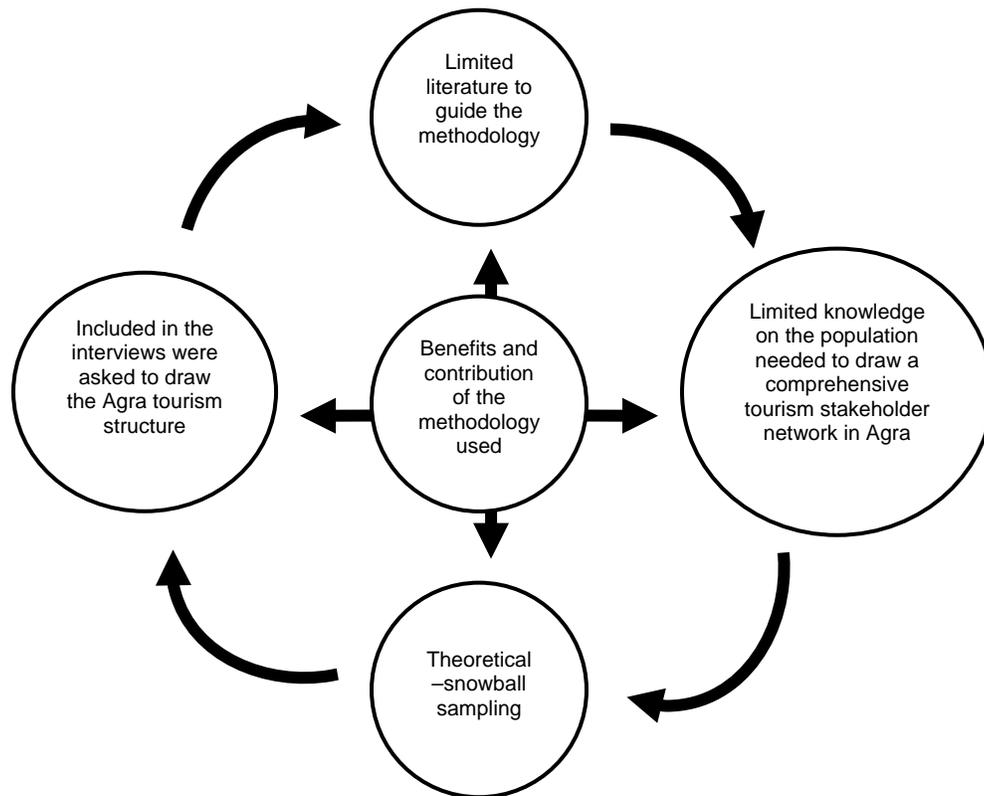
Figure 9.6 (p211) in Chapter 9 illustrates and explains all of these phenomena. Key themes and sub-themes emerged from the data which informed this new improved framework. Relationships do not occur in a vacuum. Incidents are the results of interacting with others and influencing decisions at various levels. This framework can function as a map or guide for designing and carrying out inquiry. This framework can assist in comprehending the decision-making process.

The analytical framework illustrates the interactions of the stakeholder relationship attributes presented by stakeholders in the tourism destination of Agra. This framework can explain the outcome of their behaviour. Stakeholder latent power of resources, network position and legitimacy, coupled with urgency creates a willingness to act. This willingness to act triggers effective power in stakeholder relationships. This finding fulfils the fifth objective of this research.

### **10.3 Benefits, Implications and Contribution to the Body of Knowledge**

The sixth objective of the research was to identify and analyse the implications of the research with respect to the operation and development of tourism at different levels (Chapter 10). In doing so, the research identified and discussed the contribution to knowledge which cannot be divorced from the implications and benefits of this research.

The contribution to knowledge that this research seeks to make is mainly three-fold. They are methodological, theoretical and practical which are inextricably intertwined. There are only a handful of studies previously undertaken which analyse the tourism stakeholder network and so there is limited literature to guide the methodology. Figure 10.2 illustrates the complexity of this process and the contribution it makes. This study adopted a theoretical-snowball sampling approach which was challenging in many ways because there is limited knowledge regarding the population and hence the sample size needed in order to draw a comprehensive tourism stakeholder network of Agra. Included in the interviews was the presentation of stakeholder network maps where participants are asked to corroborate their structure. This was one of the hardest parts of the interview process. The tourism industry in Agra is so diverse that the network graphs made by these interviewees were often too ‘messy’ to physically draw and to make any conclusions.



**Figure: 10.2. The Methodological Contribution**

**Source: Author**

The macro-level stakeholder map (Figure 7.1, p118) produced by this research reveals the key stakeholders of the tourism destination in Agra. Their interaction flow chart (Figure 7.2, p120) helps to reveal the characteristics of the destination. These network charts and graphs are indispensable in the study of resource flows between the tourism stakeholders in Agra.

The research adds to an understanding of stakeholder management, stakeholder networks and consequently destination management theories (Figure 10.3). As it has been found from this research, these issues are particularly important because understanding the relationships between these stakeholders helps to understand a destination, its characteristics, and how tourism has developed and is currently managed.

Stakeholder management literature (such as Morgan 1996; Carey *et al.* 1997; Sautter and Leisen 1999; Ritchie and Crouch 2005; Weiermair 2006) treats this sector as if it is one homogenous product or market when clearly this is not the case. Instead, tourism destinations comprise a network of individuals and groups providing products and experiences to the clients. Therefore, management and, marketing plans of a tourism destination cannot be standardised, but must reflect the peculiarities and characteristics of the place. As a result, private and public sector partnership on these issues would help the promotion and smooth running of the destination.

This study also contributes to relationship management theories. The analytical framework constructed helps to reveal how relational attributes influence decision-making. This broadens our understanding and yields insights of stakeholder interactions within a destination network scenario. It also can be used to explain and predict tourism stakeholders' behaviour. This forecasting framework is based on past attitudes and experiences; it could only predict rather prompt an outcome or behaviour. The implications of the list (Figure 10.1, p225) and the framework (Figure 9.6, p211) should reach the wider society and to other industries. These two figures are the key contribution of this research which add both to the theory and provides opportunity to apply them in practice.

As discussed previously, the evaluation of the relationship attributes and the derived framework adds another dimension to an understanding of the operation of a tourism destination. Therefore, in practice, this study should help tourism development agencies (both private and public), destination management and marketing organisations, any outside forces, and individual stakeholders in their daily operation and potential business opportunities. All of these contributions are interlinked and often inform each other (Figure 10.3). Similarly, Hjalager (2002) cites a basic assumption is that knowledge is created in academia and subsequently transferred to enterprises for further development. It is an ongoing process.

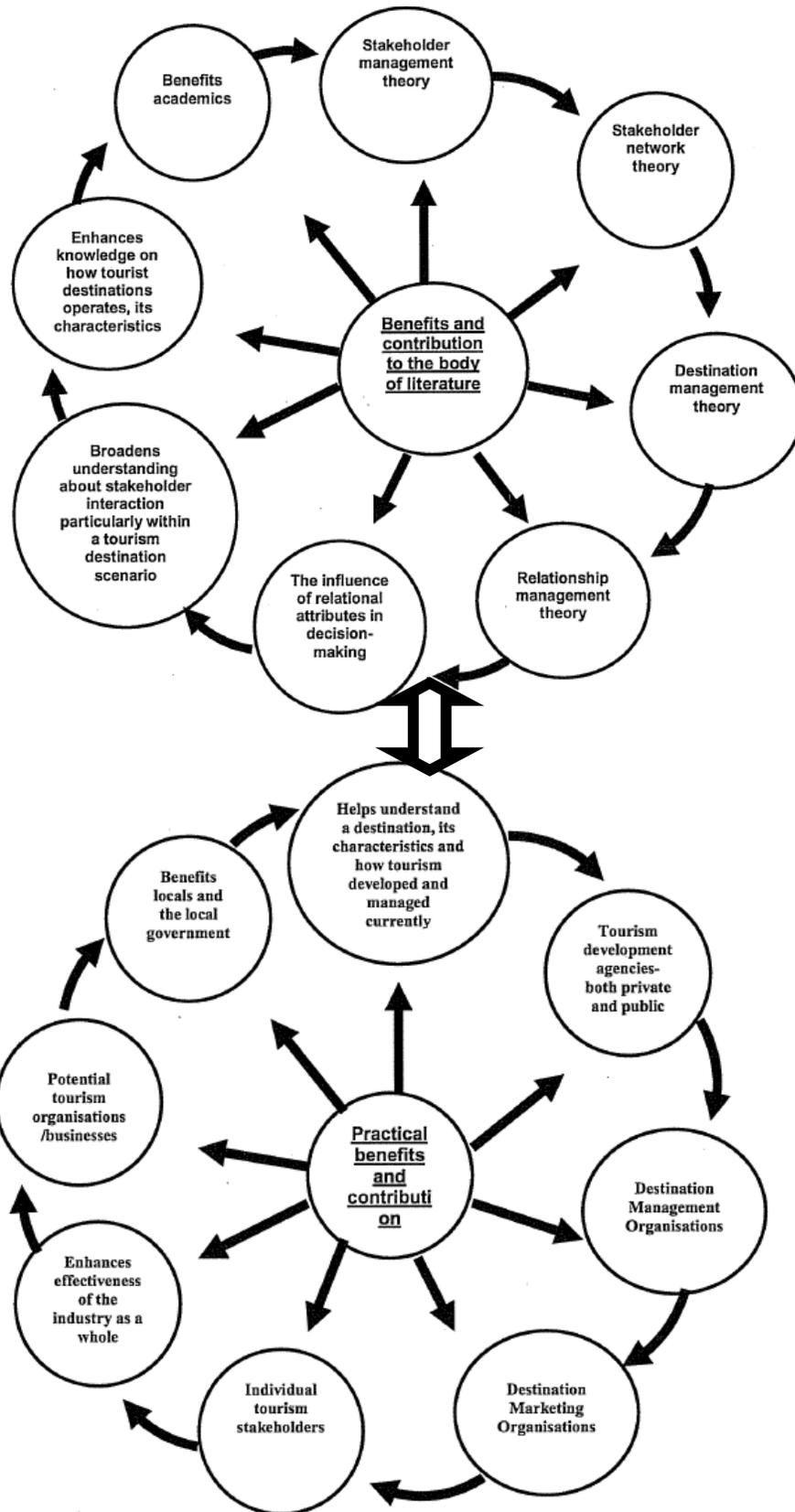


Figure: 10.3. Theoretical and Practical Link of the Research (Source: Author)

Tourism is an amalgam of many other industries; therefore if tourism thrives other supporting businesses thrive too. The Agra tourism industry is no exception to this. The study of tourism stakeholder relationships is particularly important for tourism policy makers and so destinations need to be aware of the dimensions of their relationships. Such awareness would enable destination managers, planners and, no doubt, developers to design and implement policies to operate the destination effectively. This would mitigate some of the negative effects of tourism and the conflicts between the tourism stakeholders. Managing these relationships becomes paramount for the protection and sustainable growth of both the industry and the destination.

Stakeholder management is also part of sustainable destination management. Many researchers including Carey *et al.* (1997), Swarbrooke (1999), Williams (2001), and Cooper *et al.* (2005) strongly suggest that sustainable tourism is dependent on the effective co-operation of all the stakeholders in the industry, for example suppliers, intermediaries, public sectors and consumers. Edelenbos and Klijn (2006) state that stakeholders should be involved in the decision making process because these actors not only possess vital resources to realise policy goals and outcomes but also have different perceptions on the problem definition and have different information and ideas on solutions.

This research finds that in Agra, more communication between the authorities and businesses is needed. Stakeholders need to work more closely within the industry which may result in collaboration. This creates a synergistic effect which is beneficial for their activities. Additionally, achieving interesting outcomes often depends on finding attractive solutions, which encourage both the parties (such as the authorities and the businesses) to activate their resources for the problem and/or policy process at stake (Edelenbos and Klijn 2006). Authorities should consult with the people of the industry before making any firm decision regarding tourism in the city. Even improved co-ordination is needed between central and state government tourist offices in Agra. This in turn would contribute to the long term survival of the destination.

Effective communication between tourism businesses is a fundamental requirement too for the effective operation of a destination. Tourism stakeholders in Agra often use the platform of tourism trade bodies to communicate not only amongst themselves but also with the authorities. Despite the fact there are two similar tourism associations in Agra, both cater for different types of member and consequently have their own distinct networks. This suggests that neither one association completely fulfils the needs of all the tourist businesses. Therefore existing and potential members need to be aware of the advantages and disadvantages of membership of these organisations. The case studies in Chapter 9 showed how sometimes the organisations work together to reach a common goal and yet sometimes they sit in opposing camps.

Similarly, Tour guides are arguably one of the most important aspects of an historic city tour (Cabada *et al.* 2007). Their roles as interpreters, educators, social facilitators and conservationists are central to the sustainable management of the destination (Cabada *et al.* 2007). Most of the visitors are not aware of the local culture and custom. Tour guides are their tour leaders. They should educate tourist groups. Inappropriate behaviour can often arise from a lack of knowledge and understanding. Tour guides should help ensure that the attraction is not degraded or abused by visitors in any way. Tour guides should therefore explain and justify behaviour which is appropriate in Indian culture to the tourist groups.

Interviewees agree that tour guides should be trained appropriately. Only a few years ago in Agra the government recognised this and started giving both theoretical and practical training to tour guides. At present, tour guides have to go through a set procedure and obtain a licence from the authorities on successful completion of their course. This helps to ensure that tour guides conduct themselves responsibly and embed sustainable tourism practices. This also enhances the tour guide's profile in the eyes of the tourist, destinations and eventually the entire industry. It should also be kept in mind that the tour guides in Agra mostly work on a commission basis. They have unwritten agreements with the tourism establishments with which they work. It was evident from the interviews that many guides try to deceive establishments and tourists to enhance their commission,

which illustrates the power of tour guides in the tourism industry networks of Agra. There is a tour guide association that speaks on their behalf in Agra, where they can exercise their network-based power. Overall, the acknowledgement by most of the interviewees that tour guides are such a critical component - '*powerful*' in the sustainable management of the experience enjoyed by tourists, implies that the tourism management plans should also involve tour guides in the decision making process.

A further clear message arising from this study is that a more effective support system is required, particularly from the state tourist office in Agra, as interviewees suggest providing services such as supplying universal brochures, maps of the city, improved signage, engagement of the tourism police, and effective use of limited resources would enhance the visitor experience. Stability of the support system within the destination would also contribute to the long term survival of the tourism industry and the very destination.

#### **10.4 Limitations of this Research**

A number of limitations associated with this project need to be acknowledged. The network maps and charts developed by researchers such as Rowley 1997; Pavlovich 2003; Fill 2006; Pajunen 2006; Scott *et al.* 2008 aided the understanding and study of tourism stakeholder network in Agra. Their research also showed that stakeholders need various resources and that need underpins their networks. It was found, at least for Agra's tourism industry, that the possible combinations of stakeholders and resources are endless. Consequently, stakeholders can have more than one resource in their possession. Moreover, a single resource can be obtained from various sources. These resource dependency relationships further complicate the dynamic nature of products and services of the tourism industry in Agra. Therefore, to chart and enact a network of resource flow for example; would be too complex and messy. As a result, only formal network-charts of stakeholders can be identified, (See Figure 7.1, p118; Figure 7.2, p120) and studied.

This is a study about Agra, India which was conducted within a particular time frame. Therefore, the research outcomes are limited by a number of cultural issues dealing with

people, time and place. While findings may have relevance to other destinations but, given the geographic diversity of those other destinations, they remain specific to Agra. Agra is a traditional tourism destination where millions of domestic and international tourists arrive every year. This could be a limitation as the research was undertaken in a busy, 'honey pot' tourism destination. Stakeholders may behave differently in their relationships in a less traditional or an island destination context. For example, the situations might be different or less competitive in other, not so well known, destinations. The competition for resources and survival may be less intense in places other than Agra. India is a developing country too so the attitude of stakeholders and the way they address problems may well be different in developed countries.

Furthermore, people in India tend to be more conservative in their willingness to adapt to change. They are also reticent about revealing their experiences and feelings to an outsider. It is always difficult for an outsider to deal with such ethnic groups (Lavender *et al.* 2006). The researcher, being an Indian, is used to the culture, tradition and custom of the place. This enabled him to establish trust with his interviewees, which is one of the crucial factors which influence the success of the research. Therefore in Agra an Indian was more acceptable than a foreign national in the interview scenario and as a result the researcher was able to obtain more detailed information with greater depth.

Sampling is one of the major issues associated with this research. A great deal of care was taken to mitigate any limitations that may be caused by the sampling technique. However, it is only willing people that are interviewed so the opinions of unwilling interviewees are not heard. Those that were interviewed range from across the tourism sector in Agra including representatives from the authorities and the businesses. A purposive-snowball technique was adopted to provide a cross section stakeholders and to avoid over-representation of certain groups. The limitations of such a snow-balling technique include a tendency to pick up groups of participants who share common frustrations and beliefs. As far as possible, a balanced choice of interviewees was made to reflect the different vantage points within the area of study. However, among 42 interviewees, 16 (nearly 40%) of them were from catering outlets (hotels and restaurants),

possibly because of the large number of these in Agra, as in any typical destination. Thus, the results may be somewhat biased towards catering outlets. It would have been better if the interviewee spread could have been more diverse.

Given the resources and, the benefit of hindsight, it would have been useful to widen the qualitative research by travelling to different destinations within India and investigating other tourism stakeholder groups. For example, it is not clear whether aspects of these findings can be extrapolated to other types of destinations (such as islands, capital cities, destinations without a major attraction and religious places). Agra is the only place in the world where three UNESCO World Heritage Sites can be found with the extra regulations and restrictions to preserve these places. This further complicates the study in Agra on stakeholder relationship management. Agra is also a destination where the major attraction, the Taj is outside the control of local policymakers.

This has been a small scale exploratory research journey based on a small sample of interviewees. However, it is felt that the findings reflect the perceptions and views of the stakeholders from the key tourism sectors in Agra. It has raised a number of important themes which arguably need to be tested and quantified using both a larger sample of the same and different populations in order to be able to draw results that have general applicability.

Prior to this study there was very limited knowledge and understanding on stakeholder relationship attributes and investigation of them in practice in such depth, in the Agra tourism industry. Although the findings of this research cannot be generalised to cover tourism stakeholders outside Agra, they do provide a contribution to knowledge and point the way for further research. Generalisability is always one of the key challenges in an inductive study and Gibbs (2002) suggests that induction itself could never logically justify any general or universal statement. Popper (1959) gives an interesting example. He points out that for hundreds of years Europeans had noticed that every adult swan they saw was white. On these grounds they inductively concluded that all swans were white, until they visited Australia where they discovered some swans that were black.

Therefore, it can be argued that there is no limit on the number of observations needed in order to justify a general law. *“It is always possible that tomorrow we will make a new observation that will contradict the established view”* (Popper 1959). Therefore, there are limitations to the set of thinking developed in this research in the Agra tourism network; however, it deepens understanding of the complex, ‘messy’ and sometimes over-simplified and instrumental perceptions of stakeholder relationship attributes.

### **10.5 Areas for Further Research**

This research has identified further research areas that could be productive. Stakeholders are an integral part of the operation of any industry or organisation. The framework (Figure 10.1, p225) shows that the attributes of power, legitimacy and urgency play a crucial role in stakeholder relationships. Therefore the study of these attributes in different tourism destinations (such as islands, cities, religious places) and in different industries (e.g. manufacturing industries, individual organisations from any discipline) would also help explain their stakeholder behaviour. This in turn helped to understand the decision-making process by placing the information gathered in these other contexts in Figure 9.6 (p211). Figure 9.6 illustrates the interactions of stakeholder relationship attributes in creating effective power. This consists of capacity and willingness to act. Capacity is the stakeholder latent power of resources, network position and centrality whereas willingness to act is affected by the perceived urgency of the issue. Combinations of all of these attributes create effective power which influences decision-making. This would be useful to any existing and potential stakeholders because it would help them to understand the characteristics of the industry in question and the way it operates.

However, it is also found from the interview data that stakeholder power (capacity) can remain latent unless there is a willingness to act. Therefore, urgency becomes the most important attribute in stakeholder relationships. As found in Agra, tourism stakeholders interact, trade, collaborate and compete at the same time with other members in the network both horizontally and vertically. This entangled network can only be mobilised as a reaction from the support or pressure from the network members when an

opportunity or threat to their resources boosts interest and a willingness to act. This is how the decision-making process in the Agra tourism industry occurs. It would be interesting to explore other industry structures and contexts as mentioned in order to gain an understanding of their decision-making processes. The data could then also be compared and contrasted in order to see if there was any commonality.

The process shown in Figure 9.6 (p211) could also be applied to ordinary people and reveal the attributes which are at play when they make day-to-day decisions. Such information would be highly valuable in the study of consumer behaviour. Marketing organisations particularly would be very interested in such research as it could help them pinpoint targets better and optimise effectiveness in marketing campaigns.

Similarly, this study was confined to supply side stakeholders only. It could be extended to examine demand side stakeholders i.e. the visitors. How do tourists perceive these attributes and what influences them to choose one destination over another? Destination marketing organisations, tour operators and travel agents would be finding this type of research most beneficial. The framework of effective power in decision-making could form a basis of consumer behaviour and marketing management related studies irrespective to any discipline.

The role of tourism trade associations in Agra tourism networks was particularly profound in this research. An investigation into the effectiveness of their role could be explored further using a variety of countries and organisations. As the interview data showed the Hotel and Restaurant Association and the Tourism Guild can influence and, in some cases, dictate the development of tourism and its policy implementation in Agra. The Membership criteria of these tourism trade bodies are tight and respected by members in Agra. This in turn not only enhances the standard and effectiveness of the individual establishments but also the tourism industry in Agra as a whole. Therefore the study of the operation of tourism trade bodies and their membership criteria could help to develop and sustain a destination in the long run and, in fact, create a unique selling point for any destination.

The study of network structure was also interesting and aided the understanding of the operation of a particular industry within a particular destination. The network structure of the Agra tourism industry is a messy and complex one which has its own characteristics. But the study of it led to an understanding of the resource flow, centrality and operational structure of the destination. The interview data also showed that it is the flow of resources that mainly dictates the structure of the network. Therefore, research could be undertaken in a different cultural and geographic context, such as developed nations to establish if there are differences to the network structures.

## **10.6 Chapter Summary**

This chapter evaluates the research objectives. Underpinned by the interpretative paradigm, qualitative methodological considerations were proven to be more appropriate. Interviews were conducted among tourism stakeholders in Agra to gather their attitudes regarding the study. The research provides fundamental and original contributions to the body of knowledge, i.e. a more comprehensive list of stakeholder relationship attributes and an analytical framework to comprehend the process involved in the creation of effective power. This chapter discusses the methodological, theoretical and practical contribution which emerged on the research journey. Indeed, the research extends and deepens the knowledge of stakeholder relationship management and its effect on destination management practices. Based on the substantive theory conceptualised in this study, the chapter has also discussed the applicability to future research and the transferability to studies of both similar type and characteristics of setting. The implication of the research is also discussed in this chapter.

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# Appendices

## **Appendix: 1. The checklist of semi structured in-depth interview questions**

- Date, time and place of the interview.
- Need name of the person and their organisation.
- Need designation of the person (job title).
- Length of time in business or how long they have worked for in that organisation.
- What they are responsible for and to whom.
- Need to know their background (i.e. experience)

### **Background related**

1. How are they involved in tourism in Agra? (Or what activity do they do in tourism in Agra).
2. Do you have any contact/connection with Taj Mahal?

### **Network map and place in network**

3. Find their place in the tourism network. (Whom do you work with in Agra-stakeholders, businesses etc)?
  - a. Do you have contact with them directly?
  - b. How do you communicate with them?
  - c. Do you have any personal connection (social contacts) with any of them in the tourism system?

### **Resources**

4. What are the tourism resources?
5. What resources do they need to run their business?

### **Power, dependency and centrality**

6. How and/or where do they get them from?
7. Do you have to go through someone to access those resources?
8. How much influence do you have over the activities of your partners when it comes to tourism?
9. How do you exercise influence on others in the tourism system including legal power?
10. Please explain why?
11. In the relationship how strong is your bargaining power.
12. Can you explain why please?
13. Is there any conflict of interests between you?
14. Apart from the relationship, who or what has an influence on your business in Agra?

### Legitimacy

15. Who can affect your business in Agra?
16. Or who else in Agra is affected by your business?
17. What responsibility do you feel you have towards others in the industry and why?
18. Do you need anyone else's help to run your business smoothly?
19. Who in Agra has prominence within the destination?

### Urgency

20. If you have an issue or problem which needs immediate attention, what would you do?
21. Can you give some examples please?
22. How do you see tourism in Agra developing in the next 5 years?
23. Where do you see the position of your own company in this?
24. Are you likely to pull out of Agra if circumstances change?

## Appendix: 2. List of interviewees in Agra tourism network.

### Hotels and restaurants

Description of the place	The interviewee
<b>Hotel Amar.</b> Tourist complex area. Fatehabad road. Agra. 282001. India.	Front Office Manager
<b>Welcom Hotel Mughal Sheraton.</b> It's a five star deluxe hotel. The only hotel with Showrd of Honour. Taj Ganj. Agra. 282001. India.	<i>maitre d'hotel</i> Name of the restaurant: Taj Banu.
<b>Garden villa. "Home Stay". Guest House.</b> 11 Kaveri Vihar Phase iii. Near John Milton School. Shamsabad Road. Agra 282001.	Owner of the Guest House
<b>Hotel Clarks Shiraj</b> Agra. . 54 Taj Road. Agra. 282001.	Personnel Manager
<b>Hotel Kamal.</b> South Gate. Taj Mahal. Agra 282001.	Owner. He is also president of Hotel and Restaurant Association Agra.
<b>Pushp Villa.</b> Three Star. A unit of Alag Motels pvt ltd. V. I. P Road to Taj Mahal. Fatehabad road. Agra 282001.	Manager Front Office
<b>Hotel Swaagat</b> 2 star. 29 Hari Nagar. Shamshabad Road. Agra 282001.	Owner
<b>Hotel Sitaram.</b> Taj View Crossing. Fatehabad Road. Taj Ganj. Agra 282001. No food only lodging.	Owner
<b>Welcom Group Mughal Sheraton.</b> Taj Ganj. Agra. India. amit.handa@itcwelcomgroup.in	Food and Beverage Manager

Description of the place	The interviewee
Taj Leisures Hotels. <b>Taj View Hotel</b> . 5 star. Agra. Fatehabad road. Taj Ganj. 282001.	Front Office Assistant Manager. Taj group of Hotels
<b>Jaypee Palace</b> . Hotel and Convention Centre. Five star deluxe hotel. Has 350 rooms. Fatehabad Road. Agra.	Assistant Front Office Manager.
<b>Dinesh Hotel</b> . Small hotel categories. Agra Cant. 329 Sultanpura Road. Agra 282001.	Owner
<b>Hotel Royal Residency</b> . Small hotel category. Near TDI Mall, Big Bazaar. Fatehabad Road.	Hotel Manager
<b>Hotel Chanakya</b> . 32 rooms. Shahid Nagar Crossing. Near All India Radio Station. Shamshabad road. Agra 282001.	Front Office Manager.
<b>Railway Station Food Outlet</b> . Comesum- Multicuisine. Food Plaza. Agra Cantt Railway Station. Agra 282001.	Manager. They have branches in rail stations- Agra, Nagpur, Gurgaon, Calcutta, Old Delhi, New Delhi, Pune, Vijayawada, Bangalore. Nizamuddin.
<b>Priya Restaurant</b> . Near Hilton (Trident) Hotel. Opposite petrol pump. Fatehabad Road. Agra 282001.	Owner

## Tour Operators & Travel Agents:

Description of the place	The interviewee
<p><b>AVIS Travel Agent.</b> Mercury car rentals limited, Trident Hilton Agra. Taj Nagri Scheme. Fatehabad Road. Agra 282001.</p>	<p>AVIS is a foreign (US) company. AVIS's office in India called Mercury Car Rentals Limited. Mercury has license from AVIS. Hilton groups own Mercury Car Rentals Limited. So he is an employee of Hilton as well. So Mercury is run by Hilton. Mercury car rentals is used by Oberoi (the Oberoi Amarvilas in Agra) hotels as well.</p>
<p>Travel Agent. <b>Expert Tours and Travels.</b> 1<sup>st</sup> floor. M G Tower. Hotel Agra Deluxe Plaza. 4fatehabad Road. Agra 282001.</p>	<p>Branch Head</p>
<p><b>Touraids (i)</b> Travel Service. 46 Gopi Chand Shivhare Road. Agra 282001.</p>	<p>General Manager of Touraids. He is as well secretary of "Tourism Guild" of Agra.</p>
<p>Travel Agent. <b>Travel Bureau.</b> Head Office. Near hotel Taj View. Fatehabad Road. Agra 282001.. They have offices in Agra, New Delhi, Calcutta, Gwoliar, Jhansi, Khajuraho, Lucknow and Varanasi.</p>	<p>Director. Travel Bureau. He is also the co-founder of the "Tourism Guild" Agra. So he is very much actively involved in the Tourism Guild meetings.</p>
<p>Tour Operator and Travel Excursionist. <b>Collegague Tours</b>-Your Travel Companion. A-2 Shri Kripadham Complex. Hotel Taj View Crossing. Fatehabad Road. Agra 282001</p>	<p>Managing Partner</p>
<p>Tour Operator/Travel Agent/Transporters. <b>Shatabdi Holidays.</b> 18/162 Fatehabad Road. Hotel Taj View Crossing. Agra 282001.</p>	<p>Director</p>

### Tour Guides:

Description of the place	The interviewee
Mr. Nitai Chandra Dutta Taj Ganj Agra	A professional Tour-guide but without a certificate.
Garden villa. 11 Kaveri Vihar Phase iii. Near John Milton School. Shamsabad Road. Agra 282001.	<b>Tour Guide and Guide Lecturer.</b> Tour Escort Department of Tourism, Government of India  <b>As well he runs home stay/guest house.</b>
Residence: Shaeed Nagar. Pulia, Agra 282001.	Ramjan Adak A professional and qualified Tour Guide from the ASI.

## Emporiums:

Description of the place	The interviewee
<p>Emporium  <b>Fashion Art Bazar.</b> Manufacture and exporters. L. G-4 Kripadham Complex. Near Apolo Hotel. Fatehabad Road Tajgang, Agra 282001.</p>	<p>Owner of the shop</p>
<p>Emporium  <b>Handicraft Marble Industries.</b> Manufactures and exporters. 39 Bansal Nagar. Behind Hotel Agra Deluxe. Fatehabad Road. Agra 282001.</p>	<p>Owner of the shop</p>
<p><b>The biggest</b> emporium in Agra and renowned in Asia as well.  <b>Kalakriti.</b> Manufacturers and exporters of marble inlay, jewellery and finest handicrafts. 41/142, A/1. V.I.P road to Taj Mahal. Fatehabad road. Agra 282001.</p>	<p>Manager.</p>
<p>Emporium  <b>Kalra's Cottage Industry.</b> Manufacturers and Exporters. Hand knotted silk and woollen carpets Durries. 1/A Jasoria Enclave, Fatehabad Road. Agra 282001.</p>	<p>Owner of the emporium.</p>
<p>Emporium  <b>U. P. Handicrafts Complex.</b> Handicrafts Nagar. Fatehabad Road. Agra 282001.</p>	<p>Owner of the emporium</p>
<p>Emporium (Handicraft shop).  <b>Fatehpur Sikri. Behind Mosque Dargah.</b> Fatehpur Sikri. Mohalla Shajjada Nashim. Agra 283110.  M: 9412164130.  He is not a member of guild or anything. However he knows about them.</p>	<p>I met him at Fatehpur Sikri. He is ok and gave me an interview as we roam around the monuments. It was a mobile interview. Then we sat down and had a cup of tea. However I had to buy few things from his shop. It was not that bad.</p>

### Important bodies and authorities in Agra:

Description of the place	The interviewee
Hotel Clark Shiraz. Agra. 54 Taj Road. Agra 282001.	<p>-he is the General Manager of Clark Shiraz.</p> <p>-he is the <b>President</b> of the <b>Tourism Guild</b>.</p> <p>-he is the secretary of the National Chamber of Industries and Commerce. UP, Agra.</p>
Hotel Kamal. South Gate. Taj Mahal. Agra 282001.	<p><b>President.</b>  <b>Hotel and Restaurant Association,</b>  Agra</p>
<p><b>National Chamber of Industries and Commerce. UP,</b>  Agra. New Market. Jeoni Mandi. Agra 282004.  Office: 2519093.</p>	<p><b>President.</b>  He is an advocate as well and looks after chamber of commerce office. This private body is becoming more and more dependent on tourism. Because most of the members are dealing with tourist products. And as well other industries are closing down because of pollution level. So most of the members are from tourism related businesses.</p>
<p><b>ASI- Archaeological Survey of India.</b>  Government of India. (Central Government)  Office of the Superintending Archaeologist.  Archaeological Survey of India.  Agra Circle, 22 the Mall.  Agra 282001.</p>	<p><b>Archaeologist.</b>  As well Head Librarian.</p>
<p><b>ASI- Archaeological Survey of India.</b>  Government of India. (Central Government)  Office of the Superintending Archaeologist.  Archaeological Survey of India.  Agra Circle, 22 the Mall, Agra 282001.</p>	<p><b>Superintending Archaeologist</b>  Chief Record Keeper as well.  Central Government Employee.</p>

Description of the place	The interviewee
<p><b>Uttar Pradesh Tourist Office</b> 64 Taj Road. Agra 282001.</p>	<p><b>Tourism Officer.</b> UP Tourism Office. <b>State Level Tourism Office</b></p>
<p><b>Uttar Pradesh Tourist Office</b> 64 Taj Road. Agra 282001.</p>	<p><b>Statistic Assistant.</b> UP Tourism Office</p>
<p><b>India Tourism</b> Government of India. 191, The Mall. Agra 282001.</p>	<p><b>Asst Director</b> India Tourism. Government of India. -He mentions roughly they get 100 tourists coming to their office everyday. -Agra has got everything, but the implementation part is different and difficult.</p>
<p><b>Agra Development Authority.</b> Jaipur House. Lohamandi, Agra.</p>	<p><b>Vice Chairman</b></p>
<p><b>Mayor' Office, Agra.</b> Heritage Apartments.</p>	<p><b>Mayor of Agra.</b></p>