Pergamon

Annals of Tourism Research, Vol. 26, No. 2, pp. 312–328, 1999

Printed in Great Britain
0160-7383/99 $19.00+0.00

PII: S0160–7383(98)00097–8

MANAGING STAKEHOLDERS
A Tourism Planning Model

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Abstract: Collaboration among key players is a fundamental ingredient in sustainable development efforts. To this end, this article discusses stakeholder theory and its application as a normative planning model, and introduces the relationship/transaction strategy continuum as a tool for applying this theory in development. In this application, planning authorities are directed to identify and proactively consider the transaction vs relationship orientations of key stakeholders. Congruency across this orientation increases the likelihood of collaboration in service delivery. In presenting case instances of tourism efforts, the application of the proposed stakeholder orientation matrix is illustrated. The article concludes with market segmentation strategies designed to promote alignment of the stakeholder orientations. **Keywords:** tourism planning model, stakeholder theory, relationship/transaction orientation, segmentation strategy. © 1999 Elsevier Science Ltd. All rights reserved.

Résumé: La gestion des intéressés: un modèle de planification de tourisme. La collaboration entre intéress és est fondemental aux efforts de développement soutenable. Le présent article discute de la théorie des int éressés et son application comme modèle normatif de planification et explique le continuum stratégique de relation/transaction comme outil pour appliquer cette théorie au développement. Dans cette application, les autorit és de planification son charg és d'identifier et considérer les orientations transaction/relation des intéress és. La congruité d'orientation augmente la probabilité de collaboration dans la réalisation des services. On éclaire l'application de la matrice de l'orientation proposée des infressés en présentant des exemples concrets. On offre des stratégies de segmentation du marché qui favorisent l'alignement d'orientation des int éressés. **Mots-clés:** modèle de planification, théorie des intéressés, orientation relation/transaction, straťgie de segmentation. © 1999 Elsevier Science Ltd. All rights reserved.

INTRODUCTION

Tourism exists as a powerful economic force in the development of both community-based and global markets. Today, its activities comprise the world's largest industry with over three trillion dollars in revenues produced (Clegg 1994). Despite its economic significance, debate continues as to whether or not tourism truly benefits all entities involved in its system. At a most basic level, two schools of thought exist regarding its role in community and/or market development (Lea 1988). The political economy view posits tourism as an exploitative force which "emanates from the desire of affluent middle classes

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in metropolitan countries" (Lea 1988). This somewhat fatalistic view suggests that residents of a destination have little, if any, voice in the developmental process of the tourism function and, as a result, can only react to its consequences on their home environment. Indeed, the industry is often criticized for its rather "imposed" planning decisions on the local population from outside groups or planning bodies (Keogh 1990).

Alternatively, the functional view approaches tourism as a proactive force which, if developed appropriately, seeks to maximize positive returns to a community's overall growth while minimizing the costs to the environment and culture. A functional approach suggests that all parties—or stakeholders—interested in or affected by this business within a particular market or community should collectively manage the tourism system. This co-operative approach toward its development is advocated in research involving collaboration and development (Keogh 1990). Jamal and Getz define these collaborative efforts as "a process of joint decision-making among autonomous, key stakeholders of an inter-organizational, community tourism domain [designed] to resolve planning problems of the domain and/or to manage issues related to the planning and development of the domain" (1995:188). The purpose of this article is to extend this research base by conceptualizing how multiple stakeholder interests can be managed in tourism development and planning processes.

MANAGING STAKEHOLDER INTERESTS

In the recent tourism literature, more and more researchers argue the need for increased collaboration in the planning process (Hunt 1991; Jamal and Getz 1995; Keogh 1990; Long 1991; Marsh and Henshall 1987). Although some try to present a definitive argument as to the impact of tourism on community development (i.e., promotes or destroys the overall quality of life), the most basic argument presented in much of the literature is the need to more actively involve all persons affected by proposed development (Jamal and Getz 1995). Such a position is similar to the underlying premise of stakeholder theory.

Stakeholder Theory

The stakeholder theory, pioneered by Freeman (1984), suggests that an organization is characterized by its relationships with various groups and individuals, including employees, customers, suppliers, governments, and members of the communities. According to Freeman, "[a] stakeholder in an organization is (by definition) any group or individual who can affect or is affected by the achievement of the organization's objectives" (1984:46). Thus, a group qualifies as a stakeholder if it has a legitimate interest in aspects of the organization's activities (Donaldson and Preston 1995) and, thus, according to Freeman, has either the power to affect the firm's performance and/or has a stake in the firm's performance.