

**INTER-ORGANIZATIONAL RELATIONS FOR EFFECTIVE POLICY
IMPLEMENTATION: A CASE STUDY OF THE KWAZULU-NATAL
TOURISM IMPLEMENTATION STRUCTURE, BETWEEN THE
YEARS 2000-2010**

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SUBMITTED IN PARTIAL FULFILMENT OF THE REQUIREMENTS OF
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DECLARATION

I, SIPHO BRUCE BUTHELEZI DECLARE THAT THIS DISSERTATION IS MY OWN ORIGINAL WORK. ALL CITATIONS, REFERENCES AND BORROWED IDEAS HAVE BEEN ACKNOWLEDGED. NONE OF THE PRESENT WORK HAS BEEN SUBMITTED PREVIOUSLY FOR ANY DEGREE OR EXAMINATION IN ANY OTHER UNIVERSITY. THIS DISSERTATION IS SUBMITTED IN FULFILMENT OF THE REQUIREMENTS OF THE DEGREE DOCTOR OF PHILOSOPHY IN PUBLIC POLICY: UNIVERSITY OF KWAZULU-NATAL, DURBAN.

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Abstract

In this study I explore how effective the KwaZulu-Natal tourism implementation structure has been in the management of inter-organizational relations for tourism policy implementation using an interpretive social science methodology. This study is a culmination of an intensive observation, documentary analysis and fieldwork interviews. My findings show that the lead organizations have tried to achieve reasonable consensus as they build effective implementation partnerships, but there is very little to show for it. There is little evidence that local stakeholders' transformation, financial support and empowerment has been effectively coordinated and achieved. As a result, there has been on-going high degree of despair and uncertainty, especially at the tourism community organizational level. I also find an increased orientation towards cooperative tourism governance and management. There is also evidence of an increase in tourism establishments whose foundation is partnerships for efficiency, effectiveness, increased revenue, empowerment and sustainability. There are still 'silos' within tourism cooperative management in that the lead organizations and the private sector still avoid partnering and opt to achieve their own individual goals separately. The process of facilitating cooperative tourism programmes is time-consuming. Hence success might not be achieved during the term of office of municipal councils and executive management, whose terms are normally five years without guarantee of extension. In many instances, this has resulted in tourism development programmes being an unfunded mandate. However, from 2008 onwards, there has been an improvement in stakeholder/shareholder coordination, partnering, communicating and organizational relationships for tourism programmes. I credit this improvement to cooperative tourism governance and management in the build-up towards the 2010 FIFA Soccer World Cup. I recommend an interventionist application of a more demonstrative, participatory, transformative and facilitative kind of leadership to maximize effective inter-organizational exchanges and consensus-based decision-making for implementation.

Dedication

To my heavenly FATHER, I am grateful for the courage, strength and wisdom to undertake and finish this project. To the members of my family: for my grandmother Mrs Novalela Qaysile Kunene, my mother Mrs Busisiwe Tozi Siyaya, my daughter, Ms Khethelo Buyanda Buthelezi and, my son, Mr Kwandile Austine Buthelezi.

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This thesis represents the completion of a long, tough, tiring but very interesting and most rewarding journey that started when I registered for my undergraduate degree in the year 2000, where I developed a keen interest in how the management of inter-organizational relations impacts implementation. I am grateful to Dr Ellen Kornegay¹, Dr Mataywa Busieka², Dr Kealeboga Maphunye³ and Dr Shaid Vawda⁴ for their insight, encouragement and support, at the proposal drafting stage. I will always be indebted to my research supervisor, Dr Suzanne Francis, whose leadership, understanding of the academic journey and expertise on the subject matter had been essential and central to the success of this project. Her continued guidance and support enabled me to grow as a researcher and her confidence in me casted away all the doubts that I had when I started this project.

I was humbled by the welcoming attitude, understanding, consistent support and the value that the leadership and support staff of provincial, local government and other state agencies. Their useful comments, comparative insights, expert opinions and understanding of their organization as a major shareholder in the tourism industry were essential to this project. I also thank all the interviewees for their time and insight.

I sincerely hope that this study sheds light on the critical inter-organizational experiences and dynamics facing members of the tourism implementation structure, especially the lead public organizations. I also hope that the study's recommendations inspire the leadership (political and administrative) to embark on focused research on inter-organizational tourism which is designed to benefit deserving host and neighbouring communities. This will assist in the collection of raw and context-relevant data which will enhance strategic decision-making and ultimately effective implementation.

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ABBREVIATIONS

AFLED	Amajuba Forum for Local Economic Development
AFGA	Australian Federal Government agency
ADTF	Amajuba District Tourism Forum
ANC	African National Congress
APP	Annual Performance Plan
ATC	Australian Tourism Council
ATIA	Australian Tourism Industry Association
CBT	Community-Based Tourism
CEO	Chief Executive Officer
COGTA	Cooperative Governance and Traditional Affairs
COO	Chief Operations Officer
CRMC	Rhode Island Coastal Resources Management Council
CSO	Civil Society Organizations
CTA	Community Tourism Association
CTDC	Community Tourism Development Committee
DACT	Department of Arts, Culture and Tourism
DED	Department of Economic Development
DEDT	Department of Economic Development and Tourism
DMO	Destination Management Organization
DSD	Department of Social Development
DTF	District Tourism Forum
DTA	District Tourism Association
DOT	Department of Transport
DTI	Department of Trade and Industry
EKZNW	Ezemvelo KZN Wildlife
EPWP	Expanded Public Works Programme
GSLWP	Greater St Lucia Wetlands Park
HOD	Head of Department

IDP	Integrated Development Plan
IFP	Inkatha Freedom Party
IGR	Intergovernmental Relations
IGR FORUMS	Intergovernmental Relations Forums
IGRFT	Intergovernmental Fiscal Transfers
IED	Ilembe Enterprise Development
IDM	Ilembe District Municipality
IR	Interpretive Research
INKS	Indigenous Knowledge Systems
IOC	Inter-organizational Coordination
IOR	Inter-organizational Relations
ISS	Interpretive Social Science
ISRD	Integrated Sustainable Rural Development Programme
IACI	International Australian Cultural Council
IAC	Industry Advisory Council
ITB	Ingonyama Trust Board
IWP	Isimangaliso Wetland Park
JMA	Joint Marketing Agreements
KZN	KwaZulu-Natal
KZNGB	KwaZulu-Natal Gambling Board
KZNTA	KwaZulu-Natal Tourism Authority
KZNTIS	KwaZulu-Natal Tourism Implementation Structure
LED	Local Economic Development
LTF	Local Tourism Forum
LM	Local Municipality
MEC	Member of the Executive
MOU	Memorandum of Understanding
MTSF	Medium Term Strategic Framework
NDP	National Development Plan

NMSRT	National Minimum Standard for Responsible Tourism
NPM	New Public Management
NSDP	National Spatial Development Perspective
NSW	New South Wales
NTGDS	National Tourism Growth and Development
NTSS	National Tourism Sector Strategy
NZTB	New Zealand Tourism Board
PGDS	Provincial Growth and Development Strategy
PPP	Public-Private Partnership
PPDC	Provincial Planning and Development Commission
PCTA	Provincial Community Tourism Association
PSDP	Provincial Spatial Development Perspective
PTO	Provincial Tourism Organizations
PSOs	Public Service Organizations
PTC	KwaZulu-Natal Provincial Tourism Committee
PTF	KwaZulu-Natal Provincial Tourism Forum
SAM	Salt Ponds Special Area Management
SATOUR	South African Tourism
SPP	State-wide Planning Program
SRI	Social Responsibility Programme
SRIP	Social Responsibility Implementation Programme
TAP	Tourism Awareness Programme
TEP	Tourism Enterprise Programme
TGCSA	Tourism Grading Council of South Africa
TIKZN	Trade and Investment KwaZulu-Natal
TKZN	Tourism KwaZulu-Natal
TMC	Tourism Minister's Council
TSI	Tourism Safety Initiative
UDA	Umhloosinga Development Agency

UN	United Nations
UAT	Universal Accessibility in Tourism
UNWTO	United Nations World Tourism Organisation
RIDEM	Rhodes Island Department of Environment Management
WCED	World Commission on Environment and Development

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INTRODUCTION TO THE STUDY

The complexity, patterns, structure, shape and practice of inter-organizational relations for cooperative tourism management and governance emerge from the context and how the social, political, economic and environmental ideologies influence the way in which tourism and hospitality is conceived, perceived, practiced and managed⁵. Critical to this is the implementation environment, values and principles that are upheld by host communities, individuals (including entrepreneurs) and leadership (including policy entrepreneurs), and the authorities (government). As a sector and an industry, tourism is identified and actively used as a tool for overall and local economic development and employment generation, to attract investment and ultimately contribute towards social improvement and benefits⁶. Therefore, it can be concluded that tourism has real potential (depending on how it is managed), to improve community well-being⁷. Having made this acknowledgement, the biggest percentage of tourism development and marketing private-driven, hence governments' management, intervention, support, intervention and oversight for the realization of this potential become the central test for the lead governmental organizations.

In the province of KwaZulu-Natal⁸ there is a serious consideration of the political, social, economic and environmental contexts in the conception, packaging and presentation of tourism products and this observation is part of the adherence to the principle of responsible tourism, which is South Africa's premier tourism management strategy. In brief, responsible tourism is about amongst many things the provision for community based tourism because it's founded on pillars of development and sustainability, where host communities get to fully participate in the packaging and the offering of the tourism product and services.⁹ The understanding of the importance of this interplay has a profound impact on how the

⁵ In brief, the social context include rural, cultural and heritage aspects of tourism; the political context include the choice of governance model, strategic priorities and visioning; the economic context is more about finance, business and entrepreneurial aspects, and lastly the environmental context include agricultural, conservation and wildlife aspects of tourism.

⁶ Achieving the social benefits could be challenging for the Province in a context where the biggest capacity and budget is located at national government, through the Social Responsibility Implementation Programme (SRIP). I am saying because it does take time for the national programmes to be domesticated into local plans (i.e. Integrated Development Plans), and also for the Intergovernmental Fiscal Transfers (IGRFT) to reach the intended beneficiaries.

⁷ Murphy, A. E. and Murphy, P.E. (2004) *Strategic Management for Tourism Communities* (, Clevedon, Channel View Publication).

⁸ "KwaZulu-Natal" means the Province of KwaZulu-Natal contemplated in section 103 (1) (d) of the Republic of South Africa (1996) *Constitution of the Republic of South Africa* (Act no. 108, of 1996).

⁹ Sharply, R. and Tlfer, D.J. (2002) *Tourism and Development: Empowering Concepts and Issues* (Channel View, Clevedon).

importance of tourism is perceived, managed and experienced. For example, there has been a strategic emphasis on sustainable community tourism development, where pro-poor tourism development programmes could be initiated and implemented. Within the context of this study and also on comparative advantage basis, this has triggered the realization of differences among the role players' objectives and interests within a various destinations brand holders. This difference has influence even in the political arena, where leadership (both political and administrative) makes particular decisions about priorities and the allocation of resources to achieve them¹⁰. And this situation requires an understanding of the relational and collective governance approach, which acknowledges the need for stakeholder participation in the planning and operation of tourism organizations¹¹. This is essential as the plurality of organizational interests and groups requires careful management to enable all parties to contribute positively to policy implementation¹².

In this study, I acknowledge that there is an increase in collaborations and partnerships in the tourism industry to organize and secure particular interests or specialized agendas¹³.

Managing these partnerships requires that the actors involved develop a range of skills that are essential to stakeholder interaction and these skills include communication, conflict resolution, negotiation, consensus-building, and collaboration. However, for most new implementation partners, their old familiar procedures, operating routines and communication patterns die hard¹⁴. In a democratic context, such collaboration raises issues of complexity, participation, transparency, courtesy, and securing good governance¹⁵. And within the organizational environmental context, the organizational autonomy, power and values impact on how cooperative activities exist within the inter-organizational implementation context¹⁶. A partnership strategy requires that all stakeholders adopt new attitudes and embrace a new functional joint authority structure; in the context of this study, this is represented by the

¹⁰ Dredge, D. (2001A) *From Workers' Paradise to Leisure Lifestyle: Cultural and Structural dynamics of tourism policy networks in Lake Macquarie* (New South Wales, Australia, University of Newcastle, New South Wales).

¹¹ Hall, C. M. (2000) *Tourism Planning: Policies, Processes and Relationships* (Prentice Hall, Harlow).

¹² Treuren, G. and Lane, D. (2003) *The Tourism Planning Process in the Context of Organised Interests, Industry, State Capacity, Accumulation and Sustainability* (Current Issues in Tourism) volume 6, number 1, pp. 1-22.

¹³ Thomas, H. and Thomas, R. (1998) *The implications for Tourism of Shifts in British Local Governance*, *Progress in Tourism and Hospitality Research*, volume 4, pp. 295-306.

¹⁴ Theron, F., Van Rooyen, A., and Van Baalen, J., (2000) *Good Governance for People: Policy Management. School of Public Management and Planning* (Bellville: Western Cape: University of Stellenbosch).

¹⁵ Geyer, R. and Rihani, S. (2010) *Complexity and Public Policy. A new approach to twenty-first century politics, policy and society* (London and New York: Routledge Taylor and Francis Group).

¹⁶ Personal Interview with the Member of Ezemvelo KZN Wildlife, (EKZNW, Interview 22).

Provincial Tourism Committee (PTC) and the Provincial Tourism Forum (PTF) ¹⁷. Within these two structures, stakeholders are called on to partially relinquish their autonomy and secure proactive leadership; while this strengthens decentralization, strong steering is needed ¹⁸.

In my view, the tourism industry in KwaZulu-Natal (KZN) suffers from an ongoing lack of cohesion and synergy amongst stakeholders and shareholders. For example, there is the ‘selective’ and even exclusion of essential and potential partners such as the Departments of Transport, Community Safety, Cooperative governance and Traditional Affairs in the participation of the Provincial Tourism Committee (PTC), and the Provincial Tourism Forum (PTF). Another challenge that is facing this sector is dominated (tourism establishments ownership) by the private sector which is not directly mandated to achieving sustainable rural development and social tourism objectives. And this statement implies “to manage tourism on an ethical and participatory basis in the best interest of the local community, business and other interests” ¹⁹. This perspective is largely informed by the fact that the majority of tourism establishments (producers of tourism services and products), are owned by White consortiums and groupings. However, government is mandated to craft tourism policy and the current government is dominated by Africans. It is on this basis that this study examines inter-organizational relationships (IORs), and partnerships for effective tourism development.

The conceptual and theoretical framework for this study is the shift from hierarchical relations to more horizontal partnerships and interaction in governance. It is clear that effective tourism policy implementation should be pursued in a collaborative, communicative, cooperative and adaptive manner. All of these concepts are linked and are made possible if there is a high degree of cooperation and compromise. Cooperation occurs when interaction is vital for the attainment of objectives and the goals of the group are adaptable. The groups must therefore work together to find the best way to realize the objective; and compromise is the kind of group interaction encountered in organizations that occurs when group interaction is not essential to the attainment of the organization’s

¹⁷ The PTC is a high level coordinating forum which is Chaired by the Member of the Executive (MEC), and the PTF is the second layer of a coordinating forum, which ‘feeds’ the PTC, and it is Chaired by the Chief Executive Officer (CEO), of Tourism KwaZulu-Natal, which is the provincial tourism marketing agency.

¹⁸ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

¹⁹ Worthington, A. C. and Dollery, B.E. (2002) ‘An analysis of Recent Trends in Australian Local Government’ (The International Journal of Public Sector Management) volume 15, number 6, pp. 496-515.

objectives, where the goals of different groups are not completely adaptable or un-adaptable, and where each group may have to give up something unimportant to realize its objectives²⁰. Thus the management of inter-organizational interactions, networks, competition, bargaining, negotiating and brokering is central and essential. Given its potential, the growth and development of contemporary tourism should satisfy the needs of the local environment and the aspirations of local people. As a result, the identification of a practical and effective organizational framework that could achieve effective cooperation, partnerships and collaboration is central to the study. The “role and influence of the management of inter-organizational relations is a key feature of strategic leadership and governance systems”²¹. The role and influence represents the position and effects that management decisions is expected to have in an organization as the organization relates and impacts society. However, governance practices render it challenging to secure effective administration; this impacts the implementation of government policy²².

The “tourism sector is extremely diverse, fluid and complex, there is a continuous need to secure integration, coordination and enhanced cooperative governance”, hence this sector therefore makes an interesting case study²³. Critics of current tourism policies are more than a little cynical about the excesses and mistakes occasioned by national tourism development schemes. Furthermore, tourism policy analysis and “conceptually, policy analysis is one activity for which there can be no fixed program, as it is synonymous with creativity, which may be stimulated by theory and sharpened by practice”²⁴. And this understanding is at the core on the search for patterns and relationships that describe as well as explain government’s actions²⁵. A critical aspect of government action is that of public regulation. Interestingly, there is a view that all public policy is designed to coerce certain patterns of behaviour. If control was unnecessary, the desired results would be forthcoming without governmental coercion, but in the contemporary context, public regulation is accompanied by

²⁰ Smith, P.J. and Cronje, G.J. de J. 1992. *Management Principles: A contemporary South African Edition* (Cape Town: Juta and Co, LTD) p. 303.

²¹ *Oxford Advanced Learner’s Dictionary* (7th Edition: International Student’s Edition, Oxford University Press) pp. 765 and 1268.

²² Developments such as the growing need to secure functional collaborative partnerships and private-public partnerships.

²³ See the Constitution of the Republic of South Africa (Act no. 108 of 1996), *The South African Tourism Planning Toolkit for Local Government* (January 2009), Department of Environment and Tourism (DEAT), Pretoria : Government Printers).

²⁴ Wildavsky, A. (1979) *The Politics of the Budgeting Process*, (3rd edition. Little, Brown and Company: Boston, MA:) p. 3.

²⁵ Hall, C.M. and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

consultation, co-regulation and co-production of public services. Regulation is any attempt by government to control the behaviour of citizens, corporations, or sub-governments. ²⁶.

The task of managing inter-organizational relations has become a key feature of debate, practice and research on policy implementation. Inter-organizational relations refers to the process or behaviour of “frequent interaction and mutual exchange between a limited number of organizations, participants and actors”²⁷. The ability to galvanize and empower stakeholders is a critical factor in inter-organizational implementation. The frequency and pro-activity of communication with stakeholders becomes an essential determinant of success or failure at different levels of the implementation process. I have observed that some of the participant organizations are better informed, better financed and more powerful than others. And differences (competing interests) exist between the public sector which includes the Department of Economic Development and Tourism (DEDT)²⁸; the Department of Arts, Culture and Tourism (DACT) and the tourism implementation agency (TKZN), civil society and private sector organizations. To highlight the position and location of these institutions in the KZN Provincial Administration, in this study these will often reflect as DEDT/DACT/TKZN and also as the lead organizations. To explain the lead organization, I would use this definition, which says, it is “An organization is a group of people working together to attain common goals; organizational goals are objectives that management seeks to achieve in pursuing the firm’s purpose” ²⁹.

This highlights the fact that organizational success and achievement in the contemporary setting is partially dependent on bottom-up collective action³⁰. It is important that the implementation set is viewed within the context of policy type, political priorities, institutional setting, and organizational framework and also in terms of inter-organizational relationships (IOR). The implementation process and inter-organizational relations present varying dynamics. The other sensitive element of these dynamics emerges from the relative

²⁶ Kenneth J. Meier (1985) *Regulation: Politics, Bureaucracy, and Economics* (New York: St. Martin’s).

²⁷ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

²⁸ DEDT, existed between 2000-2003 during the time the provincial was under the Inkatha Freedom Party (IFP) rule, then later in the decade, between the years 2009-2013, during the time the provincial was under the African National Congress (ANC), and DACT existed during ANC’s rule, 2004-2008.

²⁹ Moorhead, G., and Griffin, R.W. (1998) *Organizational Behaviour; Managing People and Organizations* (, Boston and New York: Houghton Mifflin Company) p. 446.

³⁰ Hill, M. and Hupe, P. (2009) *Implementing Public Policy; An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications:).

sharing of autonomy, power, authority, trust, and resources, and enforces exchange, transactions, dependency and interdependencies³¹.

Previous studies on implementation have focused on how organizations and people in organizations behave in relation to one another. However, more contemporary studies have explored new areas, including how networks of actors and organizations interact with one another. Two prominent approaches inform and frame this body of work: organizational power and resource dependency and organizational exchange approaches³². Unpacking and exploring the dynamics within these approaches is critical, and analyzing inter-organizational relationships provides an understanding of how collective decisions and actions play out within organizational strategy, structures and processes of the affected organizations³³.

Both the power and dependency approaches recognize that organizations interact on matters of mutual interest and that this interaction informs or creates a pattern of power relationships. From my observation, one such pattern is that of tourism establishments depending on the KZN Annual Tourism Indaba which has serious potential to perpetuate the cultural heritage/rural-urban/business tourism development divide. Furthermore, they recognize that ownership and scarce or abundant resources are a critical factor in the negotiation of goals, the implementation process and ultimately the required outcomes and acknowledge that less powerful organizations are likely to become dependent on other organizations. This dependency has implications, especially for the less powerful organizations and their clients, because they do not control the terms of bargaining³⁴. They struggle to secure their interests and maintain their relative autonomy with which to act³⁵.

³¹ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications,).

³² Hjerm, B. and Portner, D.O. (1981) "Implementation Structures": *A New Unit of Administrative Analysis*, (*Organizational Studies*) volume 3, pp. 211-37.

³³ Borzel T. A. (1998) *Organizing Babylon – on the different conceptions of policy networks* (*Public Administration*) 76 (2), pp. 253-273.

³⁴ Based on the KZN Annual Tourism Indaba event, one such implication is that there has been more focus on the benefits that emerges from this event, and less focus has been given to the development and transformation of the tourism to benefit grass-roots actors and communities. The corporate driven marketing and communication has in a way over-shadowed tourism development, and this put growth and sustainability of tourism. Again, the location of this event, favours the more established urban tourism entrepreneurs and this puts those in rural areas at disadvantage because most effort and resources go towards the preparation for this massive annual event.

³⁵ Hjerm B. and Portner, D.O. (1981) "Implementation Structures": *A New Unit of Administrative Analysis*, (*Organizational Studies*) volume 3, pp. 211-37.

At the crux of this study is how the conception and practice (impact and influence) of inter-organizational relations benefits the achievement of social justice or social democracy. One key aspect of tourism that requires definition here is ‘cultural tourism’. This is defined as cultural aspects which are of interest to visitors and can be marketed as such. These include people’s customs and traditions, their heritage, history and way of life (culture) ³⁶. As a sector, tourism has massive potential to contribute to social and economic development. Another important aspect of tourism is that of ‘ecotourism’, which is defined as environmentally and socially responsible travel to natural or near natural areas that promotes conservation, has low visitor impact and provides for the socio-economic involvement of local people ³⁷. Inter-organizational relations allows for an operational governance context which recognizes that horizontal interactions (and the bottom-up approach) are a priority in implementing contemporary programmes. As noted earlier, tourism management is complex and implementation is even more challenging. The enabling institutional arrangements, strategy and structures are a critical focus of the exploration of experiences within the context of the provincial administration.

The main focus of this investigation is thus, understanding the manifestation and protection of organizational interests and an assessment of the organizational performance of a collective of interrelated actors³⁸. This fits well in that inter-organizational theory is strong in defining and analysing elements such as organizational power, autonomy, trust, exchanges and dependencies amongst the implementation actors. It is for this reason that inter-organizational implementation of tourism policy is the central theme of the study. This is done with a view to creating a better understanding of and recommendations on the inter-organizational structures, arrangements, partnerships, and implementation structures³⁹.

In the inter-organizational implementation context, the public sector (lead organization) is increasingly confronted with a situation where both problems and their solutions cut across the boundaries of separate authorities and functional jurisdictions. The “contemporary governance system enhances opportunities for policy programmes to be ‘conceived’ and

³⁶ KwaZulu-Natal (2008) *White Paper on the Development and Promotion of Tourism*.

³⁷ KwaZulu-Natal (2008) *White Paper on the Development and Promotion of Tourism*.

³⁸ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications).

³⁹ These are organizations which lead and coordinate efforts, as well as those actors interested in the development, promotion, regulation and marketing of tourism in the province.

implemented by a ‘pool’ of organizations (implementation structures)⁴⁰. This implies that the implementation process is reliant on relationships between organizations and individuals, sustainable synergistic partnerships, organizational power and resource dependencies, exchanges, transactions, etc. and it is on this basis that “inter-organizational theoretical approaches are relevant in the exploration of the implementation process and the dynamics that emerge”⁴¹.

The inter-organizational implementation approach enables an observation and comparative application of technical, administrative and inter-organizational factors. The technical factors include examining the nature of the problem, its severity, the state of technical knowledge and the application of this knowledge to the problem⁴². The administrative factors include the statutory expression of policy, policy instruments, the policy framework, the policy time frame, financial resources and enforcement. Finally, inter-organizational factors include the “interested organizations, organizational roles and the relations between them; this translates into issues of the leadership of the implementation structure, capacity, resources, power dynamics and autonomy, etc”⁴³.

One of the contemporary concepts that I present is that of organizational networking which is a critical feature of the study of the inter-organizational phenomenon⁴⁴. This focuses on elements such as organizational interactions and dominance at the technical and administrative levels. The technical element defines the capability and strength of those involved in the implementation of a policy programme. The administrative element explains the content (policy sector) and specific resources and costs involved. All of these define the inter-organizational relations context and place organizational actors, interests and roles in context. This study further explores how inter-organizational relations practice has impacted and influenced (constrained and/or enabled) implementation. This exposes the interaction among organizations and their strengths within broader contexts which can be classified as

⁴⁰ Hjern, B. and Portner, D.O. (1981) *“Implementation Structures”*: A New Unit of Administrative Analysis, (Organizational Studies), volume 3, pp. 211-37.

⁴¹ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications) p. 2.

⁴³ Levitt, R. (1980) *Implementing Public Policy* (London: Croon Helm) p. 154.

⁴⁴ More and more researchers are suggesting that there needs to be a shift from studying single organizations to investigating a set of interrelationships that constitute an inter-organizational network (organizational environment), within a particular policy programme. Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control*, (London and Beverly Hills: Sage Publications:).

political, economic, social, technical, and administrative etc⁴⁵. The ‘beauty’ of this approach is that, I explore the tourism product and its delivery as a package which emerges from complex processes and tactical engagements. This perspective enables me to recognize and elevate the role that leadership and management play in steering inter-organizational relations.

I have opted for this approach to exploring implementation and inter-organizational relations because it embraces some of the core concepts in inter-organizational theory. These include communicative, relational and interactive governance modes. All require careful negotiation, consensus and the collective execution of organizational objectives, because they acknowledge the intensity of interactions, independencies, exchanges, brokering and transactions. In other words, the success and/or failure of these strategies depends on the level of effort that leadership and management invests in the management of the relations and dynamics that emerge. In addition, this study presents an opportunity to understand individual perceptions, attitudes, and organizational behaviour, especially in planning and execution. Hence, it is important to investigate how a set of relations and interrelationships are constituted within the inter-organizational network⁴⁶. This is critical because government activities include identifying problems, assessing citizens’ needs, prioritizing, controlling, drafting policies, communicating and implementation. It is important to understand goal-setting (strategy) and institutional (structure, rules and procedures) processes and the services (impact and consequences) that they provide. This requires that government agencies adopt a partnership approach.

It is clear that government cannot operate effectively without the involvement of other sectors; this could include the private sector and non-governmental organizations (civil society). For me, this is a concept that is essential in modern governance and that has the potential to define and describe the processes of implementation within the inter-organizational theory. This theory embraces critical elements that play themselves out in the contemporary implementation process. These include people’s behaviour (within organizations), power, authority, interdependency, resource dependency and organizational exchanges. Exploring these concepts within an implementation context will lead to an

⁴⁵ Friend, J.K., Power, J.M. and Yewlett, G.J.L. (1974) *Public Planning: Inter-corporate Dimension* (Tavistock Publications).

⁴⁶ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications).

understanding of how best implementation can be managed in the contemporary setting. In other words, the challenge is to craft an IOR practice or model in order to ensure effective and efficient implementation (securing the original policy outcomes).

The fact that all organizations are not the same creates an interesting perspective on how relations are created and sustained within the horizontal governance system. The policy decision environment has become increasingly autonomous and this has its own implications⁴⁷. In some instances original policy intentions are completely replaced, while in others they are altered to suit the operational context. Interactions help generate solutions; hence it could be said that implementation is one of the policy process that can enable an unpacking of interactions. At the horizontal level, the inter-organizational element exposes the nature of the relations that exist between the lead organization and other stakeholders within a particular policy environment⁴⁸. Policy outcomes will reflect the fact that various stakeholders participate in the implementation process.

Just like many other countries, South Africa and its various provinces (particularly KZN) are grappling with implementation within an intergovernmental environment that promotes cooperative governance, partnerships and horizontal relations⁴⁹. Government agencies and institutions acknowledge the existence of ever-increasing organizational complexities, as well as complexities in implementation and inter-organizational relations. Various systems and mechanisms have been put in place to address this situation. These include policies, strategies and plans for cooperative governance, which are relevant in the implementation of tourism policy⁵⁰. In recognition of the fact that both the tourism industry and local government have a

⁴⁷ Pressman, J. and Wildavsky, A. (1973) *Implementation* (USA: University of California Press).

⁴⁸ Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications:).

⁴⁹ South Africa was created by the final act of the Tri-cameral Parliament through the instrument of the Republic of South Africa (1993), Constitution of the Republic of South Africa (Act no. 200 of 1993), which was assented to on 25 January 1994 and came into effect on 24 April 1994.

⁵⁰ These include the Republic of South Africa, *Broad Based Black Empowerment Act* (Act no. 2003); Republic of South Africa; Republic of South Africa, *New Growth Path*; Republic of South Africa, *National Development Plan*; Republic of South Africa, *Service Excellence Strategy*; KwaZulu-Natal, *Provincial Tourism Master Plan*; Republic of South Africa, *Strategy for the Professionalization of Tourist Guides*, Republic of South Africa, *South African Tourism Planning Toolkit* (2010), Republic of South Africa, *Domestic Tourism Growth Strategy* (2010-2020), Republic of South Africa, *National Heritage and Culture Strategy* (2013), Republic of South Africa, *National Rural Tourism Strategy* (2013), and there is a Republic of South Africa, *Tourism Bill* (2012), and Republic of South Africa, *the Integrated Sustainable Rural Development Programme and Social Responsibility Programme (SRI)*; Republic of South Africa, *Local Government Tourism Development and Growth Support Programme* (by the Department of Environmental Affairs and Tourism), etc.

critical role to play in the socio-economic landscape, attempts have been made to streamline policy coordination, capacity building, and planning.

The integrated development planning, national priorities, the apex of priorities, the national action plan, and the cluster system, etc., occur at strategic and planning level of government. All of these aim to ensure congruency of goals, alignment of plans and synergy in government, especially for the achievement of pro-poor tourism development. However, tourism management is an area where government could face serious challenges, because most of the work is shared with or provided by the private sector. The biggest challenge lies in areas where there is potential growth of the tourism industry. The province of KZN is one such area which, in my view, has not been entirely successful in managing tourism for the benefit of the majority of the people. By the majority of the people, I am referring to individual citizens, the less empowered and small businesses who have an interest in the tourism industry.

Over the years, I have observed that government agencies have focused more on the policy formulation part of governance and have only recently shifted their focus to performance monitoring and evaluation systems. While these are important to the success of any policy, it is also necessary to understand and master the central process that involves institutional systems and organizational processes. These elements play a critical role in the alignment and execution of the organizational mission, goals and strategy. Few resources have been devoted to the institutional and organizational structure and this has implications for implementation. Given the level of poverty in South Africa and tourism's potential to help alleviate poverty, however with the complexity of tourism, it is even more important to explore operational governance issues in the field of tourism. It is not sufficient to draw attention to failures in the tourism sector over the years, the reasons for such failure need to be unpacked. It is even more critical to study implementation in the context of new modes of governance, which are characterized by relational and communicative governance modes, which emphasize relations between organizations⁵¹. Interactions, partnerships, coalitions, and formal and informal relations are therefore common features of the implementation process.

⁵¹ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

The first feature of relations between organizations is contestation of power, authority, autonomy, influence and ownership of the agenda. All the stakeholders participating in the policy possess real and implied access to authority and influence⁵². The public sector has the authority to make policy decisions, drive the consultation process to secure adequate compliance and regulate in order to ensure the legitimacy and credibility of the policy outcome. On the other hand, the fact that the private sector is responsible for product development and the delivery of services (this includes issues of profit, specialization, speed, efficiency, risks and investments) gives them relative ownership of the process, and the ability to influence operational decisions and ultimately, outcomes. This requires management and organizational symbolism within a huge diversity of objectives and expectations.

The second feature is trust, mutual protection and the protection of individual organizational identities (image) and interests. In the management of a partnership, there is real contestation on how these can be mutually negotiated, secured, maintained and protected. This is critical because there is a real possibility of lack of participation in policy partnerships because of a fear of loss of uniqueness. Strong and reputable organizations are often reluctant to cooperate, based on their views of the lead organization in the partnership process. This applies to all stakeholders, including the public sector. For example, local government faces challenges in preserving its own interests and autonomy, especially in the tourism sector, where ownership is largely in the hands of the private sector. The third common feature is reviewing inter-organizational partnership performance. This covers the design, the actual implementation and management of partnership systems, which include partnerships modes, i.e. contracting, collaborations, extension and co-option. This feature provides a good sense of the challenges and triumphs in the areas of cooperation, co-management and adaptations to processes. It allows for honest reflection on how the public sector (especially the province, district, municipalities, etc) has performed within the broader intergovernmental relations (IGR) arrangements and in activating (actions and inaction) their IOR systems.

Finally, partnership and sustainability concerns focus on the kinds of choices (i.e. exploring a partnership incentives system) that were made and the priorities that were set for the sake of continuous commitment to the implementation structure. Critical in the tourism management

⁵² These stakeholders include lead organizations (DEDT/DEDT/TKZN), and also the District and Local Municipalities.

portfolio is securing balance (alignment and synergy), and visioning (long-term planning), which includes negotiating a transformational and developmental based agenda and securing consensus and cooperation that aggressively reduce competition and affirm the control of the lead organization. This poses an interesting challenge to lead organizations in that they have to make cooperating and partnerships appealing and attractive in order for organizations to see them as mechanisms to achieve their individual goals. As some projects present unique coordination challenges, assurance is required on how the perceived risks and uncertainty will be dealt with in order to secure continued commitment and investment.

This study employs the qualitative research method that is suitable for an investigative study. It examines previous actors in the KZN implementation structure; hence the sample included field-level officers, implementation managers, senior executives and administrators and former heads of department. The sample is inclusive of all relevant actors in the tourism industry and ensured that business, sports tourism, cultural and heritage tourism and ecotourism were represented. The methods used for data collection included observation, structured and semi-structured interviews and a documentary review. This combination of data will ensure that the study achieves its core objectives. Critical to the exploration of inter-organizational relations and implementation is the observation of how organizational power, values, interests, perceptions, actions, motivations, etc play out. The case study approach is relevant to this study as it helps in “understanding how policy develops, where implementation complexity exists and why decisions were made, and identifies the purposive behavior of the actors involved”⁵³.

For the purposes of this study, it is important to note that the inter-organizational theory conceptualizes the implementation environment as a set of organizations (forming an implementation structure) that have a relationship with the focal or lead organizations (DEDT/DACT/TKZN in this case). Inter-organizational analysis is chosen for this study because it focuses on the comprehensive relations between organizations, the exchange of resources between them and the organizational arrangements. Furthermore, inter-organizational analysis is the key approach to explore the coordination process⁵⁴. This technique will help to unpack key inter-organizational issues because it is devoted to

⁵³ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 98.

⁵⁴ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks Strategies for the Public Sector* (London: Sage Publication).

thoroughly explaining organizational arrangements, which are designed to secure cooperation. Inter-organizational analysis involves the analysis of patterns of dependency which originate from resource exchange practices and also from the conditions which influence these processes.

This study will explore the inter-organizational coordination (IOC) structures, institutional and organizational sets, resources, capacity, and support efforts in detail⁵⁵. It will assess inter-organizational patterns of dependency which originate from resource exchange practices and from the conditions which influence these processes⁵⁶. As much as it is important to understand the patterns and trends of inter-organizational learning and communication, this analysis also provided me with tools to explore issues of inter-organizational structures, arrangements, institutional and organizational sets, resources, capacity, etc, in detail. In exploring and packaging the experiences associated with the phenomenon of inter-organizational relations for implementation, I have divided into eight chapters. Chapter one, gives an overview of the study and also introduces the mainly themes, topics and patterns that form the major part of the discussion.

In the first chapter, I am giving a background into the inter-organizational relations as a management imperative and also introduce some of the main features of the topics, perspectives and discussions; these include the role of the lead organizations in the conception and promotion of partnerships in the area of tourism. One of the serious arguments I am putting forward in this chapter is that the years 2000 to 2010, were mainly focused on consolidation of government structures, strategies and plans for ensure a well-coordinated implementation in the following decades. In many ways, this means that there was less implementation because the focused was on putting the systems in place and also establishing relevant departments at provincial and national level.

One critical discussion in this chapter is the noting of the shift from the old, traditional hierarchical to the contemporary management approach which is more horizontal, and based values such as communication, consultation and dialogue (interaction). In the last part of this chapter, I present and discuss the methodology of the study is a qualitative and case study

⁵⁵ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁵⁶ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

based. The main methods that I used are the documentary analysis, and observation, which are supplemented by purpose sampling-based interviews. What is also noted in this section are the process of negotiating access, the kind of responses that emerge and also the challenges.

In chapter two, I present a discussion that gives a comprehensive view of the connection of the broader cooperative governance and inter-organizational arrangements within the application of the intergovernmental relations (IGR), framework for effective organizational leadership. What I am arguing mainly is that the KZN Provincial Growth and Development Strategy (PDGS), the Provincial Spatial Development Perspective (PSDP) and the Integrate Development Plans (IDP) are critical in that they present lead organizations an opportunity to refine planning and consensus-based decision-making during implementation. Again what I find is the critical role that local authorities (both Traditional Leadership and municipalities), have played in the establishment of cooperatives and public private partnerships especially in the ecotourism sector which is led by Ezemvelo KZN Wildlife (EKZNW). Sadly, these are scattered success projects which the lead organizations could be learning from in terms of achieving the social responsibility investments for the host communities. This chapter also discusses the assumptions of cooperative government with the tourism sector. What is coming out clear is the role of politics (power, authority and influence), in the setting up of priorities, decision-making and the negotiation of interdependencies within the concurrent operational imperatives for the municipalities and the provincial administration. This shared operational context have posed serious dilemmas for the management of inter-organizational relations for tourism implementation in that the lead organizations have to demonstrate leadership to secure trust and compliance of the other actors.

Through chapter three, I set the scene for inter-organizational relations through discussing the keys and central concepts that defines and guides inter-organizational interaction around implementation. One such concept that I present is inter-organizational grouping which specifically relate to the work of the forums and associations, which includes the Provincial Tourism Council (PTC), the Provincial Tourism Forum (PTF), the District Tourism Forums (DTF), the Local Tourism Forums (LTF), Community Tourism Organizations (CTO), etc, at different levels of tourism policy implementation. It is in this chapter that I discuss the rationale for inter-organizational relations law and practice. Amongst these is the need for the sharing of the transaction costs and operational risks, effective use of shared power, organizational stability, capacity and resources to enhance programme implementation.

In chapter four, it is where I present an overview and analysis of the implementation structure, identifying the major actors, locating their legislative power, explore the organizational context for joint/consensus-based decision-making, exposing some of the critical challenges and dynamics. In this chapter has demonstrated the changing requirements of leadership in the management of the implementation. One critical requirement is a deeper understanding of the tourism industry, especially for those managing the lead organizations and agencies. This will enable leadership to identify the resources and power they bring to negotiated implementation. These resources include authority for actors inside government and power for those outside government⁵⁷. These are vital because they are central to inter-organizational exchanges, transfer of values, resource dependency and interdependencies, etc, and they determine the content and nature of relationships and ultimately, policy outcomes. In this chapter, I have argued that the implementation structure is expected to comply with all relevant policies, regulations and prescripts, plans for long-term sustainability and provide responsible management and accountable leadership. This can be achieved by employing relevant strategies and putting systems in place to add value to both broad and specialized projects.

In chapter five, I explore some of the key themes and process that are related to the ‘bigger picture’ of cooperative tourism governance. Firstly, I argue that inter-organizational coordination framework is critical in the exploring of cooperative tourism governance. Secondly, I argue that demonstrative leadership is an essentially ingredient and a determinant for successful coordination of inter-organizational relations, communication, liaison and partnerships. Thirdly, I used the cases of Ezemvelo KZN Wildlife (EKZNW), of community partnerships programmes and projects as an example for successful cooperative tourism governance. Fourthly, I use the Community Owned Tourism Enterprises (COTES) for KZN to argue the case for grassroots tourism development, and also to describe the nature of complexity and challenges. Lastly, I also referred to the KZN Tourism Master Plan, as one of the positive approaches which could have negative implications if it is not well received and in-correctly interpreted. And this is very serious in that this KZN Tourism Master Plan could be viewed as a centralist, hierarchical and top-down tools of approach that is being used by the lead organizations to coerce stakeholders/shareholders to comply through the incentives that come with such an initiative.

⁵⁷ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School.).

In chapter six, I present an assessment and performance of some of the main administrative arrangements to cooperative tourism management, which is defined through cooperative, collective and adaptive management. This includes an overview of the strategic frameworks and pursuit of operational synergy by the lead organizations through seeking to balance the alignment of policy, strategy and structure. This includes the assessment of how trust, power, consultation plays out in the negotiation of implementation of cooperative programmes. I also extend my views about the clashes of leadership styles the politicians and senior administrators (i.e. Chief Executive Officer), and the implications of this in the management of relations and implementation. What I also noticed is the lack foresight, strategic visioning and failure to secure selective relations on the part of the lead organizations. For example, in all the Tourism KwaZulu-Natal (TKZN), there is an exclusion of traditional leadership which I believe are the shareholders especially in the area of ecotourism and cultural tourism which is growing.

In chapter seven, I give an overall view on key concepts such as leadership, interdependency, coordination, the pursuit of integration and organizational culture. What I also reflect on is the use of inter-organizational relations in the pursuit of public interests and benefits. I also explore the actions and inactions especially by the lead organizations in which issues of missed opportunities, regulation, oversight and compliance are effected. Lastly, I also explore the challenges in achieving a shared vision and the management of stakeholder's perceptions.

In the last chapter, chapter 8, it is where I present a summary of the findings of the study, emphasized the need for cooperative management on the part of the lead organizations, discussed inter-organizational capacity and alignment, and inter-organizational communication and learning, highlighted the benefits of partnerships, presented the recommendations and provided an overall conclusion. Amongst the critical findings, are the issues of the lack and need for congruency of strategy (policy goals and priorities), and structure (institutional framework and organizational culture). What I also note is the unequal treatment and development of brand-holders (districts and local municipalities), the competition of tourism versus service delivery imperatives. I am noting the serious need for enforcement and securing adherence to the principles of cooperative governance which enables IOR for tourism, because what was done within the decade has not been enough.

What I also present in this chapter is the implications of the study and also the set of questions that emerges. These include the fact that, if not well managed, cooperative governance could just be a 'political symbolism' exercise no or less outcomes. There is also a need for a greater urgency for facilitating leadership for cooperative management, which will still-over to the effective management of the perceptions of stakeholder perceptions. What I also identified are the imperatives of strengthening and intensification of inter-organizational communication to facilitate dialogue especially at community tourism level for the effectively alignment within the collaborative governance practice.

CHAPTER 1

OBJECTIVES, OVERVIEW AND RESEARCH METHODOLOGY

Introduction

This chapter presents a broad overview of the study. The first part discusses the rationale, contextual background, problem statement, and the aims and objectives of the study. The second part of this chapter outlines the methodology of the study, and makes special reference to the strengths of the qualitative method, the sampling method and the case study method. I also explain the rationale for the setting of the study, which is the province of KwaZulu-Natal (KZN). Finally, this chapter presents an overview that examines the levels of certainty amongst actors and stakeholders' and this includes observations on certain dynamics such as resistance to change by people within an organization during the implementation process⁵⁸.

THE RATIONALE FOR THE STUDY

In South Africa, intergovernmental relations are based on cooperative governance (which serve as a foundation in this context), which is said to be interrelated, and interdependent, but also distinctive⁵⁹. However, this could mean that cooperation is voluntary and compliance may mainly be secured through negotiation and persuasion. What would happen if local governments chose to withdraw from active involvement in tourism to play an indirect role? This has been the case where there is 'political misalignment' between the province and Districts; based on their legal discretion, the parties make decisions that will strain relations and impact economic development. I have observed that local municipalities are failing to embrace innovation, partnership building and communication due to such discretion and political misalignment⁶⁰. Municipal investment in tourism is undermined by massive service delivery imperatives whose outcomes are clear and immediate; hence tourism has not commanded urgent attention.

⁵⁸ Smith, P.J. and Cronje, G.J. de J. (1992) *Management Principles (A Contemporary South African Edition*, Cape Town: Juta and Co, Ltd).

⁵⁹ See the Constitution of the Republic of South Africa (Act no. 108 of 1996), Chapter 3.

⁶⁰ Dredge, D. (2001) *From Workers' Paradise to Leisure Lifestyle: Cultural and Structural dynamics of tourism policy networks in Lake Macquarie* (New South Wales, Australia, University of Newcastle, New South Wales).

The motivation for this study is multi-faceted. Firstly, the centralization-decentralization dichotomy and concurrency that exists in contemporary implementation requires an examination of how it is managed through relationships and implementation activity⁶¹. Again, I have found that the separate coordination of implementation and inter-organizational relations is difficult; it is even harder when they are combined. This challenge triggered my interest in exploring how they fit together. Joint action for successful implementation has unique constraints, challenges and demands. Amongst these are legislative contradictions (resulting in unfunded mandates and withdrawal of inputs), misplaced expectations, diversity of objectives, a lack of trust and cooperation, uncertainties around local autonomy and participation, and the disconnection of the service provider (formerly government), and the public (now clients-customers) within the implementation structure. The contemporary literature stresses the social and relational approaches that are associated with tourism management practices⁶².

Tourism management activity (including policy-making and implementation) are seen as social activities which happen around various actors “such as institutions, interest groups, organizations and individuals whose main concern is securing their own benefits through their involvement in the policy process”⁶³. This complexity requires a competent bureaucrat to assume a new leadership role which is more about brokering (facilitation), relationships, advocating for funding, encouraging cooperation, programme-projects support, etc. With this understanding in mind, effective implementation requires that ways are found to simplify these complex relations.

Inter-organizational analysis developed in response to a number of practical problems in the planning and delivery of public services. These include conflict, competition, duplication, service delivery gaps, and a variety of other maladies in a number of distinct areas. At the

⁶¹ Decentralization refers to the delegated rights of managers to make decisions without the approval of managers higher up (the degree of power, authority and discretion offered to middle and lower-level managers); while centralization is the higher degree of authority at the top of the hierarchy. Smith, P.J. and Cronje, G.J. de J. 1992 *Management Principles* (A contemporary South African Edition, Cape Town: Juta and Co, LTD,) p. 196.

⁶² This acknowledgement is critical in this study because responsible tourism is about ensuring that both tourism and the host communities conserve and preserve the natural environment; this includes the local culture and way of life.

⁶³ Bramvell, B. and Lane, B. (2000), (eds) *Collaboration and Partnerships in Politics and Practice, and Sustainability* (Clevedon: Channel View) pp. 1-19.

centre of these concerns is the inter-organizational community, which includes local communities (clients of government services), local decision-making organizations (street-level bureaucrats), and the central political structure (national and provincial political priorities). An 'active society' produces an active bureaucrat, who claims more space within the decision-making arena and policy-making. One of the critical elements of decision-making in this context is that of ensuring a smooth flow of resources, which requires enormous mobilization of powerful interests⁶⁴.

All of the above concerns require negotiation, mutual adjustment, coordinated planning, and alliance-based relationships. The 'natural complexity' that comes with changing societies makes it difficult to secure 'traditional rationality' (a centralized organizational set-up) and 'purposive administrative structures'. This is not to say that there is an increase in uncertainty, but there is a high demand for co-planning, co-management and flexibility, especially in the allocation of resources⁶⁵. It has been argued that governmental organizations should no longer be analysed as the central actor, as it is merely one actor in the governance process⁶⁶. Governance in this context refers to self-organizing and inter-organizational links and networks. This acknowledges that "governance is broader than government, it embraces non-state actors that include private, public and non-profit actors"⁶⁷. Furthermore, it has been observed that governmental organizations are no longer the only central actors steering policy processes, including the management of implementation activities. There is now a strong culture of collaboration where a number of stakeholders combine their focus and resources to achieve a common goal (integrated service). The management activities are directed towards improving and sustaining interactions between the different actors and uniting their goals and approaches; this is typical of provincial departments in South Africa. And "without effective

⁶⁴ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press).

⁶⁵ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press).

⁶⁶ The relational approach acknowledges stakeholders in the planning and operations management of tourism organizations. Hall, C.M. (2000) *Tourism Planning: Policies, Processes and Relationships* (Harlow: Prentice Hall). It highlights the "plurality of organizational interest groups and the political nature of organizational goals setting and policy implementation": Treuren, G., and Lane, D. (2003) *The Tourism Planning Process in the Context of Organised Interests, Industry, State Capacity, Accumulation and Sustainability* (Current Issues in Tourism) volume 6, number 1, pp.1-22.

⁶⁷ Rhodes, R.A.W. '(1996) *The New Governance: Governing without Government*' (University of Newcastle-upon-Tyne, Political Studies XLIV) pp. 652-667.

inter-organizational arrangements, it becomes difficult to connect various actors' views and interactions"⁶⁸.

It has also been argued that while interdependencies exist in the policy process-cycle, organizational actors (policy entrepreneurs) try to steer their own preferences. This results in complex interaction and bargaining processes. In the policy process-cycle, networks are unpredictable and complex. Not only are many actors involved, but their preferences change during the course of the interaction. Where there are many actors with different strategies and a wide variety of goals, they cannot know in advance which outcomes are likely to occur and which targets they can meet. The central actors (lead departments) have "the advantage of creating a network of relationships that can benefit them in securing/achieving their goals"⁶⁹.

It is useful to briefly discuss the 'traditional' and 'contemporary' organizational sciences as they have had a remarkable influence on the development of inter-organizational theory and practice. Traditional organizational science prioritizes the hierarchical approach to management and leadership, while 'modern' organizational science favours horizontal and bottom-up approaches to interaction and engagement. The latter is important for this study as it a new way of dealing with implementation, relations and communication across agencies and in collaborations. As part of this arrangement, government organizations (through political will) are required to put practical and adequately funded strategies, structures, and coordination, monitoring and evaluation mechanisms in place.

The focus of the study is how public organizations (DEDT/DACT/TKZN), "manage their interaction with other stakeholders during policy implementation, represented by tourism product development, marketing and service provision"⁷⁰. Policy implementers (such as municipalities and the private sector) require the power to make and enforce decisions which are binding upon their members. And they have the responsibility to interpret and communicate these as objectives to shape the organizational culture. Due to the specialist nature and track record of success of the private actors, they sometimes make the

⁶⁸ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p. 33.

⁶⁹ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks, Strategies for the Public Sector* (London: Sage Publication) p. 32.

⁷⁰ Elloit, J. (1997) *Tourism Politics and Public Sector Management* (Routledge, London and New York) p. 56.

governmental entities feel overshadowed. Apart from information flow and general communication, the other major feature that influences decisions, organizational behaviour, priorities and actions, is resources (financial, information technology, human capital, etc). In many ways these provide a useful basis on which to explore interactions and exchanges; these are not only the major negotiating points but, in practical terms, they make implementation happen. The critical observation is to establish whether or not the lead organizations are able to take advantage of horizontal interactions and access to relevant actors in their quest to secure effective relations and fair implementation⁷¹.

In the contemporary implementation setting, almost all policy programmes attract more than one implementation partner because no single organization holds sufficient power, authority and resources to design and implement policy programmes and projects. This implies that government organizations are no longer the central steering actor in policy processes and management activities; they share control and authority with other actors⁷². For example, the national tourism department, the provincial administration, the municipalities and host communities are joined by the legislative framework in tourism programmes. They are required to cooperate at all levels (tourism policy making, planning, product development, implementation, monitoring and evaluation). This cooperation does not end with them, but extends to private actors and non-profit organizations. In other words, “policy communication is critical in achieving effective policy implementation”⁷³, and I concur with the notion because the most important element to tourism related suppliers and services revolves around communication.

On the basis that my main focus is the lead organizations which are located within the public sector, it is wise to briefly highlight or expose some of the known strengths and weaknesses of this sector. Firstly I will refer to the following challenges for the lead organizations:

- “Limited and lack of understanding of tourism within municipalities hinders effective and collaboration of structures,
- Inadequate capacity and budgeting to fully perform tourism functions,

⁷¹ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc.).

⁷² Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks, Strategies for the Public Sector* (London: Sage Publication).

⁷³ Stevenson, W.J. (2008) *Operations Management* (Bangkok, Madrid, Milan and Sydney: Rochester Institute of Technology, McGraw-Hill Irwin, Boston) p. 744.

- Lack of tourism prioritisation in some municipalities hinders tourism growth potential”⁷⁴.

It is important to acknowledge these challenges as I give context and build a case for this study. And what is important to note is that, this challenges have been noted through this decade in question (2000-2010). The table below summarizes perspectives on the strengths and weaknesses of the public sector/government:

Public Sector Strengths and Weaknesses in Tourism marketing and promotions	
Strengths	Weaknesses
<ul style="list-style-type: none"> ○ “Improves local infrastructure, ○ Creates favourable policy framework, ○ Encourages private sector involvement, ○ Employs marketing instruments of national tourism boards, ○ May integrate Community Based Tourism (CBT), programmes into national tourism product, ○ Has capacity to integrate CBT into broader programmes for poverty alleviation. 	<ul style="list-style-type: none"> ○ Lacks interests in small-scale tourism operations, ○ Has problems in implementing CBT policies, ○ Lacks capacity for promoting CBT development, ○ Suffers from a lack of coordination within and between public sector institutions, ○ Political interests may subvert CBT initiatives”⁷⁵.

Figure 1 Public Sector Strengths and Weaknesses in Tourism Marketing and Promotions

It is clear from this table that there is a great need for the public sector, the private sector and civil society to work together so that the points of excellence could be found and nurtured. However, this does not imply that civil society and the private sector have all the solutions, rather, each sector has its particular strengths and weaknesses. The private sector is strong on product quality, investment, distribution channels (communications), and facilitating networks, etc. However, it lacks experience in working with local communities, promoting

⁷⁴ KwaZulu-Natal: *A Practical Approach Towards Coordination at Provincial and Local Government*. A presentation made by Mr D. Golding: Head of Department, Department of Economic Development and Tourism; during the Local Government Tourism Conference, “*Theme: Tourism Development: Why Local Government Matters*” held on 26-27 February 2013, in Sandton Convention Centre, Gauteng.

⁷⁵ Fennell, D. (1999) *Ecotourism*, (3rd edition, London and New York: Routledge) p. 104.

alternative tourism and capacity building at grass-roots level, which is a critical factor in tourism development and the implementation of programmes. Similarly, civil society has its own strengths and weaknesses. In summary, the above table reflects the need for all stakeholders to participate in the implementation of tourism programmes; hence inter-organizational interactions and relationships become a ‘natural’ occurrence⁷⁶.

Why do organizations often perform contrary to their own rules and goals?⁷⁷ The answer to this question calls for closer reflection on street level bureaucrats’ experiences and how they manage and manoeuvre complex relations that impact policy outcomes. This requires a thorough investigation of the core organizational process (i.e. inputs), where implementation is conceived and executed. It is clear that policy, institutional structures and implementation should be observed as a package, and inter-organizational relations can enable the creation of systems through which policy intentions and organizational systems/structures are connected to policy outcomes at conception.

Inter-organizational implementation can either adopt top-down or bottom-up approaches. The top-down approach views implementation primarily as a matter of assembling support for the intentions and orders of political leaders; this makes for a vague connection between original policy goals, organizational processes and outcomes. On the other hand, a bottom-up approach ‘mobilizes’ the energies of disparate stakeholders that want to make a contribution to solving a compelling problem. This view embraces complexity “a case-by-case approach (context-specific), and the dynamics that the surround the programme implementation process as it unfolds”⁷⁸. Because the top-down approach is steered by political principals and legitimate authority (i.e., the enforcement of rules), it is not practical or possible in the contemporary implementation context. In other word, this is a situation where political power, control, force and coercion are widely applied. In contrast, the bottom-up approach embraces the role played by street level bureaucrats (at local level), and by external stakeholders; this approach is practical and is aligned with contemporary processes. This is a context in which the combination of economic and social power is understood⁷⁹.

⁷⁶ Fennell, D. (1999) *Ecotourism* (3rd edition, London and New York: Routledge).

⁷⁷ Hill, M (ed). (1998) *The Policy Process* (London: A Reader, Prentice Hall).

⁷⁸ Hill, M. and Hupe, P. (2002) *Implementing Public Policy, Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publications) p. 175.

⁷⁹ Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications).

The tourism industry is a good example of a field where “the complexities presented above can be explored”⁸⁰, and the tourism industry comprises all the actors that provide services related to tourism products such as health facilities, protection services, business transactions, transport, accommodation, hospitality, etc. Firstly, the environment (network and implementation structure) will have to be defined and located within particular programmes. This goes beyond the face-value of programme reception, interpretation and ‘ownership’ to extend to the ‘inside’ of the external organizations. The ‘lead’ organization in this implementation structure (a cluster of implementing organizations) is the DACT that is mandated to manage tourism policy at provincial level^{81, 82}. The effective management of organizations and the attainment of relative or successful implementation are two relevant areas of contemporary research⁸³. This study therefore sets out to understand why and how organizations interact, their structure, and their motives. It aims to unmask the nature and make-up of the implementation structure and this involves locating the ‘focal organisation’. This approach will also enable a critical view of the organizational arrangement that would enable the DEDT/DACT to secure the compliance of all stakeholders.

Like most policy fields, tourism is embedded within a range of vertical and horizontal interactions and relationships⁸⁴. This raises the issue of management authority and power. Linked to this is the question of how best the DEDT/DACT is able to effectively use its authority. Since this study focuses on implementation, special attention will be paid to how the DEDT/DACT organizes its implementation structure around a particular programme. The expectation is that the DEDT/DACT (as the lead organization) will connect with relevant actors within the implementation structure and provide leadership. One of the key challenges that face the DEDT/DACT and TKZN⁸⁵ is managing tourism implementation and

80 C. M. Hall and J. Jenkins (1995) *Tourism and Public Policy* (London and New York: Routledge).

81 Tourism is a difficult phenomenon to describe...all tourism involves travel, yet all travel is not tourism. Tourism is an activity that takes place when people cross a border for leisure or business and stay at least twenty-four hours. Burns, P, and Holden, A. (1995) *Tourism, A New Perspective* (London, New York, Toronto, Sydney, Tokyo, Singapore, Madrid, Mexico City and Munich: Prentice Hall) p. 5.

82 Due to the period covered by this study, reference will be made to the DACT, and also the Department of Economic Development and Tourism (DEDT).

83 Hill, M. and Hupe, P. (2002) *Implementing Public Policy: Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publishers).

84 Hill, M. and Hupe, P. (2002) *Implementing Public Policy: Governance in Theory and in Practice*, London, Thousand Oaks, and New Delhi: Sage Publications).

⁸⁵ The KwaZulu-Natal Tourism Act 1986 (the Act), constituted the KwaZulu-Natal Tourism Authority (TKZN), as the provincial institution responsible for marketing and promoting the Province as a tourism destination.

coordination relations within a context of powerful and independent actors⁸⁶. It can therefore be assumed the DEDT/DACT's implementation managers are heavily challenged at the operational level.

The study will thus locate and classify the key actors in the tourism implementation structure and explore their complex make-up in relation to inter-organizational communication for effective implementation. This is critical in the context of the emphasis on community tourism and municipal tourism planning in South Africa, and KZN in particular. The focus of inter-organizational analysis will thus be the relationship between and amongst organizations which are bound by a single policy programme. Another critical element in the analysis is a full discussion on the role that power plays in resource dependency and exchange practices.

PROBLEM STATEMENT

Despite recognition of the need for more effective alignment and partnerships, an executive manager of one of the lead tourism organizations noted that “the implementation of the Provincial Tourism Policy is yet to commence”⁸⁷. This raises the question of how agreements and partnerships translate into action. The problem statement of this study is inspired by the innovation, development, transformation and practice of public management and administration. The practice and observation of inter-organizational relations and coordination is the key to this issue. The new public management (NPM) has introduced new concepts and ways of observing and practising operational governance (implementation). These changes reflect the importance of the role and influence of the management of inter-organizational relations, coordination and communication for effective implementation⁸⁸. As a growing sector, tourism has the potential to make a tangible contribution to the realization of social benefits and social democracy. In terms of social benefits, “if tourism is to be viewed and applied as a part of the long-term economic strategy (long standing relationships), it has to satisfy both the social and ecological standard and requirements. The host

⁸⁶ Kickert, W., Erick-Hans Klijn and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁸⁷ KwaZulu-Natal: Department of Arts, Culture and Tourism (DACT), 20 February 2009 *Provincial Tourism Committee (PTC) Meeting*: see the TKZN CEO Report dated 30 November 2008.

⁸⁸ Kickert, W., Erick-Hans Klijn. and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

community is the economic, social, cultural and infrastructural resource base for the most tourism activities, hence tourism has to have a positive impact in their quality of life”⁸⁹.

Furthermore “tourism has the potential to promote a governance approach that strives to secure public interests (real involvement and local participation) and benefits through ensuring public consultation, emphasizing interactive planning, and the implementation of targeted development (pro-poor programmes)”⁹⁰. This makes tourism an appropriate sector to investigate to understand the phenomenon of inter-organizational relations and implementation. The changes and new developments in the management of public affairs in this context focus on the practical efforts that the lead governmental tourism agencies have made in implementing tourism programmes. For many years, South Africa and its provinces (including KZN) did not have a tourism ministry; agencies were tasked with the development and promotion of tourism.

Amongst the major requirements of a “democratic state is efficient and rational governance”, how does a government institution such as the DEDT/DACT and TKZN make this happen?⁹¹. In many ways “this will depend on government’s performance in managing networks and securing reasonable inter-organizational implementation”, and the role of inter-organizational analysis is partly to describe prevailing patterns of coordination and collaboration and to construct a typology of the control configurations found in different inter-organizational decision-making structures.⁹². The moot question is whether government lead agencies (the DEDT/DACT and TKZN) have ensured that tourism policy programmes benefit the majoring of citizens (public interests). This requires an understanding of whether instruments are in place to facilitate partnerships, initiate relationships, sustain patterns of communication, and secure buy-in from other actors.

⁸⁹ Fennell, D. (1999). *Ecotourism* (3rd edition, London and New York: Routledge).

⁹⁰ *An introduction to the concepts of Tourism Planning and Policy-Making*: Tourism KwaZulu-Natal (Occasional, October 2007) p. 53.

⁹¹ Kickert, W., Erick-Hans Klijn and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p 38.

⁹² Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications) p. 12.

In light of the fact that governance has much to do with the decision-making process within an institutional-organizational context, a further issue is the extent to which indicators such as transparency, accountability, control of corruption, power-sharing, etc, are observed⁹³. Good governance impacts service delivery initiatives (implementation level). This raises the question of how much effort has gone into ensuring that there is sound and strong observation of cooperative governance principles within the decentralized system and good governance framework⁹⁴. Values such as inclusion, quality, coherence, effectiveness, openness, transparency, and accountability, etc, become paramount. Within cooperative governance, exchanges, transactions, partnerships and collaborations are some of the strategies to reduce administrative costs and effectively implement programmes.

Amongst the practical challenges confronting government agencies are the fact that, hierarchical and formal decision-making authority is seriously challenged, ignored and sometimes avoided in the inter-organizational relations context⁹⁵. What makes matters worse is the continued practice of government departments working in silos (isolation), and holding on to their 'specific mandates', while contemporary implementation requires sound and sustainable interdepartmental collaboration. It is crucial that government departments consolidate their position within complex implementation structures. The degree of awareness of the DEDT/DACT and TKZN is crucial as they have the responsibility to shape inter-organizational communication and ultimately the tourism product itself and its impact on the host community⁹⁶. To expand this argument, it should be noted that the quality of participants inside government and the perceptions of those outside government also have an impact on the nature of governmental relations and implementation.

At operational level, action and/or inaction depend on compromises between people in various parts of single organizations and related organizations. In such a situation, one would assume that there are elements of competition for power and control; hence, coercion and manipulation will exist within an inter-organizational implementation context. These habits

⁹³ Fennell, D. (1999) *Ecotourism* (3rd edition, London and New York: Routledge).

⁹⁴ C. Leitner, (2003). *e-Government in Europe: The State of Affairs. Presented at e-Government 2003 Conference Como, Italy, 7-8 July*; European Institute of Public Administration, Maastricht: the Netherlands; also available on <http://www.eipanl> (accessed 2005).

⁹⁵ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relation* (New York: Oxford University Press Inc).

⁹⁶ Kingdon, J.W. (1995) *Agendas, Alternatives, and Public Policies* (University of Michigan: HarperCollins College Publishers).

and practices are exacerbated by the importance of resources and the value that they hold. For example, where an external ‘actor’ or organization has more resources than others, they will probably have more status. Such an actor could dominate the operational decision-making agenda, and determine the outcome of government policy⁹⁷.

The availability, abundance or lack of resources is a critical factor in an implementation structure. As there is a visible shifting of power between those inside and outside government, it is important to assess how this is experienced and what effects it has. This requires an investigation of organizational motivation. Whether or not an organization has few or large amounts of resources, it has to make decisions on where to invest them. Even individual ‘entrepreneurs’ decide how to get the best return on their investment⁹⁸. In the absence of commonality of point of origin, reasons for existence, vision, structure, values, etc, it is vital to observe how actors bargain within the same operational space to satisfy their varying interests. This relates to the nature and patterns of inter-organizational communication, exchanges and interdependencies between actors in the implementation structure.

The study’s focus on inter-organizational implementation requires an exploration of perspectives at the levels of policy, organizations, programmes and clients⁹⁹. This will allow for a thorough examination of the internal, institutional and external environment. Although all the areas mentioned will be explored, the focus will be on the programme and client levels. It is hoped that the study’s findings will provide support to the ‘actors’ located at operational level within the tourism implementation structure in KZN. Strategically, this study is located at ‘local’ implementation (and service delivery) level; this means that the focus is on organizational efficiency to manage integrated services or programmes. Certain practical tools would thus be expected to drive cooperation for effective implementation. Amongst other things, one could expect to find mechanisms such as inter-organizational

⁹⁷ Hill, M. and Hupe, P. (2002) *Implementing Public Policy; Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publications).

⁹⁸ Kingdon, J.W. (1995) *Agendas, Alternatives, and Public Policies, Second Edition* (University of Michigan: HarperCollins College Publishers).

⁹⁹ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations*, (New York: Oxford University Press Inc).

agreements, memoranda of understanding and partnership contracts, as well as well-established patterns of managing interdependencies between actors¹⁰⁰.

AIMS AND OBJECTIVES

Given that the provincial objectives of tourism include issues of regulation, development, transformation of the tourism industry, sustainable product development, capacity building, coordination and support to municipalities¹⁰¹. This study assesses the role and influence of the management of inter-organizational relationships and partnerships in the tourism implementation process. It investigates inter-organizational implementation experiences and dynamics within the context of an implementation structure. The study's specific objectives are:

- To assess how inter-organizational relations have been managed for effective implementation,
- To explore stakeholders' behaviour and patterns of inter-organizational arrangements,
- To assess the performance of inter-organizational partnerships through selected projects,
- To assess lead organizations' leadership and capacity to influence the processes and management activities within the implementation structure,
- To identify the factors that constrain, sustain and could promote inter-organizational implementation exchanges, dependencies, interdependencies and collaborations, and
- To assess the role played by local units in the implementation networks during implementation.

It clear from these objectives that the researcher is not only concerned with the content of policy because it is a given that can be adjusted and improved during implementation. The focus is rather on understanding the different kinds of contestations that inform the alteration, adjustment and realignment of policy during implementation. In the context of this study, what can be changed is the organizational response and behaviour. The best way of establishing what changes are required is to study organizational positioning as it relates to

¹⁰⁰ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

¹⁰¹ Presentation by the KwaZulu-Natal: Department of Economic Development and Tourism (DEDT), reflecting on the Provincial White Paper and Tourism Forums (February 2010).

the context in which policy implementation takes place, which includes the processes as well as managing environmental factors. The above questions are strategically designed and aligned to investigate power, resource scarcity, dependency, interdependency, organizational exchanges, inter-organizational relations and communication. This approach will enable me to expose the inter-organizational perspectives that exist, and experiences, lessons, gaps and challenges as well as recommendations for future practice.

The study focuses on both negative and positive factors, as it is important to identify challenges and constraints to cooperation. It would be naïve to conclude that partnerships do not have downsides. Organizational activities include making decisions about money (investment), and time and human effects (skills); external and internal factors are bound to have some negative impacts.

Overall Approach to Research Questions

The research questions were crafted in a systematic way to ensure that they triggered relevant arguments and provided accurate answers¹⁰². In constructing the questions, I designed them to suit not only most interviewees, but every individual interviewee (a personalized approach). As part of the preparation, the interviewee's profile was reviewed to ensure that the questions were asked in the appropriate tone and sequence. A set of questions were asked and additional follow-up questions sought further clarity on points made. The questions were organized in the following themes:

- *Inter-organizational partnership performance*: this theme seeks to establish how well or badly inter-organizational implementation projects and agreements have performed. This included an assessment of the existing inter-organizational implementation agreements, contracts such as community-based partnerships, Joint Marketing Agreements (JMAs), and Memoranda of Understanding (MOUs).
- *Dispersion of power and conception of shared autonomy*: this theme assisted me to understand how power is dispersed amongst actors, how it has been used to influence how relations are structured and the impact on programmes. Again, I looked at

¹⁰² Meltzoff, J. (1998) *Critical Thinking about research: psychology and related fields* (Washington; DC: American Psychology Association).

implementation structure members' conception of their autonomy, which will include image, status, position, leadership style, organizational culture, size and resources (budget), and the PTC, and the impacts of the relationships.

- *Consensus on the strategic tourism agenda:* through in this theme, I looked at the frequency of interaction and whether there is consensus on strategic tourism agenda setting. I examined who was dominant in the determination of the strategic tourism agenda, its content, process and ownership of the outcomes. My main area of interest in this theme was to understanding whether or not external actors (the private sector) are able to propose innovative ideas to the governance mainstream (public sector). This also involved an examination of stakeholder identification and coordination tools to secure external support and maintain those relationships.
- *Trust, tolerance, compliance and regulation:* Through this theme, I analysed the impact of the institutional setting and mechanisms for securing control, regulation and compliance. Again, my interest was in how these factors constrain or enable the inter-organizational implementation process. Interaction between private and public actors (i.e. Municipal Tourism Portfolio Committees, the Municipal Local Tourism Forum and Local Tourism Association), requires the existence of trust, tolerance and commitment to the processes.
- *Inter-organizational leadership and communication:* I used this theme to understand the magnitude of the role, influence and control of leadership in the management of inter-organizational relationships within the implementation structure. This extended to the communication strategy and negotiation approaches that are employed by the lead organizations in securing collaborative visioning, progress and stability.
- *Inter-organizational implementation challenges:* this theme focused on the factors that constrain, stimulate or sustain inter-organizational exchanges, dependencies, interdependencies and collaborations. Linked to this is an assessment of whether or not the lead organizations are managing to secure and protect governmental interests; this depends on negotiating and advocating for public interests (rural and social tourism benefits). Finally, I examined the participation in tourism and ownership of tourism products and services.

- *Inter-organizational incentives and risks*: this focused on ascertaining the levels of certainty and uncertainty around opportunities, strengths, threats and weaknesses in the implementation structure and how this shapes and impacts relationships. This relates to the achievement of ‘self and internal goals’. I asked why business, District and Local Municipalities, etc., would continue to commit their time and money to participate in the implementation structure, especially, in the coordinating forums.
- *Inter-organizational capacity*: this theme examined the institutional setting, mainly the organizational design and alignment, in order to assess whether or not it enabled the effective management of cooperative relations activities, i.e. communication, contract management, project coordination, monitoring, evaluation, regulation and compliance. It also examined the organizational adjustments that have been implemented to ensure effective participation in the implementation structure.

Overall, through these themes, I hope to establish how the KZNTIS plans to manage organizational inequality, in terms of capacity and in financial terms. Many municipalities have massive tourism potential but are struggling to realise this potential; these include Sisonke, uMkhanyakude, Amajuba, Zululand, Mzinyathi and Uthukela District Municipalities. I am interested in finding out whether there have been targeted interventions to ensure adequate support through resources spread and other means¹⁰³. In an environment where there is adequate legislation and policy frameworks to guide the management of tourism public policy, I am interested to establish how the DEDT/DACT at provincial level is enabling and managing operational stakeholders in its quest to implement and benefit from the given governance frameworks. In order to understand inter-organizational experiences, the study will examine the work of officials and actors operating at street-level (operational) because they are the ones who implement programmes. The findings will have implications for actors at both strategic manager (leadership) and operational level (street-level).

This study views the implementation context and process as an evolving policy activity that requires steering and serious management; hence, experiences of bargaining, negotiating and

¹⁰³ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

building coalitions in the implementation setting will feature strongly¹⁰⁴. The success of such processes depends on how effective government is managing the implementation agenda. The inter-organizational policy approach views policy activity (implementation) as a product of both unguided and guided interactions in a pluralist setting¹⁰⁵.

Value of the Study

As a researcher and emerging analyst, I hope to:

- Reduce the level of complexity in inter-organizational relations (reduce the number of questions that are associated with IOR study),
- Enhance the understanding, theory and practice of inter-organizational relations within the democratic and cooperative governance context in South Africa,
- Highlight the importance and impact of the ownership of resources such as skills, heritage, property, land for tourism enterprises as it relates to spatial planning and social beneficiation,
- Highlight the presence of symbolic and sometimes vague cooperation amongst organizations and stakeholders,
- Assess whether or not the DEDT/DACT and TKZN have being successful in strengthening partnerships for the success of commercial/business and eco-rural and community-based tourism¹⁰⁶.

BACKGROUND ON INTER-ORGANIZATIONAL RELATIONS

The legal, policy and institutional frameworks provide a baseline for the background to this study. Careful documentary analysis established that South Africa tourism policy provisions between 2000 and 2010 were faulty and short on detail. Hence inter-organizational relations for effective implementation have been largely constrained. In an ideal and non-complex

¹⁰⁴ Colebatch, H.K. (2002) *Concepts in the Social Sciences. Policy* (2nd edition, Philadelphia: Open University Press).

¹⁰⁵ Scharf, F.W, and Hanf, K. (1978) *Inter-organizational Policy-Making: Limits to Coordination and Central Control* (Sage Modern Politics Series Volume 1, London and Beverley Hills: Sage Publications).

¹⁰⁶ Mainly in the context that the objective of the TKZN is to work with the Minister, Provincial Tourism Committee, department, municipalities and tourism stakeholders in the Province in order to implement and advance national and provincial tourism policies. KwaZulu-Natal *Tourism Act* (1996).

situation, tourism policy would be a means to identify a series of strategic goals and objectives and provide the means to achieve them. This implies that policy requires the coordination of many organizations and agencies involved in the provision of tourism services, planning for managing and developing associated groups. Critical to this process is the development of a strategy that becomes a practical instrument to actualize coordination and implementation of programmes, and monitor and review progress made¹⁰⁷. I conceive the role of the national department to be policy development (the bigger picture), that of the provincial department to be the customization of national priorities and that of municipalities to be implementation. This provides the context to observe the performance of legal instruments.

I opted to use inter-organizational relations theory because it has the potential to enable an observation that “integrates legal (policy and constitutional provisions), behaviour (actions), strategy (scheduled activities), and operations (space for actors around specific plans)”¹⁰⁸. The actors refers to people in specific organizations or other contexts and their involvement, capacity and strength as they negotiate and make decisions, while are guided by certain individual and located within institutional power designed to achieve specific outcome. And actions are the manifestations of deliberations and decisions within the different phases of a project’s life. The events are the various occurrences that determine and the influence the course of capacity of the programme, and these could include replacement of key staff, closure of liaison office, civil unrest, natural disasters, political change, etc. What always bothered me both before and after I started observing and researching this issue was the lack of practical policies which could secure real communication, interaction and collaboration for sustainable tourism development. In the past decade, legal instruments to provide an institutional framework that could deliver effective compliance, especially at district and local levels of governance have been lacking. As a result, there was misalignment and poor integration of tourism at various levels of governance. For example, there were few legal instruments to enhance regular and on-going beneficial public and private communication forums.

¹⁰⁷ Fennell, D. (1999) *Ecotourism* (3rd edition, London and New York: Routledge).

¹⁰⁸. Grindle, M.S. (1997) *Getting Good Government, Capacity Building in the Public Sectors of Developing Countries* (Harvard Institute of International Development: Harvard University Press) pp. 68-69.

One of the main legal instruments were the KwaZulu-Natal Tourism Act of 2003, and the national White Paper on the Development and Promotion of Tourism of 1993 and 1996, and the KwaZulu-Natal draft White Paper on the Development and Promotion of Tourism of 2008. The main objective of this White Paper was to provide for the regulation of tourism marketing and promotion, with less emphasis in providing overall guidance for the implementation of sustainable tourism growth and development. And this has had a negative influence in how tourism transformation and development are handled. However, I am not surprised because there is widely shared understanding is that “tourism is government led, private sector driven and community based”¹⁰⁹

Secondly, the provincial strategic framework (of the DEDT, and DACT and TKZN), and brand holders’ imperatives (District and Local Municipalities), are critical in setting the background to this study¹¹⁰. In short, these were about the promotion of partnerships and alignment. Again, it is unfortunate that the provincial strategy also encouraged more effective alignment of the public and private sectors, especially in marketing organizations in the province. This is unfortunate because it was one-sided; hence, there were more partnerships in the marketing and events division, than in the tourism development sector.

Whilst proactively encouraging the development of a vibrant local tourism industry, KZN strives to ensure that effective vertical alignment occurs with institutions at national, district and local spheres of government, in line with the requirements of the Constitution and national and provincial legislation¹¹¹. Once again, this statement is unfortunate because it fails to recognize the location of tourism establishments and again emphasizes effective vertical governance, which contradicts what is happening at operational level where tourism

¹⁰⁹ KwaZulu-Natal: *A Practical Approach towards Coordination at Provincial and Local Government*. A presentation made by Mr D. Golding: Head of Department, Department of Economic Development and Tourism; during the Local Government Tourism Conference, “*Theme: Tourism Development: Why Local Government Matters*” held on 26-27 February 2013, in Sandton Convention Centre, Gauteng.

¹¹⁰ The province of KwaZulu-Natal acknowledges and recognizes the need for a range of role players to ‘ignite the engine of tourism growth’. Tourism coordination in the province is thus set against this premise to ensure effective policy development, planning and implementation at all levels. KwaZulu-Natal: *A Practical Approach Towards Coordination at Provincial and Local Government*. A presentation made by Mr D. Golding: Head of Department, Department of Economic Development and Tourism; during the Local Government Tourism Conference, “*Theme: Tourism Development: Why Local Government Matters*” held on 26-27 February 2013, in Sandton Convention Centre, Gauteng.

¹¹¹ Republic of South Africa (2010) *National Tourism Sector Strategy*.

policy is implemented. The Constitution itself (in chapter 3: Cooperative governance), declares local government (District and Local Municipalities), as distinctive, interrelated and interdependent, hence ignoring the sound foundation for horizontal governance is a serious mistake because even actors such as local municipalities have relative autonomy. Indirectly, this implies that TKZN would assume a 'bossy' kind of leadership; this could cause regional and local stakeholders to be reluctant to commit themselves to the integrated planning, synergy and partnerships that may be proposed.

Thirdly, I refer to the decade under study as a 'consolidation decade' in that very little implementation took place due to developmental-related reasons. To explain this, I divided my observation into three parts. Around year the 2000, the DEDT was grappling with reviewing and improving the existing tourism policy; the focus was also on putting institutional structures in place. This led to the establishment of TKZN. In 2004, there was a massive change in the political leadership of the province (from the IFP to the ANC), which impacted on administration. The Department of Arts, Culture and Tourism (DACT) was one of the outcomes which resulted in further administrative changes and less implementation. Finally, 2008 to 2010 were probably the most productive years in terms of both policy development and implementation.

It was only recently (2010-2013) that the national department recognized that the tourism industry cannot exist without partnerships and made provision for collaborative partnerships. Government conceded that "despite some examples of strong partnerships, there is a lack of communication and collaboration amongst different sub-sectors of the private sector; amongst the different spheres of government responsible for tourism, and between dedicated government tourism entities and the various government entities that have an impact on the tourism industry"¹¹². It is common to find that organizations and agencies involved in similar activities within the tourism industry did not cooperate to strengthen the impact of their collective activities and secure sustainability. This statement affirms my observation that to a large extent, tourism as an important sector has not filtered down and connected with intergovernmental and inter-organizational spatial planning for effective coordination at local government level. Indeed, government itself has observed that, "at national level, the

¹¹² Republic of South Africa (2010) *National Tourism Sector Strategy*, p. 22.

interaction between the public and the private sector is reasonably good, with predictable open lines of communication, but this often not the case at provincial and local level”¹¹³. Due to a number of dynamics the relationship between the public and private sectors, civil society and host communities is often strained, dysfunctional, *ad hoc* and fragmented. The industry has not been able to effectively connect and communicate with communities in a proactive manner¹¹⁴.

Building on this background, I am tempted to argue that the implementation of KZN tourism policy in the past decade can be described as a ‘game of three halves’. Firstly, from 2000-2004, the DEDT focused mainly on enhancing and transforming the already flourishing commercial and business tourism. In addition to the already existing commercial and business tourism infrastructure (the beaches, convention centres, hotels, etc), 2010 Soccer World Cup matches were mainly staged in Durban, within little attention being paid to the rural areas. While political and administrative leadership had the will to do so, the odds were against the practical implementation of pro-poor tourism policies, programmes and projects. Second, from 2004-2008, the DACT sought to refocus on the integration of community-based, rural, cultural and heritage tourism. For example, an increased budget and marketing was dedicated to bringing Township, Traditional and Rural Tourism into the bigger picture, and ensuring an enhanced KZN tourism product¹¹⁵.

Overview of Case Study; the implementation structure

To briefly introduce and describe the case study, I will refer to some of main structures that comprise the KwaZulu-Natal implementation structure, which are outlined in the KZN Tourism Master Plan. There is the National Tourism structure MINMEC, which is convened and Chaired by the National Minister of Tourism, attended by the provincial Members of the Executive Committee (MEC’s), and also by the main role players from the private sector. Then at provincial level, there is the Provincial Tourism Committee (PTC), which is convened and chaired by the MEC for Tourism (in this case the DEDT and DACT), and

¹¹³ Republic of South Africa (2010) *National Tourism Sector Strategy*.

¹¹⁴ Republic of South Africa (2010) *National Tourism Sector Strategy*, p. 22.

¹¹⁵ KwaZulu-Natal, Department of Arts, Culture and Tourism (DACT), (2006) *GIYA Publication!* March.

attended by the District Municipality Mayors and other role players from the private sector, One of these is the Ezemvelo KZN Wildlife (EKZNW). Again, at provincial level, there is another structure, which is called the Provincial Tourism Forum (PTF), which is convened and chaired by the Chief Executive Officer (CEO), of the KwaZulu-Natal Tourism Authority (TKZN) and attended by representatives (i.e. Municipal Managers, Tourism Officers, Local Economic Development Officers, etc), from the Local Municipalities and other key role players from the private sectors¹¹⁶.

What is important to note from the above paragraph and this one is that, tourism is a partnership between the public, the private and the non-governmental sectors. Hence, the stakeholders voluntarily, and through invitation, attend and support these structures. Lastly, at district level, there is the District Tourism Forum (DTF), which is convened and chaired by the Mayor who sit in the PTC and supported by the municipal that attends the PTF. This forum reports to Amajuba Forum for Local Economic Development (AFLED), which oversees the overall strategic direction of the municipality in this portfolio of economic development. The other forums that are below this structure include the District Tourism Association (DTA), Community Tourism Organization (CTO), and the Local Tourism Forum (LTO), and providers of services and suppliers¹¹⁷.

RESEARCH METHODOLOGY

Research is a systematic way of seeking solutions to a well-defined problem in order to gain a better understanding of a phenomenon¹¹⁸. It is important to note that many people learn about the ‘scientific method’ rather than the ‘scientific attitude’. As much as the scientific method is an ideal construct, the scientific attitude is critical in that it is the way people look at and experience the world¹¹⁹. In the context of this study, social science research design and practice needs to comply with the ethical elements that define the subject (the sample), which

¹¹⁶ KwaZulu-Natal, Amajuba District Municipality: Tourism Strategy, 2012.

¹¹⁷ KwaZulu-Natal, Amajuba District Municipality: Tourism Strategy, 2012.

¹¹⁸ Ngulube, P. (2003) *Preservation and access to public records and archives in South Africa* (PhD Thesis. Pietermaritzburg).

¹¹⁹ Neuwman, W.L. (2011) *Social Science Research Methods: Qualitative and Quantitative Approaches*. Seventh Edition (Pearson International Edition,,: Boston: Ally and Bacon).

is all the members of the implementation structure¹²⁰. The study does not aim to expose or negatively impact the lead organizations; rather, it aims to improve and enrich them. While social science research assists in investigating people, it also assists in exploring and understanding relationships and connections between variables, which could be organizations, individuals, or groups, etc¹²¹. This is very important in this study because of its focus on the experiences of actors in the implementation structure. Amongst other characteristics, the implementation structure is created and based on a formal and informal set of relations, exchanges, dependencies, connections and networks. Furthermore, social science research is not restricted to a focus on or investigation of individuals; rather, it prioritizes the investigation of a human aggregate, which could be a collective, groups, units, organizations, partnerships, etc¹²². It examines people's behaviour, attitudes, interests, values and decision-making patterns. This is critical when exploring the role of leadership because the way they act and react to situations matters, especially at the implementation level.

The tourism implementation structure is at the centre of the application of theory and the creation of new knowledge. As a field of study and in practice, tourism is best described in terms of the experiences and the memories of those that are involved in the creation and consumption of tourism products. It is on this basis that my ontology¹²³ is located with the experiences of the actors within the tourism implementation structure. Amongst these participants are those involved in the actual packaging, monitoring and evaluation of the tourism product. I hope to establish their subjective interactions as they create and package the tourism product as well as their views on the impact they have.

The study aims to achieve a balance between members of the implementation structure's subjective experience and texts. Therefore the epistemology of this study¹²⁴ can be

¹²⁰ Babbie, E. (1998) *The Practice of Social Research (8th edition*, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth).

¹²¹ Babbie, E. (1998) *The Practice of Social Research (8th edition*, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth;).

¹²² Babbie, E. (1998) *The Practice of Social Research (8th edition*, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth).

¹²³ 'Ontology' specifies the nature of reality that is to be studied and what can be known about it. Blanche, T.M., Durrhein, K. and Painter, D. (2006) *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press, (Pty) Ltd).

¹²⁴ 'Epistemology' specifies the relationship between the knower and what can be known. Blanche, T.M., Durrhein, K., and Painter, D., (2006) *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press, (Pty) Ltd).

summarized as being qualitative in methodology, exploratory in focus and inductive in nature. This means that no hypothesis is being tested but theory and knowledge will be created from the data collected on the tourism implementation structure. This is appropriate because qualitative methods allow the researcher to study selected issues in-depth and generate adequate information through which a theory can emerge¹²⁵. The qualitative approach is thus suited to investigating and gaining insight into organizational functioning and interactions. Qualitative data tends to be “focused on organizational activities and processes that are believed to be particularly rich in symbolism; organizational rites, organizational stories and legends”¹²⁶.

Methodological Approach

On the basis that this study is not conducted with preconceived positions or arguments, it is exploratory in nature. Within an exploratory perspective, the study will explore the phenomenon, interpret details and state the findings.. This study is conducted using an interpretative approach. The arguments emerged from an analysis of the observations and patterns of behaviour that exist within the given object of the study, which is the tourism implementation structure¹²⁷.

One of the main benefits of applying the exploratory approach is that it “enables an in-depth investigation of pertinent issues and themes”¹²⁸. I was able to explore the perceptions and complexity of the dynamics of cooperative relations. The essence of the exploratory approach is to gather information, analyze it and establish whether or not patterns emerge¹²⁹. To complement this approach, I have applied an inductive approach, where all the observations and conclusions are accumulated in a hypothesis and argued for from a theoretical position.

¹²⁵ Blanche, T.M., Durrhein, K., and Painter, D., (2006) *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press (Pty) Ltd).

¹²⁶ Buchanan, D.A. and Bryman, A. (2009) *The Sage Handbook of Organizational Research Methods* (Los Angeles, London, Ned Delhi, Singapore & Washington DC: Sage Publication) p. 130.

¹²⁷ Babbie, E. (1998) *The Practice of Social Research* (8th edition, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth).

¹²⁸ Blanche, T.M., Durrhein, K., and Painter, D., (2006) *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press (Pty) Ltd:) p. 44.

¹²⁹ Mouton, J. (2002) *Understanding Social Research* (Hatfield, Pretoria: Van Schaik Publishers).

Paradigms are the all-encompassing systems of interrelated practice and thinking that define the nature of a researcher's enquiry along ontological, epistemological and methodological dimensions¹³⁰. The study adopts an exploratory approach which is appropriate to extract and expose the 'wisdom' and experiences of actors that are involved in inter-organizational implementation. By nature the exploratory approach is appropriate for more persistent phenomena and things like collaborations, partnerships, alliances, etc, these are relative concepts that are used to describe the implementation structure¹³¹.

Generally, exploratory case studies seek to investigate situations that might not have been researched previously and for which there might be no established theories¹³². Very few studies have been conducted on inter-organizational relations in tourism. This is directly related to tourism as traditionally a subject within the domain of universities of technology (preparing human capital for the hospitality industry), rather than research-led university institutions in South Africa. Within the tourism industry research studies have predominantly been the domain of industry rather than the public sector because tourism has been predominantly under private control. Furthermore few have focused on the dynamics of these relations, especially in relation to implementation. The tourism implementation structure concerns a network and relationships which are seasonal and continuous. This justifies the need for an "exploratory study that will satisfy the researcher's curiosity and the desire for a better understanding, and also test the feasibility of undertaking a more extensive study"¹³³.

At the ontological level, I approached the study from a constructionist perspective in that, I focused on exploring social reality. At the epistemological level, I was observant and 'appreciative' of emerging patterns. Finally, the study is "based on textual and discourse analysis"^{134, 135}. The constructionist perspective provides for an objective view of the object of research. As I had expected, many issues emerged that were not openly known about tourism in KZN, but there is very little that can be said about the implementation structure

¹³⁰ Blanche, T.M., Durrhein, K., and Painter, D., (2006) *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press (Pty) Ltd).

¹³¹ Babbie, E. (1998). *The Practice of Social Research* (8th edition, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth).

¹³² Rule, P. and John, V. (2011) *Your Guide to Case Study Research* (Pretoria: Van Schaik Publishers) p. 28.

¹³³ Rule, P. and John, V. (2011). *Your Guide to Case Study Research* (Pretoria: Van Schaik Publishers) p. 28.

¹³⁴ Blanche, T.M., Durrhein, K., and Painter, D., (2006) *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press (Pty) Ltd) p. 6.

¹³⁵ Discourse analysis should bring about an understanding of the way things were, not the way things are. Blanche, T.M., Durrhein, K., Painter, D., (2006). *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press (Pty) Ltd) p. 340.

that ‘drives’ tourism, that is, the lead organizations (the provincial department and its implementing agency). Although, I aimed to emerge with a comprehensive theory covering the entire implementation structure, I intentionally explored a specific category of the KZN tourism implementation structure, i.e. the lead organizations.

Mainly, the qualitative research does not search for data for that will support or disapprove a hypothesis¹³⁶, rather it afforded me relative freedom in choosing certain aspects of the case study and exploring those in-depth¹³⁷. In this way I was able to objectively identify the emerging themes and put them into categories of information¹³⁸. This enabled me to connect the ontology, which is what can be known about the tourism implementation structure, and epistemology, that emerged inductively from the analysis of the data. Again, this methodology is in line with the inductive nature of this study, where I will be able to critically engage with the literature and data (emerging categories, patterns, dimensions and interrelationships), and craft a theory out of it¹³⁹.

Research Design

The research design is defined as a strategic framework or “set of procedures which the researcher uses in order to answer the research questions, test the predicted relationships among natural phenomena and manage the entire research project”^{140, 141}. There are four types of research design “field surveys, laboratory experiments, field experiments and the case study”¹⁴². The main aspects of the research study such as the objectives, time-frames and type of information that is needed were considered in the choice of research method. To

¹³⁶ Burns, R.B. (2000) *Introduction to research methods* (4th edition, London: Sage) p. 391; in Ngulube, P. (2003) *Preservation and access to public records and archives in South Africa* (PhD Thesis. Pietermaritzburg, University of Natal) p. 196.

¹³⁷ Specifies how to go about practically studying whatever a researcher believes can be known. Blanche, T.M., Durrhein, K., Painter, D., (2006) *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press (Pty) Ltd).

¹³⁸ Blanche, T.M., Durrhein, K., and Painter, D., (2006) *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press (Pty) Ltd).

¹³⁹ Blanche, T.M., Durrhein, K., and Painter, D., (2006) *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press (Pty) Ltd).

¹⁴⁰ Nyambe, N. (2005) *Organizational Culture and Its Underlying Basic Assumptions as a Determinant of Change. A Case Study of KwaZulu-Natal's Conservation Sector* (Pietermaritzburg: Centre for Environment, Agriculture and Development, University of KwaZulu-Natal).

¹⁴¹ Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations*, (Boston and New York: Houghton Mifflin Company) p. 571.

¹⁴² Moorhead, G. and Griffin, R.W. (1998) *Organizational Behaviour: Managing People and Organizations*, (Boston and New York: Houghton Mifflin Company) p. 571.

ensure a sound alignment between the objectives of this research and the process of achieving these, this study was classified as an exploration which is based on inductive reasoning. The indirect purpose of this study was to explore the implementation structure as a phenomenon within the field of implementation.

One of the main purposes of the case study is to describe the phenomenon. It is compatible with the sociological analysis of the structure of modern organizations¹⁴³. This is critical in this study because at the end, one should have a clear idea of the scope, nature and experiences of the KZN implementation structure. A case study design provides scope to thoroughly explore pertinent issues and questions such as what, how, where, and why relating to a particular case¹⁴⁴. The focus groups and entities are a key focus in an exploration. The implementation structure is formed by pockets of actors with similar interests and objectives in particular projects. Exploration studies are also about focusing on something that is important and worth exploring¹⁴⁵. I find the concept of an implementation structure worth exploring as a concept of the future, especially in implementation studies. This imposed the responsibility on me as a researcher to constructively introduce the implementation structure as a contemporary concept to the various practitioners. This created interest and gave the practitioners a useful concept to employ as they redefine their relationships in tourism.

To complete the research design ‘picture’, I referred to the unit of analysis, which has to do with interaction between organizations, co-management and partnerships. What proved to be a challenge in this cooperative relations context is that the actors who constitute the implementation structure come from formal organizations with set objectives, goals, strategies, and resources, etc. The interviewees represented various views and interests.

Conducting an investigation within a case study approach was beneficial in that it enabled a clear view of a unit of human activity which was embedded in the real world, such as in an organizational context and operations. The case study approach seeks to:

¹⁴³ Babbie E. (1998) *The Practice of Social Research* (8th edition, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth).

¹⁴⁴ Nyambe, N. (2005) *Organizational Culture and Its Underlying Basic Assumptions as a Determinant of Change. A Case Study of KwaZulu-Natal's Conservation Sector* (Pietermaritzburg: Centre for Environment, Agriculture and Development, University of KwaZulu-Natal).

¹⁴⁵ Babbie, E. (1998) *The Practice of Social Research* (8th edition, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth).

- “Answer how and why questions”¹⁴⁶,
- “portray, analyse and interpret the uniqueness of real individuals and situations through accessible accounts,
- capture the complexity and situated-ness of behaviour,
- contribute to action and intervention, and
- present and represent reality - to give a sense of being there”¹⁴⁷.

The case study approach enabled a thorough exploration of the complex relationship between a case and the context¹⁴⁸. It provided an in-depth exploration of the case study (KZNTIS) and particularly, the lead organizations, the DEDT/DACT and TKZN¹⁴⁹. One amongst many of the characteristics of the case study research design is that its focus on the phenomenon under study has identifiable boundaries, and KZNTIS has these characteristics¹⁵⁰.

Selection of the Respondents

The study also sought to contribute to the production of knowledge. I thus complied with protocol on research methods and sampling procedures. Sampling is a process that involves the careful identification and selection of the representative population under study. It also involves specifying whom or what will be studied within the given population¹⁵¹. I made decisions about which people (experts), settings (members of coordination structures), events (attending the annual Tourism Indaba), behaviors (leadership styles), and social processes to observe (department performance) and investigate. I ensured that the sample was a close representation of the case study. Representativeness is the underlying epistemic criterion of a ‘valid’, that is, unbiased sample. I am confident that this sample was reliable enough for me to be able to draw conclusion that are ‘just’ and acceptable to the KZNTIS¹⁵².

¹⁴⁶ Yin, R.K. (1989) *Case study research: design and methods* (2nd edition, Newbury Park: Sage Publication), in Ngulube, P. (2003) *Preservation and access to public records and archives in South Africa* (PhD Thesis. Pietermaritzburg, University of Natal) p. 198.

¹⁴⁷ Rule, P. and John, V. (2011) *Your Guide to Case Study Research* (Pretoria: Van Schaik Publishers) p. 40.

¹⁴⁸ Rule, P. and John, V. (2011) *Your Guide to Case Study Research* (Pretoria: Van Schaik Publishers)

¹⁴⁹ Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour; Managing People and Organizations* (Boston and New York: Houghton Mifflin Company).

¹⁵⁰ Neuwman, W.L. (2003) *Social Science Research methods. Qualitative and Quantitative approaches* (Boston, MA: Ally and Bacon).

¹⁵¹ Babbie, E. (1998) *The Practice of Social Research* (8th edition, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth).

¹⁵² Blanche, T.M., Durrhein, K., and Painter, D., (2006) *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press (Pty) Ltd).

It was also useful to refer to individual organizations (which are part of the KZNTIS), to explore inter-organizational systems, organizational change and leadership. For example, EKZNW proved to be very useful in this study at different levels of the operations and implementation sites. Through this organization, I was able follow what I call ‘grounded sampling’, which meant that I developed themes and theory from the data that I was collecting on an ongoing basis. It was fascinating to draw arguments and themes from the information received and I had to get a sense of these in terms of varying contexts, people, and places of implementation. Theoretical sampling is the process of generating theory out of data that is collected and analyzed. The data become the major controlling element in the crafting of the emerging theory¹⁵³. As much as the sample is critical for the effective description of the population, but, in a qualitative interpretative approach, “the sample size does not entirely depend on the size of the population” and this is one of the reasons I applied purposive sampling to select the specific participants for the study¹⁵⁴. I had initially planned for 35 participants but I ended up interviewing 25 participants for the study due to their availability and accessibility.

Critical to the sampling is the focus on unpacking the implementation structure. The nature, character and scope of this implementation structure is centred on environmental activities, wetlands, ecotourism, social culture, heritage sites, museums, arts and crafts, recreation, marine, medical, banking, business, business, conferencing and exhibitions. In addition to the above, there is a focus on integrated development planning, poverty eradication and local economic development programmes. These areas therefore determine the pool of actors for the sample since they are part of the tourism implementation structure¹⁵⁵.

To ensure that the sample is aligned with the qualitative, exploratory and inductive nature of the study, I chose the purposive or judgmental method¹⁵⁶. An inductive enquiry is concerned with being immersed in the details and specifics of the data to discover important categories, dimensions, and interrelationships; it begins by exploring genuinely open questions rather than testing theoretically derived (deductive) hypotheses. and the purposive sampling is

¹⁵³ Buchanan, D.A. and Bryman, A. (2009) *The Sage Handbook of Organizational Research Methods* (Los Angeles, London, New Delhi, Singapore and Washington DC: Sage Publication).

¹⁵⁴ Ngulube, P. (2003) *Preservation and access to public records and archives in South Africa* (PhD Thesis. Pietermaritzburg, University of Natal) p. 17.

¹⁵⁵ Official Travel Guide (2008/2009): KwaZulu-Natal. Kingdom of the Zulu, South Africa.> www.zulu.org.za

¹⁵⁶ Blanche, T.M., Durrhein, K., and Painter, D., (2006) *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press (Pty) Ltd).

normally selected for theoretical reasons and is used in qualitative research¹⁵⁷. This allowed me to select specific individuals whom I thought would help me to explore the inter-organizational system; I used my observations to make this judgment in selecting appropriate interviewees. The selection was based on a criteria-based approach, where the relevance and value they would add to this research project was of paramount importance. For example, I considered their level of involvement in and knowledge of tourism implementation. I combined the officials operating at leadership and strategic level (decision-makers), at middle management (tactical level) and those at operational level, which are also known as street-level bureaucrats¹⁵⁸.

METHODS OF DATA COLLECTION

The methods that were used to collect information included documentary reviews, interviews and observations. This research project was conducted using qualitative social science research methods. This method produces data in the form of words or text. The qualitative method was chosen for this study because it provides a richness of detail and answers questions of ‘what’, ‘why’ and ‘how’. This method provided more information about the implement context than other methods could have provided¹⁵⁹. In addition to the above benefits, the qualitative approach is the best data enhancer; it enables the key aspects of cases to become more visible, either as themes or patterns¹⁶⁰.

Documentary Sources

In order to obtain balanced data, the data collection process was divided into two phases. The first included the use of documents and the second included the use of interviews. A review of documentary sources involves extracting data from documentary material by reading and analysis. The documentary review enabled me to access historical, semi-historical and contemporary data regarding particular decisions, actions, inactions and activities that reflect

¹⁵⁷ Blanche, T.M., Durrhein, K., and Painter, D., (2006) *Applied Methods for the Social Science* (Cape Town, South Africa: University of Cape Town Press (Pty) Ltd) pp 50; adapted from Patton (1990: 40).

¹⁵⁸ Neuwman, W.L. (2003) *Social Science Research methods: Qualitative and Quantitative approaches* (Boston, MA: Ally and Bacon).

¹⁵⁹ Babbie, E. (1998) *The Practice of Social Research (8th edition, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth).*

¹⁶⁰ Neuwman, W.L. (2011) *Social Science Research Methods: Qualitative and Quantitative Approaches (2nd edition, Boston: Pearson International Edition Ally and Bacon).*

particular interests. I secured letters, newspaper articles, Acts, quarterly and annual reports, minutes, internal magazines, publications, articles, management reports and other relevant documents from key actors within the implementation structure (including the DACT as the lead organization)¹⁶¹. I was fortunate in that most of the official records were kept and I was given access. I was even able to comparatively analyze the emphasis, commitment, thinking and views of MECs, the TKZN Board and the CEO over the years. I found the strategic plans, annual reports and the minutes of the PTF and PTC to be very useful.

I have also been personally collecting tourism management related documentary sources over the years; these include letters, newspaper articles, books, annual performance plans (APP), annual reports, official correspondence, and report on special projects. In some instances (themes), the documentary material was more extensive than interview transcripts and field notes. This provided me with clues on why some participants were passionate about budgeting, implementing and reporting on particular areas of implementation. Again, all the material that I was given was well titled and dated, and I had to be particularly careful in citing these. I realized that this process needed more time¹⁶².

During the literature and documentary review, I realized that focusing on the DACT (2004-2008) would not provide a fair reflection of the KZNTIS, especially considering that the DACT existed for a very short period, while the DEDT existed both before and after the DACT. In practical terms, this meant that the study would not span the period 2000 to 2010. It was critical to capture the background to the establishment of the DACT and to note events after its existence.

¹⁶¹ Babbie, E. (1998) *The Practice of Social Research* (8th edition, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth).

¹⁶² Blanche, T.M., Durrheim, K., and Painter, D., (2006) *Applied Methods for the Social Sciences* (Cape Town, South Africa: University of Cape Town Press (Pty) Ltd).

Participant Observation

Most research entails observation, which has been characterized as “the fundamental foundation of all research methods” in the social and behavioral sciences¹⁶³. Observation was crucial to this study because policy implementation requires events, actors and their actions to make things happen. I felt that tourism implementation could be observed by watching events such as the annual Tourism Indaba¹⁶⁴ and recording what was observed¹⁶⁵. My observation started in 2000, when I registered for an interdisciplinary undergraduate degree in tourism. This provided me with a sound basis for this study. This background was supplemented by postgraduate studies in public policy which gave me a sound theoretical conception of tourism as a sector. Furthermore, as a public servant, I am exposed to government, where I have specialized in research on governance and intergovernmental relations¹⁶⁶.

Besides working in government, being aware, being observant became critical, and in addition to that, just watching, listening, asking relevant questions to relevant people and also collecting specific documents was essential in this research. I grasped every available opportunity as both a student and public servant to learn more about these organizations, their culture, performance, relationships, perceptions, leadership and strength. According to Terre Blanche and Durrheim, participant observation ‘can be more or less structured... the sorts of observational studies conducted by interpretative researchers tend to be ... naturalistic’. This can comprise ‘informal interaction... rather than any kind of structured observation’¹⁶⁷. In addition to the Tourism Indaba, I attended the annual Zulu Reed Dance, the Blood River Battle commemoration, and Dundee horse racing, etc. During the period of study, I attended meetings that were open to the public and events such as the presentation of the budget vote and portfolio discussions. During such gatherings, I developed informal relationships with relevant people such as the CEO, MEC, COO, and HOD, and took note of their views. These

¹⁶³ Adler, P. A and Adler, P. (1999) *Observational Techniques*; in Denzin, N, K and Lincoln, Y. S. *Handbook of qualitative research* (Thousand Oaks, CA: Sage Publication) pp. 377-392; in Ngulube, P. (2003) *(Preservation and access to public records and archives in South Africa* (PhD Thesis. Pietermaritzburg, University of Natal) p. 224.

¹⁶⁴ KwaZulu-Natal: *Durban, Tourism Indaba*, (May, 2002), (May 2004), May (2008), and also (May, 2013).

¹⁶⁵ Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations*, (Boston and New York: Houghton Mifflin Company).

¹⁶⁶ In 2003 and 2004, I was employed by the provincial administration (as Intern), to provide secretariat support to the Management Executive Council (MEXCO), a forum chaired by the Director-General and attended by the Heads of Departments (HODs). In was based in the Office of the Premier, Intergovernmental Relations Unit. Serving at this level gave me a rare opportunity to interact with strategic management (decision-makers), policy coordinators and those at operational level (implementers).

¹⁶⁷ Terre Blanche, M. and Durrheim, M. 1999. *Research in Practice. Applied Methods for the Social Sciences*. Cape Town: UCT Press, p.134-135

informal talks made it easier to secure interviews. During these informal talks, I consolidated my knowledge and shaped my understanding of the mandate and work (experiences-dynamics) of the DEDT/DACT and TKZN.

It was essential that I observe and understand the systems, values and culture of the lead organizations. Being involved in and close enough to observe the HODs provided an excellent opportunity to craft impressions on the coordination strength and influence of the DACT. Amongst the key checklists was the issue of organizational forums that existed and the management cluster liaison and intergovernmental relations functions within the office of the HOD-DACT. My view was that the IGR and cluster liaison functions were frustrating and challenging for the DACT. This indirectly implies that the PTC, which was chaired by the MEC, was not as effective as it could have been in steering tourism development and coordinating cooperative relationships. National and provincial elections were held in 2004, which led to changes in political leadership. One of the DACT's justifications for poor inter-organizational coordination performance could be that the DACT was 'new' and hence did not have the required expertise and capacity. Prior to these elections, the province was under the leadership of the IFP; in 2004, the ANC took control. This had various implications for the tourism portfolio. One of these was that the DEDT became the DACT.

It is important to state that this observation did not have a specific framework. And this was in-line with the requirements of the interpretative social sciences meta-theory, because if I did had a framework, that would have restricted my observation and meant that I had a prior planned agenda. Having said this, over this period under-study, there were specific patterns that emerged, which so of guided my emphasis of observations and these are areas that I will highlight below:

- the lead organizations' approach to tourism development and social benefits,
- the influential leadership/personalities and their impacts of the inter-organizational relations and implementation of programmes/projects (facilitation of cooperative governance and co-management),
- the balance, benefits and impacts of the tourism value chain,
- the nature of interactions between TKZN and district tourism structures,
- the impacts of changes in leadership of all structures involved,
- the cooperative organizational behaviours of all the stakeholders,

- how the lead organizations were supporting decentralized tourism planning and implementation,
- the challenges, needs and achievement of the local and community-based tourism organizations,
- The levels of trust and commitment amongst the stakeholders, and
- the proactivity, visibility and strength of the lead organizations in managing the tourism network for effective tourism policy implementation.

Interviews

The interviews were the second main method of data collection. These enabled the researcher to prepare well, ask relevant questions, listen and record the respondents' answers. Open-ended and semi-structured questions were used to balance the information collected and also to allow the respondents to be free to give more detail where necessary. A set of questions were developed that focused on identified areas and aimed to explore the meanings behind interests, motives, actions and inactions. The semi-structured questions enabled the researcher to control the interview process.

The interviewees were mainly selected from public sector actors within the implementation structure. In the DEDT/DACT, the focus was on the leadership (oversight and political), executive support and secretariat. In the TKZN, the focus was on leadership (policy and strategy managers), governmental liaison, programme coordinators, researchers and secretariat (information management). I also interviewed two former board members and actors from the District and Local Municipalities, especially those in the northern (former KwaZulu) part of the province. I used the two coordinating forums, the Provincial Tourism Committee (PTC) and the Provincial Tourism Forum (PTF) to access most District and Local Municipalities. The PTC is located at provincial level (at the DACT), and is chaired by the MEC, while the PTF is located at operational level (TKZN), and is chaired by the CEO. I also intensively engaged the leadership, operations experts (partners, community engagement and ecotourism), and stakeholder relations executives from Ezemvelo KZN Wildlife (EKZWN).

This careful selection of institutions (especially EKZWN) ensured a balanced perspective and representation of the implementation structure. The available literature on tourism in KZN is

biased in favour of metropolitan areas which are well-organized and easily researched. Areas such as Durban and Pietermaritzburg, etc., have received much attention as there is plenty of documented information and many events. In contrast, while northern KZN is has much tourism potential, it has yet to be explored and harnessed. This area is home to the Battlefields, the Kingdom of the Zulus, the Big-5, and the Isimangaliso World Heritage Site¹⁶⁸. While there can be no denying that tourism in the metropolitan areas is important to the province, rural tourism is lagging far behind.

THE INTERVIEW PROCESS

Negotiating Access

Negotiating access posed some challenges. Securing access to people, organizations and data is necessary for the successful completion of any research project, but is particularly critical in a case study, where the researcher may wish to spend a considerable amount of time with relatively few individuals or within a limited number of settings¹⁶⁹. The names and contact details for almost all the interviewees were provided by the DACT (executive support office and PTC secretariat), and TKZN (Chief Operations Officer's office and PTF secretariat). These offices were informed that I work for the Department of Cooperative Governance and Traditional Affairs (COGTA), and that I am a part-time doctoral student at the University of KwaZulu-Natal. Initial contact was made telephonically and followed by a formal letter requesting access, which provided more detail about the study. There was good communication between myself and the relevant offices and I was well received. The interviews were conducted over a period of two years.

Responsiveness of Interviewees

My conduct and actions during the interviews were informed by the awareness that effective interviews hinge on a researcher's ability to connect with the interviewees and build trust. My sound theoretical and applied understanding of the tourism industry and public policy

¹⁶⁸ A Guide to KwaZulu-Natal (2008): issued/published by the Intergovernmental Relations Directorate in the Office of the Premier, KwaZulu-Natal Provincial Government.> www.kwazulunatal.gov.za.

¹⁶⁹ Rule, P. and John, V. (2011) *Your Guide to Case Study Research* (Pretoria: Van Schaik Publishers).

played a huge part in the interviewees having confidence in the interview. I assured them of the strict application of ethical considerations and that anonymity and confidentiality was guaranteed; this encouraged free participation and sharing of information. At the start of each interview, I provided background information on the study and the motivation for the focus on KZN-TIS. The interviewees were given the freedom to answer questions that they felt were appropriate and relevant, and not offensive.

The questions crafted for each interviewee had to connect to their roles, experience and influence in the implementation process. The purposive choice of interviewees worked well as almost all the participants were knowledgeable about tourism and its related sectors. They were able to handle complex questions and locate and define their own 'space'. Most asked if I could return and present my findings to their organizations so that their colleagues who were not interviewed and those who are new can benefit. I appreciate these requests because I also felt that it was important to share the findings with them, especially the lead organizations¹⁷⁰.

Equipment Used in the Interviews

At the start of each interview, I asked for each interviewee's permission to use a tape recorder and none had a problem with this. However, it was clear to me that the use of a tape recorder slightly influenced how they structured their responses. I noticed that they tried to make sure that their points were noted, by emphasizing what they wished to say into the tape recorder. The interviewees were passionate about the field of tourism and were excited about being participants in the study because it gave them a chance to individually reflect on why things happened the way that they did. They felt that they were making a contribution. Overall, I felt that the interviewees participated fully because of this. They did not hold back as they felt that the study would enhance the way things are done¹⁷¹.

One critical pattern was that most interviewees tended to gravitate towards the areas of organizational success and challenges that they were passionate about. For example, some wanted to focus on what is not done to sort out the infrastructure which will unlock potential,

¹⁷⁰ Personal Interview with the PTC-PTF between 2000-2008 (TKZN, interview 01).

¹⁷¹ Personal Interview with the PTC-PTF between 2003-2006 (DACT, interview 03).

while some wished to focus on the influence of politics on the priorities which are not favourable towards tourism development, etc. Again, most wanted to provide historical background; especially relating to the establishment and development of both the TKZN and DACT. This was motivated by the need to validate actions which could have led to less effective implementation and also to put issues in context¹⁷².

Conditions of the Interviews

While the majority of the interviews were conducted in English, some interviewees felt more comfortable explaining certain situations and concepts in isiZulu. I appreciated this because I am also isiZulu-speaking. It was important to understand actions and inactions in managing relationships in the implementation structure. The interviewees chose the time, location and even length of the interviews because I needed them to be comfortable. All the interviews were held in the interviewee's offices and the doors were closed to ensure privacy and focus. Conducting the interviews involved much travel across the provincial cities and towns. These included Ulundi, Pongola, Vryheid, Newcastle, Durban and Pietermaritzburg because this is where interviewees frequently attended meetings. I opted to conduct telephonic interviews with interviewees in districts such as Sisonke, Ugu, and Umkhanyakude.

Interviewer's Perceptions

What was common in all the responses was open communication and respect for positions and roles. I found that there was a massive presence and priority of interactive and communicative governance practices (horizontal implementation). The political leadership provided adequate space for bottom-up ideas to come to the fore and be consolidated into the mainstream political perspective. This was supported by the hierarchical trust that existed. For example, the officials from the District and Local Municipalities had mutual trust in the political administrators and the MEC, HOD, and CEO strongly appreciated the innovative and contextual-based solutions which came from the street level bureaucrats. I expected this to a certain degree in a tourism context because by nature, tourism requires stakeholders to interact and depend on one another.

¹⁷² Personal Interview with the PTC-PTF between 2003-2006 (DACT, interview 02).

Critical to note was the groupings within the implementation structure. There was a sense that the public and private sector actors would align themselves as such. This is critical for the public sector so that they are able to bargain with the private sector as a united front. This revealed some interesting dynamics relating to power, exchange and resources. Overall, these dynamics seem to work, as while control of tourism services and products lies in the hands of the private sector, public sector actors have managed to redirect tourism development to benefit public interests. One major benefit of this arrangement that was cited is increasing investment in pro-poor tourism, which includes a strong emphasis on cultural and heritage tourism products.

Writing up the Interview Information

To ensure accuracy, the coding (number and filing) of the information took place as soon as the interview was completed. The question and answer format was followed to ensure that there was sequence in exploring the emerging patterns and themes. Once this was done, arguments, themes and patterns were identified. In the last three chapters, these themes are clearly visible and they also inspire the recommendations. Briefly, the recommendations are centred around changing the funding model, improved institutional support and intensive inter-organizational communication, targeting more the street level community organizations, i.e. the Local Tourism Forums, the Community Tourism Associations, etc.

DATA ANALYSIS AND INTERPRETATION

Accordingly, the qualitative researchers study things, populations, events, etc, in their natural settings, and attempts to interpret and attach relevant and appropriate meaning to the phenomenon¹⁷³. In interpretive research, “what we call our data are really our own constructions of the other peoples’ constructions of what they and their compatriots are up to”¹⁷⁴. Again, the interpretive methods start from the premise that our knowledge of reality is a social construction by human action and this also applied me as a researcher¹⁷⁵. It was for

¹⁷³ Denzin.N. K and Lincoln Y.S. (Eds). Handbook of qualitative research (pp.118-137). Thousand Oaks, CA: Sage Publication.

¹⁷⁴ Geertz, C. (1973). The Interpretation of cultures, New York: Basic, Institute of Advanced Study, Princeton.

¹⁷⁵ Walsham, G. (1993). Interpretive case studies in IS research: Nature and method. European Journal of Information Systems, 4 (2), 74-81.

this reason that I found the interpretive research to be appropriate for this study in that it prioritizes the inductive creation of meaning and this gave me as the researcher a good chance to comparatively and subjectively arrive at fair, reasonable and legitimate conclusions. And this method allowed and enabled me as a researcher to “explore the collective experiences of a society, group, or organization, and is also useful in investigating relationships”¹⁷⁶. In other words, these experiences are people social reality, which is “largely what people perceive it to be and it exists as people experience it and assign meaning to it”¹⁷⁷. What is also important to note is that social reality is fragile (based on subjective views and perceptions) and people construct it as they interact in an ongoing process of communication. As a researcher, I found this to be liberating in that, I had space to interpret and attach meaning to data, as I was collecting it.

Interpretive Social Science (ISS)

At theoretical level, interpretive social science (ISS), provides a deep insight into “the complex world of lived experience from the point of view of those who live it”¹⁷⁸. To reiterate this conception, interpretive research assumes that people create and associate their own subjective and intersubjective meanings as they interact with the world around them¹⁷⁹. This meant that as a researcher I take a neutral position and inductively attach meaning to the phenomenon as I explored it as it is part of a social structure¹⁸⁰. So this strategy entails deriving theoretical insight from detailed coding of incidents and relationships among emerging categories, it generates theory that is closely and deeply connected to concrete

¹⁷⁶ Buchanan, D.A. and Bryman, A. (2009) *The Sage Handbook of Organizational Research Methods* (Los Angeles, London, New Delhi, Singapore and Washington DC: Sage Publication) p. 381.

¹⁷⁷ Neuman, W.L. (2003). *Social Science Research Methods: Qualitative and Quantitative Approaches* (Ally and Bacon: Boston).

¹⁷⁸ Schwandt, T.A. (1994). *Constructivist, interpretivist approaches to human inquiry*. Thousand Oaks, CA: Sage p.118

¹⁷⁹ Orlikowski, W.I., and Baroudi, J.J. (1991). Studying information technology in organizations: Research approaches and assumptions. *Information Systems Research*, 2 (1), 1-28.

¹⁸⁰ A meaningful social action in social setting to which people subjectively attach significance and that interpretive social science research treats as the most important aspect of reality, in that it assumes multiple interpretations of human experience are possible. Neuman, W.L. (2003). *Social Science Research Methods: Qualitative and Quantitative Approaches* (Ally and Bacon: Boston).

observed phenomena and is a bottom-up process that can produce a locally valid theory. Sometimes one might lose sight of the wood for the trees. Details are required of many similar incidences “different processes or individual-level analysis of one case in terms of meanings, patterns and mechanisms”¹⁸¹. In terms of the unit of analysis, the emphasis is on the organization, groups, individuals and other social units. These are “formal and informal social groups, which are characterized in terms of their size, location, structure and membership”¹⁸². For example, organizations come in a variety of sizes; they could be small, medium, or larger corporations, consortiums, conglomerates, etc. This conception is in-line with the conception that interpretive research assumes “that our knowledge of reality is gained only through social constructions such as language, conscious, shared meaning, documents, tools, and other artifacts”¹⁸³. These characteristics are very important in a discussion of an implementation structure, especially commitment of resources, negotiations, authority, power and level of influence. What was critical for me was to ensure that, there is alignment of the qualitative research and interpretive case study, in that broadly, the qualitative research investigates social and human problems from their natural setting and ISS emphasize the creation of meaning from a careful examination of their own views and words¹⁸⁴. And this is in alignment with the data collection methods, which are documentary (text), interviews (verbal), and participant observation.

The organizations are also characterized in terms of their purpose (aims, goals, objectives and mission), strategies, structures, systems, policies, procedures and regulations¹⁸⁵. Furthermore, they are managed by people who have strong and sometime weaker personalities, attitudes, beliefs systems and traits. It is crucial to observe how actors behave as they seek to protect their organization’s interests and secure their organizational goals within the context of an implementation structure. The method of data analysis used is the interpretative social sciences method. In this approach, a theory emerges from an analysis of patterns, themes, and common categories discovered from the phenomenon that is being observed and the data

¹⁸¹ Buchanan, D.A. and Bryman, A. (2009) *The Sage Handbook of Organizational Research Methods* (Los Angeles, London, Ned Delhi, Singapore and Washington DC: Sage Publication) p. 417.

¹⁸² Babbie, E. (1998) *The Practice of Social Research* (8th edition, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth) p. 100.

¹⁸³ Klein, H. K., and Myers, M.D. (1999). A Set of principles for conducting and evaluating interpretive fields in information systems. *Management Information Systems Quarterly*, 23 (1), 67-69

¹⁸⁴ Creswell, J.W, *Qualitative Inquiry and research design: Choosing among five traditiona*. Thousand Oaks, CA: SAGE.

¹⁸⁵ Babbie, E. (1998) *The Practice of Social Research* (8th edition, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth).

that are being analyzed¹⁸⁶. This theory works with an inductive approach that seeks to generate a theory from constant comparison of data as the facts unfold. It will enable description, classification and categorization of emerging experiences, gaps and challenges. It further enables constant comparison of data from various sources and the integration of key views on particular issues¹⁸⁷.

Research Challenges

One of the main challenges of the study was the fact that it spans a whole decade. This created challenges associated with major political and administrative changes. One critical political change was that of Premier of the Province and the MEC responsible for the tourism portfolio. From 2000 to 2004, the Premier of the Province was from the IFP and after the 2004 elections, the ANC took over; this led to major changes in the political ‘make-up’ of the province. The tourism portfolio was moved from the DEDT to the DACT. This had implications for the organizational structure, the tourism strategy and TKZN. One such practical implication was the transfer of the TKZN-CEO to the International Convention Centre (ICC); this was attributed to clashes between personalities and leadership styles. It caused a serious delay in programmes such as the drafting of the provincial tourism strategy. Later in the decade, after the 2008 elections, the province was retained by the ANC, but there was another restructuring of the tourism portfolio, and the DACT was moved back to the DEDT. This change at province coincided with a change at national, which is that of the establishment of a separate Tourism Department. It is clear that the administrators were caught up in these organizational changes and simply had to adapt. However, this had a serious impact on the management of relationships and coordination of implementation.

Reliability, Validity and Authenticity

It is important to stated upfront that in this study, it is the validity that more critical than reliability because “qualitative research is based on subjective, interpretive and contextual

¹⁸⁶ Babbie (1998) *The Practice of Social Research* (8th edition, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth).

¹⁸⁷ Glaser, B.G. and Strauss, A.L. (1967) *The Discovery of Grounded Theory: Introduction to Grounded Theory. Strategies for Qualitative Research* (Chicago: Aldine).

data”¹⁸⁸. And the cooption of interpretive validity is about how well did I captured the meaning of events and behaviours. Indirectly, this says that the validity of the study is also based on well I highlighted the exact participant’s perspectives¹⁸⁹. Every attempt was made to ensure a good assessment of the collected data; this partially determines the reliability, validity and the authenticity of the research instruments used¹⁹⁰. The “reliability of a measure is the extent to which it is consistent over time and this is the precondition of validity”¹⁹¹. And validity is the extent to which a measure actually reflects what it was intended to measure¹⁹². One of the ways that I ensured validity and reliability was careful selection of my research approaches. This included selecting the research method (qualitative), the inductive theory, ‘selective’ and ‘purpose’ sampling, and the method of data collection and analysis. The four common methods of testing validity are content validation, criterion-related validation, faces validity and construction validation. “Content validation tests the relevance of the content of the text to the characteristic being measured”¹⁹³. In this study, this was done by ensuring that the line of questioning was in line with implementation, inter-organizational relations and tourism policy.

Considering the years covered by the study within an ever-changing context, I am confident that another study would reach similar conclusions. The fact that interviewees were purposively selected also provides a high validity rating in that actors involved in the process contributed to the content of the study. The conclusions reached are authentic because an interpretative social sciences methodology makes it possible for the researcher to focus on emerging patterns, especially when relationships, perceptions, behaviors and reactions are explored.

¹⁸⁸ Golafshani, N. (2003) Understanding Reliability and Validity in Qualitative Research: The Qualitative Report, Volume 8, Number 4, pages 597-607).

¹⁸⁹ Glaser, B., and Strauss, A., (1967) *The discovery of grounded theory: strategies for qualitative research* (Chicago, 111: Aldine Pub. Co).

¹⁹⁰ Ngulube, P. (2003) *Preservation and access to public records and archives in South Africa* (PhD Thesis. Pietermaritzburg, University of Natal).

¹⁹¹ Ngulube, P. (2003) *Preservation and access to public records and archives in South Africa* (PhD Thesis. Pietermaritzburg, University of Natal) p. 203.

¹⁹² Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations*, (Boston and New York: Houghton Mifflin Company) p. 575.

¹⁹³ Bernard, H.R. (2000) *Social research methods: qualitative and quantitative approaches* (Thousand Oaks, CA: Sage Publication) pp. 49-50; Bless, C. and Higson-Smith, C. (2000) *Fundamentals of social research methods: an African perspective* (3rd edition, Cape Town: Juta and Co. Ltd) pp. 131-3.; and in Neuman, W.L. (2000) *Social research methods: Qualitative and quantitative approaches* (Boston, MA: Allyn and Bacon) pp. 169-171; Ngulube, P. (2003) *Preservation and access to public records and archives in South Africa* (PhD Thesis. Pietermaritzburg, University of Natal) p. 204.

Ethical Considerations, Anonymity and Confidentiality

The ethical conduct of research is always a concern, especially where human subjects are involved. No harm should be caused by the research process¹⁹⁴. The ethics are the “key to developing moral standards that can be used in situations where there could be actual or potential harm to an individual or a group”¹⁹⁵. Again, the ethical issues should be taken into account during data collection, processing and dissemination. These include “informed consent, access, power, harm, deception, secrecy, anonymity and confidentiality”¹⁹⁶. As a skilled qualitative researcher, I adhered to these requirements to ensure validity of the study.

Summary

The first part of this chapter presented the background to this study on inter-organizational relations for implementation by discussing the rationale, problem statement, objectives, line of questioning and the value of the study. In the second part, I presented the overall methodology for the study, where I discussed the research approach, type of research methodology (qualitative), techniques (interviews, documentary analysis and observation), and procedures used (interpretative social science for data analysis). The principles of validity, reliability and ethics were adhered to, and it was explained why certain information was collected and how it was processed. The data collection and analysis process are discussed in later chapters. Finally, I did my best to ensure that all sources used have been acknowledged.

¹⁹⁴ Bernard, H.R. (2000) *Social research methods: qualitative and quantitative approaches* (Thousand Oaks, CA: Sage Publication); Babbie, E. (1997) *The Practice of Social Research* (8th edition, Australia, Canada, Mexico, Singapore, Spain, United Kingdom and United States: Thomson and Wadsworth); in Ngulube, P. (2003) *Preservation and access to public records and archives in South Africa* (PhD Thesis, Pietermaritzburg, University of Natal).

¹⁹⁵ Churchill, G.A., Jr. (1992) *Basic marketing research*. (2nd edition, Forth Worth: The Dryden Press) p 68. Ngulube, P. (2003) *Preservation and access to public records and archives in South Africa* (PhD Thesis. Pietermaritzburg, University of Natal) p. 233.

¹⁹⁶ Cohen, L., Manion, L. and Morrison, K. (2000) *Research methods in education* (5th edition, London and New York): Routledge Falmer; Sarantakos, S. (1998) *Social Research* (2nd edition, London: The MacMillan Press Ltd), in Ngulube, P. (2003) *Preservation and access to public records and archives in South Africa* (PhD Thesis. Pietermaritzburg, University of Natal) p. 233.

CHAPTER 2

CONTEMPORARY ORGANIZATION AND POLICY IMPLEMENTATION

Introduction

This chapter consists of three major sections. In the first part, I present the changing contemporary context of tourism implementation. In the second part, I discuss the organizational relations context and implementation. The last part presents tourism public policy and the transition from intergovernmental relations to inter-organizational relations for implementation conceptions that are critical to this study; these include inter-organizational implementation and the institutional framework. The concepts are discussed to provide the context in which the theory and experiences are based. In addition, inter-organizational implementation is discussed as the core activity of the public sector. Finally, this chapter presents a brief overview of leadership and management challenges in the contemporary implementation context. I intend to capture the evolution and nature of contemporary organizations, implementation and policy, which are integrated to provide a context and foundation for inter-organizational theory.

CONTEMPORARY TOURISM IMPLEMENTATION CONTEXT

Given the background presented in the introduction, I will also discuss the role of local government in the context of organization, implementation and policy. One area of concern is the extent to which local organization of tourism features in evaluating local government performance. I am of the view that tourism should feature strongly in an assessment of organizational effectiveness and that its strategic goals and objectives should be integrated in the integrated development plan (IDP) process. Local government should play its part both as an individual member and in cooperation with the other multiple stakeholders to create a “network or an implementation structure, this would enrich inter-organizational relations”¹⁹⁷.

¹⁹⁷ Palmer, A. (2002) ‘*Cooperative marketing associations: An investigation into the causes of effectiveness*’, (Journal of Strategic Marketing) vol. 10, pp. 135-156.

My purpose is to establish the essential ingredient that will connect all the main concepts, topics and areas of discussion in this chapter; this is the conception and context of leadership. All the elements of institutional frameworks (and organizational setting) for effective relationships management and implementation rely on the practice of leadership. Smith and Cronje provide a comprehensive definition of leadership in the context of the responsibilities of the lead organizations, which are the Departments of Economic Development and Tourism (DEDT) and Arts, Culture and Tourism (DACT), and the tourism implementation agency (TKZN). They conceive leadership to be about:

- Putting systems in place and organizing process activities to attain the set organizational objectives,
- Giving direction to the organizational activities so that its resources are deployed as effectively as possible to realize its objectives,
- Taking the lead in bridging the organizational gaps between the formulation of plans and achieving objectives,
- Packaging information and sharing it within and amongst relevant stakeholders and actors, as well as subordinates, which in this case include street level bureaucrats.
- Enhancing the synergy amongst actors and stakeholders, which include members of the implementation structure in this case, and
- Guiding, supporting, influencing, motivating, and enhancing beneficial interaction within the implementation structure, etc¹⁹⁸.

This definition of leadership implies that it is dependent on the effective conception, handing and distribution of power and authority. This is precisely the challenge confronting the lead organizations (TKZN, DEDT/DACT), in that their success in managing the implementation structure is partially measured by the way they handle the issues of authority and power; this has implications for compliance and trust amongst members of the implementation structure. In short, “the biggest task for leadership is securing a healthy balance amongst the ingredients which include authority, power, trust, delegation, responsibility and accountability”¹⁹⁹. While the focus of this study is not organizational leadership, there can be no doubt that that the

¹⁹⁸ Smith, P.J. and Cronje, G.J. de J. (1992) *Management Principles: A contemporary South African Edition* (Cape Town: Juta and Co, Ltd).

¹⁹⁹ Smith, P.J. and Cronje, G.J. de J. (1992) *Management Principles: A contemporary South African Edition* (Cape Town: Juta and Co, Ltd) pp. 302-336.

success and/or failure of inter-organizational relations for effective tourism policy implementation, relies on leadership.

This raises the question of what kind of power (legitimate, reward, coercive, referent and expert power) is most applicable in the context of the tourism industry, as well as in the context of the top-down/bottom-up, decentralization/centralization dichotomy, and contemporary inter-organizational relationships. In my view, it is not so much the kind of power that is most applicable, but rather which leadership action is appropriate during different stages of implementation and interaction. This view is informed by the fact that organizational leadership contains an element of the coercion push which emanates from political priorities and mandates, where senior administrators find that they are compelled to behave in a certain way.

ORGANIZATIONAL RELATIONS FOR IMPLEMENTATION

In general, governance, and specifically tourism governance brings about an interesting “interplay between politics, policy and the community (the host of tourism activities) and is characterized by organizational interdependence that connects many actors”²⁰⁰. This interplay has implications for governance (as well as authority, control and compliance), which refers “to the establishment of institutional arrangements to enhance organizational relationships amongst all stakeholders”²⁰¹. In thinking about the effectiveness of organizational arrangements, I thus refer to the perceptions of individual actors and agencies because they are the consumers of the governance product in terms of policy communication, programmes and project support. Depending on their goals and expectations, individual stakeholders will interpret the effectiveness of organizational relations in terms of whether the inter-organizational arrangements for tourism are delivering on specific objectives. For example, tourism businesses and enterprises are likely to interpret effectiveness in terms of the extent to which the organization contributes to growing tourism, while local government might evaluate effectiveness in terms of returns to the broader community and community groups

²⁰⁰ Edwards, M. (2002) ‘Public sector governance: Future issues for Australia’ (Australian Journal of Public Administration) vol. 61 (2), pp. 51-61.

²⁰¹ Marsh, I. (2002) ‘Governance in Australia: Emerging Issues and Choices’ (Journal of Public Administration) vol. 61 (2), pp. 3-9.

(policy entrepreneurs) might evaluate the effectiveness of the organization in terms of protecting natural, cultural and social resources²⁰².

In conceptualizing inter-organizational implementation, I am interested in how enabling or constraining the organization and practice of inter-organizational relations is, in so far as the realization of tourism benefits for the majority is concerned. I have observed that in social and contractual governance, there are forums that are designed to secure cooperation to ensure relatively smooth implementation. The major inter-organizational incentive is the realization of the objectives of the social contract, which are articulated in national (i.e. the National Development Plan), and provincial (i.e. the Provincial Growth and Development Strategy) priorities.

I also take a closer look at what happens when the tourism agenda is kick-started and how institutional arrangements are designed to secure active and sustainable inter-organizational activities. Inter-organizational communication and public affairs functions are assumed by the lead organizations, which are the DEDT/DACT and TKZN, and financial and human resources are allocated to each strategic objective. The manner in which government organizations set themselves up is critical because tourism services are produced and rendered by private actors within an inter-organizational collective responsibility. I thus concur with the view that most inter-organizational activities are located at programme and project level, hence, “a distinction should be made between an organization and a programme”²⁰³. At the organizational level, the essence of the reasons for an organization’s existence lies in its values, strategy, structure, etc. Organizational activity takes place at programme level, where its objectives are executed or fulfilled. A programme is one of many ‘branches of a tree’ where fruits (projects) of different sizes are found.

The foregoing discussion has intentionally been broad with the objective of providing an overall picture of what the research study is about. The focus now shifts to a discussion on inter-organizational implementation within the tourism sector. This will set the scene for an examination of the organizational set-up and implementation structure. Furthermore, this

²⁰² Palmer, A. (2002) ‘*Cooperative marketing associations: An investigation into the causes of effectiveness*’ (Journal of Strategic Marketing) vol. 10, pp. 135-156.

²⁰³ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

section seeks to critically analyse a future organizational set-up for tourism. It is clear that inter-organizational relations emerge from a particular functional policy area and that implementation is rooted within a network. It is therefore crucial that this study is located in a certain policy sector or functional area. It is well-documented that “public policy is the focal point of government activity”²⁰⁴ and that tourism is an integral part of the machinery of many modern governments. This implies that tourism is part of broader governmental activity; therefore, government should have a strong tourism policy agenda and direction.

Government work is programmatic and demands more than one implementing department. For example, South Africa's Expanded Public Works Programme (EPWP) aims to empower vulnerable communities. It focuses on poverty reduction through employment creation. While the Department of Transport (DOT), is the ‘lead organization’ in the EPWP, other departments such as Social Development and Economic Development make contributions. For example, social workers from the Department of Social Development (DSD), assist in the identification of struggling households and the Department of Economic Development (DED), gets involved when women are identified to help them start cooperatives or a saving scheme. Such cooperation is a ‘natural’ occurrence in most government programmes and projects. The cluster system that the government uses enables the identification of all relevant actors from conception of the programme to its implementation.

It has been argued that individual leaders are able to make decisions and have direct control over almost all activities in bureaucracies with a simple organizational structure. This implies that making decisions within a network environment can be very difficult²⁰⁵. This is relevant to this study in that it suggests that a configuration of organizational structures might be required for the public sector to be successful. Such a configuration would have to reflect that implementation is taking place within a wide range of contexts, which include contemporary governance, inter-organizational and networks contexts. This is a relatively perfect structure that should be able to withstand the challenges confronting contemporary implementation. In addition to governmental stakeholders, external (private and non-governmental) actors become involved voluntarily or by invitation due to their resources, services, skills, etc.

²⁰⁴ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 14.

²⁰⁵ Henry, I.P., and Jackson, A.M. (1996) *Sustainability of Management Processes and Tourism Products and Contexts*: Vol. 4, No. 1 (Journal of Sustainable Tourism).

Reference can be made to the aforementioned programme, where the EPWP attracts the cooperation of local traditional leadership, the municipality, local banks, individuals, etc.

The chosen strategy will influence the shape of the organizational structure. Furthermore, an organization's structure, culture, and style are geared towards the attainment of the 'mission' of the organization²⁰⁶. This includes making it clear to other actors what the organization's mission is and how they relate to it. As much as an organization would influence others, it has to embrace the feedback it receives from its external environment, and the structure and strategy are the best 'tools' through which the changes can be seen. This reiterates that implementation is a 'learning process'; hence, this study seeks to identify experiences, challenges and gaps in implementation.

The second observation is that, service delivery is linked to "organizational science which is the inspiration and foundation for inter-organizational theory and this is a very important since this study is about implementation"²⁰⁷, where massive interactions, partnering and collaboration takes place. These activities occur within policy implementation which is normally an inter-organizational process, frequently transcending the border between the state and surrounding society. It is geared towards understanding a problem. Furthermore, efficient and effective systems such as integrated services are required. And thirdly, governance networks emerge from public administration which embodies a wide range of institutional practices, management and systems. One such practice is that of partnership, which involves collaboration that formalizes mechanisms i.e. tendering and contracts²⁰⁸. This brings me to government competence, which includes providing leadership in a complex contemporary implementation environment.

This exploratory approach allows for an overview of the positive and negative aspects of managing inter-organizational implementation. The focus is on the manner in which public actors at leadership, programme support and street level behave (attitude and mind-set), as they make decisions within the context of complex relations since they are located within governmental organizations that lead implementation structures. Organizations are designed

²⁰⁶ Foster, J. (1997) *Valuing Nature? Economic and Environment* (Routledge, London, and New York).

²⁰⁷ Peters, G. and Piore, J. (2006) *Handbook of Public Policy* (London, Thousand Oaks, New Delhi: Sage Publications) pp 488-489.

²⁰⁸ Hill, M. and Hupe, P. (2009) *Implementing Public Policy; An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications).

to achieve given purposes (public policy intentions). This implies that they are bound to have institutional frameworks that assist the attainment of the given mandates; hence the choice of and approach to governmental relations (institutional leadership) becomes critical. This understanding directs the attention of the researcher to the role played by top leadership in organizations in their attempts to manage the external pressures and external actors (the organizational character). It is also important to note that organizations are not free from external, unique sets of experiences and desires²⁰⁹.

One essential role and purpose of today's "managers are to manage relations and this includes inter-organizational relations"²¹⁰. There is a need for the role of officials to be recognized in policy activities and administration, because "bureaucracy is in policy and major policy to stay; in fact, bureaucracy is likely day-in and day-out, to be the main source of policy initiative". It has been observed that, "the quality of a person's decisions decline as complexity increases"²¹¹. This is typical of managers at leadership or executive level and also of street-level bureaucrats within public and private organizations, and thus it is important to acknowledge and enhance the role that is played by local agencies in implementation because they are central to the inter-organizational structure or network²¹². It is also time for "governmental organizations to seek, secure and retail tried and tested managers that can get the job done"²¹³. An organization has to ensure that basic management functions are carefully and properly executed. The first of these is planning, which represents the "process of determining an organization's desired future position and the means of getting there"²¹⁴. The second one is the process of organizing which is the "process of designing jobs, grouping jobs into units, and establishing patterns of authority between jobs and units"²¹⁵. The third activity is that of leading which is mainly about "getting the organization's members to work together towards the organization's goals"²¹⁶. The last one would be that of controlling,

²⁰⁹ Denhardt, R.B. (2008) *Theories of Public Organization* (5th edition, , USA:Thomson Wadsworth).

²¹⁰ Denhardt, R.B. (2008) *Theories of Public Organization*, (5th edition, USA: Thomson Wadsworth) p. 115.

²¹¹ Margaret Harris (19 September 2010): "Tools for today's business leader", *The Workplace Section*. Sunday Times Newspaper. www.sundaytimes.co.za/careers, p. 4.

²¹² Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (Sage Publications, London and Beverly Hills).

²¹³ Bongani Matomela (21 September 2010): *Less Strategy, more Action*; Sunday Times Newspaper. www.sundaytimes.co.za/careers, p. 26.

²¹⁴ Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations*, (Boston and New York: Houghton Mifflin Company).

²¹⁵ Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations*, (Boston and New York: Houghton Mifflin Company).

²¹⁶ Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations*, (Boston and New York: Houghton Mifflin Company).

represents the need and relevant of “monitoring and correcting the actions of the organization and its members to keep them directed toward their goals”²¹⁷. . .” and this provides a sound contextual framework for this study.

If these management functions are viewed from the perspective of a single organizational set-up, it is possible to manage them effectively. However, in a network context, the lead organization (focal organization) has the responsibility to uphold them within a wide range of powerful and influential actors who are prepared to do anything to secure their interests. It is clear that the management of these and other management functions, roles and tasks is critical to this study, especially since they emerge within the organizational culture and institutional framework contexts.

Amongst the key features of the contemporary organizational management approaches, is network management which has similar characteristics to that of the inter-organizational management²¹⁸. Accordingly, the processes of “inter-organizational management and network management have the common characteristics of strategic and coping behaviour, communication and problem solving”. And this leadership exercise of “network management is associated with the operational level (meta) where implementation takes place”²¹⁹. It is said to be an activity which involves steering efforts to consolidate and promulgate cooperative strategies within the policy implementation process. It is also a means of “enhancing the mutual adjustment of the behaviour of actors who have diverse objectives, interests and ambitions in order to solve problems within a given framework of inter-organizational relationships”²²⁰. One of the elements which provide a context for this study is institutional arrangements, because this is where governmental relations are located. There is need for a comprehensive policy on institutional arrangements and these need to be supported by a sound regulatory framework and instruments that can be implemented and measured. Both private and public organizations need such arrangements because there are massive

²¹⁷ Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations*, (Boston and New York: Houghton Mifflin Company).

²¹⁸ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p. 45.

²¹⁹ Government normally uses certain tools to influence the supply side of tourism; these include land-use management and control, building regulations, market research and planning, taxation, entrepreneurship (ownership), and investment incentives. This creates a sound basis for inter-organizational management and network management. Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 238.

²²⁰ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p. 44.

exchanges and dependencies between the actors. Although this reduces competition, there are still many challenges which include the effective use of power, control of behaviours, protection of interests and managing the bargaining processes amongst stakeholders and actors²²¹.

Thus inter-organizational relationships theory is relevant to an investigation and understanding of the experiences, gaps and challenges that emerge from the inter-organizational implementation process. This study acknowledges that implementation is not easy and that the inter-organizational approach makes it even more complex. It is commonly understood that implementation functions and activities can be successfully executed by a single implementing agent or organization.²²² This leaves civil society organizations (CSOs)²²³, governmental agencies, and political units with no choice but to interact and work together on particular problems of common interest. Such interactions establish formal and informal patterns of resources dependency and organizational exchanges²²⁴.

The organizational interactions take different forms which some are formal agreements while others are not. They also take place at different operational levels, which could be policy, planning, management, monitoring and evaluation and enable the actors involved to unlock governance systems and enhance the delivery of the services required by the public²²⁵. Governmental agencies are no longer automatic and legitimate central actors but, like any other actor, they have to cooperate with other actors and earn their space. One of the many reasons why this is the case is that government does not have all the resources (i.e. human capital, technology, money, skills, etc), to get things done²²⁶.

Amongst many characteristics of inter-organizational activities are participation, representation, negotiation, bargaining processes, resources exchanges and interdependency. One good example of such a responsibility would be to make sure that the tourism value

²²¹ Parsons, W. (1995) *Public Policy: Introduction to the Theory and Practice of Analysis* (Cheltenham: Edward Edgar,).

²²² Alexander, E.R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

²²³ Civil Society Organizations refer to non-profit, private organizations.

²²⁴ Parsons, W. (1995) *Public Policy: Introduction to the Theory and Practice of Analysis* (Cheltenham; Edward Edgar).

²²⁵ Alexander, E.F. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice*, (Amsterdam: Gordon and Brach Publishers).

²²⁶ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

chain actors are represented and assisted in securing benefits in the process. It takes time and patience to build and maintain good productive symbiotic relations (satisfaction), with employees, service providers, suppliers and other stakeholders (participants and clients), in the tourism value chain²²⁷. These also give substance to the context in that they recognize that implementation takes place within an evolving, fragile, negotiated and uneven decision-making arena. In short, “implementation takes place within the domain of unelected power, where organizations with more resources and expertise could claim a bigger share of the decision-making process and benefits”²²⁸. Interactions are informed by uncertainties that are caused by a number of factors, which include power and influence accessed by various means.

This illustrates that government institutions do not have ‘absolute’ authority in governance; rather, they enjoy relative control and autonomy even in the delivery of public services, which is their core function. Although there is an expectation that private sector actors would not have direct or formal decision-making authority in public sector issues, the changing context of governance has enabled a variety of actors to possess sufficient political clout that ensures that their interests are taken into account²²⁹. There is mutual recognition by all actors that they need one another. This validates this study’s assertion that further study is required in order to improve applied knowledge of inter-organizational relations and interaction.

The existence of joint-decision making between implementing agencies creates sequences in the implementation process and each stage reduces the chance of a policy being carried out according to the original objectives of the policy-makers²³⁰. This study reveals interesting patterns in the negotiation, alteration and realignment and adaptation of objectives and even of organizational culture when actors are forced to compromise. Furthermore, it indicates which objectives win and which policy decisions are executed against the original public interests and wishes, in a context where the operational space is shared by a wide range of

²²⁷ The tourism value chain in this context represents the ‘web’ of actors involved in infrastructure, logistics (booking & events packaging), accommodation, hospitality (hotels), entertainment (excursions), catering, and workers in all these sectors (suppliers and services), which means that the benefits are spread across every actor that offers a service and participates in the tourism business. Fennell, D. (1999). Routledge: London and New York, 3rd Edition).

²²⁸ Bardach, E. (1998) *Getting Agencies to Work Together: The practice and Theory of Managerial Craftsmanship* (New York: The Brookings Institution) p. 56.

²²⁹ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

²³⁰ Pressman, J. and Wildavsky, A. (1973) *Implementation* (Berkeley: University of California Press:).

different actors with different goals and values. What I have noticed also is that in addition to this reality of the implementation goals alternation is the exclusion of some of the keys stakeholders in tourism. These include the Departments of Transport, Community Safety, Cooperative Governance and Traditional Affairs²³¹.

Besides the fact that implementation emanates from a political process, this study shed some light on how bureaucrats implement policy in an environment that is said to be complex. And policies imply theories, which translate into programs when they are considered and approved by authority, so implementation in this understanding becomes the leadership to forge subsequent links in the casual chain so as to obtain the desired result²³². For example, it is clear that in such an evolving implementation context, the nature and scope of governance has also been affected. This connects with the fact that the ‘traditional bureaucracy’ is characterized by slowness and routines which are frustrating to their clients²³³. The study indicates how things have changed for better or for worse, especially in an inter-organizational context where various actors cooperate in the implementation of a programme.

While the scope of participation and interaction of actors is becoming broader, this should not be taken to imply that governance is failing and should hence be changed. This is the basis for this study’s focus on the experience, gaps and challenges in inter-organizational relations. ‘Active stakeholders’ are known as policy entrepreneurs and can be found even at community level. These actors complicate the implementation process in that they become involved, initiate, advocate, and fund the implementation activities of their favoured policy programme. In some instances these entrepreneurs become service providers themselves and this increases the complexity of implementation. They have the edge because they are part of the wider networks operating within both the private and public sectors and thus have access to key information. They also have the potential to galvanize implementation tools that serve and protect their interests.

The network phenomenon manifests itself as a web of collaborations which leads to an interconnection of organizations with respect to programmes, which becomes an

²³¹ Personal Interview with the Member of Ezemvelo KZN Wildlife, (EKZNW, Interview 22).

²³² Pressman, J. and Wildavsky, A. (1973) *Implementation* (University of California Press: USA).

²³³ Turner, M. and Hulme, D. (1999) *Governance, Administration and Development. Making the State to Work* (London: Macmillan Press, Ltd).

‘implementation structure’.²³⁴ I have decided to use implementation structures as a central concept of analysis. An “implementation structure can be defined as a pool of self-selected and ‘relevant organizations’ that are attracted and connected by the stakes they have in a policy programme”²³⁵. It enables actors to make field level decisions and executive these without predetermined assumptions. Such a structure creates an opportunity for organizations to retain some autonomy. However, in practice, this poses a serious challenge to the lead organizations in terms of how much discretion and autonomy they should allow each partner to have. They cannot afford to allow too much autonomy or too little, rather, they should strive for stable and sustainable autonomy so that the implementation structure can be functional. This study assesses how the lead organization positions itself in relation to the questions and challenges posed by implementation formations or structures.

Within the context of inter-organizational implementation, the difficulty that arises is the fact that these implementation structures are composed of a distinctive array of non-governmental, public and private actors²³⁶. This suggests that there is potential sharing of information and a connection at strategic level which could lead to operational activities that frustrate and upset government’s original objectives. There is a need to simplify the complex public interests to be protected and served. The literature on this theoretical framework points to the fact that for government institutions to successfully carry out their various mandates, they need to appreciate and deepen their understanding of the nature and character of the implementation structure they find themselves in.

It is clear is that the study of policy implementation is characterized by a very complex web of relationships between the various actors at different levels of government and not by a clear cut pattern of hierarchical authority. Organizations, especially those labelled ‘lead organizations’ are challenged to ensure that all stakeholders feel that they are valuable in the process and that they have ownership of the project. Managing perceptions of organizational authority, influence and power become critical for the lead organizations²³⁷. In an

²³⁴ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

²³⁵ Hjern, B., and Portner., D.O. (1981) ‘Implementation Structures’: *A New Unit of Administrative Analysis*, (Organizational Studies 3) pp. 211-37.

²³⁶ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

²³⁷ Hanf. K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications).

environment where external stakeholders play an influential role in shaping the outcomes of government programmes through an open and shared decision-making process, one could conclude that it is not a given that government is the only authority that will be ‘respected’; this could pose a challenge when it comes to enforcement. The public sector is challenged to conceptualize, reaffirm and articulate its vision which is focused on serving and protecting public interests. The study therefore aimed to formulate an inter-organizational implementation system that will enable government institutions to achieve relatively ‘perfect administration’.

The other reason why I undertook this study stemmed from my observation and acknowledgement that the nature of a public organization emerges from and is continuously shaped by political leadership. This constructs and sustains the pattern of relationships between organizations within society²³⁸. Regardless of the dilemmas that they face, it is important to note that government institutions are expected to rise about this context and forge mutually productive partnerships. They are bound to embrace these changes but also “expected to assert themselves as an ‘authority’ in order to achieve successful implementation”²³⁹. To extend this argument, government and its agencies are required to understand their mandate, articulate their positions and be recognized as a leader and authority with a ‘pool of implementation structures’. This involves reclaiming leadership at the political, symbolic and administrative levels of implementation. It is about government taking responsibility and providing direction regardless of the amount of funding it has invested in a programme.

As noted earlier, the ownership of and level of resources committed to a programme enables implementation partners to access crucial strategic and operational decision-making processes. This empowers them to make a contribution that determines the outcomes of a policy programme. This is a crucial consideration because non-governmental, private and public stakeholders have deep-rooted opinions about what government’s role is or should be in policy-making and implementation.²⁴⁰ In such a context there is great potential for government to lose focus because of the shifting expectations of various sectors and

²³⁸ Hill, M. (1998) *The Policy Process*, (London: A Reader, Practice and Hall).

²³⁹ O’Toole, L.J. (1993) *Inter-organizational Policy Studies; Lessons Drawn from Implementation Research* (Journal of Public Administration Research and Theory 3) (2): pp. 232-251.

²⁴⁰ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks, Strategies for the Public Sector* (London: Sage Publication).

stakeholders. The underlying challenge for government is therefore to be clear, firm and manage the process with conviction in pursuit of its policy objectives.

Having said this, it is also critical that the study capture a particular political and social context, and that this is reflected by the public policy issues under study. I will make brief reference to tourism public policy²⁴¹. Policy enables both observers and participants to make sense of the complexity of governing. However, it should be noted that policy may mean many things to many people. Depending on many factors, such as the goals and nature of an organization, policy has to do with control, order, hierarchy, authority and consistency within a system of governance²⁴². This is a source of conflict and disagreement for participants in an implementation structure. Depending on where the organization is located on a particular mandate, policy can be a vehicle for access to control, power and influence. In short, policy becomes a 'handle' for organised interests (organizations) to flourish and be sustainable. A policy directive or statement is to some extent an invitation to stakeholders to come together to pursue their different goals within the parameters set by the given policy mandate and goals²⁴³. Tourism policy requires the participation of a wide range of actors. It is an interesting area for research on inter-organizational relations in a complex governance context.

As a growing field in policy studies, tourism is not exempt from the challenges of contemporary governance; rather, it is an area in which much work remains to be done. There is massive potential for the transformation of tourism policy-making, implementation and coordination. Tourism programme implementation requires the intensive collaboration of a wide range of actors; hence it is characterized by a substantial exchange of resources and potential interdependencies²⁴⁴. It is thus fitting that inter-organizational interaction, experiences and challenges are explored in terms of the complexities that exist in tourism implementation structures. It has become a common practice in many countries and governments to delegate the tourism management function to specialized agencies. To my

²⁴¹ In this context, tourism public policy refers to government's action and/or inaction; it is what government does and does not do.

²⁴² Colebatch, H.K. (2002) *Concepts in the Social Sciences: Policy, second edition* (Philadelphia: Open University Press).

²⁴³ Colebatch, H.K. (2002) *Concepts in the Social Sciences: Policy, second edition* (Philadelphia: Open University Press).

²⁴⁴ Alexander, E.F. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

mind, this has the potential to dilute government's authority and power to pursue its policy agenda in that such agencies could achieve a different set of outcomes. One could conclude that the public sector has become too dependent on the private sector to implement tourism public policy. This approach enables active actors within the implementation structure to make policy programmes their own and to give them a different make-up or design. This raises the question of how closely the policy that is eventually implemented complies with government's original intentions.

Having noted that external actors have a probability of maintaining their relative autonomy, it is also important to note that the "public sector is not entirely dependent on resource exchange with the private sector for its survival"²⁴⁵. This is mainly because their sources of power are different, hence the mandate. It is comforting to know that government still has potential to assert itself and make major inroads in implementing public policy. This is very important in the tourism policy context because the government and the public sector in general create an environment where tourism activities can exist and prosper. This means that the government department that is responsible for tourism policy-making, marketing, coordination and implementation has to articulate its vision and assert itself as a credible leader in the implementation structure.

Three complexities emerge from the above discussion. These are that implementation is difficult, that managing inter-organizational relations is never easy and that the management of tourism public policy is a challenge²⁴⁶. A combination of these factors raises even more challenges and implications for public sector leadership and street-level bureaucrats. There is a view that under conditions of rapid change, complexity and interdependence, structural conflicts can arise in which the seemingly rational actions of individual organizations produce results which are collectively irrational, in that there is a "lack of effective and productive collaboration in the tourism sector could lead to duplication of roles and wastage of resources"²⁴⁷. And the Common perceptions of the lack of productive collaboration in this sector (especially regarding product development, marketing, services, etc) are due to unequal power relations, where the private sector is dominant. The sad reality is that

²⁴⁵ Alexander, E.F. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 9.

²⁴⁶ Alexander, E.F. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

²⁴⁷ Hanf, K, and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications) p. 4.

government has the relative authority and influence to determine the direction tourism development should take, but the private sector dominates the service industry in the form of information technology, money, expertise, commercial networks, etc.

In the post-democratic era (1994 to 2008), there have been shortfalls and gaps in South African tourism policy, and organizational and institutional arrangements. This includes policy direction, alignment, regulation, compliance and enforcement, and monitoring and evaluation. This suggests that governmental organizations may not have had the relevant structures and arrangements in place to enable administrators to secure successful implementation. However, kneejerk reactions are not always wise, especially in a sector such as tourism. One of the tools to resolve such a situation is the legislative and policy framework^{248, 249}.

South Africa's Constitution states that tourism management is a concurrent function of the national and provincial governments²⁵⁰. It provides that the primary role of national government is to development and promote tourism policies, facilitate implementation, coordinate resource mobilization, enforce regulations and monitor progress. The law requires that the national department²⁵¹ enable, capacitate, sustain and support provincial and local government efforts in tourism implementation. The provincial department²⁵² is responsible for the interpretation and domestication of the national vision and translating it into tangible tourism goods and services²⁵³. Although a comparative study of the DEAT and DACT could have been useful, my focus is at provincial level where most implementation takes place.

There is a concurring statement that notes that government and voluntary and community organizations (VCOs) are increasingly working in partnership to make public policy and to design and deliver public services. An interesting new challenge that arises is that of marketing in the public service organizations (POSSs). Both processes of policy development

²⁴⁸ Constitution of the Republic of South Africa (1996) *Chapter 3*.

²⁴⁹ Republic of South Africa, *Intergovernmental Relations Act*, (Act No 13 of 2005).

²⁵⁰ Constitution of the Republic of South Africa (1996) *Schedule 4*, part A.

²⁵¹ From 1994 to 2008, the Republic of South Africa: *National Department of Environmental and Tourism* (DEAT) was responsible for national tourism (all legislation, policy and regulations), from 2008 onwards, the Tourism Portfolio was under the new National Department of Tourism (NDT).

²⁵² DACT refers to the KwaZulu-Natal provincial Department of Arts, Culture and Tourism, which existed between the years 2004-2008.

²⁵³ Republic of South Africa, *White Paper on the Development and Promotion of Tourism* (1996) forwarded by DEAT in May 1996.

and implementation demand the “interplay of a wide range of actors who could be individuals, organizations or other agencies”²⁵⁴. In this context, reference is made to both “policy implementers and implementation participants”²⁵⁵. And the implementation participants in this case are those actors who play an intermediate role between policy implementers on the one hand and the target population on the other. What is thus clear is that, it is important that participants include actors who are informed about participation requirements and processes and are willing and able to become involved. This is important as we are studying the experiences of the implementation structure, and this captures both implementers and participants. The diagram below reflects the levels of participation and indirectly reflects the elements that make the implementation process possible at governance, policy and service delivery levels; and at organizational and political sciences levels.

The diagram also reflects the importance of many resources, rules and assets which include “political support, expert personnel and information”²⁵⁶.

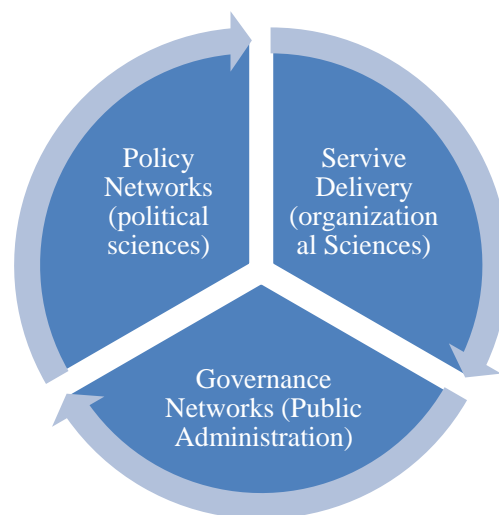


Figure 2 Reflection of the inter-play of Political Sciences, Organizational Sciences and Public Administration.

All the three fields or sciences have their own way of contributing to inter-organizational theory and implementation. Firstly, political science presents ‘traditional’ views such as the pluralist notion, and contemporary views such as policy communities and policy networks.

²⁵⁴ Kale, P., Singh, H. and Perlmutter, H. (2000) *Learning and protection of proprietary assets in strategic alliances* (Strategic Management Journal, 21) 3, pp. 217-237.

²⁵⁵ K, Hanf., and Scharpf F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications) p. 252.

²⁵⁶ Peters, B. and Piore, J. (2003) *Handbook of Public Administration* (London, Thousand Oaks and New Delhi: Sage Publications) p. 420.

This is critical because agenda-setting, political contestation and power relations become part of the process especially in the decision-making process at both policy-making and implementation level. At this level, the focus is on who the actors are, why they are involved, and what effect they have on decision-making.

Inter-organizational theorists locate processes of inter-organizational coordination in organizational science. This is critical in that operational issues of service delivery are executed by organizations within a network context. Inter-organizational coordination is focused on effecting policy (service delivery). The key concern is how best this complex, integrated service can be coordinated. This involves consideration of the terms of reference (TOR), and the content of contracts, collaborations and partnerships. Studies within the broader field of public administration in the mid-1970s embraced the concept of governance networks, which is where the inter-governmental relations process is located. Again, governance networks emphasize and enable the solving societal problems within the horizontal scope of governance and relations. The main questions and concerns are how best governance networks can be organized and connected. This extends to how to improve the variety of content and combine various value judgments. Several interesting observations can be drawn from the above diagram. The first is that policy networks emerge from the field of political science which is known to be governed by confrontation, bargaining, negotiation, coalitions, winning and losing, etc. If this observation is blended with Kingdon's agenda setting and policy streams²⁵⁷, it would be interesting to note how policy is drafted and enacted in this context. This understanding should not be confined to the policy formulation process but should be extended to implementation.

Context of Tourism Inter-Organizational Relations in KwaZulu-Natal

The background to IOR in tourism is that "tourism public policies are immersed in a dynamic, on-going process, and it has become increasingly evident that government struggles to comprehend the tourism industry, its impacts and future, and how they should intervene"²⁵⁸. This should be borne in mind when examining how the lead organizations (the DEDT/DACT and TKZN) structure their commitment to establishing and enhancing

²⁵⁷ Kingdon, J.W. (1995) *Agenda, Alternatives, and Public Policies* (University of Michigan: HarperCollins College Publishers).

²⁵⁸ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 4.

partnerships with a large number of stakeholders and institutions. The organizational partners can be placed in the following categories.

- “Organizations which fall within the portfolio of the DEDT,
- The national Department of Environment and Tourism (DEAT and SA Tourism),
- Other national and provincial government departments and the public sector,
- Private sector operators, registered service providers, suppliers and partners,
- SA Embassies in the core international markets, and local government and local tourism promotion institutions”²⁵⁹.

To illustrate the level of complexity and need for collaboration at provincial level, I will refer to the issuing and controlling of licences for Bread and Breakfast (B&B) establishments and other tourism establishments²⁶⁰. The provincial administration (DEDT/DACT), and TKZN, District and Local Municipalities, and the Provincial Planning and Development Commission (PPDC) all play a role in issuing licences and granting registration to establishments that comply with the set minimum standards²⁶¹. The main attraction for all stakeholders at this level is spatial and local economic development, where efforts are put into ensuring that tourism development makes a contribution to the local economy.

At various spheres of governance, I would describe the characteristics of the implementation structure as having a ‘natural’ or built-in dependency. Amongst the key stakeholders of TKZN and the DEDT/DACT are the national DEAT, South African Tourism (SATOUR), private operators, service providers, SA Embassies in international markets, and other promotional institutions. Central to the interaction of all of these actors is the enforcement of the principles of sustainable tourism practice and responsible tourism development. This creates a built-in dependency in that these principles are dependent on stakeholders’ fully embracing and applying them²⁶². In an ideal situation, public sector tourism goals would prioritize a sound organizational structure (sustainable), service to the community (social benefit), environmental sustainability (responsible tourism), and the realization of economic returns²⁶³.

²⁵⁹ KwaZulu-Natal (2003-2006) *TKZN Tourism Strategy* p. 14.

²⁶⁰ A tourism establishment means any establishment, including a facility or service, within the tourism industry in the Province.

²⁶¹ *Bed and Breakfast Development in KwaZulu-Natal: Tourism KwaZulu-Natal, Occasional Paper No. 32.*

²⁶² Tourism KwaZulu-Natal (2006-2011) *Tourism Strategy*.

²⁶³ Burns, P, and Holden, A. (1995) *Tourism, A New Perspective* (London, New York, Toronto, Sydney, Tokyo, Singapore, Madrid, Mexico City and Munich: Prentice Hall) p. 187.

What is critical for this study is examining how these stakeholders are packaged into an implementation structure. This involves specifying which are relevant to horizontal inter-organizational relations, and where interaction between the lead organization and other actors can be constructed. In the 'life' of a policy objective (or project), the inter-organizational context makes it difficult for one to speculate on the extent of achievements or outcomes. Again, it is difficult to make assumptions about the relationship between actions and preceding objectives because the actors' behavior is unpredictable. Accordingly, the study of public policy implementation should be located within the context of the management of organizational behavior (and culture)²⁶⁴. This suggests that the study or analysis of implementation should be seen as part of the study of organizational behavior or management. This equates the policy programme management function with the normal management of any activity, basically taking away the strong regulation arm of government.

In studies of implementation, there is a growing interest in institutional approaches such as intergovernmental relations, and inter-organizational and intra-organizational relations²⁶⁵. It has been noted that the institutional approach is crucial in unpacking inter-organizational relations as it enables the explanation and description of relevant scenarios. I concur with the above statement, in that that institutional perspective has significant potential to influence the activities of public policy²⁶⁶.

There is an emphasis on local governance, where more and more local level authorities, parastatals, private firms, and non-governmental institutions are recognized as key stakeholders, especially in the implementation process²⁶⁷. This means that government agencies have to think hard about how this institutional pluralism can be better coordinated in order to achieve relatively perfect administration. Institutional pluralism can be defined as an environment where there is less monopoly and extensive sharing of responsibility between the central, local, private and non-governmental sectors (the problems are relinquishing control and accountability). In such an environment, tasks are allocated, brokering rather than controlling is promoted and the sharing of available resources and professionalism,

²⁶⁴ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 20.

²⁶⁵ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 27.

²⁶⁶ Anderson, J. E (1997) *Public Policy Making: An Introduction, 3rd edition* (Boston, New York: Houghton Mifflin Company).

²⁶⁷ Cohen, J.M. and Peterson, S.B. (1999) *Administrative Decentralization: Strategies for Developing Countries* (Connecticut, USA: Kumarian Press).

competitiveness, incentives and innovation are encouraged (evenly rewarded). If well-managed, this environment has the potential to breed more choices and secure satisfactory progress towards targeted goals²⁶⁸.

As indicated in the above discussion, one of the functions of the lead organization is coordination. Within inter-organizational relations, coordination is dependent on the institutional make-up (or design) of the organizations that are involved²⁶⁹. Institutional design is also part of the planning and implementation of every new undertaking at any level of complexity. It is within this context that tourism policy programmes should be explored. This means that firstly, attention must be paid to the rationale for government's involvement in tourism management and the institutional arrangements that are put in place. Amongst many other responsibilities, government institutions are set up to establish and uphold the law that governs practices within the political, social, cultural, environmental, technological and economic spheres²⁷⁰. As part of this process, government institutions have to create and apply regulatory principles that are relevant to a particular industry. Government can use tourism to achieve many 'public benefits'. It is a field in which much-needed revenue can be generated. Therefore, the institutional context and organizational arrangements are explored to establish government's ability to utilize available resources.

It is recognized that in the contemporary governance process, tourism is being promoted at all levels of government²⁷¹. This is due to a number of reasons, which include the positive role tourism can play in addressing economic, social, environmental and cultural issues. If well-managed, tourism can enhance foreign and local financial exchange. Government and the public sector play a major role in the formulation, planning, implementation, monitoring and evaluation of tourism policy. Therefore, it is critical that government establish institutions and organizational arrangements that affirm the role of the state in this sector. The notion that institutions are an important factor in tourism public policy implicitly assumes that much behaviour within and outside organizations is rule bound²⁷².

²⁶⁸ Cohen, J.M and Peterson, S.B (1999) *Administrative Decentralization: Strategies for Developing Countries* (Connecticut, USA: Kumarian Press).

²⁶⁹ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

²⁷⁰ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 21.

²⁷¹ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 26.

²⁷² Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

According to the institutional approach to tourism, “public policy opens our eyes to the way in which politicians, government departments and authorities, bureaucrats, interests groups, the media and others perceive, understand and act out their roles”²⁷³. This implies that the rules or norms (including legislation, government policy platforms, legislation, and organizational directives and culture) set standards of acceptable behavior in the process of policy implementation. These standards are determined and internalized by programme and project implementers in government agencies. To a large degree, the institutional arrangements shape and structure what people consider as activities.

Furthermore, “institutional practices take place within pools of organizations, which are not merely administrative entities”²⁷⁴. These organizations can be viewed as the raw material for the formation of the implementation structures, irrespective of the mandate from the central level for one or other agency to implement the programme. Conflict arises because organizational rationales are embedded within organizations; this refers to the set of objectives that informs organizations’ operational activities. It follows that it is impossible for organizations to be self-sufficient; hence a contemporary organization is joined by other subsets of organizations and other relevant stakeholders with a view to achieving maximum outcomes. In an attempt to survive, organizations adjust some parts of their programmes. This introduces the element of inter-organizational coordination, because once the relationship between organizations has been built by the actors, it has to be sustained²⁷⁵.

It is clear that the success of the inter-organizational coordination process is dependent on the existence of fully functioning inter-organizational coordinating structures that are compatible with the institutional design. In locating coordination within the implementation structure phenomenon, it becomes clear that challenges could arise, especially for organizations that do not have strong and well-functioning coordinating units²⁷⁶. If organizations or institutions do not have effective inter-organizational systems, this can result in positive inter-organizational communication, in turn, this leads to weak institutional design and negative policy implementation because there is lack of coordination of activities. It can therefore be concluded that institutional arrangements are an aspect of the politics of tourism that requires

²⁷³ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 25.

²⁷⁴ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall) p. 229.

²⁷⁵ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall).

²⁷⁶ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

attention as they create the basis for governmental relations. A well-considered and carefully “drafted institutional design mediates conflict by providing a set of rules and procedures that regulate organizational behavior and activities”²⁷⁷. In many ways, this allocates the legitimate authority and power, and in the long-run this behavior enables officials to take responsibility and make appropriate decisions.

Furthermore, “organizations are always faced with tough decisions to make especially on how to maximize their objectives in the network interaction process”²⁷⁸. And the decentralized administration perpetuates the complexity of coordination between government institutions and service providers²⁷⁹. The need for such coordination is sharpened by growing demand for the further transfer of decision-making powers to the local level. Inter-organizational coordination practice relates to the institutional arrangements in that “coordination is formal and results from adjustments in the organizations’ outlook, objectives and methods of cooperation”²⁸⁰.

It is important to note that, while government organizations have power, they also have limitations. Public organizations are called on to make tough policy and operational decisions and they sometimes lack sufficient resources such as human skills and expertise and finance to do so. The external environment which consists of other spheres of government, business, etc can also be constraining in a variety of ways, which could include the lack of appropriate networks and inter-organizational support to achieve its mandate. As government creates public organizations and sustains them, they represent government in the area of policy implementation²⁸¹. Government commitment can therefore be measured by its efforts to manage public affairs in the ever-changing internal and external environments. This is crucial in contemporary governance because policies are made and implemented in networks of systems and relationships²⁸².

²⁷⁷ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 18.

²⁷⁸ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications) p 4.

²⁷⁹ Ridley, F.F. (1975) *The Study of Government. Political Science and Public Administration*, (Great Britain: Cox and Wyman Ltd).

²⁸⁰ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) p. 12.

²⁸¹ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

²⁸² Lawton, A. and Rose, A. (1994) *Organization and Management in the Public Sector: Second Edition* (London: Pitman Publishing).

Closely linked to the issues of inter-organizational coordination and institutional arrangements is decentralized government, which creates an even greater need for effective coordination. Decentralization entails transferring (and sharing) legislative, policy and administrative powers and authority to the lowest spheres of government. In such a context, policy-making and implementation are managed through effective intergovernmental and inter-organizational relations and communication that is based on trust and respect. It is crucial that such dilemmas are recognized in this study as decentralized government impacts heavily on how institutional arrangements and organizational operations exist and function²⁸³.

For example, in some instances administrative authority can be counteracted by political power and legal jurisdiction through superior command of information. This means that national government has more power than provincial and local departments. In such a scenario, intergovernmental and inter-organizational relations assume a particular format and policy implementation is heavily dependent on approval by central departments, while lower level organizations have little or no discretion and authority²⁸⁴. It is clear that both intergovernmental and inter-organizational coordination are linked to the institutional and organizational environment and to systems or practices in particular government contexts. This is crucial because the crux of coordination is the effort that is put into seeking better results through collaboration and the alignment and accommodation of the goals and values of diverse organizations. Therefore, it should be reiterated that inter-organizational analysis is appropriate in this study in that it enables the description of prevailing patterns of coordination and collaboration as well as facilitates an understanding of the organizational implementation structure.

To explore the coordination of tourism policy, it is first necessary to determine government's rationale for becoming involved in tourism management. By their location and design it is the "government institutions make and uphold the law and operate in the political, social, cultural, environmental, technological and economic spheres of society"²⁸⁵. One of the duties of government institutions is to create and apply regulatory principles which address the needs of society and the general needs of social evolution. Tourism has the potential to make

²⁸³ Ridley, F.F. (1975) *The Study of Government. Political Science and Public Administration* (Great Britain: Cox and Wyman Ltd.).

²⁸⁴ Hanf, K and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications).

a significant contribution to generating resources to address the needs of society. It is on this basis that the sector's institutional context and organizational arrangements are explored.

Inter-organizational Implementation and Tourism Policy

Inter-organizational theory conceptualizes the implementation environment as a set of organizations (implementation structure) that have a relationship with the focal organization (in this case, the DACT). Inter-organizational analysis is chosen for this study because it focuses on the comprehensive relations between organizations, their exchange of resources them and the organizational arrangements. This approach will enable the researcher to assess inter-organizational patterns of dependency which originate from resource exchange practices and from the conditions which influences these processes²⁸⁶. This approach provides the tools to explore issues of inter-organizational structures, arrangements, institutional and organizational sets, resources, capacity, etc, in-depth.

²⁸⁵ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 21.

²⁸⁶ Alexander E.F. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

At different levels, policy implementation requires responsible and accountable leadership. The DEDT/DACT is the leader of the tourism implementation structure. In other words, it is recognized as the focal organization and custodian of tourism public policy at provincial level²⁸⁷. An implementation structure comprises of subsets of members within organizations which view a policy programme as an opportunity to serve their interests. Examples include the Chamber of Commerce, interested independent entrepreneurs and local tourism associations; this provides for a very open access and exit culture. Among the key challenges confronting “contemporary organizational management is managing relationships with partners, this is achieved through contacts, aligning objectives, improving interactions and sustaining relevance”²⁸⁸. In this context, this says that a typical inter-organizational relations exercise is centred around facilitating organizational exchanges, transactions and interdependencies between organizational actors; these interactions result in the creation of regular patterns of relations. Again, the DACT is responsible for managing this process.

This new pattern and relationships manifest themselves mainly at institutional level. On a practical level, new behaviours and resources exchange have the potential to disorganize and rearrange existing organizational rules, regulations and procedures. This forces an organization to revisit its strategic approach, which later impacts on policy management as a whole (i.e. national programme reception, conception, interpretation and application). The phenomenological approach to implementation structures follows from an emphasis on the properties of implementation processes other than those from a top-down perspective. The properties of the implementation process are crucial to this study. They include organizational complexity, self-selection of participants, multiplicity of goals and motives, and localized discretion²⁸⁹. In this study, organizations are viewed as members of a network which forms an implementation structure. It is within this structure that inter-organizational interaction takes place, and where actors negotiate within set organizational arrangements.

It is important to note that power and influence are accessed and exercised through the amount of resources that are committed. Furthermore, the inter-organizational process is “embedded within a range of vertical and horizontal relations between organizations involved

²⁸⁷ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall) p. 303.

²⁸⁸ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication,) p. 33.

²⁸⁹ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall).

in the making and implementation of policy”²⁹⁰. Conflicts and disagreements are bound to exist in this context, especially in terms of standards and objectives, and policy and resources within the given economic, political and social conditions. The literature on inter-organizational management studies notes that an organization’s survival depends on its sustained connectedness with other organizations. It can therefore be assumed that the DACT’s success is linked to the effective management of relations between itself and its implementation structure which is composed of non-governmental and private stakeholders. The members of this structure may have different values, perspectives, and priorities from one another as well as from those advocating the policy²⁹¹. As a lead organization, the DACT is faced with the enormous challenge of reaching out to these members and reconciling its own values with theirs.

Another challenge is that “the inter-organizational policy implementation process sets high standards, especially for public organizations”²⁹². The DACT will find itself stretched, especially at operational level; this requires that ‘implementation managers’ know how to negotiate, procure and access relevant resources such as facilities, capital, knowledge, technology, information, expertise, time and other necessary commodities to fulfil public service objectives. Hence, it is important that variables such as actors, processes, decisions, power and value are explored to establish how they play out under these circumstances and are enabled to enhance and innovate in future programmes. What is good about “the inter-organizational network perspective acknowledges the existence of a cohort of groups of actors and interactions around a specific policy programme/project”²⁹³. Interestingly, local private tourism associations which are mainly composed of owners of tourism products and services have been consistent in their interactions and have a well-established culture of consultation and commitment to their programmes. On the other hand, the public sector actors do not seem to be getting their cohorts in order; less progress is evident, especially in communication, monitoring, compliance and reporting.

²⁹⁰ Hill, M. and Hupe, P. (2002) *Implementing Public Policy; Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publications) p.163.

²⁹¹ Hill, M. (1998), (ed). *The Policy Process*. (London: F Reader, Practice and Hall).

²⁹² Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p. 180.

²⁹³ Table 5.3, in Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 139.

I find it true that most “inter-organizational relations research generates more questions than answers²⁹⁴. I also wonder at what point public officials in South Africa, particularly KZN, will fully appreciate the importance of inter-organizational relations in implementation. This is of concern because the common framework for partnerships, co-management and collaborations includes cooperative governance, the cluster system and integrated planning. This suggests that it does not enable contracts (MOUs), and network governance, which exemplify inter-organizational public management in practice. Inter-organizational implementation, as public policy theory provides a framework to explain decision-making and policy-making processes, and to identify the casual links between events. Built in to this process is recognition that policy is made by actors at various levels of the policy cycle; this is critical for policy communication and innovation and calls for re-thinking the tourism product to fully integrate social tourism. The casual link between events implies that relationships relate to both internal and external environmental factors that shape the content of the implementation process. It should be noted that a “theory serves to direct one’s attention to particular features of the world, thus performing the essential task of distinguishing the significant from the irrelevant and this has bearing on the role of contemporary leadership in the implementation process”²⁹⁵.

As a concept, tourism has much to do with the temporary movement of people to destinations outside their normal places of work and residence to engage in activities and utilize facilities that are available for their needs²⁹⁶. The hospitality infrastructure, services and suppliers such as transportation, accommodation, security, food, interaction, events, etc are among the many needs of tourists. Hence, tourism public policy is what the public sector chooses to do or not to do with respect to tourism²⁹⁷. It has been argued that the “formulation and application of tourism policy should ensure that all natural resources are used carefully to achieve sustainability”²⁹⁸. This implies that the policy implementation process needs to achieve a balance between public interests and public service principles, as well as strive for more dynamic, effective and efficient tourism.

²⁹⁴ O’ Toole, L.J. (1993) *Inter-organizational Policy Studies: Lessons Drawn From Implementation Research* (Journal of Public Administration Research and Theory, 3) (2): pp. 232-251.

²⁹⁵ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) pp. 8-9.

²⁹⁶ Gunn, C.A. (1998) *Tourism Planning, Basics Concepts Cases* (3rd edition, Washington DC: Taylor and Francis).

²⁹⁷ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

²⁹⁸ Elloit, J. (1997) *Tourism Politics and Public Sector Management* (London and New York: Routledge) pp. 96.

The tourism sector has become a major part of government activities in both developed and developing countries, which have noted its comparative advantage in promoting economic development²⁹⁹. The public policy process is characterized by the evolving and dynamic environment in which it takes place; this network becomes the ‘signature of implementation’. This means that decisions, actions, reaction and feedback exist within a ‘cloud’ of influences and exchanges³⁰⁰. Among the many reasons why the public sector is getting involved in tourism management are the need to create employment, earn foreign exchange, maximize benefits for the host or local community, build the image of the country, regulate for the protection of consumers, and ensure fair competition. The state can and sometimes does use tourism activities to enhance the provision of public goods and infrastructure in general as part of the tourism product. Ecotourism has contributed much to the protection of wildlife, natural resources and the environment³⁰¹. There is increasing interest in using tourism to leverage existing public resources and maximize efficiency. Thus collaborations between and across sectors are encouraged and supported³⁰².

The management of the tourism portfolio is a shared or concurrent competence, which requires good coordination and mutual support between spheres of government, particularly in view of the diverse nature of tourism. This is a clear reflection of the built-in independence and dependency across the spheres of government; hence it reflects a healthy blend of inter-organizational implementation and tourism³⁰³. Policy has been defined as well-drafted statement that emerges from a process of consultation, thinking and selection of practical alternatives³⁰⁴. This implies that tools and resources for implementation are scarce; hence there is a need for careful consideration of options which will ensure relatively perfect implementation. Where there is resource scarcity, policy must give direction as to how best to utilize such scarce resources. At national level, tourism policy needs to reflect a simple approach that would maximize benefits³⁰⁵.

²⁹⁹ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

³⁰⁰ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

³⁰¹ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

³⁰² Fennell, D. (1999) *Ecotourism*, (3rd edition, London and New York: Routledge).

³⁰³ Republic of South Africa, *South African White Paper on Local Government* (1998).

³⁰⁴ Lickorish, L.J. and Jenkins, C.L. (2002) *An Introduction to Tourism* (Oxford, Auckland, Johannesburg, Boston, Melbourne and New Delhi: Butterworth Heinemann).

³⁰⁵ Lickorish, L.J. and Jenkins, C.L. (2002) *An Introduction to Tourism* (Oxford, Auckland, Johannesburg, Boston, Melbourne and New Delhi: Butterworth Heinemann)

From various angles I look at it, “public policy is the focal point of government activity and provides legitimacy for decisions and actions”³⁰⁶. Essentially, public policy is conceived as a process through which issues are conceptualised, prioritised, formulated and implemented in dynamic environments where and “there is a complex pattern of decisions, actions, interaction, reaction and feedback”³⁰⁷. And from a governance perspective, “public policy is to a large extent the outcome of bargaining among political institutions and societal actors”³⁰⁸, from an organizational context, policy is about the articulation and declaration of organizations interests and this is shaped by “interacting human decision-makers; as a consequence, any theory of organizations harbours a theory of individual choice”³⁰⁹. Tourism is an integral part of the machinery of many modern governments. As tourism is part of broader governmental activity, government should adopt a strong tourism policy agenda and direction. As indicated in the initial discussion, inter-organizational activity is located within a particular functional policy area. It is crucial that this study is also located in a certain policy sector or functional area. It is interesting to explore how these governmental responsibilities are managed and shared. Again “tourism is recognized as a market-driven activity, where the private sector expects to be included in all processes”³¹⁰. Whether this expectation is valid or not, the contemporary governance systems make it possible that the private sector is consulted and in some cases get to influence the way things happen. And part of this influence comes through the employment of consultants in the drafting and execution of tourism strategies at various spheres of government.

It should be noted that “policy is a purposive and goal-orientated statement rather than random and haphazard behaviour”³¹¹. This implies that much work and negotiations take place during the crafting of, and agreement on the intentions, goals and objectives³¹². At the end “policy will be announced in various formal and informal government statements mainly

³⁰⁶ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

³⁰⁷ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 10.

³⁰⁸ Peters, G and Piore, J. (2006) *Handbook of Public Policy* (London, Thousand Oaks, New Delhi: Sage Publications) p. 5.

³⁰⁹ Peters, G. and Piore, J. (2006) *Handbook of Public Policy* (London, Thousand Oaks, New Delhi: Sage Publications) p. 49.

³¹⁰ Lickorish, L.J. and Jenkins, C.L. (2002) *An Introduction to Tourism* (Oxford, Auckland, Johannesburg, Boston, Melbourne and New Delhi: Butterworth Heinemann) p. 170.

³¹¹ John, P. (1998) *Analyzing Public Policy* (London: Pinter) p. 27.

³¹² Cloete, F. and Wissink, H. (2002) *Public Management, Improving Public Policy* (. Cape Town, SA: Van Schaick Publishers).

by politicians and senior administrators, as an agreed-upon set of intentions”³¹³. This signifies the importance of political leadership and the bureaucracy in crafting and managing policy. In practical terms, this indicates that there could be different points from which the original objectives emerge and that joint decision-making is critical in order to ensure that government steers the implementation of the policy programme³¹⁴. It is thus essential that the rhythm and synergy of the management of the political contestation that exists in the policy development process are transferred to inter-organizational activities at implementation level.

In this context, policy is conceived as a technical managerial process based on facts and objective evidence and untouched by values³¹⁵. A common understanding of tourism policy emerges and is implemented within a context. This context is the political process which reflects political perspectives, values and values systems which directly and indirectly affect the perceptions, attitudes, decisions and actions of actors and agencies³¹⁶. As is the case with overall public institutions, there are individuals and groups within and outside tourist organizations who seek to satisfy a range of goals. One of the ways of I look at “public policy is to view it as a set of interrelated decisions taken by political actors or groups of actors concerning the selection of goals and the means to achieve them”³¹⁷. Like the policy formulation process, implementation is an extended process during which a range of decisions and changes can be made which could alter the goals and ultimately the outcome. The courses of action, including specific operational activities, and tasks or duties that are performed by a variety of stakeholders under the leadership of the governmental officials should be monitored. This is where the issue of regulation and enforcement comes in, which must be the responsibility of lead organization³¹⁸. What I have to reiterate is that both the processes of policy formulation and implementation does not take place in a vacuum. The process of managing public policy is first and foremost a political activity. Then, the environmental, economic, social and cultural factors come to the fore. These are represented

³¹³ Elloit, J. (1997) *Tourism Politics and Public Sector Management* (London and New York: Routledge), p. 100.

³¹⁴ Anderson, J. E. (1997) *Public Policy Making: An Introduction*, (3rd edition, Boston, New York: Houghton Mifflin Company).

³¹⁵ Taylor, M. (2003) *Public Policy in the Community* (New York: Palgrave MacMillan) p. 106.

³¹⁶ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy*, (London and New York: Routledge).

³¹⁷ Colebatch, H.K. (2002) *Concepts in the Social Sciences. Policy*, (2nd edition, Philadelphia: Open University Press) p. 84.

³¹⁸ Fox, W, Schwella, E, and Wissink, H, (1991) *Public Management* (Stellenbosch: University of Stellenbosch and Juta and Company Publishers Ltd).

by formal structures which advocate for them during political processes³¹⁹. Likewise, tourism policy is a consequence of the political environment, values and ideologies, the distribution of power, institutional frameworks and decision-making processes. It is inevitable that contestations in many forms will emerge as stakeholders negotiate and try to protect their interests and goals during the decision-making process³²⁰.

This translates into an understanding that tourism public policy is practically influenced by complex interests that are located in the economic, social, and cultural characteristics of society, as well as formal government structures and other features of the political system. Tourism public policies are thus immersed in a dynamic, on-going process. Furthermore, it has become increasingly evident that governments struggle to comprehend the tourism industry, its impacts and its future, and how they should intervene³²¹. It is also important to note is that “a new policy is formulated while the original (old) policy is being implemented; hence they are intertwined. It is the business of government to make choices and strategically manage resources to achieving the goals those choices imply”³²². This viewpoint is compatible with the contemporary notions of public governance discussed earlier in that it recognizes the collective organizational nature of government responsibility, which is based on well-established rules and procedures.

On the basis that policy emerges from a cooperative context, it is not surprising that tourism policy brings together a range of private sector, non-governmental and government actors³²³. These various actors have different values, goals, objectives and structures but they are all involved in the management of tourism policy. This creates fertile ground for intergovernmental and inter-organizational interaction and relations. However, it should be noted that governmental institutions and agencies are leaders in the management of tourism policy. The lead institutions use tourism public policy as a tool to integrate activities and engage with other stakeholders.

³¹⁹ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

³²⁰ Hall, C.M. and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

³²¹ Hall, C.M. and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge)

³²² Public policy is the product of these choices, setting the parameters within which governments and others operating within the sphere of particular policies are either intended or made to function. Kaul, M (1998) *Better Policy Support, Improving Policy Management in the Public Service: Managing the Public Service Strategies for Improvement Series*: (No 4. Commonwealth Secretariat: Canada: University Of Toronto Press, Incl) p. 3.

³²³ Toit, D.F.P., Van der Waldt, G., Bayata, M.S., and Cheminais, J. (1988) *Public Administration and Administration for Effective Governance*, (Cape Town: Juta, Kenywn) p. 239.

The fact that political and administrative (organizational decision-making) processes do not take place in a vacuum has bearing on this study. The main issue is exploring “how it plays itself out in day-to-day interactions”³²⁴. This phenomenon can be described in many ways, one of which is pluralism that refers to the development of continuous pluralistic (network) practices at inter-organizational level. This will require an examination of bargaining amongst stakeholders, since implementation depends to a large degree on negotiations around the goals and objectives of the actors involved³²⁵. A review of policies, structures, management, and capacities for effective tourism management is essential in the South African context where the legislative and policy framework emphasizes sustainable and responsible tourism. A strong commitment to participation by the general public and private actors is part of this commitment.

Holistic thinking should inform the management of tourism public policy, programmes and projects. Henry and Jackson raise the issue of sustainability (from a management perspective), which is one of the factors that determines who participates in the implementation structure of tourism programmes and products³²⁶. Built into each other is policy formulation and implementation which are intertwined and are not easy to separate. In essence, policy making is an ongoing process, as feedback from the implementation can lead to amendments to the existing policy. Henry and Jackson focused on the elements that make-up a comprehensive tourism programme centred around sustainability, which is also known as responsible tourism. Sustainability and responsibility can be built in to a tourism policy. This can be done by ensuring that political values, ideology, and goals are structured in such a way that they embrace environmental preservation or an ecological and cultural (community) philosophy.³²⁷. This implies that all relevant stakeholders should participate from the outset; these should include actors who represent political, ecological, cultural, economic, and management interests. This will ensure fewer objections and delays during the implementation of tourism projects.

³²⁴ Hanf, K. and Scharf, F.W. (1978) *Inter-organizational Policy-Making: Limits to Coordination and Central Control* (Sage Modern Politics Series Volume 1, London and Beverley Hills: Sage Publications) p. 41.

³²⁵ Pluralism can clearly be studied in the process of negotiations because it becomes an expectation or precondition for successful collaboration and ultimately implementation as well as sustainable relationships amongst stakeholders. Hanf, K. and Scharf, F.W. (1978) *Inter-organizational Policy-Making: Limits To Coordination and Central Control* (London and Beverley Hill: Sage Publications).

³²⁶ Henry, I.P., and Jackson, A.M. (1996) *Sustainability of Management Processes and Tourism Products and Contexts* (Vol. 4, No. 1, Journal of Sustainable Tourism).

³²⁷ Henry, I.P., and Jackson, A.M. (1996) *Sustainability of Management Processes and Tourism Products and Contexts* (Vol. 4, No. 1, Journal of Sustainable Tourism).

Through its various agencies, government should be seen to focus on protecting its citizens. This can be achieved in a number of ways, including the provision of essential services and creating the conditions in which institutions can operate favourably. In the tourism industry, national government is responsible for formulating tourism policy, which is translated into tourism strategies and plans at different levels. The policy provides a framework (government's position) and clarifies how tourism fits into the bigger picture of the national economy. It identifies national tourism objectives and this national agenda is domesticated at lower levels of government. A well-constructed policy is normally accompanied by 'regulations', a statement that provides targets and the means by which the goals can be attained³²⁸.

It has been observed that statutory tourism bodies are sometimes ill-equipped to manage the new challenges that arise with positive tourism development. However, it is expected that government will not abdicate its responsibility. Part of the problem is that external actors cannot adjust their resources and institutional frameworks to accommodate tourism, partly because it is seasonal³²⁹. Again, what should be noted, however, that government has special areas of expertise where it dominates. Amongst these is tourism infrastructure development. Government has well-established networks and resources at various levels (national, provincial, regional and local) to deliver what private organizations are not willing to offer. For example, "local authorities and communities are active in marketing, servicing and investment in their areas"³³⁰ and government agencies should take advantage of this foundation.

As noted earlier, tourism policy is not a tourism plan; further decisions have to be made at various operational levels as to how tourism relates to and aligns with other economic sectors. This is critical because "tourism development might require the use of land, whereas land might have alternative uses in terms of agriculture, building, forestry, etc"³³¹. This

³²⁸ Lickorish, L.J. and Jenkins, C.L. (2002) *An Introduction to Tourism* (Auckland, Johannesburg, Boston, Melbourne and New Delhi: Butterworth Heinemann: Oxford).

³²⁹ Lickorish, L.J. and Jenkins, C.L. (2002) *An Introduction to Tourism* (Auckland, Johannesburg, Boston, Melbourne and New Delhi: Butterworth Heinemann: Oxford).

³³⁰ Lickorish, L.J. and Jenkins, C.L. (2002) *An Introduction to Tourism*, (Auckland, Johannesburg, Boston, Melbourne and New Delhi: Butterworth Heinemann: Oxford) p. 191.

³³¹ Lickorish, L.J. and Jenkins, C.L., (2002) *An Introduction to Tourism* (Auckland, Johannesburg, Boston, Melbourne and New Delhi: Butterworth Heinemann: Oxford) p. 172.

implies that even at implementation level, tourism projects will interact with other sectors. For example, tourism development will need roads, effective and reliable transportation systems, security, skills, human capital, etc. While this does not imply that tourism's success is solely reliant on other actors, their positive interaction and cooperation with the lead organization makes a huge difference in the level of implementation success.

Accordingly “the principal functions of a Ministry of Tourism and the public entities under its control can be summarized as research statistics and planning, marketing, development of tourism resources, regulation (including trade regulation), registration, training and education, and facilitation”³³². It is critical for this study to establish the extent to which the DACT and TKZN's programmes achieve such basic requirements. The DACT is the provincial department responsible for providing strategic leadership (policy and programmes), facilitating coordination and regulation, while TKZN is responsible for tourism marketing.

Whatever form the devolution of authority within government takes, it is essential that the public authority, be it central or local government, agree on an overall strategy. The state tourism agency or department has an important role to play in advising on the strategy, offering opportunities to consult and cooperative with a dispersed private sector, and preparing a destination marketing strategy. Thus the public authority, at national and local level, has a dual responsibility to act as the guardian of public interests and as the regulator, setting the conditions for cooperation. Another objective of this study is to assess how the lead organization responds to feedback from the implementation process and whether or not it adapts its organizational structure in response to implementation challenges.

Cooperative Tourism Governance: *the introduction*

Moving from cooperative policy development to intergovernmental imperatives provides cooperative tourism governance with a sound basis to achieve inter-organizational relations. South Africa has a sound legislative framework and intergovernmental relations instruments. As noted earlier, policy programmes cut across sectors and involve a wide array of actors; hence there must be sound communication across governmental institutions and private and

³³² Lickorish, L.J. and Jenkins, C.L., (2002) *An Introduction to Tourism* (Auckland, Johannesburg, Boston, Melbourne and New Delhi: Butterworth Heinemann: Oxford) p. 182.

non-governmental organizations. This is important as “competition, negotiations, brokering, exchanges, transactions, coercion, etc are prevalent in both intergovernmental and inter-organizational relations”³³³.



Figure 3 The Policy Development connect of Cooperative governance context, Intergovernmental Relations Imperatives and Inter-organizational Relationships

The cooperative context for policy development is located at national level, where the first connection that could be made is that of the role of citizens in the implementation process and the governance structures that enable their participation. Citizens can play an important role in identifying their own development priorities³³⁴. One of the mechanisms through which they do so is participating in intergovernmental forums (IGR Forums), which exist at various spheres of government³³⁵. These forums enable citizens to experience co-operative governance; they interact with various governmental institutions involved in a single project.

³³³ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications) p. 32.

³³⁴ Relevant legislation/policy: Constitution of the Republic of South Africa (Act no. 108 of 1996), Tourism Act (Act no. 72, of 1993), Tourism White Paper (1996), and the National Tourism Sector Strategy (2011).

³³⁵ Republic of South Africa, *Working Together, Understanding Intergovernmental Relations* (Department of Provincial and Local Government, www.dplg.gov.za (accessed in 2008).

The IGR processes are at the forefront of ensuring that there is alignment, and effective and efficient implementation through proactive and interactive communication. This is typical of contemporary governance which promotes interactive, networking, communicative and relational governance. These concepts emphasize the nature, content and speed of information flow and prioritize dialogue and the need to connect with relevant shareholders and stakeholders³³⁶. In both tourism public policy development and implementation, the relevant IGR Forums would include District Municipalities, sector departments, and business associations, all of which are located within the sphere of local government.

At national and provincial levels, inter-governmental relations are facilitated by a wide range of instruments; these include the National Spatial Development Perspective (NSDP), Provincial Growth and Development Strategies (PGDS), the Medium Term Strategic Framework (MTSF), etc. These instruments ensure that there is a shared vision, alignment of policies, sequencing of planning, and that capacity and budgets are available. In addition, they enable the initiation and sustainability of all kinds of partnerships, which include those of a social and economic nature.

This study focuses on experiences of the practice of inter-organizational relations as they relate to implementation. The major focus is how inter-organizational elements such as “inter-organizational arrangements, patterns, communication, trust, power, dependency, exchanges, etc enable and/or constrain implementation”³³⁷. This section blends these two concepts to lay a foundation the discussion of inter-organizational theory. A simple definition of implementation is “carrying out of a basic policy decision”³³⁸. This could take place at executive level or emanate from a different authority or another actor at an equal or higher level. In an ideal situation, a decision is made to address a problem. It should be noted that implementation is just one of the processes that are part of a bigger cycle, which includes policy-making, monitoring, evaluation, etc.

³³⁶ Republic of South Africa, *Working Together, Understanding Intergovernmental Relations; Department of Provincial and Local Government*, www.dplg.gov.za (accessed in 2008).

³³⁷ Policy implementation is about the integration of the efforts, programmes, resources and systems that government puts in place in order to solve problems. Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector*. (London: Sage Publication) p. 138.

³³⁸ Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational, Second Edition* (Los Angeles, London, New Delhi, Washington DC: Sage Publications) p. 7.

This study responds to the need for the investigation of inter-organizational relations and implementation for effective service delivery and community development³³⁹. Previous studies in this field observed that governmental programmes attract a variety of actors who establish ‘illusive’ inter-organizational networks³⁴⁰. The question is thus whether or not the implementation structure is a symbolic web of illusive forums. If this is a valid concern, I would question if government agencies realize that this is the case. This makes the job of lead organizations even harder and more complex in that they struggle to identify the components of an implementation structure and hence are unable to effectively nurture and sustain it. Another question is whether or not the gap between policy makers and implementers closes or widens. Furthermore, what determines the shrinkage or the widening of the gap is the ‘energy’ and number of interested actors that come to the table and form a network around and between politicians, bureaucrats and the public. These complexities can result in unintended consequences.

A number of concepts have been developed to unravel the complexities of implementation which include “its environment, the nature of stakeholders and the different parties’ motives and the inter-organizational entities have been labelled alliances, coalitions, collaborations, partnerships, associations, consortiums, joint ventures, co-operations, etc”³⁴¹. These descriptions seek to capture the multiple, cooperative, network, multi-agency, inter-organizational, and inter-professional nature of these relationships. A critical concern is whether or not government, ‘as an organization’, has been able to strategically locate itself as a key player in these new implementation formations. Furthermore, have power, control, information, and resources been utilized optimally? This relates to balancing the scales and ensuring that as much as government cannot afford to be seen to be domineering, it has the final say in public policy.

Institutional and organizational approaches have been used to explain the connections that exist amongst policy-makers, bureaucrats and the public. Central to this argument is the position and role of the focal organization in that it has the potential to lead inter-organizational implementation and expose gaps and challenges. The institutional perspective

³³⁹ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publications).

³⁴⁰ Pressman, J. and Wildavsky, A. (1984) *Implementation* (University of California Press: Berkeley, USA).

³⁴¹ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 5.

enables me to approach government as organization. It makes it possible to explore a government department's vision (the bigger picture and organizational culture) that enables its structures to effectively protect public interests in an inter-organizational implementation context.

Brief, amongst many elements of the organizational context, it the organizational culture which in simple terms is a collection of behaviors, norms, values, philosophy, rule and climate through which an organization can define itself and dominate in its area of operations³⁴². Organizational culture should govern and dominates the perceptions about an organization. For example, TKZN, elevated 'Kingdom of the Zulu' as a driving force behind its brand. So here was the embrace of the location, culture, the heritage, the traditional and customs, and identity of the province, as an organizational context. But the biggest challenge was the uniformity of this organizational culture across the districts because they had 'their own' well established branding which tourists were familiar with. So in other words, organizational culture is such an essential pattern of management where perceptions and practices are organized to become a standard vocabulary for the staff members and management amongst actors within the implementation structure³⁴³. For the implementation structure under study, would be the adherence to the value and principle of responsible tourism. For all of them, within the organizational culture practice, there would an embrace of sustainable tourism development for any tourism adventure, which will become standard within projects and contracts. Amongst the elements which defines the dominant value or organizational culture for the province is the PGDS, the PSDP and the integrated development planning system (IDP), with which amongst the aims is to create a common perception about the province and its people³⁴⁴. These are critical in that they are meant to influence, enforce cooperation and commitment within the entire governance system of the province and this give the organizational context for the lead organizations in this study.

³⁴² Luthans, F. (2008) *Organizational Behaviour* (11th Edition, New York: McGraw Hill International Edition)

³⁴³ Nyambe, N. (2005) *Organizational Culture and Its Underlying Basic Assumptions as a Determinant for Change: A Case Study of KwaZulu-Natal's Conservator Sector* (Pietermaritzburg: Centre for Environment, Agriculture and Development, University of KwaZulu-Natal).

³⁴⁴ Mullins, L. F. (2005) *Management and Organizational Behaviour* (7th edition, Essex, England: Prentice Hall).

Inter-organizational Implementation as a core Management Activity

Inter-organizational implementation refers to the execution of decisions of both government (the lead organization), and other actors who have an interest in the policy programme. Between the formulation of the intentions of a policy and the actual delivery of the related policy outputs, an interaction shapes the final product or services that are rendered to clients (the public in this context)³⁴⁵. Inter-organizational implementation takes place within both vertical and horizontal governance systems. The horizontal system is concerned with connecting the organization primarily responsible (the lead organization) for implementation and related organizations³⁴⁶. The vertical system focuses on ensuring that the formulation and implementation of public policy is conducted in a conducive manner. While inter-organizational implementation (service delivery) is a growing field of research internationally, there is a paucity of research on the South African situation. Inter-organizational research is primarily available in internal studies by and on specific public sector agencies, rather than as published research in peer-reviewed literature and as case studies. Hence in this study I make reference primarily to international case studies. However, there is substantial related literature that will also be consulted. The closest fields of study include organizational science (theory), management networks, implementation, and intergovernmental relations.

This study is motivated by the changing nature of implementation and the ever-changing faces of the actors involved. It aims to contribute to knowledge by documenting these changes and contributing to the broad literature on implementation. The best place to start is by demystifying the complex implementation environment and actors. It is for this reason that my focus is on inter-organizational implementation. Amongst many characteristics of contemporary implementation is the fact that there are many experiences that are often ignored by analysts³⁴⁷. Indeed, one of the reasons why implementation is failing might be because the first-hand experiences and fertile ideas of street level bureaucrats are being ignored. This study aims to investigate the experiences, gaps and challenges confronting

³⁴⁵ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publications)

³⁴⁶ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publications).

³⁴⁷ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (: San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington) (PhD Candidate in Public Affairs), accessed October 2007.

implementation within an inter-organizational context and to craft simple and practical approaches to manage governmental programmes.

Summary

What came out strongly in this chapter is the notion of complexity of both tourism and the contemporary organization within the public, the private and the non-governmental sectors. Within this there is a need to enhance state capacity to design and apply institutional systems that will ensure effective management of inter-organizational relations for implementation. In fact, this is essential as more time is spent planning and organizing instead of actually implementation of tourism development projects. Part of this process in practice was the creation of specialised agencies within provinces which will be tasked with the management of this portfolio.

Although the government was busy learning and organizing itself around this portfolio, some basic understanding was developed especially of the tourism role and potential in the social, environmental and economic spaces. This is reflected in the nature of government's tourism programmes on poverty eradication, the stewardship programme and the highlighting of the need for community-based tourism partnerships. This, in many ways, defined governmental organization's approach of how they conceive their role and engage within tourism. There is an indication of the need to ensure that tourism is located amongst the central portfolios to drive and impact on broader economic policy. In other words, they have to benefit the economy by connecting and aligning with the country's other economic resources³⁴⁸.

In short, the effort is showing in the organizational changes that took place within DACT/DEDT mainly, where government was trying to organize itself to achieve the broader objectives of cooperative governance. What is also evident is the prioritization of inter-organizational liaison for effective implementation, which happened, hence the 2010 tourism programmes were as success. As much as this happened, the public sector was still behind in

³⁴⁸ The Organization for Economic Co-operation and Development (OECD), (1986-Political Science).

terms institutional expertise in this area, as a result, there is a continuous dominance of the private sector in tourism, with little visibility of the lead organizations.

CHAPTER 3

INTER-ORGANIZATIONAL RELATIONS THEORY, RELATED CONCEPTS AND THEMES

Introduction

In this chapter, I present and discuss the inter-organizational theory and its related concepts and themes. The first major concept that I use as the basis for inter-organizational theory is that of collaborative governance. This chapter provides the motivation for engaging in inter-organizational relationships and collaborations. It also defines inter-organizational theory and discusses some of the essential concepts and themes, including power, authority, dependency, transaction costs, exchanges, networks, groupings and partnerships. In addition, this chapter presents the technical or operational themes that describe the applied process of inter-organizational theory.

CONTEMPORARY GOVERNANCE CONTEXT

In this study, I acknowledge that, traditionally “governance was thought of in terms of rules, control, authority, law enforcement, and hierarchical administrative systems”³⁴⁹. However, in the contemporary context, I talk of collaborative governance because this kind of governance recognizes that there are external or non-state actors who have vested interests in both policy development and implementation; hence participation is open, coordination is horizontal and decision-making is collective³⁵⁰. Having said this, it should also be noted that collective governance has its own challenges and shortcomings; these include potential inter-organizational conflict that may be caused by perceptions of image, agenda-setting, resources, power, control, leadership styles, support, institutional design, etc³⁵¹.

Out of many available and related concepts, I have found that collective governance is the most appropriate related concept that defines this study as it mainly relates to public policy issues, and involves public-private partnerships (PPPs), which is one of the critical concepts

³⁴⁹ Lawrence, L.E., Heinrich, C.J., and Hill, C.L. (2001) *Improving Governance: A new logic for empirical research* (Washington, DC: Georgetown University Press).

³⁵⁰ Stoker, G. (1998) *Governance as Theory: Five Propositions* (International Social Science Journal 50): pp. 17-28.

³⁵¹ Ansell, C., and Gash, A. (2007) *Collaborative Governance in Theory and Practice* (Journal of Public Administration Research and Theory) accessed 19 July 2013.

that I use to define inter-organizational relations in practice³⁵². In many instance, the PPPs are stakeholder-shareholder based, hence this implies two-way communication and interagency coordination, and welcomes non-state interest groups and actors' participation in governance. Decision-making is collective, and consensus is goal-focused and outcome-specific. Secondly, like “collaborative governance, collective governance acknowledges and locates representation in the decision-making arena”³⁵³. In short, I have that contemporary governance has amongst many other principles, that of collective authority, power, consensus, legitimacy, strength and accountability.

In the South African and KwaZulu-Natal context, most strategic plans and frameworks adopt strategic partnerships and collaborations as priorities for the lead organizations responsible for the tourism portfolio. This commitment to cooperative governance should benefit the implementation structure because tourism is a cross-cutting mandate. On this basis, this study adopts a definition of collaborative governance as “a governing arrangement where one or more public agencies directly engage non-state stakeholders in a collective decision-making process that is formal, consensus-oriented, and deliberate and that aims to make or implement public or manage public programs or assets”³⁵⁴. This requires a high level of congruent perceptions, attitudes, values, actions and commitment to the identified collaborative goals at micro, meso and macro levels of governance.

Inter-Organizational Theory: *Setting the Scene*

It is also important to note that politicians and senior bureaucrats often react to events and make policies and decisions along political and symbolic lines; this applies equally to implementation. The harder and more controversial decision-making is left to lower-level organizations and local authorities (administration implementation) where street-level bureaucrats operate within an inter-organizational environment³⁵⁵. John observes that policy can move ‘backwards’ from implementing organizations, such as local authorities and

³⁵² Ansell, C., and Gash, A. (2007) *Collaborative Governance in Theory and Practice* (Journal of Public Administration Research and Theory) accessed 19 July 2013.

³⁵³ Connick, S. and Innes, J., (2003) *Outcomes of collaborative water policy-making: Applying complexity thinking to evaluation* (Journal of Environmental Planning and Management)..

³⁵⁴ Ansell, C., and Gash, A. (2007) *Collaborative Governance in Theory and Practice* (Journal of Public Administration Research and Theory) accessed 19 July 2013.

³⁵⁵ John, P. (1998) *Analysis of Public Policy* (London: Pinter).

government agencies, to the policy formulators, politicians and top bureaucrats³⁵⁶. This means that street-level bureaucrats have administrative discretion to make practical decisions that inform policy outcomes, which could be contrary to the original policy objectives. This is the basis and character of inter-organizational programmes and projects. It is also important to briefly discuss the influence of the policy cycle. Generally, policy has to do with the validation of plans, legitimatisation of action and the execution of decisions. At different levels, policy “evokes negotiation between these different realities as various participants become involved”³⁵⁷. This means that, to a larger degree, policy discussion sets the tone for the entire process, including implementation.

On the other hand, inter-organizational implementation has much to do with the engagement of stakeholders at horizontal level, where policy discussion is used as an instrument to consolidate organizational goals and values and put them into action. In short, policy legitimises every action that the organization executes and also provides actors with the authority to commit an organization. This is the point at which implementation takes place, a process where plans are executed; this creates the need for bargaining³⁵⁸. Another way of explaining the influence of policy in inter-organizational implementation is to use the concepts of the policy network and implementation structure. It is important that a distinction is made between the two and to explain how they complement each other. My conception is that the concept of inter-organizational relations emerges from the policy context. That means that before implementation can take place, there needs to be vertical interaction between national and provincial government. This interaction is top-down in nature, where the ‘bigger picture’ and the national objectives emanate from broader public policy.

To further clarify this interaction and relations, I discuss the ‘policy entrepreneurs’ who are key people that ‘run’ the policy network. It should be noted that a network consists of both public and private sector actors who participate to protect certain interests. These actors do not vanish once a policy is drafted and approved. Rather, they ensure that they become part of the implementation structure, which is a group of self-selected actors and organizations who engage at operational level. The implication of the above argument is that inter-

³⁵⁶ John, P. (1998) *Analysis of Public Policy* (London: Pinter).

³⁵⁷ Colebatch, H.K. (2002) *Concepts in the Social Sciences: Policy*, (2nd edition, Philadelphia: Open University Press) p. 52.

³⁵⁸ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

organizational theory emerges as a reaction to the top-down approach to implementation. A policy network is transformed into an implementation structure where bargaining and compromise around certain ‘positions’ or interests continues. This happens because the policy entrepreneurs move with the policy process to ensure that they protect the investment they made when they were lobbying for space in the problem identification and agenda setting stages.

The above statement supports the assumption that policy formulation, implementation and decision-making are immersed within complex interactions of a large cohort of actors which are to a large extent dependent and interdependent on each other³⁵⁹. Implementation is a stage in the policy cycle; this introduces the question of the horizontal relations level where provincial actors engage and build relations with local actors. This is the crux of this study that seeks to expose the experiences that emerge within this chain of interaction. In essence, implementation is a collective pursuit of goals which have been negotiated by a cohort of mostly original actors with vested interests. Again, policy is the point of connection where actors converge; it provides direction and becomes a legitimate authority. As a point of reference and connection, policy has its own attributes such as that it has to do with order (consistency), it rests with an authority (decision-maker), and it implies expertise (functional areas)³⁶⁰. These attributes are critical in that they assist in establishing an implementation structure, a cohort of actors who are committed to the implementation of the policy objectives.

The previous chapters have alluded to the need for collaboration; the reasons why organizations and actors find it beneficial to participate in the inter-organizational relationship are summarized below:

- “Mandated by the legal or regulatory requirements as a ‘*necessity*’,
- Realization of potential to exert power or control through ‘*asymmetry*’,
- Desired ‘*reciprocity*’ with another organization through cooperation or coordination,
- Improved organizational ‘*efficiency*’,
- Increased ‘*stability*’ of the organizational environment, and

³⁵⁹ Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications).

³⁶⁰ Colebatch, H.K. (2002) *Concepts in the Social Sciences: Policy* (2nd edition, Philadelphia: Open University Press).

- Enhanced 'legitimacy' among other organizations and decision-makers³⁶¹.

From the above lines, what stands out is that legitimacy that is enjoyed by the lead organization is dependent on how best stable and efficient the organizations are to facilitate effective coordination. Clearly there are dependencies and collaborations that are required by law, while others arise out of need. Amongst the primary reason why organizations are compelled to collaborate is the fact that the operational environment is unpredictable and continuously evolving. The collaboration provides an avenue through which transaction costs could be shared and risks reduced. And furthermore, the achievement of effective and efficient programmes and projects is also thought to depend on cooperation with partners with similar interests and goals. In the long run, this approach renders the implementation environment manageable.

Some of the other essential concepts and processes that reflect and relate well to inter-organizational relationships theory include cooperation, coordination, collaboration and service integration. Cooperation has to do with the recognition of all kinds of actors and relationships and requires adequate and relevant representation to establish both formal and informal relations to achieve set goals. The remaining concepts refer to joint efforts (including resources) and creating a synergy that ensures the production of the required services or product by the partners' mutual clients. The above concepts challenge the actors involved in programmes and projects to organize membership, negotiate purpose, share power, establish trust, identify and nurture leadership³⁶². The catalysts for effective inter-organizational relations include "the consideration of external factors, building trust, ensuring wide organizational ownership, articulation of a clear purpose, establishing a legitimate basis for collaboration and creating capacity to function"³⁶³. These are critical considerations in an implementation structure. The above points are critical to the discussion on inter-organizational theory that follows.

There is consensus in the literature that collaboration and cooperation are necessary and that they stem from both legislative and organizational will to attain comparative advantage and

³⁶¹ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 156.

³⁶² Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

³⁶³ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 154.

be effective and efficient. Central to discussions on collaboration are sensitive issues such as sharing risks, reducing transaction costs, attaining stability, accessing power and exercising relative autonomy. These all centre on an acceptable degree of trust, which I regard as being at the heart of any inter-organizational relationship, including the provision of public services.³⁶⁴ This concerns the manner in which the lead organization (principal agent) purposively relates to other stakeholders and manages information.

One of the initial benefits of the relational approach to organizational trust is that it allows for organizations to share and minimize costs and risks. However, the most critical element is to explore how the inter-organizational approach galvanizes capacity to get things done. This is the best way to establish, ensure and sustain trust. It creates an environment where organizations feel protected, and where all actors can take advantage of the opportunities that exist within the programme or project that is being implemented, as well as dedicate relevant skills and knowledge to the success of the project³⁶⁵.

As noted earlier, the contemporary implementation context makes it possible for external actors to take part in almost all the stages of public policy-making and implementation. In essence, this is what inter-organizational relations and management is all about, where actors with common interests collaborate to make things happen at different levels of managing public policy. One such example is “relational marketing which offers public service organizations (PSOs) an opportunity to move beyond a simple bipolar opposition and engage with the policy process in a way that enhances proactive inter-organizational management”³⁶⁶. This is critical in the work of the DACT and TKZN, in that marketing is amongst their key mandates; therefore, this study examines how such marketing is managed within the cooperative environment.

As a process and tool for the lead organizations, relational marketing is critical in tourism programmes, as it provides an “excellent basis for initiating and maintaining trust in order to

³⁶⁴ Huxham, C. and Vangen, S. (2000) *Leadership in the shaping and implementation of collaboration agendas* (Academy of Management Journal) 4, pp. 1159-1177.

³⁶⁵ McLaughlin, K., Osborne, S.P., and Chew, C. (2009) *Relationship Marketing, Relational Capital and the future of marketing in the Public Service Organizations: Public and Money* (Journal Compilation, CIPFA).

³⁶⁶ McLaughlin, K., Osborne, S.P., and Chew, C. (2009) *Relationship Marketing, Relational Capital and the future of marketing in the Public Service Organizations: Public and Money* (Journal Compilation, CIPFA) p. 38.

achieve the highest levels of transparency”³⁶⁷. What this says, is that the “PSO practitioners can develop frameworks and systems which understand and mediate trust-based relationships”³⁶⁸. Linked to the above process, in tourism, relational capital is essential, hence “issues of mutual trust, respect and friendship are of great importance because they enable close interaction and the creation of functional and productive implementation alliances”³⁶⁹. What I have observed is that TKZN, has been excellent in both building and nurturing relations marketing mainly within the corporate sector, however, amongst the PSO’s, this has not been the case.

The organizational vision, mission, values and goals are important to both public and private organizations as they are the reason why the organization exists, and the “organizational goals include achieving order, and economic and cultural aspirations”³⁷⁰. It will then be expected and common that, the organizational culture and behaviour will feature strongly in this study. This is the case because it is through elements such as organizational culture that assist in the attraction of actors and also in maintaining or achieving order, where expectations around behaviour are clear. The latter refer to an organization seeking to create value and become significant through producing, packaging and offering (selling) services that people need and regenerating revenue for continuity (sometimes survival). A ‘visible’ institutional image (such as that of EKZNW in rural areas), is also important and is achieved by the creation, promotion and preservation of symbols that relates to the product the organization sells (which is its reason for existence).

The inter-organizational implementation setting can be conceptualised as fitting into a few categories. The first is acknowledging and conceptualizing national objectives and ‘domesticating’ them into provincial and local governance programmes. There is a general “conception that tourism is a major source of government revenue”³⁷¹. In order to secure this benefit, the Turkish government adopted Public Private Partnerships (PPPs). This ensures

³⁶⁷ Bachmann, R. (2001) *Trust, Power and Control in Trans-organizational Relations* (Organization Studies 22).

³⁶⁸ McLaughlin, K., Osborne, S.P., and Chew, C. (2009) *Relationship Marketing, Relational Capital and the future of marketing in the Public Service Organizations: Public and Money* (Journal Compilation, CIPFA) p. 38.

³⁶⁹ Kale, P., Singh, H. and Perlmutter, H. (2000) *Learning and protection of proprietary assets in strategic alliances* (Strategic Management Journal, 21).

³⁷⁰ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publications) p. 177.

³⁷¹ Goymen, K. (1983) *Tourism and Governance in Turkey*, p. 1025.

that the government has firm control over what happens in tourism and that it accesses its benefits. In such a situation, the conditions of implementation are negotiated by a variety of stakeholders from within and outside government.

The second setting is a situation where national mandates apply broadly to several policy sectors. These could include affirmative action, employment equity, transformation and the regulation of competition. In South Africa, all these issues are applicable within the National Spatial Development Perspective (NSDP), the national growth and development strategy, and the national skills development strategy. Furthermore capacity building, poverty eradication, service delivery and access to public health facilities are also national imperatives. The seasonality of the tourism industry might make it difficult for government to achieve these objectives.

Another setting emerges from the legitimization of provincial and local government that are required to incorporate the national perspective into their own plans. In Turkey, regional and local authorities have ensured maximum communication with and the participation of all relevant actors in the tourism industry³⁷². This was due to the realization that tourism intersects with a number of sectors and that exclusion would lead to conflict. In short, the original objectives were blended with contextually-based decisions in order to ensure the success of tourism projects. The above inter-organizational setting culminates in management processes. The partnerships and engagements in tourism are characterized by cooperative management, co-production, co-regulation, co-steering and PPPs at all levels of government. The Turkish experience involved participative and communicative governance, where top-down and bottom-up interactions were not only a common feature, but a requirement. This shift in governance approach required a shift in management strategies, with more emphasis on facilitation and negotiation as opposed to seeking compliance and regulating.

It is not clear in the Turkish case study how power and authority were dispersed amongst the stakeholders. No matter how clear the bigger picture (policy objective) is; actors have a multiplicity of goals for each project. For example, local authorities might be more concerned with their autonomy while a private investor might focus on maximizing profits from a project. Again the “local autonomy may be compromised in that in most instances, local

³⁷² Goymen, K. (1983) *Tourism and Governance in Turkey*.

government lacks project inputs (i.e. skills, capacity, information technology and money); hence they become heavily dependent on large private firms *via* long-term contracts³⁷³. Overall, a well-managed and successful inter-organizational programme may have many benefits and impacts. One such benefit is that through such partnerships, multiple actors can achieve multiple goals. This brings the discussion to the thorny issue of how organizations and actors manage potential collaboration and existing partnerships.

Inter-Organizational Theory: *Definition*

The concept of inter-organizational relations refers to the frequent interaction, mutual exchange and cooperation that exist between a limited number of organizations, participants and actors³⁷⁴. The inter-organizational perspective embraces and appreciates both ‘external’ and ‘internal’ actors. As good as this sounds, it poses challenges in the management of interactions, and issues of trust, values, information sharing, authority, identity, goals, power, roles, accountability, compliance, performance, etc, are prominent. The definition and description of inter-organizational theory take this into account and provides an approach that explores these factors in a comprehensive package. The first part of this section discusses the definition and philosophy of inter-organizational implementation, which will include a discussion on related concepts and emerging perspectives. In doing so, I will be very selective because there are many related concepts and perspectives. While it is argued that organizations interact and share resources in order to gain access to power, I will provide a more in-depth analysis of why organizations collaborate.

In essence, inter-organizational relations theory is concerned with the context, action, inaction, process, decisions and outcomes of the relatively competitive interaction and the relationship between organizations at different levels. Goals, resources, outcomes and impact are critical to this interaction. One of the reasons why it is important to explore inter-organizational interaction is that the operational space (and clients) is continuously shrinking; as a result, organizations are bound to stick together to make an impact and also to survive. This theory requires that organizations and actors be aware of and examine both the external

³⁷³ O’Toole, L.J. (1993) *Inter-organizational Policy Studies: Lessons Drawn from Implementation Research* (volume, 3 Number 2) pp. 232-251.

³⁷⁴ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

and internal factors that impact their operations. Organizations today are required to study and understand their prospective allies or partners in order to position themselves for beneficial cooperation. They need to conduct an honest assessment of what they are bringing to the partnership, what it is that they lack, and how they will benefit in the process. This brings us to the critical sub-theories of power and dependency, and exchange and transaction theories which will be used to clarify inter-organizational theory³⁷⁵.

It should be reiterated that inter-organizational theory is concerned with the “relationships between individual organizations and the environment and relationships between groups of organizations”³⁷⁶. Adopting an interaction approach has become a requirement for almost all organizations, including governmental organizations. A few concepts are commonly used to acknowledge inter-organizational theory, forms and activities, and these include inter-organizational collaboration, networks, partnerships, service delivery, and projects. Common to all these concepts is the need to “establish flexible and adaptable structures, non-hierarchical and participatory decision-making, building relationships through developing mutual respect, understanding and trust, capacity-building, defining an overriding mission, consensus, and managing conflict”³⁷⁷. In essence, inter-organizational theory is about the description and management of relationships that exist between organizations and their environment and also between groups.

Factors of production such as labour and other resources such as finance and technology are sparsely distributed; this requires that organizations and individual engage. This interaction is located within a particular ‘environment’ and it is likely that the external influences and individual actors (personalities) are part of this environment³⁷⁸. So “inter-organizational implementation emerges and exists within a wide range of contexts, including the blurring of the distinction between the public and non-profit sectors”³⁷⁹. One of the main reasons why these two sectors work closely together is that both protect and serve public interests. This is

³⁷⁵ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

³⁷⁶ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 66.

³⁷⁷ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 191.

³⁷⁸ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc)

³⁷⁹ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 192.

not to suggest that there are no differences between these sectors. Indeed, they package themselves differently and have different organizational cultures, sources of funding, ethics and definition of their goals and targets. Inter-organizational relations as a theory gives a ‘face’ to on-going interaction between a wide range of stakeholders from different sectors in the implementation process. This is due to the new demands of contemporary implementation that require fresh approaches, strategies and management skills. In turn, these approaches and concepts define and give character to the inter-organizational implementation process.

There are also some of the activities and practices that have multiple identities which describe the inter-organizational pursuit of collective goals and they form into entities. Some of these entities are known to be the coalitions, partnerships, alliances, federations, networks, consortiums, clusters, collaborations, joint ventures, mergers, implementation structures, etc³⁸⁰. While these concepts are used in particular situations and contexts, they are all a form of working together for the achievement of common goals and a common purpose, which could be a policy programme. Inter-organizational activity can be described by the following terms: cooperative, multi-party, multi-agency, collaborative, inter-professional and interlocking³⁸¹. Inter-organizational relations are the building blocks for inter-organizational chains and networks. The element of relationships represents the smaller units of connection and interconnectedness which build a network of actors and actions³⁸². In practice, inter-organizational actions include “bridging, working together, contracting, cooperating, outsourcing, partnering, networking and collaborating”³⁸³.

An inter-organizational activity involves numerous actors, a variety of objectives and different approaches to planning and executing activities. Amongst the central resources required, especially for the lead actors, are authority and information. As governmental organizations, the lead actors, the DACT and TKZN, will have access to ‘exclusive information’ as well as the discretion to utilize it. In essence, this gives these actors power over the external actors. However, they should not abuse these resources because their

³⁸⁰ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

³⁸¹ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 5.

³⁸² Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 80.

³⁸³ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 5.

success hinges on how well they treat external investors. Each policy programme or project will require external inputs which could take the form of money, or specialised skills, etc, and this affects how the decision-making arena is structured.

In addition to intergovernmental relations theory and practice, inter-organizational theory borrows from both the political and organizational sciences. The table below presents a comparative analysis of these two sciences and shows how they are relevant to a discussion of inter-organizational relations and theory.

Approach / Dimension	Approaches in Organisational Science	Approaches in Political Science
Actors	“Organization as part of a network of organizations	“Variety of actors
(Policy) Processes	Inter-organizational interaction in which resources are exchanged. Guided by organizational arrangements (links) between organizations	Political market place (free association, admission and exit)
Decisions	Result of negotiations between organizations. Aimed at sustaining necessary resource flow for survival	Result of group struggle and dominant coalitions; government ratifies compromises
Power	No central authority structure. Power depends on (need for) resources	Widely dispersed, shifting coalitions on different decisions
Information/ Values	Information is a power resource possessed by different actors. Conflicting values” ³⁸⁴ .	Different actors possess different information. Conflicting values are weighed in market-like processes” ³⁸⁵ .

Figure 4 Comparative Analysis of Political and Organizational Approaches.

³⁸⁴ Table 2.2. Approaches in Organizational Science, Inter-organizational Theory, (1970): Levine and White; Aldrich; Pfeffer, Benson and Crozier) in Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p. 20.

³⁸⁵ Table 2.3 Approaches in Political Science (Pluralism, 1950-1970. Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p. 28.

The political dimension is critical for inter-organizational theory in that it reveals and promulgates issues of authority and power which are a major feature of inter-organizational implementation. Political science brings forth and legitimizes the issues of coalitions which manifest themselves in different forms at implementation. Again, at policy level, it recognizes the issues of participation, free association and admission, which lays a foundation for the discussion and functioning of an implementation structure.

These dimensions are complementary in various ways. The political dimension acknowledges collaboration and partnerships at strategic level, where political will; steering, advocacy, leadership and influence lie. In the KZN context, it is at this level that the Cabinet clusters, Parliamentary Portfolio Committees, and Members of the Executive (MECs) etc bargain and contest for alignment and priorities. The organizational dimension acknowledges the facilitation and coordination that exists when the TKZN Board, Head of Department (DACT-HOD), the Chief Executive Officer (TKZN-CEO), and the Chief Operations Officer (COO), etc interact.

The decisions taken within these two dimensions have serious implications for the success and/or failure of implementation. If they complement one another, implementation will be successful; however, if they are not aligned or are badly managed, they can cause serious problems. It is important to note that, besides money, information is a critical source of power and that there is no central authority. The resources that each actor possesses, and is prepared to commit, to the implementation process is an element of contestation in the implementation structure. The fact that interaction puts organizational values 'at risk' requires compromise.

INTER-ORGANIZATIONAL RELATIONS THEORY, CONCEPTS AND THEMES

The conceptualization approach in this case refers to both the clarification and the analysis of the key concepts in a study and also to the way in which one's research is integrated into the body of existing theory and research. And conceptualization is synonymous with 'conceptual analysis' and involves the clear and unambiguous definition of central concepts. It also refers to the underlying theoretical framework that guides and directs the research. It has to do with

the definition of key concepts in the problem statement³⁸⁶. I have selected a few critical concepts that are discussed in this section and the first set of concepts represent cooperative activities and multilateral, consensus-oriented decision-making; these are synonymous with inter-organizational relationships and they include collaborative governance, joint ventures, PPPs, consortia, strategic alliances, networks, and trade associations, etc. Common to all these concepts is the need for neutral, persuasive, transforming, serving, participatory and mainly facilitative leadership. They thrive in a context where outcomes and expectations are clear, and where there is trust, shared expectations and perceptions, mutual respect, a balanced dispersion of power, honest and constant communication, and a well-adjusted institutional design that enables cooperation³⁸⁷. Secondly, a related set of concepts includes inter-organizational networks, chains, groups, exchange, interdependence and power. Many metaphors have been used to describe a network. Networks within the industrial sector are characterized by the different levels at which they exist and their relationships, structures, processes and positions. A network has also been described as the total pattern of relationships within a group of organizations acting to achieve common goals. The critical element of a network is interconnectedness and interdependency³⁸⁸.

In the contemporary era, public sector agencies are challenged to become involved and interact with stakeholders at different levels. Within an inter-organizational context, they have to bridge boundaries and provide active leadership. Many aspects of implementation require the involvement of many stakeholders and these include “client referrals and processing, grant and programme development and funding, procurement and purchasing, and contracting and supervising third-party service providers”³⁸⁹. An inter-organizational network can also be conceived as a policy domain in that it is composed of a set of organizational actors who share mutual, on-going concerns. These concerns could relate to policy intentions in any substantive area, such as tourism, agriculture, conservation, energy, defence, civil rights, housing, etc. The policy programme becomes a connection point around

³⁸⁶ Mouton, J. (2002) *Understanding Social Research* (Van Schaik Publishers, Hatfield, Pretoria) pp. 109-110 and 114.

³⁸⁷ Ansell, C., and Gash, A. (2007) *Collaborative Governance in Theory and Practice* (Journal of Public Administration Research and Theory): accessed 19 July 2013.

³⁸⁸ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

³⁸⁹ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 120.

which the interactive process of stakeholders is centred and this is a “collective social construct which is recognized by actors in a policy domain”³⁹⁰.

The table below describes some of the key concepts relating to inter-organizational relations. Mainly, they include inter-organizational network, chains and the actual relationships. In many ways, they highlight the level of connections that exists, also the potential complexity and challenges.

Level of analysis	Key Themes
1. Inter-organizational network	<ul style="list-style-type: none"> ○ “Web of interconnected business relationships, ○ Understanding network structures, processes and evolution, ○ Influencing and coping with actions of interconnected actors, ○ Mobilizing and coordinating key actors, ○ Managing network positions, ○ Groups or coalitions of firm with common purposes, and defined according to particular purpose of analysis.
2. Inter-organizational chains	<ul style="list-style-type: none"> ○ Connected string of organizations, ○ Synchronization of activities and information within a chain, ○ Information transparency across supply chain, ○ Value creation within value chain system.
3. Inter-organizational relationships	<ul style="list-style-type: none"> ○ One-on-one business relationships (dyads), ○ Relationship assessment and management. ○ Developing trust, commitment, and mutuality: partnerships, ○ Understanding power-dependence balance, ○ Understanding past, present and future direction of relationships”³⁹¹.

Figure 5 Level of Analysis and Themes: Inter-Organizational Networks, Inter-organizational Chains and Inter-organizational Relations.

³⁹⁰ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 107

³⁹¹ Table 3.3 *Three levels of analysis in network research*. Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 81.

The inter-organizational network is a central concept in describing inter-organizational relations and management. This concept is attractive because it enables a focus on the state of multi-membership in the area of implementation within the broader bureaucratic system. Amongst its keys elements are the notion of interrelations and the interdependence of individual actors. These are linked to organizational conduct or the behaviour of individual organizations in that they define the structure and ‘positions’ within a network. Interdependence relates to the resources that each actor brings to the process; hence positioning becomes a critical part of the discussion. In short, the concept of a network acknowledges that all organizations are involved in relations of one kind or another with other organizations in their environment³⁹². What give character to this organizational involvement and interaction is implementation projects, a package of activities. This introduces the concept of an inter-organizational chain that describes the connections and pattern of relations that a cohort of organizations creates. They create a chain or system through which implementation activities and information are managed. Again, issues of trust and transparency come to the fore, as the value of the chain depends on the actors having a real sense of trust in one another.

Inter-organizational Group

An inter-organizational group is one of the most common ways in which inter-organizational coordination (IOC) is structured. These groups have many names; they are referred to as an *ad-hoc* committee, interagency task force, corporate Board of Directors, agency Governing Board of a Commission, etc. Such bodies have been found to be reluctant to evoke the authority which is the reason for their existence. However, it is necessary for them to do so if they are to “successfully mediate disputes between powerful line agencies that make up the inter-organizational system they coordinate, facilitate relations between central and local government, and achieve operational coordination between government units in delivering public resources and services”³⁹³.

³⁹² Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications) p. 13.

³⁹³ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 121.

Alexander presents a set of requirements for inter-organizational group to be successful. These include the recognition of the constitutional-legal and organizational structural context and involving fragmented systems with jurisdictional overlaps. Finally, shared political perspectives and focus enable the management of authority, power and influence within the implementation structure. This conception provides a “perfect system for comprehensive planning, operational adjustments and interagency coordination”³⁹⁴. At local level, the inter-organizational groups such as the District Tourism Forum (DTF), Local Tourism Forum (LTF), and the Community Tourism Organization (CTO’s), frequently appear to “coordinate action between agencies and government organizations operating in a particular sector”³⁹⁵. At this level, these groups often coordinate quite large and complex inter-organizational networks in both the public and private sectors. These may combine representatives of firms and public agencies³⁹⁶. Inter-organizational groups also frequently appear as an IOC structure at central government level, i.e. an inter-ministerial coordinating committee.

The ‘pure’ inter-organizational group consists of people who identify totally with their organizational affiliations and it is low on autonomy and persistence. It has no identifiable ‘place’ or budget and no staff. It is serviced by one or more of its member organizations. Inter-organizational groups can be powerful. Such a group may be called a board, a commission, coordinating committee, steering committee, or task force. The Provincial Tourism Committee (PTC) and the Provincial Tourism Forum (PTF), District Tourism Forum (DTF), Local Tourism Forum (LTF), and the Community Tourism Organization (CTO), fit this description because their main objective is coordination. An inter-organizational group may come into existence through the “routine processing of informational contacts such as *ad-hoc* meetings, or it may be the product of a deliberate institutional design to respond to a perceived common problem or interdependence”³⁹⁷.

One of the factors that cause an inter-organizational group to succeed or fail is the level of political commitment. When a lead organization counts on an inter-organizational group as

³⁹⁴ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 139.

³⁹⁵ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 138

³⁹⁶ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

³⁹⁷ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 65

an IOC structure, it has to secure adequate political influence and support to enable it to achieve relatively positive policy outcomes. Inter-organizational groups exist in various contexts and deal with various environmental factors; in some cases they serve as a consultative arena. This is common in the field of tourism, where each locality has a tourism association office. In central government, inter-organizational groups are sometimes used as general inter-sectoral coordination structures. At both central and local levels, such groups can be supported by a coordinator. A decision may be taken to deliver all PR related projects and services through existing agencies and organizations. Rather than simplifying administration, such a situation could create unanticipated and undesirable complexities and implementation delays. As a project grows, this load may exceed the capacity of an inter-organizational group's limited personnel.

If an inter-organizational group is well managed, it can produce excellent results especially in the areas of planning and implementation. Such a group also facilitates informational networking which can be critical for an inter-organizational system's interaction. Inter-organizational groups can "coordinate participating organizations' action to solve specific problems in a process of negotiated (rather than mandated) implementation"³⁹⁸. On the other hand, if an inter-organizational group is badly managed, there could be on-going tension between its members that threatens their affiliation with the group. In the long run, this could compromise stakeholders' ability to obtain their respective 'share' in the mutual project or programme, and as a result "their ties to their home organization may weaken and this could undermine the legitimacy of the group"³⁹⁹. While inter-organizational implementation is not restricted to coordination, the literature notes that this is a critical element that requires management in a network environment. Regardless of how governance systems are structured and organized, the coordination process will always present challenges. This is critical, especially since, as the lead organizations, the DACT and TKZN assume the role of broker, facilitator or network manager; hence they are the primary targets for coordination challenges. It is for this reason that the discussion on inter-organization implementation will include the issue of inter-organizational coordination.

³⁹⁸ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 141.

³⁹⁹ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 128.

Inter-organizational Authority, Power and Control

In circumstances where bargaining, cooperative and leading, the conception and effective management of power is critical, it becomes complex when power has to be managed within an interdependence and cooperative governance context, because power is spread across all the partners. In this study authority and power are grouped together in this discussion because they are related in both theory and application. In some instances they are used as synonyms; depending on the circumstances, authority can mean power. In the context of this study, the KZN implementation structure (KZNTIS) is conceived as an organizational setting within the broader inter-organizational implementation context. The KZNTIS operations are highly complex and have their own dynamics. Having said this, one would expect that power is evenly dispersed and that authority is exercised with caution as inter-organizational theory requires that these attributes are shared by the members of the KZN-TIS⁴⁰⁰.

“Power is not centralized, but is fragmented across parties, departments, community groups and clients”⁴⁰¹

In the inter-organizational implementation context, authority is not merely an act that is trusted and aimed at guiding individual behaviour. This means that authority can no longer be defined in terms of hierarchical position, but rather as a form of communication. Both the environmental and social circumstances affect an organizational actor’s willingness to cooperate. Whether the cooperation is formal or informal, the value an organization obtains in the process is dependent on how effective the lead organization is in creating the required level of trust and lobbying and inspiring other organizational actors to focus on getting the job done⁴⁰².

While resource scarcity is relevant to this study, power is a central concept in the resource dependency model and is tied in with the possession of resources⁴⁰³. This study adopts Nyambe’s understanding that power should not be understood as one person or class’s domination over others and is never localised or exchanged as a commodity, but is employed

⁴⁰⁰ Henry, I.P. and Jackson, G.A.M (1996) *“Sustainability of Management Processes and Tourism Products Contexts* (Journal for Sustainable Tourism., Volume 4. Number 1).

⁴⁰¹ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 15.

⁴⁰² Denhardt, R.B. (2008) *Theories of Public Organization*, (5th edition Thomson Wadsworth, USA) p. 91.

⁴⁰³ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

through a network of organizations⁴⁰⁴. The actors that are part of the implementation structure concurrently become the subjects and elements within the web of interaction, the network. As elusive as power is, it is the basis on which actors classify themselves as being big or small in the network. It is through this ‘condition’ that actors employ the network to secure deals and protect their interests. The related concepts such as authority, legitimacy, coercion, centre, force, getting things done, etc, are associated with the effective application and even the abuse of power. It is up to leadership, especially the lead organization, to demystify the negative connotations of power and use it effectively to get things done in line with the original objectives. Therefore, power should not be seen as the “ability to disrupt and delay projects, but rather as a ‘handle’ and capacity to support the execution of agreed upon goals”⁴⁰⁵. These concepts could be applied in situations where actors do not have all the resources to protect their interests. Access to power becomes the primary motive for actors to work together.

What is closely linked to leadership and authority, power is defined as the potential ability to influence behaviour, change the course of events, overcome resistance, and to get people to do things that they would not otherwise do. Both “politics and influence are the processes, actions and behaviours through which this potential power is utilized and realized”⁴⁰⁶. In essence, power is the relationship between human subjects which, on the basis of production and experience, imposes the will of some subjects on others by the potential or actual use of violence, physical or symbolic. Again, in practice power is founded upon the state and its institutionalized monopoly of violence, embedded in institutions and organizations⁴⁰⁷. However, power transforms individual interests into coordinated activities that accomplish valuable ends. Furthermore, “policy is deliberate coercion, it is a statement that attempts to set forth the purpose, the means, the subjects, and the objects of coercion”⁴⁰⁸. In a collective context or action, it is inevitable that there will be an element of coercion to get things done. This is critical for the ‘focal organization’ because it will incur unjustified costs if project

⁴⁰⁴ Nyambe, N. (2005) *Organizational Culture and Its Underlying Basic Assumptions as a Determinant of Change. A Case Study of KwaZulu-Natal's Conservation Sector* (Pietermaritzburg: Centre for Environment, Agriculture and Development, University of KwaZulu-Natal:).

⁴⁰⁵ Giddens, A. (1984) *The Constitution of Society: Outline of the Theory of Structuration* (Cambridge: Polity, Publisher), p. 31.

⁴⁰⁶ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School) p. 30.

⁴⁰⁷ Castells, M. (1996) *The Information Age: Economy, Society and Culture, Volume 1, the Rise of the Network Society*. Oxford. Blackwell, p. 16.

⁴⁰⁸ Hall, C.M. and Jenkins, J.M. (1995) *Tourism and Public Policy*, (London and New York: Routledge), p. 65.

implementation fails. It is important for the focal organization to routinize its operational management process so that it can maintain consistency in implementation. This requires legitimacy to do so, and this is where authority and power come in.

As indicated above, organizations differ in many ways, including their capacity and resources; hence the interaction of organizations is a product of power relationships. It is practical that organizations that are less powerful find themselves compelled to compromise or 'submit' and that they are dependent on organizations that are more powerful than them. In this context, the less powerful organizations are bound to have relatively less autonomy and space to act and they have to consult and seek permission to implement certain projects. The question is therefore how best they can negotiate with the more powerful organizations so that their interests can be secured and maintained. It should also be noted that power is not applied in each and every organizational activity because not all decisions and actions within an organization have the same value and cost implications. It is important for "implementation and network managers to identify activities that require the application of power, and this will reduce the costs and politics of partnerships"⁴⁰⁹, hence I am discussing factors such as interdependence and resources scarcity.

An example of the failure to manage politics and the use of power is provided by Xerox. The corporation realized that it had failed to exploit the personal computer technology invented due to the gap between research and the development of a marketable product⁴¹⁰. It could be also be safe to say that "the inter-organizational implementation context creates an environment with a strong possibility that some actors can wield power and influence without necessarily having or using formal authority"⁴¹¹. One of the critical questions this study therefore poses is whether or not the DACT has learned to manage power. Competition is another critical factor in this discussion. Although competition is supposedly reduced in a partnership, the fact remains that actors try to increase their power in order to reduce the level of uncertainty that the external environment brings. It is for this reason that Pfeffer, states that

⁴⁰⁹Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School) p. 39.

⁴¹⁰ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School) p. 28.

⁴¹¹ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School) p. 28.

a decision in itself changes nothing; the crucial issue is how decisions and the consequences of decisions are managed⁴¹².

Inter-organizational Interdependence and Resource Scarcity

Some of the essential ingredients in an implementation process is a combination of responsibility and trust which does in many instance secure consensus decision-making. Unless implementation is regarded as policy accomplishment, there is no basis for evaluating policies and holding politicians, administrators and professionals accountable. On the other hand, implementation as policy execution rests on trust or a certain degree of freedom for politicians and implementers to make decisions about alternative ways of accomplishing goals⁴¹³. I would concur with this view that “interdependence results from many things, including the way in which tasks are organized and a scarcity of resources is a critical factor in determining the level of interdependence and abundant resources reduce interdependence, while scarcity increases it”⁴¹⁴. The question of promotion is a good example. If an organization is growing rapidly and there are many opportunities for promotion, the competition for promotion will be less intense. This example illustrates why most people prefer to be in situations with plentiful resources. Not only is each person’s chance of obtaining what he or she desires increased, but interdependence is reduced and there is, therefore, less need to develop power and influence in the situation⁴¹⁵.

The interdependencies between local organizations in the private sector are often reflected in inter-organizational groups. Such interdependencies may be the same kind of mutual interests that have traditionally produced collective public action. A dynamic process leads to a general perception of interdependencies that generates an inter-organizational network and its IOC structure and this provides an arena for “essential information exchange among representatives of interdependent organizations, producing (if nothing more) mutual

⁴¹² Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School) p. 19.

⁴¹³ Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational, Second Edition*. (Los Angeles, London, New Delhi, Washington DC: Sage Publications) p. 60.

⁴¹⁴ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School) p. 39.

⁴¹⁵ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School) p. 40.

adjustment that would not have occurred otherwise”⁴¹⁶. This study, find that, there has been a well-established understanding and expectations amongst certain members of the KZNTIS, especially between the districts and local municipalities, in as far as funding and institutional arrangements for tourism. The LTFs and CTO’s are made aware that, it is the ‘service delivery needs approach’ that will always be prioritise, hence tourism should come last⁴¹⁷.

The defining characteristic of exchange between organizations is that it is voluntary interaction which is undertaken to realize the goals and objectives of the participants. Whereas in the power-dependency model, organizational relations are based on dominance and dependence, interaction based on exchange is structured by mutual interests. Even though an agency may be dependent on central resources, the central organization is also dependent on the local agency for implementation. This is applicable in the context of this study in that most government agencies’ capability to act on their own has been reduced and co-operation has increased. All actors realise that they need to connect with other actors who possess different factors of production to achieve the desired outcomes. Thus, most policy implementation demands multilateral cooperation, blurs or eliminates traditional boundaries and jurisdictions, and requires the deployment of many actors⁴¹⁸.

Where interdependence exists, it is likely that the ability to get things done will be enhanced. This requires the power and capacity to influence those who have the essential tools to get things done⁴¹⁹. Interdependence is the reason why nothing comes out quite the way one wants it to. Any event that depends on more than a single causal agent is an outcome based on interdependent agents. Interdependence exists whenever one actor does not entirely control all the conditions necessary for the achievement of an action or for obtaining the outcome desired from the action⁴²⁰. Bringing a new product to the market requires the interdependent activity of many parts of an organization; this interdependence was not recognized at PARC and even when it was recognized, the people involved did not see the need to develop power

⁴¹⁶ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 141.

⁴¹⁷ Personal Interview with the Member of the PPTF between 2003-2006, (Ulundi LM, Interview number 13).

⁴¹⁸ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 138.

⁴¹⁹ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School). 38.

⁴²⁰ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School) p.38.

and influence⁴²¹. It was assumed that the magnificence of the technology would speak for itself and compel the development and introduction of successful products. By not appreciating the interdependence involved in a new product launch and the skills required to manage interdependence, PARC researchers lost out on their ambition to change the world of computing, and Xerox lost some important economic opportunities⁴²².

Altinay and Bowen's classic case study on the "interface between politics and tourism in Cyprus outlines the evolution of governmental relations and the application of power and authority"⁴²³. The study evaluates the influence of politics and nationalism on tourism planning and development. These processes involved the business, public and non-profit sectors and professional consultants, representing a variety of interests and viewpoints. The first thing that emerges from this case study is that although most actors realized the importance of collaboration, it was difficult to arrange joint decision-making activity. There is clearly more to stakeholder interaction than one might think; factors such as motives, personalities, trust, respect, communication patterns and techniques, perceptions and roles come into play. If not well-managed, all these elements of interaction can lay the basis for power struggles and conflict.

The public sector's involvement in the case in question was marked by a series of agreements; as a result tourism capacity requirements were met and some progress was made. This suggests that there was a new way of looking at implementation; it was realized that minimal autonomy, authority and decision-making powers can be shared and success can be achieved. Although this case indicates success, especially at the planning level, the issue remains as to how best to manage power within the joint-action process because it plays a part in deciding who gets what, when, how and why. The key lessons of the case study are that tourism thrives in a competitive environment and that this poses challenges to cooperation because joint action does not necessarily require competing actors, but rather a set of compromising actors. The case study emphasizes that contemporary implementation requires trust and compromise. At functional level, tourism needs a strong central government and specialised functions such as marketing and promotions need to be allocated

⁴²¹ PARC stands for the Palo Alto Research Center.

⁴²² Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School) p. 39.

⁴²³ Altinay, L. and D. Bowen (2006) *Politics and Tourism Interface: The Case of Cyprus* (UK: Oxford Brooks University).

to smaller specialised agencies. This is partially true in that activities within an implementation structure need a leader which in this context should be a government agency. Above all, there is a need for sound coordination of all stakeholders, and leadership and effective management, especially from the public sector.

Another case study that is relevant to this study is Hall and Jenkins' "analysis of power, place and the heritage of Monterrey"⁴²⁴. This study presents one of the key elements of implementation, which is that it produces winners and losers. The authors note that, tourism redefines the social and political realities of communities that experience a tourism boom. The various tools to develop, promote, advertise and sustain the tourism industry have both positive and negative impacts on communities. It is important to note that Hall and Jenkins observe that organizations that have established themselves in the tourism industry have the upper hand in that they lead the transformation of the sector. Governmental organizations do not seem to have formulated a way to protect 'locals' from the new and diverse cultural values that emanate from their interactions with tourists. Local people and local tourism officials do not have the same bargaining power when it comes to negotiating tourism product development and the presentation of culture and heritage. The 'elite' and the private sector make such decisions. However, the question is, whose culture and heritage is presented, and what are the actual costs?

This case study reveals that one of the many dimensions that drive action and inaction in tourism is possession of the power to identify, develop, define, package and present the tourism product. Secondly, the dimension of the 'history' of tourism privileges some actors and gives them the authority to reshape or transform the industry? This research study is therefore interested in whether or not the lead government organization has a plan in place to shield the public from potential abuse by powerful actors in the tourism industry. Hall and Jenkins state that public participation is an essential ingredient in tourism planning and policy-making. This suggests that government should consult and work with the public to package and sell tourism products. Indeed, participation is one of few avenues open to communities to influence the development of tourism products. A critical point here is that governmental organizations that are tasked with managing tourism should master their political environment and structures in order to operate successfully. And public participation

⁴²⁴ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 74.

depends on governmental organizations utilizing tools such as institutional arrangements to be proactive and responsive to the need for public policy making. This requires a structure and systems that positions it to manage tourism fairly. The structure and the manner in which governmental relations are managed will indicate the state of power relations among stakeholders. It is thus important for governmental organizations to understand their sources of power.

On this case, Hall and Jenkins also present an interesting case study on the Australian Tourism Industry Association (ATIA) and the International Australian Cultural Council (IACC)⁴²⁵. This focused on the Australian Federal Government agency, the Industry Advisory Council (IAC)⁴²⁶ and the deregulation of the airlines and tourism industry. Various stakeholders made submissions and a draft and final report were produced. The study reveals who had access to the policy-making process, who had more power and influence, and whose interests were protected. It was found that both the draft and final reports were dominated by the views of other government departments and the IAC itself. Furthermore, there was very little discussion on the long-term negative impacts of tourism on social, cultural, economic and environmental contexts. In particular, the study reflected the lack of organization of ordinary people, especially labour. Furthermore, it casts doubt on whether the Australian Tourism Council (ATC) formulated a strategy to deal with organized business interests. It seems that they agreed to the demands of the private sector as they felt that they were unable to effectively manage travel and tourism as the ATIA had suggested⁴²⁷.

The ATC's failure to consider the negative impacts of tourism sparked reaction from a wide range of actors and groups. Amongst the key lobby groups was the ATIA⁴²⁸ which recommended that the ATC be phased out. In practical terms this was a call for deregulation and for more support from government to enable the private sector to drive the promotion and marketing of tourism, which the ATC could not do by itself⁴²⁹. This is a classic example of how authority, power, resources and influence are used to achieve certain goals. This study also found that the decision-making process ignored the aspirations and contribution of other stakeholders. Such a situation does not work in government's favour, as it relies on non-

⁴²⁵ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

⁴²⁶ Industries Assistance Commission, an enquiry into the travel and tourism industry at the end of the 1980s.

⁴²⁷ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 26.

⁴²⁸ ATIA stands for the Australian Tourism Industry Association.

⁴²⁹ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

governmental actors to assist with implementation. In this situation, local stakeholders might withdraw their support for the national vision for travel and tourism; the opposite of what government is trying to achieve. Street-level bureaucrats who have limited discretion in terms of the hierarchy of governmental authority then bear the burden of developing and smoothing relations with these stakeholders⁴³⁰. These studies reflect that government organizations such as the DACT lack the institutional systems and capacity to proactively plan and effectively manage the tourism portfolio. The critical question is how government, as the lead actor and authority, is responding to new structural and strategic challenges in tourism implementation.

Inter-organizational Exchange and Transaction Costs

Inter-organizational exchanges and transaction costs are related in both theory and practice and to ensure a smooth process, the “effective inter-organizational exchange requires respect, understanding and willingness to cooperate”⁴³¹. One of the main reasons why organizations and implementation actors cooperate is to share the costs of the production and delivery of a product or a service. The intention is to reduce transaction costs as they exchange the commodities that they have. For example, cooperation between the EKZWN, the Office of the Premier, the DACT, TKZN, TIKZN, and Metropolitan, District and Local Municipalities in a joint marketing campaign could mean that each stakeholder contributes very little. In practical terms, all will be represented and will benefit from bigger and better outcomes, but overall, the province will have a single and comprehensive marketing campaign. Transaction theory addresses the issue of how organizations evolve and change their form. In these terms, IOC is defined as the structure of relationships adopted by organizations to minimize their transaction costs, these relationships can range from “market or market-like mutual adjustment within a system of rules or norms which is the framework for individual actors’ decisions, to more hierarchical IOC structures and organizations”⁴³².

The literature identifies many factors, both perceptual and objective, that impact IOC. These fall into three related groups. These first covers the characteristics of an organization itself. Amongst the criteria for effective participation in an IOC structure is that an organization

⁴³⁰ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

⁴³¹ Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational*, (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications) p. 65.

⁴³² Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 21.

must be open to its environment, its organizational culture, structure and behaviour. Inter-organizational processes have the potential to alter and even erode some of the core values of any participating actor. Although it is not desirable to put these organizational essentials at risk, the incentive is achieving organizational objectives through participating in an IOC structure⁴³³.

To survive in the complex implementation environment, an organization is required to make transactions, share and exchange. Government is required to create a framework through which other actors can participate in governance; this involves negotiating specific interaction patterns (protocols) and evaluating their impact. As much as government agencies have the authority to perform specific mandates, they do not have all the necessary resources (finance, skills, even space, etc), hence they are forced to bargain with other actors. The critical element of this mode is achieved mainly through persuasion. Although the lead organization (the DACT) has to invite other actors to participate and provide direction, it is critical that it allows those invited to contribute to the determination of the content and outcomes of programmes⁴³⁴. The second element addresses the relationship between IOC costs and benefits, both perceived and actual. For an organization to agree to participate in a coordinated effort, the prospective rewards of IOC must be greater than its costs. The other expectation is that the risks or threat to organizations with vested interests will be shared and thus minimal. The third group includes factors describing “the relationships between organizations and overall, these must be positive for IOC to effect change”⁴³⁵.

The IAD framework draws attention to three interrelated transaction costs associated with inter-organizational policy implementation. Coordination costs include those invested in negotiating, monitoring, and enforcing agreements, while information costs are those associated with searching for and organizing information and the errors resulting from an ineffective blend of scientific and time and place information. Strategic costs result from asymmetries in information, power, or other resources such as that some obtain benefits at the

⁴³³ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

⁴³⁴ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publications).

⁴³⁵ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 22.

expense of others⁴³⁶. It would be expected that an increasing number of bargaining partners and routine interactions would result in an increase in transaction costs. With more stakeholders, there is a possibility that, while the outcomes and impact are bigger, the interests to be satisfied and investment returns are also bigger, hence the risks are larger. This condition puts pressure on the leading or coordinating actor.

When the costs of accessing information are high, organizations are likely to be more innovative and to make rational decisions. The complexity of political or bureaucratic roles does not promote rational decision-making. This is an outcome of the inter-organizational nature of the decision-making process. It is therefore important that the inter-organizational context enables stakeholders to achieve most of their targets⁴³⁷. By its nature, tourism attracts heterogeneous actors, and poses a transaction costs challenge which must be managed carefully. These actors have varying expectations that fluctuate and change in every stage of inter-organizational interaction and implementation. Amongst other things, during the planning process, coordination costs are consistent with those expected in an inter-organizational planning effort dealing with complex matters and affecting a variety of stakeholders. It is unlikely that any other approach would substantially reduce coordination costs⁴³⁸.

The case studies illustrate that it is difficult to build trust and maintain credible commitment, especially when the participants are engaged in larger institutional conflicts. In the contemporary implementation context, the lead government organization is therefore required to craft strategies for proactive and responsive activities. Secondly, this analysis illustrates the utility of utilizing a longitudinal approach which views inter-organizational policy implementation as a dynamic process where policies are continuously transformed and reinvented by the implementing actions throughout the project⁴³⁹. This acknowledges that, when a variety of actors is involved, there are bound to be changes in the implementation

⁴³⁶ Ostrom, E., Schroeder, L. and Wayne, S. (1993) *Institutional Incentives and Sustainable Development: Infrastructure Policies in Perspective* (Boulder, Colorado: Westview Press).

⁴³⁷ John, P. (1998) *Analysis of Public Policy* (London: Pinter).

⁴³⁸ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs), accessed October 2007.

⁴³⁹ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007).

process mainly because they invest their resources and need to ensure relatively positive outcomes.

Thirdly, it is clear that government organizations are faced with tough choices. The above case studies clearly indicate that if a lead organization can change the ‘rules and procedures’ of interactions it can alter the inter-organizational relationship by motivating actors to adopt different strategies and behaviours. Most importantly “any changes in the organizational rules and procedures can change the outcomes of an inter-organizational setup”⁴⁴⁰. This reflects a give and take practice that is part of the inter-organizational relations culture, where exchanges are not limited to commodities, but extend to institutional systems. Then, fourthly, actors within an implementation structure can also choose, either individually or collectively, to alter the nature of inter-organizational interactions. Interestingly, in the midst of these interactions, a government organization has to be accountable to the long-term culture and also ensure that other actors adhere to the relevant statutes. It is critical for a lead organization to ‘steer’, to provide direction and to be always aware of what happens and why. This will help to ensure that it always has control of the implementation structure. However, this approach also has its costs, with local initiatives being constrained by central direction as a result “the PR’s aspirations of decentralization and democratic participation were compromised”⁴⁴¹. But despite the negatives factors, organizational learning is important, especially at institutional level, where the structure and strength for implementation lies and where planning for deployment of resources takes place. Deliberate structural change in an organization or inter-organizational system demands institutional design⁴⁴².

Hall and Jenkins present an interesting case of the New Zealand government’s review of its role to introduce a more strategic approach to its participation in the tourism industry⁴⁴³. This case is interesting because it “presents two institutional arrangements elements, intergovernmental and inter-organizational relations”⁴⁴⁴. They note that, New Zealand’s

⁴⁴⁰ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007) p. 20.

⁴⁴¹ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 128.

⁴⁴² Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 51.

⁴⁴³ The case study of Restructuring of New Zealand Government involvement in Tourism; Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

⁴⁴⁴ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge), p. 27.

remarkable success in tourism in the 1990s impacted on the role of government. This is attributed to a favourable exchange rate, airline deregulation, improved marketing and promotion, and additional airline capacity. However, there was also a threat of negative social, economic and environmental impacts.

Two governmental organizations act as key steering organizations; the Ministry of Tourism, which is responsible for providing policy advice to government, and the NZTB⁴⁴⁵ which is tasked with international marketing and promotion. The development and maintenance of tourism infrastructure and product development and presentation are left to private stakeholders. The private sector makes a profit from tourism; the critical question therefore relates to the extent to which government and the private sector share the costs in order to ensure that the former remains the leading stakeholder. As much as it is important to attract tourists to the country, it is also very important to protect the long term interests of citizens; this is one of government's primary responsibilities⁴⁴⁶. In practice, this means that government has focused its attention on developing strategies that it cannot implement. The question therefore, is how much it costs government and citizens to create the conditions and environment for tourism to flourish and for private actors to benefit. Again, one might need to examine how these costs are shared between the government and the private sector and how the public benefits from such joint investment.

This case reflects the critical challenges that the public sector could face during the restructuring process. In some instances the public sector would lose its privileged leadership role at operational level (implementation); this would render the steering of tourism wide open and even amenable to external forces. Government attention is then diverted to building and maintaining effective relationships with key actors in the tourism industry. It appears that in New Zealand (and in many other countries), government's policies and programmes are poorly integrated. In summary "the problem lies in the lack of coordination of tourism policy and action (implementation)"⁴⁴⁷. It could be that New Zealand was not adequately prepared to manage tourism within a network context, where government becomes 'just' one of the stakeholders.

⁴⁴⁵ The New Zealand Tourism Board.

⁴⁴⁶ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

⁴⁴⁷ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge), p. 26.

In the governmental relations context, it is clear that there is a limited scope for bottom-up interactions between governmental agencies themselves. The Ministry of Tourism appoints and regulates the operations of the NZTB, and enforces a top-down flow of directives. This empowers private actors to have control of the horizontal relations arena because they bargain on an unequal footing with street-level bureaucrats. Officials at operational level are unable to use their discretion in regulating and coordinating tourism because they have to consult and get approval for any action from their seniors in national government. In such a situation the question is how government enables street-level bureaucrats to manage relationships and partnerships.

Another area that requires interrogation is institutional arrangements. This relates to how well government is performing at different levels in recognizing complex governmental dilemmas (gaps and challenges) and responding to them. It becomes critical for the lead organizations (the DACT-TKZN) to package and market their organizational goals, values, and culture within the implementation structure. Besides the actual costs of managing relationships, governmental organizations have to be clear on how they relay information about decisions that emanate from the on-going governance process. In Imperials' study is important as it evaluates how institutional analysis and development can be used to examine inter-organizational policy implementation⁴⁴⁸. It further examines implementation in a polycentric setting and focuses on the implementation experience that is often ignored by researchers "that of state and local level policy implementation which has not occurred as a direct result of a new federal or state statute"⁴⁴⁹. The IAD framework has been used to guide the analysis of inter-organizational relationships in a variety of settings. Institutions are defined as enduring regularities of human action in situations structured by rules, norms, and shared strategies, as well as by the physical world. The government agencies and other institutions' actions in society reflect the rules and norms that are shared and refined through human interaction. All actors and institutions have the potential to promote socially beneficial outcomes by helping to implement social empowerment programmes⁴⁵⁰.

⁴⁴⁸ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007).

⁴⁴⁹ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007), p. 4.

⁴⁵⁰ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007).

For order to prevail within an implementation structure, the rules must be built into and introduced together with the programmes and projects. This is very important because the rules represent an implicit or explicit attempt to achieve order and predictability amongst humans⁴⁵¹. This is relevant to this discussion because institutional tools are valuable assets that street-level bureaucrats can use in the field to maintain control and get things done. However, this depends on the extent to which organizations or actors within the implementation structure adhere to the set rules and respect the street-level bureaucrats. This works both ways; depending on how they are structured, institutional tools such as rules have the potential to enable actors to craft and execute collective actions that maximize individual organizational goals. The development and implementation of the SAM⁴⁵² plan in New Zealand was at the centre of Imperial's research. This is an area with fresh water sources and a wide range of stakeholders. Many decisions had to be made during the development and implementation of the SPM Plan. As expected, these impacted the 'normal' implementation process.

The nature and character of stakeholders in this case raises questions for the current study. One of these is, how can the 'people' assert their authority within an implementation structure. It appears that Salt Ponds' stakeholders were divided in that some supported commercial and recreational fisheries and local residents were against this. These residents were politically active and had strong local traditions. They supported what is known today as 'responsible tourism', where developers (business actors) ensure that their tourism activities do not negatively affect the quality of the environment and local indigenous systems. Although local residents directly and indirectly benefited from the growing tourism industry, they were determined to maintain their region's rural and historical character⁴⁵³.

The key agencies in the institutional setup were the CRC⁴⁵⁴, CRMC⁴⁵⁵, SPP⁴⁵⁶, local municipalities⁴⁵⁷ and nongovernmental organizations, etc. The SPP provided technical

⁴⁵¹ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007).

⁴⁵² SAM stands for the Salt Ponds Special Area Management.

⁴⁵³ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007).

⁴⁵⁴ CRC stands for Coastal Resources Center.

⁴⁵⁵ CRMC stands for the Rhode Island Coastal Resources Management Council.

assistance to local governments and state agencies. The CRMC was a legislative agency, composed of elected officials and the public. Its function was to review all development proposals; however it lacked capacity. The CRC was responsible for managing and crafting new planning, management and regulation policies and overseeing the deployment of technical assistance⁴⁵⁸.

A major shortcoming was stakeholders' negative perceptions of why things were they way they were. This suggests that no open and strategic forum was convened by the lead organization to adopt a shared commitment and supervise competition in the operational space. According to Imperial, there was a general belief among the public that government was not responsive and that agency decision-making was cumbersome, contradictory, and time-consuming⁴⁵⁹. Ordinary people did not believe that government was on their side and protecting their interests. Today, governments are required to create an environment where business or development can take place and yet satisfy the needs of the people.

The critical challenge that faced government was that it had to assume its regulatory function and it lacked capacity to do so. This had an impact on the quality of integration of local policies concerning development planning, the management of recreational facilities and the lack of public access to the shoreline. Furthermore, there were limited opportunities for public involvement in permit decisions. It was the Rhodes Island Department of Environment Management (RIDEM)'s legislative framework that was supposed to serve as an enabler was actually more restrictive; this limited their ability to adopt new policies and programmes and implement them.

The gaps and challenges identified above had an impact on broader governmental relations. The main focus of the CRMC's programmes was balancing conservation priorities and development imperatives in coastal areas. On the other hand, RIDEM's programmes focused on protecting human health and the environment on a state-wide basis. Although both these agencies meant well, their failure to reach a compromise and blend their interests led to

⁴⁵⁶ SPP stands for the State-wide Planning Program.

⁴⁵⁷ Including South Kingston, Charlestown, Westerly and Narragansett.

⁴⁵⁸ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007).

⁴⁵⁹ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007) p. 7.

conflict. Much of this was based on the fact there was an overlap in their responsibilities and authority, and they were stuck in silos. Leadership and personality differences seem to have prevented these agencies from embracing each other⁴⁶⁰.

In response to this conflict, the CRMC resorted to using the legislature to promote itself as an agency with superior authority to that of other agencies, including RIDEM⁴⁶¹. Critical to this discussion is the fact that prior to the SAM Plan's development, many local officials lacked the technical expertise and information required to review the impact of development projects. As a result, they relied on the staff working for state agencies and the information provided by permit applicants⁴⁶². Dredge and Jenkins' study⁴⁶³ is an interesting case that has elements of intergovernmental relations, federalism, tourism public policy, coordination and tourism organizations in NSW⁴⁶⁴ in Australia. Although it explores national and provincial relations, it provides interesting perspectives on inter-organizational implementation, especially since the South African government is also devolving certain powers and functions. The study interrogates the complexities and dynamics that are brought to the fore when tourism programmes overlap jurisdictions.

The purpose of this case study was to examine intergovernmental relations in the tourism public policy domain and to assess opportunities for and impediments to cooperation between the Commonwealth and NSW State Governments. It focused mainly on state-federal relations from 1945 to 2000. During this period, there was much talk of reducing bureaucracy, and increasing the efficiency and effectiveness of policy processes and programmes. The first observation that emerges is that the Australian federal system fails to recognise that a centralist approach which is not flexible limits government's ability to be responsive and effective in tourism policy implementation.

⁴⁶⁰ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007).

⁴⁶¹ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007).

⁴⁶² Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007).

⁴⁶³ *Federal-State Relations and Tourism Public Policy* (New South Wales, Australia: Dredge and Jenkins, 2003).

⁴⁶⁴ NSW, stands for New South Wales.

Dredge and Jenkins use inter-organizational exchange theory to explain NSW and federal relations with respect to the tourism policy arena. They favour this approach because it provides a rich explanation of policy-making and understanding of the different government personalities involved. The authors note that federalism is not suited to modern government systems because a centralist government does not allow for competitive economic conditions, while there is increasing pressure for regions to have their own identities. Later in the 20th century, there was an improvement in federal-state fiscal relations. The Commonwealth government exercised a more serious economic leadership role, and the State relied on it to craft programmes that were aimed at improving the economy. In the long run the Commonwealth government's national interests got in a way of what was initially a good and mutual relationship; as a result, they twisted the agendas, decisions, actions and processes of other governments. However, there was recognition of the need for the interplay of different bureaucratic cultures and ideologies at both formal and informal levels.

Because tourism is a new area in policy-making, it was neglected in the process. While it is clearly mentioned in the Australian Constitution, it fell within the State (provincial) area of responsibility. Over time, tourism expanded and became a social, economic and cultural force. It became an important tool for regional economic development and an important source of foreign income. This caused both the State and Commonwealth governments to cooperate to promote tourism development. However, there remained a need for local community buy-in. In terms of implementation the Federal government established relevant institutional structures to facilitate the formulation of tourism policy, and to provide advice, coordinate and market tourism products. One of these institutional structures was the Australian Tourist Commission (ATC), which was regulated by the Tourism Ministry. The ATC strengthened decentralization and this has indeed had an impact on tourism. Some of the key lessons include that centralist and interventionist approaches do not work; they create unnecessary tensions. Furthermore the fluidity, diversity, competitiveness, instability and changing nature and volatility of tourism call for sound and continuous coordination. Dredge and Jenkins conclude that successful tourism policy-making and implementation is reliant on effective communication, information sharing and cooperation. They add that governments must establish sound organizational structures for implementation.

The staff changes introduced new personalities to organizational interactions and the furthermore the changes in administration brought about profound reforms and upheavals in

the way tourism was managed. This revolutionised the “role of statutory authorities, recast the senior public service, and maintained the centrality of managerialism”⁴⁶⁵. Australia’s National Tourism Strategy (NTS) was implemented through six programmes and the State, regional and local agencies and organizations, were eligible to apply for funding to undertake wide-ranging projects including infrastructure development, development of marketing strategies, site management, planning, etc. The NSW State Government heavily promoted regional tourism planning and management, embracing a centralized leadership role in the preparation of a State-wide plan for tourism. This is an indication that governmental agencies normally have authority, power, legitimate leadership and access to certain critical resources such as information and even funding. However, the issue is how best to integrate all of these resources with the ‘external energy’ that other actors bring to the table.

The ATC and various other State and Territory tourism agencies were responsible for the development of a coordination plan for overseas marketing and promotional efforts. The Partnership Australian scheme was the first real initiative to address functional overlaps in marketing and promotion at an operational level. The partners include the ATC, State and territory marketing organizations/authorities, and private industry. It was established to “diffuse the coordination difficulties experienced in the past and pave the way for renewed international marketing and promotion efforts”⁴⁶⁶.

It is clear from the summary of the division of responsibilities set down by the Tourism Minister’s Council (TMC) in 1976 that the intentions were good and straight forward. The broad mandate and responsibility of the Commonwealth included the management of transport planning, construction and maintenance, visitor entry/exit formalities (health regulations, visas, passports, customs and exercise), consumer affairs (trade practices), and promotion and marketing (marketing Australia overseas and the development of a national strategy to attract visitors from other countries). The Commonwealth (and State) responsibilities included, amongst other things, management of labour issues (employment levels and conditions), consumer affairs (regulation of travel agents, consumer protection, and insurance), transport (construction and maintenance), awareness (enhancing public

⁴⁶⁵ Halligan, J. and Power, J. (1992) *Political Management in the 1990’s* (Melbourne: Oxford Press) p. 119.

⁴⁶⁶ Halligan, J. and Power, J. (1992) *Political Management in the 1990’s*, (Melbourne: Oxford Press) p. 435.

awareness of the social and economic importance of tourism), regional research and statistics; and promotion and marketing.

It is not surprising that the State was also responsible for macro management elements which involved planning, zoning, industry education, road transport regulation, consumer affairs, domestic promotion and marketing, national parks, infrastructure, land use, environmental protection and facilities. These include the creation of an enabling environment and basic amenities such as sewerage, water, health, services, tourist attractions, local parks, accommodation, roads, beach services, and picnic sites. This case leads to an interesting observation on the blurring of responsibilities between governmental organizations and tourism institutions. This is the case with the DACT and TKZN. The duplication that is manifested in Australia is evident in the KZN organizational set-up. The unfortunate implication is that KZN is implementing a globally recommended structure in a different context. This context differs in the strategic approach to tourism, capacity, resources, political landscape, etc, if this is the case, failure is unavoidable.

Tourism marketing and promotion is one area where significant duplication of effort has occurred. This is not surprising, as marketing and promotion has been a difficult area of intergovernmental relations. There is an overlap in the roles and responsibilities of provinces and national government, and this is evident in the KZN scenario. This shapes how policy programmes are designed and delivered. In many cases, implementation fails because there is a lack of definition of the roles of the central players (at provincial and national level) and this overshadows the local tourism perspective, especially in planning. Furthermore the increasing complexity, overlapping and duplication of roles and blurring of responsibilities causes poor accountability and abuse of power because actors tend to shift from the real issues and become involved in personality conflicts. This is a clear example of how poor structures can impact intergovernmental relations at all levels. It is also important to state that there is a powerful connection between globalization, tourism organizations and domestic tourism public policy-making. The manner in which government approaches and packages its relations and interests determines what happens at operational level. In South Africa, there has been a lack of clarity on responsibilities; hence implementation experiences would be negative as they are in Australia. There has been a duplication of approaches at various levels and this has prevented the emergence of a local perspective on tourism project implementation.

Amongst the many effects of globalization on tourism, new and diverse markets have opened up, and there is rapid innovation in tourism products, increased competition between destinations, and a stronger focus on regional product clustering and brand marketing. Many tourism actors focus on sports, business; conferences, educational and medical types of tourism. It has taken time for rural/agricultural, ecotourism, heritage and religious kinds of tourism to be seen as profitable. Only recently have local people realized that they matter in the tourism industry and that they can benefit from this sector.

The different sectors and actors involved in tourism have painted the industry as unsustainable. This is partly due to the fact that tourism is connected with almost all other sectors; this has advantages as well as disadvantages. However, the uncertainty around tourism has resulted in reluctance among the actors to take the lead in the implementation structure, especially at local level. This could be why tourism does not have a known, sound management approach and protocol practice. It could also explain why some officials have been reluctant to support the operations of the implementation structure.

The volatile and competitive nature of tourism has rendered government actors unable to design permanent organizational structures. While this is understandable, it is important to assess how these actors could lead implementation structures in the future. This study aims to provide tourism actors with an opportunity to review their position and role in the industry and to be able to position themselves to maximize public benefit. This is critical because their actions and inactions determine the outcomes of tourism public policy. It is interesting to note the application of the 'trial and error' approach, mainly by governmental actors. It could be that the dynamics and innovative nature of tourism have perplexed them. Every approach and strategy seems to be new because there is no historical data to guide new administrations on what to do with tourism. This could be attributed to a number of factors, including the lack of specialist education in tourism, and a lack of consistency and stability among competent tourism bureaucrats.

This leads to a situation where countries and organizations share pieces of information which culminate in the trial and error approach. Even existing, formal intergovernmental cooperation has little or no substance in terms of tourism management; hence dialogue is vague rather than sound and constructive. It is clear that "governmental actors have to do

more, especially in the area of coordination and the continuous search for appropriate approaches for particular contexts⁴⁶⁷. The shifts in the organization of tourism have two important effects. First, relationships between government and private sector interests, represented by peak organizations and individuals on statutory boards, for example, have changed in an attempt to make government policy more responsive to the needs of the tourism industry. As a result, the identification of tourism policy problems, let alone the identification of solutions, is akin to hitting a moving target. In terms of this view, the organization of tourism is inherently unstable, and roles and responsibilities require continuous definition and redefinition.

Summary

In summary, governance is conceived to be a largely as an activity that takes place at both horizontal and at operational levels because it is at these levels that targeted organizational goals and values are realized. The governmental instruments are applied at operational level, where perceptions of governmental instruments can be better observed⁴⁶⁸. This creates a strong basis for an argument on inter-organizational relations and governance, which in simple terms means there is a need for a more consensus-orientation to decision-making and more persuasion in communication and interactions. And to the concerned organizations this means the need for operational adjustment of their organizational values and goals to accommodate the cooperative management and effective stakeholder interaction. This conception is in alignment with the provisions of contemporary government which is pluralism. In short, pluralism can be defined as the belief that power is relatively dispersed in society and that those institutions that embrace it have a better chance of influencing a wide range of interest groups⁴⁶⁹. In a democratic society, pluralism presupposes that a variety of groups have access to the decision-making arena and that power is widely spread. Basically, pluralism suggests that groups within society have to compete for power to secure their interests and under these conditions, government institutions have to tighten their coordination systems⁴⁷⁰.

⁴⁶⁷ Halligan, J. and Power, J. (1992) *Political Management in the 1990's*, (Melbourne: Oxford Press) p. 430.

⁴⁶⁸ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication)

⁴⁶⁹ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

⁴⁷⁰ Lawton, A. and Rose, A. (1994) *Organization and Management in the Public Sector: Second Edition* (London: Pitman Publishing).

One other critical aspects that came through strongly in this chapter is the question of the role of power in the management of inter-organizational relations and implementation. firstly, it is noted that although, at different and various levels, almost all actors have accessible to power and influence. Through their legitimate participation in the implementation, means that they have something to contribute and this is central in cooperative governance and management. What also came through strongly is the need for facilitative leadership at all levels policy-formulation and implementation at organizational level. This is one key priority in a context where the “public sector organizations are confronted with dilemmas that require a collective response and action”⁴⁷¹. Both politicians and bureaucrats have to arrive at decisions through a process of bargaining, negotiation and compromise between the various interests involved. The most willing and energetic leadership at all levels is required to steer successfully within an inter-organizational implementation context⁴⁷².

As a strategic approach to management, this kind of leadership is essential for government to drive clear and constant communication to enhance influence and effective control of resources such as information and interaction protocol which will enable it to secure public interests⁴⁷³.

lastly, this chapter challenges the contemporary “public managers seek better ways of effectively using governance instruments such as policies and institutions to ensure that society’s affairs are managed through democratic values such as transparency, consultation, the rule of law, protection of human rights, accountability, freedom of speech and the press, freedom of association, etc⁴⁷⁴. This chapter lead the discussion to another key element of governance which is the institutional and organizational arrangements.

⁴⁷¹ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications) p. 10.

⁴⁷² Lawton, A. and Rose, A. (1994) *Organization and Management in the Public Sector: Second Edition* (London: Pitman Publishing).

⁴⁷³ Elliot, J (1997) *Tourism politics and public sector management* (London and New York: Routledge)..

⁴⁷⁴ Du Toit, D.F.P., Van der Waldt, G., M.S, Bayat and J. Cheminais (1988) *Public Administration and Administration for Effective Governance* (Cape Town: Juta, Kenywn) p. 197.

CHAPTER 4
ANALYTIC OVERVIEW AND SCOPE OF DYNAMICS IN THE KWAZULU-
NATAL IMPLEMENTATION STRUCTURE

Introduction

This chapter presents an analysis of the overview, context and scope of the case study, which is the KwaZulu-Natal Implementation Structure (KZNTIS). In the first section I provide the context of the implementation structure which is the organizational baseline in the context of inter-organizational relations and implementation. It also outlines provincial coordination and practice. It is in this chapter where I outline the inter-organizational relations practice, identified the major actors and also the lead organizations, their legislative context, power, processes and patterns. I also explore the common organizational challenges associated with inter-organizational relations, the context for consensus based decision-making, the organizational dynamics that's emerges, the imperatives of organizational attitudes/behaviours, co-evolution and learning. In other words this chapter looks at how both management and leadership has been effected for the benefit of implementation.

OVERVIEW OF THE IMPLEMENTATION STRUCTURE

The organizational structure refers to the relatively stable group of tasks, relationships and processes within an organization and this can be regarded as the 'anatomy' of the enterprise (in this case, the tourism industry) that serves as a framework for its activities. In many ways, the organizational structure entails the applied processes of differentiating positions, formulating rules and procedures and power prescriptions. This relates to specialization departmental responsibilities, delegation, decentralization and coordination⁴⁷⁵. This provides a framework for the KwaZulu-Natal implementation structure (KZNTIS), in the context of the provincial mandate to develop tourism. In my view, the implementation structure also

⁴⁷⁵ Smith, P.J. and Cronje, G.J. de J. (1992) *Management Principles: A Contemporary South African Edition* (Juta and Co, Ltd, Cape Town).

serves as an accounting authority (the lead organizations, TKZN and the DEDT/DACT), that guides structured and unstructured relationships in tourism policy implementation.

The KwaZulu-Natal Implementation Structure (KZNTIS) comprises key actors and their organizations that are relevant to the tourism industry. They include public entities such as the KwaZulu-Natal Sharks Board (KZNSB), governmental departments (national and provincial), Trade and Investment in KwaZulu-Natal (TIKZN), District and Local Municipalities, hotel groups, wildlife and nature conservation agencies, private agencies, and other interested individuals and actors who operate as policy entrepreneurs. The diagram below presents the national and provincial tourism coordinating structures⁴⁷⁶.

Sphere of Government	Political structure	Technical structure	Marketing structure	Private Sector
Funding	Government			Private sector
National	Minister through the Minmec PTC	DG-NDT, Provincial HOD through the Miptec	SAT through the CEO's Forum	Fedhasa, TBCSA, NAA, etc
Provincial	MEC through the PTC and PFC	CEO-TKZN, Provincial HOD through the PTF	TKZN through the Tourism Growth Forum	Provincial chapters of the above
District	Mayor through the PFC	City / Municipal Manager through the DTF	District Tourism Office	CTA's, Private sector Forum
Local	Mayor through the PFC	City / Municipal Manager through the LTF	Local Tourism Office	CTA's, Private sector Forum

Figure 6 National and Provincial Tourism Coordinating Structures.

What is clear from this diagram above is that the biggest responsibility of funding and coordination lies with governmental organizations, specifically with political and organizational executive leadership. Linking that with fact that, the “inter-organizational

⁴⁷⁶ KwaZulu-Natal: *A Practical Approach Towards Coordination at Provincial and Local Government*. A presentation made by Mr D. Golding: Head of Department, Department of Economic Development and Tourism; during the Local Government Tourism Conference, “*Theme: Tourism Development: Why Local Government Matters*” held on 26-27 February 2013, in Sandton Convention Centre, Gauteng.

theory is embedded in organizational sociology”⁴⁷⁷, it is appropriate to locate the study within an organizational setting and in instance, it is the lead organizations of the implementation structure”. This basically means that an appropriate organizational design must be adopted to ensure that this critical function is executed effectively. Not only that, this organizational design must be flexible enough to evolve with the ‘ecology’ of the implementation structure to cater for the ever changing implementation context. The study focuses on how complex relations are managed in order to achieve policy goals and objectives. As much as governmental organizations or institutions are expected to make a difference in various areas of the life of a society, there is also an expectation that the DACT should manage tourism for the benefit of society (public interests and benefit). In order to assess the success or failure of government’s efforts, it is vital to focus on the ‘fertile ground’ for the implementation of public tourism policy. The province of KwaZulu-Natal has massive tourism potential, hence it is such fertile ground. This study focuses on tourism in the northern part of the province.

Comparatively, KwaZulu-Natal has a rich history and heritage, widespread recreational spaces and facilities, wildlife and conservation areas, excellent infrastructure and accommodation facilities, etc. These are all tourist attractions. However, these rich resources also pose a challenge to the provincial administration in that it has to understand its role and have a strong culture of coordination. As indicated above, an accountable leadership is vital in both policy conception and actual implementation. Such leadership has to be exercised at policy, organizational, programme and client levels. Overall, the success or failure of implementation lies in the ability of leaders to lead, to make quality decisions and to use their influence to get things done. In short, leaders have a massive influence on the formation, shape and effect of the implementation structure⁴⁷⁸.

Spatially, KwaZulu-Natal is one of South Africa’s nine provinces, located on the south eastern seaboard and occupying 7.7% of the country’s land mass⁴⁷⁹. It is an “attractive and popular holiday destination as it offers a diverse range of tourism resources”⁴⁸⁰. These include a good climate, game reserves, wetlands, wildlife, accommodation, road

⁴⁷⁷ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p.14.

⁴⁷⁸ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (, Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School).

⁴⁷⁹ KwaZulu-Natal: *Official Travel Guide* (2008/2009).

⁴⁸⁰ Republic of South Africa: *Portfolio Municipalities* (2008) p. 262.

infrastructure, services and an interesting mix of culture and traditions, etc. The KZNTIS is composed of a wide range of stakeholders including concert, conferencing, events and exhibitions companies, commercial businesses, rural tourism, adventure tourism, medical tourism, the services industry, the cultural heritage, historical battlefields, a World Heritage Site, sports and leisure tourism, music, art and architecture, educational tourism, social traditions, ecotourism, conservation, etc. I divide the province into Zululand, battlefields, Elephant Coast, UKhahlamba Drakensberg, Midlands, and the south and north coast.

This study focuses on Zululand and includes battlefields (Uthukela-Mzinyathi), Zulu culture (Zululand), Hluhluwe, Isimangaliso Wetland Park (ecotourism), and Umkhanyakude. The KZN province has been using the 'Kingdom of the Zulu' as a commercial brand to advertise tourism products and services. This study examines the extent to which tourism has secured the social development of communities living in rural Zululand. While Zululand, known as the 'heart of the Zulu Kingdom', is rich in wildlife, social history and heritage resources, it is also characterized by rural populations that suffer from poverty and lack of development. Tourism should thus aim to alleviate poverty. Well known attractions include the Ithala Game reserve (Ntshondwe Camp), Ondini Zulu Cultural Museum, Thokazi Royal Lodge, Mkhuze Game reserve, and Hluhluwe-Mfolozi Park. The communities living adjacent to these attractions are warm and hospitable, they make it possible for entrepreneurs to sell their tourism products and services. There is an abundance of adventure and conservation activities and accommodation⁴⁸¹.

For the purposes of this study, the historical overview will cover the period from the dawning of democracy in 1994 to 2008. Many changes occurred in the immediate post-apartheid period. One of the critical changes as far as this study is concerned was the integration of the KwaZulu homeland and the Natal Administration to form KZN. South Africa's new 1996 Constitution had implications for all institutions at various levels of government. The Constitution provided for the establishment of nine provinces and set out their functions. Tourism was made a concurrent function between national and provincial departments, as well as Local Municipalities⁴⁸². Therefore, tourism activity will involve both vertical and horizontal relations.

⁴⁸¹ KwaZulu-Natal: *Official Travel Guide* (2008/2009).

⁴⁸² Constitution of the Republic of South Africa (Act no. 108 of 1996), Schedule 4, part A and part B.

This study focuses on the DACT as the strategic leader of the KZN-TIS. There have been many changes post-1994, but there has not been consistency, sustainability and tangible progress in implementing tourism programmes. This raises the question of why so many changes have occurred; whether they were necessary and, if not, the extent to which they have constrained the implementation of tourism programmes. One might argue that the Tourism KwaZulu-Natal (TKZN) has not changed since 1998 and that government has been firmly in control. I would argue that any change in leadership has an impact on the policy agenda operational space (implementation). One simple testimony to this suggestion is that the organizational structures of both the DACT and TKZN have not provided for the effective management of governmental relations. This poses a question as to how this province has ensured that it is in control of tourism agenda setting and compliance. Tourism is seasonal in nature and depends on the voluntary participation of actors. While this undoubtedly makes for a complex sector, it remains government's responsibility to manage it for the benefit of citizens. To some extent, one could conclude that the province has not been clear on what it wants to do with tourism and has hence abdicated its responsibility.

Legislative Context for Inter-organizational Relations

Just like cooperative governance, the pillars of inter-organizational relations are spread across the tourism related legislative frameworks and policies. Below, are some of the key prescripts that inform the conception and practice of inter-organizational relations, the founding pillars and legislative provisions⁴⁸³.

⁴⁸³ KwaZulu-Natal: *A Practical Approach Towards Coordination at Provincial and Local Government*. A presentation made by Mr D. Golding: Head of Department, Department of Economic Development and Tourism; during the Local Government Tourism Conference, "Theme: Tourism Development: Why Local Government Matters" held on 26-27 February 2013, in Sandton Convention Centre, Gauteng.

Sphere of Government	Relevant Legislations / policies
National	<ul style="list-style-type: none"> ○ Constitutional of the Republic of South Africa, Act no. 108 of 1996. ○ Tourism Act, Act no. 72, of 1993. ○ Tourism White Paper, of 1996. ○ National Tourism Sector Strategy, 2011.
Provincial	<ul style="list-style-type: none"> ○ KwaZulu-Natal Tourism Act, Act no. 11, of 1996. ○ Tourism White Paper, of 2008. ○ KZN Tourism Master Plan, of 2012
Local	<ul style="list-style-type: none"> ○ KwaZulu-Natal Tourism Act, Act no 11, of 1996. ○ Tourism White Paper, of 2008. ○ Municipal Tourism Sector Strategy. ○ Integrated Development Plans.

Figure 7 Table reflecting the Legislative Context of the South African Inter-organizational Relations for Tourism.

The legislative mandate, historical events, activities, decisions, failure to make decisions, and patterns of communication and impact provide the setting for this study. In addition to a Cabinet portfolio⁴⁸⁴, the law establishes TKZN as an agency responsible for the development, promotion and marketing of tourism in the province within government policy and frameworks. This mandate is contained in intergovernmental relations (IGR) regulations which seek to enhance order and promote cooperation between various actors (including District and Local Municipalities) to ensure that the tourism potential that exists is exploited and that the benefits are maximized. The planning and implementation of tourism strategies emerges from this context where tourism-related partnerships, public representation and stakeholders are of great importance.

Apart from legislative provision for cooperation, consultation and interaction, in practical terms, tourism is the joint responsibility of all the spheres of government. Most tourism amenities such as hotels, art galleries, airports, water, sewerage, transport, museums, heritage sites, parks, signage, etc, are located within District and Local Municipalities. Local

⁴⁸⁴ Cabinet means the Executive Council of the KwaZulu-Natal Province as contemplated in section 132 of the Constitution.

government is required to plan for, monitor and implement tourism plans. It is clear that the coordination of all of these services and infrastructure is complex and challenges stakeholders. With tourism being so complex, it calls for effective and application of both management and leadership, but sadly, this was not the case in that the study reveals that there was over-management and under-leadership with the lead organizations⁴⁸⁵. In short this means that organizational opportunities that existed were not grabbed, there was lack of imagination and visioning, instead there were great organizational changes there were not effectively managed, and this delayed implementation. If there was balance, the KZNTIS would have been more effective especially in grass-roots tourism programme coordination and projects implementation⁴⁸⁶.

Critical in this discussion is the exploration of inter-organizational relationships synergy as reflected in the strategic framework, communication, leadership, structure and performance. All these concepts have to do with what decisions are made and which information and resources are shared. This is done on the understanding that strategic direction comes from the MEC at executive level (also policy and legal), where the strategic framework emerges and is coordinated, while operations and tourism outcomes or the implementation of programmes and projects are the responsibility of TKZN and its partners such as District and Local Municipalities, communities and other agencies. This chapter explores how the lead organizations have performed in structuring relationships (established, maintained, changed, dissolved, and produced outcomes), using existing governance mechanisms such as the strategic framework (legislative, policy and legal). The organizational attitudes and culture are part of this analysis.

Amongst the many priorities of the transformation of the tourism industry to benefit South Africans is to increase the number of tourists. This would include broadening the market segment, increased spending by tourists, a longer tourism season and encouraging visits to more provinces, etc⁴⁸⁷. At the provincial level, the Provincial Growth and Development Strategy (PGDS) in the Provincial Spatial Development Perspective (PSDP) provide strategic

⁴⁸⁵ Swanepoel, B (ed.), Erasmus, B., van Wyk, M. and Schenk, H. (2003) *South African Human Resource Management: Theory and Practice* (Cape Town: Juta and Co. Ltd).

⁴⁸⁶ Personal Interview with the Member of the Department of Coöperative Governance and Traditional Affairs (COGTA, Interviewee 21).

⁴⁸⁷ Republic of South Africa, *Tourism Growth Strategy*, May 2002.

leadership. The PGDS is the provincial Cabinet's strategy to eradicate poverty and inequality.

It sets the following six priority areas that the DEDT/DACT is committed to:

- “Strengthen governance and service delivery,
- Integrated investment in community infrastructure,
- Promote sustainable economic development,
- Job creation,
- Develop human capability, and
- Fight poverty and protect vulnerable groups in society”⁴⁸⁸.

One key challenge confronting the DEDT/DACT is to integrate national and provincial priorities into the tourism programmes. Its operational governance practices have to ensure that it facilitates strategic coalitions and partnerships between large and small tourism enterprises⁴⁸⁹. Frameworks and processes such as the LED and IDP present an opportunity for all stakeholders to become involved in tourism. For example, stakeholders can participate in planning, and the implementation and promotion of sustainable social and local economic development programmes. This includes the development and promotion of tourism. In this way, national programmes are ‘domesticated’ into local municipal programmes.

The provincial government is tasked with the duty to facilitate, coordinate, regulate, monitor, promote, and market tourism. Furthermore, the province is required to encourage effective technical liaison between different levels of government, national tourism agencies and the public and private sectors⁴⁹⁰. Local government (districts in the Municipal Structures Act, and municipalities in the Tourism Act of 1993) are tasked with the responsibility of managing land-use planning, urban and rural development, land allocation, maintenance services, sites and attractions, road signs, the promotion of local markets, public health, and licensing establishments. This presents a serious public affairs challenge for the lead organizations, especially in the management of strategic goals and implementing interventions. The focus thus far has been on policy development and consolidation, while municipalities were left to make their own decisions without proper guidance and support⁴⁹¹.

⁴⁸⁸ KwaZulu-Natal Provincial Administration: Department of Arts, Culture and Tourism, *Strategic Plan 2005-2010* (published on November 2006) p. 15.

⁴⁸⁹ Dewar, D. and Kiepiel, J. (1997) *Regional Planning Guidelines; A Primer For Regional Planning: Final Report* (Commissioned by the Department of Local Government and Housing-KwaZulu-Natal).

⁴⁹⁰ Davison, R. (1998) *Travel and Tourism in Europe* (Longman, England).

⁴⁹¹ Personal Interview with a Member of the PTC-PTF 2004-2008 (DACT, Interview 19).

It is imperative that government's responsibilities relating to tourism are clearly spelt out. As noted earlier, one of government's many responsibilities is to 'package' and protect public interests; it cannot abdicate this responsibility. The manner in which government regards its involvement in tourism determines its approach (strategy), and organization (structure). And policy is one of the key tools available to government agencies "this is the focus of the focal organization / ministry. It is important to note that policy is forged and shaped principally within political and public institutions"⁴⁹². Political interaction warrants that there should be relationships between the 'competing actors'; however, some actors have more political influence in policy making. The same applies to implementation, where policy outcomes are determined by a particular group or actor. This raises concerns amongst other interest groups⁴⁹³.

Since tourism public policy is intended to maximize public benefit, it is necessary to investigate which external actors' interests determine agenda setting and become policy. This would include examining the nature of their relationships against the quality of deliverables. All these questions relate to how power is managed (recognized, nurtured and utilized), especially by the lead organization during interactions with stakeholders. Linked to these questions is the ability of bureaucrats to interpret, 'domesticate' and effect policy decisions. And the recent studies on policy, institutional and functional issues in KZN have revealed that a number of issues continue to have a negative impact on the implementation of tourism policy. One such constraint is that the province does not have total control of the development, coordination and implementation of tourism public policy. This has resulted in a duplication of efforts as well as conflicting objectives. There is no doubt that the tourism agency faces many constraints, including sharing power and influence with other strong public entities and agencies such as municipalities, the TKZN, EKZNW, Durban Africa (eThekweni Tourism), the KwaZulu-Natal Sharks Board, the KwaZulu-Natal Gambling Board (KZNGB), and Isimangaliso Wetland Park (IWP).

Consensus on executive government decisions requires the alignment of three competing and interactive processes. The decision must be sufficiently rational (financial), and must be achievable within existing organizational processes (policies, rules, procedures). Lastly, it

⁴⁹² Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 26.

⁴⁹³ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

must make political sense, in that it should form part of government's main agenda which is owned by the ruling party and its allies. The fact that there are "three competing institutional systems exposes decision-makers to uncertainties, hence, traditional strategies are blended with contemporary thinking to achieve outcomes"⁴⁹⁴. Traditional organizational science theory views an organization as an entity without relations with its environment. This implies that an organization is a unit with a clear purpose and clear authority structure with the ability to dominate the work process and decisions. This theory focuses on how the environment determines internal organizational processes. It ignores the responsibility of the organization to reach out and connect with its environment. This approach demands that managers adhere to strict line of communication, command, control and coordination, especially at operational level⁴⁹⁵. It is my view that such thinking is outdated because it does not acknowledge the changing and complex contexts in which programme implementation occurs.

In contrast, inter-organizational theory views an organization as part of a network of organizations where there is 'forced and voluntary connection', an exchange of resources, negotiated and shared authority. Like the private sector, 'traditional' governments were more focused on controlling the environment, but the contemporary context demands that they create and sustain 'intimate relations' with their environment (a set of organizations or agencies / actors). I explore inter-organizational theory in an implementation context that involves both private and public sector actors. It is vital that government agencies (administrators) carefully consider who they interact with and have an understanding of the content and pattern of the partnerships or collaborations that they build in order to determine whether or not they are worth sustaining. Furthermore, inter-organizational theory acknowledges that a network environment requires interaction, resource exchanges, dependency, and inter-dependency and there is no 'central authority'. Critical resources such as information and technology enable organizations to thrive. A lack of access to relevant information and technology can be detrimental to an organization in that it could be deprived of access to power⁴⁹⁶.

⁴⁹⁴ Geyer, R. and Rihani, S. (2010) *Complexity and Public Policy: A new approach to twenty-first century politics, policy and society* (London and New York: Routledge Taylor and Francis Group) p. 27.

⁴⁹⁵ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁴⁹⁶ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks, Strategies for the Public Sector* (London: Sage Publication).

CONTEXT OF INTER-ORGANIZATIONAL DYNAMICS

These dynamics emerge from the interaction between members of the implementation structures within the formal structures, which are the Community Tourism Organization (CTO), Community Tourism Association (CTA), Local Tourism Forum (LTF), District Tourism Forum (DTF), Provincial Tourism Forum (PTF) and the Provincial Tourism Committee (PTC). Such interactions are informed by “sociopolitical, historical, cultural, organizational and policy factors”⁴⁹⁷. Then again, through these coordinating tourism activities across a range of shareholders, there is bound to be some challenges. These changes come through the PGDS, PSDP, and the IDP’s, which are essential elements to the provincial administration’s organizational culture. The Districts and Local Municipalities, find themselves indirectly coerced into making organizational adjustment into order to comply with the set requirement for planning, budgeting, monitoring and reporting. In essence, this is the acknowledgement and appreciation of the existence and importance of dependence, interdependence, integration and cooperation amongst nations, people, and organizations in operational governance (implementation). It is a new way of looking at things and provides opportunities for sustainable governance models, and economic, political and socio-cultural development and growth in countries around the world⁴⁹⁸. It challenges all societies to create and develop governance that promotes, supports, and sustains social justice and human development.

Some of the key expectations of a welfare state are that the public sector ensures minimum standards of income, nutrition, health and safety, education, and housing. In short, every citizen should be guaranteed social rights. Thus, such a “state is bound to seek partnerships that ensure the sharing of risks across generations, localities, classes, and ethnic and racial group, and educational opportunities promote social integration in modern society⁴⁹⁹. In the context and scope of responsibility for the lead organizations, this is about creating institutional capacity at districts and local municipality’s level. Therefore, resourcing LTF’s and CTO’s for skills and human potential development will be central and it will in a long

⁴⁹⁷ Rule, P. and John, V. (2011) *Your Guide to Case Study Research* (Pretoria: Van Schaik Publishers) p. 40.

⁴⁹⁸ Rondineli, A.D. and Cheema, G.S. (2003) *Reinventing Government for the Twenty-First Century: State Capacity in a Globalised Society* (USA: Kumarian Press, Inc).

⁴⁹⁹ Peters, G. and Piore, J (2006) *Handbook of Public Policy* (London, Thousand Oaks, New Delhi: Sage Publications) p. 201.

run contribute towards the elimination of poverty and social exclusion⁵⁰⁰. Strengthening governance, improving service delivery, economic development, job creation, etc have been among the KZN government's priorities for the past 10 years⁵⁰¹.

All governments are confronted with the challenge of how to craft comprehensive policies and implement them effectively. This is not a new challenge; research has shown that governments and societies, especially during the 1960s, 1970s and 1980s struggled to achieve acceptable performance (effective implementation). This has resulted in diminishing public trust and confidence in government's ability to steer a country⁵⁰². This requires that "government institutions to determine the best way to galvanize actors to achieve social development goals"⁵⁰³, which at institutional level implies moving away from a government-centred mode to more complex market/network-based governance. This scenario is true in the South African context, where it is critical to achieve sustainable development through the appropriate utilization of available human and natural resources. Balanced development should address political, environmental, economic, cultural, heritage and social issues⁵⁰⁴. In a democratic governance system it would be expected to be service delivery orientated, transparent, accountable and accessible. Critical to this notion is facilitation of public participation, and interactions between citizens, civil society, private individuals and governments⁵⁰⁵.

The other functional areas that are relevant in this context include regional planning, development, tourism, culture and conservation, which are the concurrent functions of the national and provincial spheres of government⁵⁰⁶. In South Africa, all spheres of government, including Metropolitan Councils, and District and Local Municipalities are mandated to contribute to the cooperative governance and development agenda, which includes economic development, poverty reduction, local tourism, sustainable delivery of services to

⁵⁰⁰ Rondineli, A.D. and Cheema, G.S. (2003) *Reinventing Government for the Twenty-First Century: State Capacity in a Globalised Society* (USA: Kumarian Press, Inc).

⁵⁰¹ KwaZulu-Natal: Ezemvelo KZN Wildlife, *Five Year Strategic Plan and Performance Plan 2009-2014*. www.kznwildlife.com.

⁵⁰² Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁵⁰³ Peters, G. and Piore, J. (2006) *Handbook of Public Policy* (London, Thousand Oaks, New Delhi: Sage Publications) p. 6.

⁵⁰⁴ Chapter 2: Bill of Rights, *the Constitution of the Republic of South Africa*, (Act 108 of 1996).

⁵⁰⁵ Rondineli, A.D. and Cheema, G.S. (2003) *Reinventing Government for the Twenty-First Century: State Capacity in a Globalised Society* (USA: Kumarian Press, Inc).

⁵⁰⁶ Constitution of the Republic of South Africa, (Act no. 108 of 1996), Schedule 4 Part A.

communities, and the promotion of social cohesion⁵⁰⁷. Local government has a distinct role in promoting socio-economic development. As a component of the state structure, it is best placed to maintain open, cooperative and constructive relations with both provincial and national government. The practise of democracy requires the cooperation of all spheres of government⁵⁰⁸.

Achieving social development (public interests) is a multi-disciplinary function; hence, cooperative governance has to be 'alive' at local level. The formulation and implementation of policy is taking on a more inter-organizational pattern. There is increasing involvement of different governmental agencies and levels, as well as interactions between public authorities and private organizations. However, this process is not easy to manage. The typical cooperative government process contains elements of political activity and it is thus inescapable that contestations of different forms will exist due to the perceptions and interests of different participants. Implementation therefore becomes a problematic activity rather than something that can be taken for granted as in the rational process model. Rational thinking conceives policy as a bargained outcome, while, in fact, policy emerges from an conflict environment that is diverse and loaded with constraints⁵⁰⁹.

Political contestation for power means that the allocation and distribution of resources for implementation is contested. The management of implementation is therefore also a contested affair, with coalitions and partnerships created to protect parties' interests and objectives. This demonstrates that public policies are made and implemented in networks of interdependent actors. Hence, governmental institutions and agencies have to establish how they can take advantage of existing interdependencies (available critical resources) within the implementation context. Contemporary studies on implementation suggest that more attention should be paid to the impact that inter-organizational influences have on organizational work. This is critical for public organizations because they are charged with the responsibility of executing public policies within the constraints of a shortage of resources, poor communication and inadequate organizational structures. In practice, this means that public managers must deal with issues of power, authority, trust and communication as they mediate

⁵⁰⁷ This function has to be executed within intergovernmental relations; which are a set of multi-formal and informal processes, channels, structures and institutional arrangements for bilateral and multilateral interaction within and between spheres of government: The White Paper on Local Government, (1998) and Section 3: Cooperative Government, the Constitution of the Republic of South Africa (Act no. 108 of 1996).

⁵⁰⁸ Republic of South Africa: *White Paper on Local Government* (1998).

⁵⁰⁹ Levitt, R. (1980) *Implementing Public Policy* (London: Croon Helm).

between public and private interests. This calls for alternative approaches and strategies to management and organizational design. It is important to note that organizations reflect society and are also products of individual human actions with special meanings and significance to those who act⁵¹⁰.

This study is an affirmation of the growing interest and need for investigation in the field of tourism, especially in the contemporary governance setting. Many researchers in fields such as sociology, organizational and public policy are taking an interest in tourism public policy. The study examines the role of governmental agencies in a specialized sector such as tourism⁵¹¹. It focuses on the province of KZN, where the agencies responsible for implementing tourism public policy are the DEDT/DACT and TKZN. While policy development at national and provincial level is stable, this is only one side of the story. The challenges include tourism capacity, investment, management of relationships and perceptions of fair distribution and enjoyment of benefits.

Although the public sector is assumed to exert considerable influence on tourism and have the power, authority, systems and capacity to manage and intervene in this sector, this seems not to be the case in practice^{512, 513, 514}. Instead of steering, it relinquishes its responsibility due to a lack of knowledge of the tourism industry. It is important to establish the facts around this notion and to use emerging knowledge to craft a model that agencies such as the DEDT/DACT and TKZN could adopt in order to improve their “performance in managing implementation and inter-organizational relations”⁵¹⁵ by means of an observation of tourism policy implementation, particularly the behaviour of the actors in the sector and the decisions that are made⁵¹⁶. One assumption regarding contemporary governance is that there is less emphasis on single bureaucratic units that possess all relevant tools and capacity to execute their given mandates. There is a growing culture of inter-agency cooperation, alliances, collaborations, coalitions, etc.

⁵¹⁰ Denhardt, R.B. (2008) *Theories of Public Organization* (5th edition, USA: Thomson Wadsworth).

⁵¹¹ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications).

⁵¹² Denhardt, R.B. (2008) *Theories of Public Organization*, (5th edition, USA: Thomson Wadsworth).

⁵¹³ Denhardt, R.B. (2008) *Theories of Public Organization*, (5th edition, USA: Thomson Wadsworth).

⁵¹⁴ Denhardt, R.B. (2008) *Theories of Public Organization*, (5th edition, USA: Thomson Wadsworth).

⁵¹⁵ Denhardt, R.B. (2008) *Theories of Public Organization*, (5th edition, USA: Thomson Wadsworth).p. 11.

Although successful tourism is regarded as a well packaged service for the tourist, it could also be an expression of the ‘self’, as a reflection of who we have become over thousands of years of evolution. At different stages of their lives, human beings are faced with choices relating to the protection of interests and scarce resources. Alliances, partnerships and collaborations are amongst the practical systems to package and execute tasks. One of the motives for doing so is to share costs, benefits and responsibilities. This study emerges from a wide range of observations including the fact that tourism is a growing sector that has theoretical, policy, strategic, programme and client elements. An integrated understanding of the institutional context is key in understanding how and why decisions are made, and how actions are executed. More importantly, it is necessary to understand how organizational values, goals and interests are negotiated within the inter-organizational relations and implementation contexts.

Thus this study is a reflection of the shift within implementation studies. In the past, the focus was on how people and organizations behave. Contemporary studies are more interested in exploring how organizations interact as they plan, execute and evaluate programmes. This study demonstrates the relationship between implementation and inter-organizational relations and how inter-organizational relations impact or influence implementation in achieving social justice in the form of development through tourism programmes. It seeks to capture and explore the experiences of a governmental organization (lead organization) in the management of tourism implementation in the “complex, evolving networks contemporary environment”. An organization is a group of people working together to attain common goals; organizational goals are objectives that management seeks to achieve in pursuing the firm’s purpose⁵¹⁷. While it might be assumed that all public sector organizations (including the DEDT/DACT and TKZN), would strive to achieve ‘perfect implementation’, the chances are slim that this would happen in the contemporary governance context. In common with other sectors, tourism public policy is dynamic and complex; the public sector is challenged to comprehend and secure total control and authority in the tourism industry⁵¹⁸. As a result, it finds it difficult to manage current activities and to forecast future directions. This is due to the remarkable changes that have reshaped societies and governments.

⁵¹⁷ Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour; Managing People and Organizations* (Boston and New York: Houghton Mifflin Company) p. 446.

⁵¹⁸ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

Most societies have become more complex and these complexities manifest themselves in a number of ways⁵¹⁹. One is the increasing speed of communication, the existence of variety of media and transition into the knowledge economy. These changes reflect human innovation that infiltrates social organizations and institutions. For example, in the tourism sector, services and products are packaged, advertised and sold using technological devices. The inter-organizational relationships related to such modes of communication are complex and are managed by similar communication tools, such as the internet.

SCOPE OF INTER-ORGANIZATIONAL COORDINATION

In terms of inter-organizational coordination, I intend to show that local government is at the centre of tourism development. The table below summarizes the inter-organizational forums used as mechanisms to facilitate the coordination of tourism development in KZN.

Structure / Forum	Objectives
Provincial Tourism Committee (PTC)	<ul style="list-style-type: none"> ○ To coordinate the formulation of the provincial tourism policy with municipalities, ○ To assist municipalities to develop municipal tourism policies within the framework of national and provincial tourism policies and legislation.
Provincial Tourism Forum (PTF)	<ul style="list-style-type: none"> ○ To serve as a technical committee and clearing house to the PTC.
District Tourism Forum (DTF)	<ul style="list-style-type: none"> ○ To coordinate all tourism-related activities within a particular District Municipality and Local Municipalities. ○ To integrate provincial tourism objectives into the District and Local Municipalities' plans/priorities; it makes recommendations to the Municipal Council.
Local Tourism Forum (LTF)	<ul style="list-style-type: none"> ○ To strengthen local tourism development and facilitate intervention by national and provincial bodies.
Community Tourism Association (CTA)	<ul style="list-style-type: none"> ○ To provide an institutional framework for the uniform establishment and functioning of the CTOs
Community Tourism	<ul style="list-style-type: none"> ○ To ensure coordination of tourism marketing and publicity

⁵¹⁹ Castells, M. (1996) *The Information Age: Economy, Society and Culture, Volume The Rise of the Network Society* (Oxford: Blackwell).

Organization (CTO)	<p>activities at local level,</p> <ul style="list-style-type: none"> ○ To facilitate equal access to tourism opportunities by local communities, ○ To ensure the legality of tourism business operators, ○ To establish linkages between communities, the private sector and government⁵²⁰
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Figure 8 Table reflecting the KwaZulu-Natal Provincial Coordination Structures.

There are some obvious and immediate challenges that are facing all these structures, and they include a serious lack of understanding of tourism within municipalities hinders effectiveness and collaboration between structures. Within the lack of funding, very few municipalities made appointments for qualified and skilled staff to coordinate tourism activities, hence there is inadequate capacity to ensure effective management of the tourism functions. Again, with this lack of skills, there are very few officials in municipalities that know how to advocate and support tourism prioritization and this hinders tourism growth potential. What is also obvious from disconnect between the operations of the cluster of PTC, PTF, LTF against the CTO's and CTA's, which are mainly run by White tourism entrepreneurs. As a result, at many municipalities, there is total operational failure to integrate it into mainstream socio-economic development programmes.

As the premier lead organization the DEDT/DACT is required by law to establish a functional provincial coordinating forum, which will enable the provincial department to interact and coordinate programmes with other state agencies with an interest in economic development and tourism, including Metropolitan Councils, and District and Local Municipalities⁵²¹. This forum is known as the Provincial Tourism Committee (PTC), and it is chaired by the MEC DEDT/DACT, supported by the Head of Department (HOD), and CEO-TKZN⁵²². The main actors include the District Mayor, Municipal Managers and representatives from relevant state agencies. The objectives of the PTC include coordination

⁵²⁰ Republic of South Africa: *Local Governance Tourism Report, "Tourism Development Why Local Government"*: South African Local Government Association (SALGA), and Republic of South Africa: National Tourism Department, (26-27 February 2013).

⁵²¹ These state agencies include Isimangaliso Wetland Park (which is a World Heritage Site), the KwaZulu-Natal Sharks Board (KZNSB), Ezemvelo KZN Wildlife (EKZNW), and Trade and Investment KZN (TIKZN).

⁵²² Section 3, (34), of KwaZulu-Natal Tourism Act No. 11 of 1996 as amended in 2002 the Act).

of policy formulation, assisting municipalities to develop municipal tourism policies, and exercising oversight (monitoring, evaluation, compliance and reporting).

The PTC also has to ensure that there is alignment with strategic government objectives. This means that the forum has to create an environment where a wide range of considerations are taken into account in the consolidation of tourism policy (interpretation and application) and operational plans. These include securing economic and social benefits for the public through responsible tourism, social tourism and tourism transformation. This requires substantial collaboration, partnerships and the strategic management of stakeholders⁵²³. This is the crux of the study that explores the PTC's efforts to ensure tourism-specific intergovernmental awareness, capacity building, planning, cooperatives and inter-organizational communication. One of the PTC's initiatives is Tourism Cooperatives which are designed to reduce unnecessary competition and empower community-based projects to take full advantage of opportunities in the tourism sector.

The second lead actor is TKZN, which is required to cooperate with local stakeholders, and advise and guide them in their quest to develop and promote tourism products and services (municipal tourism policy implementation). The legislation also requires TKZN to establish a functional forum to ensure on-going cooperation and interaction between it and local stakeholders, specifically the municipalities. This forum is known as the Provincial Tourism Forum (PTF), and it is chaired by the TKZN Chief Executive Officer (CEO), with the support of the Chief Operations Officer (COO).

The PTF is composed of TKZN's General Managers responsible for Tourism Development, Marketing, Communication and Information Services. Representatives include the KZN DEDT/DACT and Municipal Managers of Districts⁵²⁴. The Terms of Reference (TOR) require TKZN and local municipalities to initiate and coordinate strategies, programmes and projects (control of operational governance) to market and promote tourism within a collective vision of the Province as a tourism destination, whose champion is the MEC/DEDT/DACT⁵²⁵, ⁵²⁶. And some of the key factors in the analysis are the role of the

⁵²³ In other words, achieve Cooperative Tourism Governance (CTG).

⁵²⁴ KwaZulu-Natal *Tourism Act* 1986 (the Act).

⁵²⁵ KwaZulu-Natal *Tourism Act* 1986 (the Act).

⁵²⁶ In others words, the PTF has to coordinate inter-organizational leadership, negotiation and communication, which manifest as cooperative management.

two institutional structures, the PTC and the PTF. These structures are designed to connect the political (strategic steering level) and administrative leadership (operational governance level). Interestingly, these are the very structures that enable the exposure and exploration of contestations, especially in agenda setting (prioritization of programmes) and in cooperative management. The other two important structures are the District Tourism Forum (DTF) and Local Tourism Forum (LTF). These structures are meant to coordinate tourism activities among stakeholders at local governance level. They are designed to enable local tourism actors to communicate with the PTC and PTF.

It is clear from the foregoing discussion that public actors should embrace their new role of process managers, mediators and facilitators. I examined two network management strategies and I focus briefly on the management of interactions, as this is critical in my analysis of the study's findings. In the resources and actor activation strategy, the process of managing interactions centres on cautious and selective decisions (relevance-based), resource mobilization, stabilization, deactivation, coalition building and initiating new interactions. These are the activities that would be expected of the lead of organizations of the IS, that is the DACT and TKZN, in cooperation⁵²⁷.

Strategic Objectives

The strategic framework is an essential point of reference in this study. What the law provides is what should or may happen or may be done; it is the bigger picture, tourism public policy. What the policy provides is guidance as to how things should be done. Strategy is about the choices and approaches (it is captured in the business plan) that are taken to achieve legislative provisions. The strategic leadership mission for 2008-2012, for example, seeks to achieve transformation, economic benefits to all stakeholders and a demand-driven tourism development programme⁵²⁸. Many things could happen if the law is vague and the policy does not match the context where implementation will take place.

The final objectives (being demand-driven) could be interpreted as being passive and eager to please the foreign tourist market at the expense of domestic tourists. This could exclude

⁵²⁷ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁵²⁸ Tourism KwaZulu-Natal, *Tourism Strategy* (2008-2012).

major tourism products such as local communities, their customs, cultural traditions, and heritage. This strategic conception creates a huge gap and space for major errors in implementation because it suggests that the province has to suffer the seasonality of tourism and that fewer pro-poor programmes should be undertaken. What has been achieved through inter-organizational networks is contrary to these strategic objectives. Furthermore, while the objectives may be sound, they can only be achieved if all the institutions and agencies concerned are capacitated. If it is true that tourism establishments are still mainly white-owned, the law and the policy of natural partnerships and effective transformation could have been misplaced. There is bound to be” resistance and time and a massive budget is needed to achieve this. In my view, the TKZN governance structure⁵²⁹ presented below does not have the potential to achieve all the strategic objectives⁵³⁰.

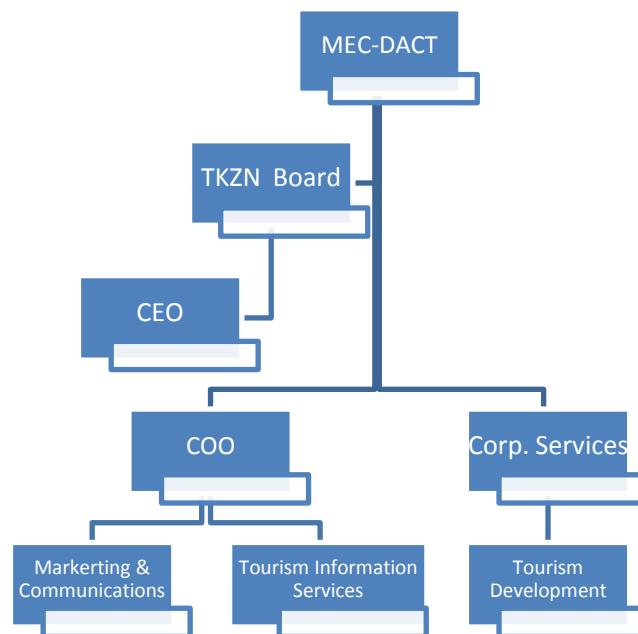


Figure 9 KwaZulu-Natal Tourism Authority Governance Structure: the Organogram (according to the 2008-2012 Tourism Strategy).

As much as TKZN is a specialist agency, it is not clear how well such an organizational structure can deliver satisfactory results in terms of equitable economic benefits, education and awareness, the transformation of the tourism industry, research, strategic partnerships, impact assessment, product development support, institutional capacity building, etc.

⁵²⁹ Tourism KwaZulu-Natal (2008-2012) *Tourism Strategy* p. 24.

⁵³⁰ Personal Interview with a PTC member 2004-2008 (DACT, interview 11).

However, it could certainly deliver demand-driven tourism services and product development. The structure does not seem to provide adequate human capital to achieve cooperation and partnerships with local and regional stakeholders such as District and Local Municipalities, and local tourism associations. While most District and Local Municipalities have good intentions regarding tourism development, they depend on provincial organizations for funding and tourism is competing with other serious priorities⁵³¹.

At the level of application of tourism policy, what are required are visible programme/projects activities, where the real dynamics of the environment emerge. This is where the complex pattern of decisions, actions, inactions, reaction and feedback are observed. It should be reiterated that decisions and actions concerning tourism policies emerge from a political environment; hence an element of political influence is built into any project. It should therefore be acknowledged that the value system that directly and indirectly affects the perceptions, attitudes, decisions, and actions of actors and agencies have 'silent', continued influence. While it might be assumed that public policy is the relationship between a government unit and its environment/context, this reflects that there is more to it than that, and that the public good and benefit are sometimes ignored in the process⁵³².

There are actors with different motives and interests at strategic, tactical and operational planning and implementation levels. The lead actors such as the DACT-DEDT are located at the strategic level, with the TKZN and District Municipalities at the tactical level, and local tourism associations and Local Municipalities at the operational level, where implementation takes place. It is important to note that at every level outside (private) actors invest in the process and seek to ensure that the decision-making process favours them as much as possible. This is at the crux of the lead organization's challenge of IOR communication, leadership, collaboration and management of relationships. The lead organization should ensure that organizational decisions focus on achieving social goals with limited political compromise.

⁵³¹ Personal Interview with members of the PTF (ZDM, 2003-2010, Interviews 11), (Utrecht CTO, 2008-2010, Interview 12).

⁵³² Hall and Jenkins Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

This study seeks to provide a clear strategic direction (general strategy), on how leading organizations should run their business. My view is that before any organization can move forward into conceptualizing its operational strategy, organizational structure, communication strategy, etc, there needs to be a clear ‘grand idea’, the big picture. This strategic framework sets out what needs to be done and how. My initial view is that there have been more negative than positive outcomes in the context of this study. This is mainly due to the fact that leadership at strategic level did not fully understand their role and hence had difficulty in providing the strategic guidance required by other implementation partners. One can conclude that there has been a lack of operation alignment between the strategic leadership (PTC), the tactical leadership (PTF) and the street level bureaucrats, where CTO and CTA’s are located. In an ideal situation, less time should be devoted to the development of ideas. More effort should be put into securing intermediate outcomes so that benefits can be enjoyed by the targeted clients, in this case, tourists (visitors), and hosting communities (social benefits). All stakeholders should be guided by the strategic framework; hence district and local offices need more attention and funding. On the contrary, TKZN is based Durban, hence there is an operational distance between provincial liaison and support and local municipalities which are at the coalface of implementation.

All the ‘ingredients’ that make up the tourism product, including security, transport, safety, hospitality (accommodation and food), etc, are located in the hosting communities. The operational level (liaison, funding, etc) needs to be within easy reach of local communities so that the planned tourism services and outcomes can be effectively provided. This is in line with the understanding that, implementation is viewed as a process of interaction between the setting of goals and actions geared to achieve them⁵³³. Implementation, then, is the ability to forge subsequent links in the causal chain so as to obtain the desired results. In other words, there needs to be a seamless connection of the strategic framework, strategic plan, and local action plans (IDPs), especially since implementation is dependent on the effective coordination of partners and efforts.

This seamless, grand idea does not seem to exist, and if it does, it is ridden with contradictions. For example, at the time when tourism development focused on enhancing participation and empowering the historically disadvantaged and marginalized, there was

⁵³³ Pressman, J. and Wildavsky, A. (1973) *Implementation* (Berkeley, USA: University of California Press).

serious uncertainty around ‘hygiene, safety, security, comfort, food, fair pricing and value for money’, in Township and Traditional Rural Tourism⁵³⁴. This suggests that the DACT lacked confidence in local communities and their implementation partners. It implies that as much as there is a desire to expand into township and rural tourism, it is easier to focus on urban and business tourism, where there is history of excellent service. This deficiency in the provincial tourism strategic framework was perpetuated by the lead organization.

For a long time, there was a lack of uniqueness in provincial tourism strategic objectives. Tourism programmes were biased towards foreign markets to the detriment of the local or domestic market. For both politicians and administrators, tourism was a ‘new’ portfolio about which they had very limited information and knowledge. It was therefore expected that they would struggle in the initial phases of governance. The transformation of the DEDT of 2000- to 2004, into the DACT from 2004 to 2008, and back to the DEDT is a clear indication of this struggle and doubt. As a result, the province granted more discretion to TKZN, which was established as a specialist agency for tourism product development and marketing⁵³⁵.

The TKZN Tourism Strategy, 2000-2004 lists only the DEDT and DEAT, SA Tourism, “national and provincial government and public sector entities as stakeholders in strategic partnerships”⁵³⁶. There is no mention is made of local and regional tourism stakeholders, including Local and District Municipalities, community-based organizations and tourism associations, which are all critical for the implementation of programmes and projects. Again, in the spirit of the ‘new South Africa’, the actualization of partnerships and collaborations was under-estimated. There seemed to be an assumption that these would happen naturally, while in fact, they require a great deal of work. Tourism remained white-dominated because government officials were reluctant to tamper with an industry that they do not understand and thus turned their attention to portfolios that were straight forward. This suggests that realizing the economic benefits of tourism will take longer than expected. Only recently has more effort been put into establishing and nurturing mutually-beneficial relationships and transformation⁵³⁷.

⁵³⁴ KwaZulu-Natal: Department of Arts, Culture and Tourism *GIYA Publication!*, March 2006.

⁵³⁵ Personal Interview with a member of the PTC/PTF 2003-2006 (DACT, Interview 2).

⁵³⁶ Tourism KwaZulu-Natal (2000-2004) *Tourism Strategy* p. 4.

⁵³⁷ Personal Interview with members of the PTC 2003-2006 (DACT, Interview 3).

The first set of provincial tourism policy objectives coordinated by the PTC includes international marketing of the province, national marketing and enhancing quality control, including the establishment of regulations, norms and standards, registration, licensing, grading, classification, etc. In the period covered by this study, there is evidence to suggest that neither the DEDT, nor the DACT was in a position to effectively coordinate and execute the above objectives. The structure made no provision for IGR coordination, IOR Liaison, policy and strategy, regulation and quality control, etc. One therefore wonders what the IOR and implementation were about. However, there is an indication that TKZN was indeed overburdened with tasks that were supposed to be executed by the provincial administration⁵³⁸.

The second pack of provincial tourism policy objectives is at the level of the level of the PTF, and includes the planning, development and promotion of tourism for the province, the implementation of national and provincial tourism policies, and integrated marketing and development of the industry. There is a strong indication that TKZN was able to embrace the above responsibilities and execute them effectively, based on what they knew (mainly urban and commercial tourism), and had (budget). Although, their efforts mainly benefited urban tourism ventures, they at least tried to secure the cooperation of relevant stakeholders.

One of the main mandates of the province (the DACT) with regard to tourism management is ensuring that tourism makes a realistic contribution to the economic development of the province. In order for the DACT to achieve this, it has to use every opportunity and the available resources to foster cooperative tourism governance, ensure transformation and enhance partnerships. One of the DACT's main resources is tailoring an organizational structure and strategy that provides a competitive advantage. The tourism and corporate structure and the arrangement of functions and activities are discussed below.

Some of the major strategic goals of the provincial administration (collectively within the provincial cluster) were to “facilitate economic growth through investment in arts, culture and tourism activities, to fight poverty and create jobs within communities, and to establish PPPs to ensure effective and efficient service delivery”⁵³⁹. One wonders how practical this objective was, given the fragile nature of politics and administration at the time. As much as

⁵³⁸ Personal Interview with a member of the PTF 2003-2006 (DACT, Interview 3).

⁵³⁹ KwaZulu-Natal: Department of Arts, Culture and Tourism, *Strategic Plan 2005-2010* (published on November 2006) p. 53.

there was great potential for tourism, especially in fostering economic development and growth, the crafting of PPPs especially in a portfolio that combined arts, culture and tourism, required special attention, and sadly, the necessary level of attention was not present⁵⁴⁰.

Again, some of the relevant strategic themes included “promoting entrepreneurs from the second economy to the first economy, eradicating poverty through the creation of new rural income opportunities, and creating a positive image of the province (building on its cultural diversity/ multiculturalism/multilingualism)”⁵⁴¹. This is a very important theme which has a direct link to re-thinking the tourism product (rural and social tourism). Again, such integration and innovation required careful negotiation, as social tourism has its own special needs. Programme Four of the DACT is Tourism and Corporate Strategy. It aims to facilitate economic growth through the promotion of tourism opportunities for entrepreneurs, fighting poverty, creating jobs, establishing sound PPPs and providing support to public entities⁵⁴². The core services rendered by tourism and other entities include the management of tourism development and special projects, etc⁵⁴³. The focus on management suggests that this entails ensuring that all available resources are utilized to uplift the standard of living of communities in a sustainable manner, and this is vital because “tourism, arts and culture are amongst the priority sectors in the province”⁵⁴⁴ and are also national priorities⁵⁴⁵.

While it is clear that KZN has made strides in the development and promotion of tourism, it is not clear whether or not the DACT and TKZN can claim an outright victory in the implementation of tourism public policy. Since the dawn of democracy, the provincial administration has not provided a firm indication of where the tourism function should be located. It is felt that KZN has not been consistent in its approach to tourism management. As a newly established department, it remains to be seen if the DACT has what it takes to provide effective leadership. Again, the timing and strategic positioning leave a lot to be

⁵⁴⁰ Personal Interview with a member of the PTC/PTF 2004-2008 (DACT, Interview 19).

⁵⁴¹ KwaZulu-Natal Provincial Administration: Department of Arts, Culture and Tourism, *Strategic Plan* (2005-2010), (published on November 2006) p. 53.

⁵⁴² TKZN is a tourism public entity that was established in terms of KZN Act No. 11 of 1996, amended in 2002. The entity is listed under schedule 3 of the Public Finance Management Act, 1999 (PFMA).

⁵⁴³ Tourism objectives are reflected in the Strategic Plan for 2005-2010, DACT, (Provincial Government of KwaZulu-Natal, Republic of South Africa).

⁵⁴⁴ As reflected in the KwaZulu-Natal: Provincial Growth and Development Strategy: Emnothweni, Issue 2, May 2008. Trade and Investment KwaZulu-Natal (TIKZN), South Africa, p. 10.

⁵⁴⁵ Economic growth, poverty alleviation, capacity building, job creation, systems support and enhanced service delivery, as reflected in the KwaZulu-Natal: Department of Arts, Culture and Tourism, *Strategic Plan* (2005-2010), (published on November 2006).

desired. Overall, there are more questions than answers in terms of how best it can manage the implementation structure to benefit the public, especially people that reside adjacent to and work in tourism businesses and establishments. It is of great importance that the implementation process is examined in order to understand how ‘perfect administration’ can be achieved. The main question is what ‘perfect administration’ would be like⁵⁴⁶. This is an interesting notion which I use to determine whether or not enough was done to achieve cooperation in pursuit of comprehensive tourism development.

Pursuit of Joint-Decision-Making

As the leader of the tourism portfolio, the MEC’s context and priorities centre on governance, which concerns high-level decision-making processes and institutional order. Crucial elements of this responsibility include ensuring that the bigger picture (provincial policy) is outlined, social cooperation, opportunity, stability, power-sharing (dispersion of responsibility), public or community participation, accountability, transparency, compliance, and capacity⁵⁴⁷. One of the key instruments for this is the PTC, which is an interactive tool for the MEC as the political tourism champion and the District Mayors. The context for another central champion, the HOD, is different from that of the MEC. It is informed by the location of the position and responsibility. Its context is IOR coordination, which aims to ensure that there is adequate space for effective interagency communication, IOR cooperation, IOR leadership, IOR strategy negotiation, IOR strategic relationships, and implementation. This context stands between policy (agenda setting), strategy negotiation and implementation (policy outcomes). It the space for bureaucrats (tourism planners) and implementers (tourism developers-entrepreneurs) in that the HOD liaises between the MEC and the CEO of TKZN in order to ensure that the politicians and administrators are on board.

The third and final strategic leadership level is co-management which is driven by the TKZN CEO and his/her main instrument is the PTF. In other words, this is where the on-going “sustainability of cooperative management relationships is active and steered”⁵⁴⁸. The indicators here would be collaboration and partnerships between and amongst tourism actors.

⁵⁴⁶ Perfect administration can be described as a “condition in which external elements of resource availability and political acceptability combine with ‘administration’ to produce a public services product”. Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications) p. 51.

⁵⁴⁷ Fennel, D. (1999) *Ecotourism* (3rd Edition, London and New York: Routledge).

⁵⁴⁸ Fennel, D. (1999) *Ecotourism*, (3rd Edition, London and New York: Routledge).

This involves inter-organizational dynamics. This is a difficult combination for the DACT to achieve. Although it not the aim of this study to explore the DACT's origin, examining its form and structure could shed some light on its performance. I have chosen to approach the government department in question as an organization because it is within an organizational context that political decisions are domesticated and executed⁵⁴⁹. As a representative of government and as part of an implementation structure; the DACT, like other organizations, has its own values and strategy. In a context where the management of policy decisions and consequences takes place in a shared environment, a strong organizational culture is a necessity. Indirectly, this study will be able to show whether or not the DACT has been able to develop and sell its values to the benefit of tourism public policy.

Although it is expected that the DACT as a lead organization will have to be dominant, this study has the potential to also reflect on how the environment has shaped the DACT. This talks to the DACT's alignment with social realities and conditions⁵⁵⁰. This reiterates the difference between traditional organizational science and inter-organizational theory, where the latter recognizes the influence of the environment. In terms of this understanding, it could be expected that, as an institution of authority, the DACT has embraced and been enriched by the environment. Would relevant actors partner with TKZN and the DACT if they could achieve their own tourism objectives through collaboration with other partners? One of weaknesses of both the DACT and TKZN is organizational culture and structure. The organizational structure of the section of the DACT put in place to ensure that tourism is well managed is depicted below. This structure is missing some of the common elements that could ensure effective coordination, stakeholder management, regulation, compliance, intergovernmental management and IOR. The obvious units would include Policy Research, Regulation and Compliance, Intergovernmental Relations Coordination, Communication and Marketing, Partnerships and Projects, etc. The diagram below reflects the only units that made up the DACT (Tourism Unit), organizational structure⁵⁵¹.

⁵⁴⁹ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School).

⁵⁵⁰ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School).

⁵⁵¹ Accessed through the DACT website (www.dact.gov.za) accessed on 10 October 2007.

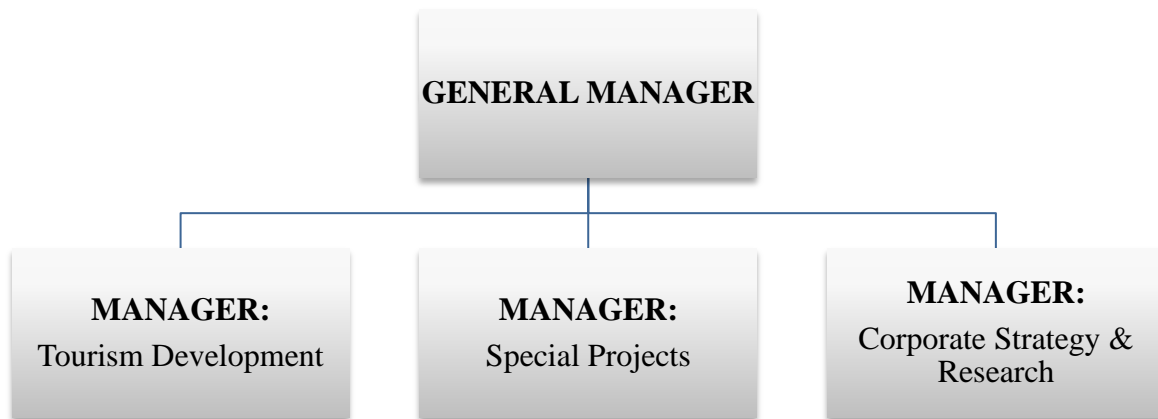


Figure 10 The Department of Arts, Culture and Tourism (Tourism Unit): Organogram, 2007.

Changes in the Organizational Structure

There have been major political administrative changes in KZN and these have impacted the management of tourism and the way in which relations and implementation are viewed and managed. Although there are still missing elements, such as rural development, IGR, etc, there is some improvement in that there is policy analysis, research, stakeholder management, capacity development, regulatory and compliance management and a sound secretariat. These changes are in line with the national department's imperatives and vision. The biggest concern of this study is what happened in the decade under study if all these elements were not in place to support the tourism management function. One of the assumptions is that most of the work, especially on stakeholder management, regulation, compliance and research was delegated to TKZN, which felt over-burdened and hence did not perform the functions well. This could mean that at process management level, the three factors in implementation, control, change and compliance, could not be effectively managed.

EMERGING INTER-ORGANIZATIONAL DYNAMICS

In the changing organizational context, there is recognition that "organizational success is linked to the acknowledgement of the interdependence of organizations"⁵⁵². Organizations find themselves engulfed by strong external forces and operate within new societal formations. Amongst these external forces are government agencies (or departments), who

⁵⁵² Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 273.

are mandated to enforce particular prescripts such as legislation and policies. In short, organizational changes are informed by and reflect transformation at social, political, economic and cultural levels of society. As a consequence of this transformation, contemporary organizations have no choice but to look outwards, be innovative, decentralize, be diverse and strive to adapt. These characteristics run contrary to the traditional organization, which was rigid, formalized, hierarchical, centralized, bureaucratic, single-task orientated and self-focused. In line with the democratic dispensation that many states have embraced, a contemporary organization is required to exhibit openness, be consultative, responsive and transparent and engage or interact with its environment⁵⁵³.

The changes described above demand a new form of leadership, especially from government. In response to the new, contemporary organizational environment, government has to realign its structures in order to confront the new challenges that emerge in governance and in implementation in particular. Each government mandate requires a department or agency to manage the affairs related to that mandate; this introduces the notion of a 'lead organization'. As noted above, since policy programmes attract many actors, each programme should have a responsible department, which is known as the lead organization, in this case, the DACT. The DACT is responsible and accountable for the management of the tourism portfolio in KZN. As a lead organization, the DACT is not the coordinating unit *per se*; its mandate is bigger and broader, but includes coordination⁵⁵⁴.

In this study, I seek to establish whether or not this lead organization managed to "impose its authority by using the tools and resources at its disposal"⁵⁵⁵. Alexander notes that there are different and high expectations of lead organizations due to the fact that they command authority. The question that arises is how well the lead organization has used the powers at its disposal to get things done. Alexander adds that the lead organization should be capacitated to be effective in its operations. This requires that it has the power to procure and employ relevant services to achieve the required goals; this expectation cannot be comprised if policy objectives are to be accomplished.

⁵⁵³ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers)

⁵⁵⁴ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers)

⁵⁵⁵ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 183.

It is of great importance that the lead organization operates as a network management agency, meaning that it has to put mechanisms in place to coordinate projects and support other actors within the implementation structure⁵⁵⁶. These mechanisms come in different forms which could include actual guidance on the nature of projects (objectives and timeframes), the demands of projects (commitment and agreements), and the management of actions (flow of information and resources). This is critical for the DACT because, to large degree, its success is determined by how well it manages its implementation structure, the implementation network.

Amongst many technical exercises, the DACT has to screen the actors in terms of their commitment to resolving the public problems in question (the targets of the project) and their readiness to adapt their institutional arrangements in order to honor their part of the deal. Inter-organizational implementation (theory) conceives the network (the implementation structure) as a vehicle for the execution of decisions (getting things done). As noted, in an inter-organizational implementation context, the public actors (leadership within the DACT) assume the role of network manager (the broker or facilitator). Unfortunately for the DACT, this role requires that the network manager play a less dominant role; at the same time, it is accountable for the outcomes of implementation. This translates into the need for the DACT has to maintain a distance from representing its own goals and interests within the implementation structure⁵⁵⁷. This raises the question of what kind of tourism public policy is implemented if the custodians of the function are pushed aside from the decision-making arena by forces within the implementation structure.

At this point, it is appropriate to reiterate that, in the search for greater productivity (and profits), there is more reliance on the private sector to achieve public objectives; hence, there is strong orientation towards service and more decentralization from national to sub-national governments. This is also aimed at increasing the ability of public institutions to conceive (and interpret) public policy and deliver quality services and products. As a result, there are institutions which focus solely on policy making (lead organizations), those who are entirely responsible for particular portfolios (in this case, the DACT) and the agencies who are tasked to broker (negotiate) implementation. These are the 'network managers' that are responsible

⁵⁵⁶ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁵⁵⁷ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

for managing the implementation structure (a pool of organizational actors participating in a programme). This talks to the manner in which institutional arrangements and organizations structures are set up, as they are key tools for organizations to organize themselves and effect their decisions⁵⁵⁸.

It is critical that government's involvement (tasks) in tourism be clearly spelt out. As reflected in earlier discussions, one amongst many government's responsibilities is to 'package' and protect public interests, and it cannot abdicate this responsibility. How government perceives its involvement in tourism determines its approach (strategy) and organization (structure). It is one thing to expect government departments to collaborate and another to implement collaboration. This can be attributed to the complex setting in which government departments find themselves. For example, South Africa has become a major tourist destination because of its rich political history, heritage, conservation record, success in sports, economic potential, etc. There has been a massive influx of foreign tourists to the country and both government agencies and private actors have not had time to delineate their tasks and execute them. There is evidence that inter-organizational tourism policy implementation is alive in South Africa and especially in KZN, where many actors have an interest in the tourism market. However, the main concern regarding government's management of this process is that, if there is no order, there are likely to be negative impacts⁵⁵⁹.

The government agencies such as the DACT are required to foster an environment where tourism can thrive and the DACT has an "opportunity to showcase its ability in successful tourism"⁵⁶⁰. In South Africa, policy requires that national and regional tourism promotion and marketing is funded by government. However, the question is how much return (in the form of public benefit) is generated from this investment. At organizational level, the DACT has to achieve order and economic goals; this calls for the effective management of competition, and maintaining balance amongst the powerful, established and weak actors in the tourism market. Again, in the context of cooperative governance and inter-organizational relations, interactions are not always fair, productive and mutually beneficial. This study

⁵⁵⁸ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁵⁵⁹ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁵⁶⁰ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

“embraces the concept of competition - good and bad - in that inter-organizational relations are conceived as an interactive process where organizations compete for resources as they seek to achieve ‘subjective’ policy results”⁵⁶¹.

Inter-organizational Attitudes and Behaviors

Organizations are always faced with tough decisions on how to maximize their objectives in the network interaction process⁵⁶². There is a general problem of decentralized administration, which is perpetuated by the growing complexity of coordinating interaction between government institutions and service providers⁵⁶³. The need for such coordination is sharpened by a growing demand for even further transfer of decision-making powers to the field. Inter-organizational coordination practice relates to “institutional arrangements in that coordination is formal and results from adjustments in the organizations’ outlook, objectives and methods of cooperation”⁵⁶⁴. As I had indicated in an earlier discussion that the failure and success of the coordination or facilitation of the inter-organizational relations hinges on the institutional arrangement or design, and the organizational structure should cater for the facilitation of stakeholder/shareholder relations.

Another important factor affecting organizations’ attitude to IOC is domain consensus. An organization’s domain is the area on which its mission is focused; it is an agreed upon or mandated arena of activity. Considering the visible incapability of the provincial administration, the DACT, it can be assumed that there was no basis for cooperating and forging future partnerships with key stakeholders such as the District and Local Municipalities⁵⁶⁵. Part of the failure to effect coordination at street level, is that the actors did not realize that the “agreement between two organizations on their respective domains is a necessary precondition for them to cooperate”⁵⁶⁶. There was just an assumption that cooperative governance prescripts such as the intergovernmental relations framework will

⁵⁶¹ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 61.

⁵⁶² Scharf, F.W, and Hanf, K. (1978) *Inter-organizational Policy-Making: Limits To Coordination and Central Control* (Sage Modern Politics Series Volume 1; London and Beverley Hills: Sage Publications) pp. 4.

⁵⁶³ Ridley, F.F. (1975) *The Study of Government Political Science and Public Administration* (Great Britain: Cox and Wyman Ltd).

⁵⁶⁴ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) p. 12.

⁵⁶⁵ (EKZNW, Interview 14).

⁵⁶⁶ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 21.

coerce actors into partnering. I found that, in most instances, there was no agreement between the DACT and TKZN, except in relation to intergovernmental fiscal exchange, where funding is transferred from the provincial administration to the marketing agency, TKZN.

The organizational network is made up of many elements, the most important of which are organizational goals, interests, structure, values, resources, and performance, etc. The experiences and challenges of the organizational network should also be viewed from these perspectives. To a large extent, the organizational culture contributes to, shapes and impacts the governance that emerges. Indeed, many argue that organizational culture played a critical role in the emergence of inter-organizational networks. In this context, one could expect that the lead organizations (the DACT/DEDT and TKZN) would recognize and utilize the power of organizational culture in formal and informal inter-organizational networks to enhance common skills, attitudes, perceptions, operational norms, rules and standards⁵⁶⁷.

The above concepts and practice require that the place and character of a tourism actor or organization be described in relation to the role that is expected from each actor. At the top of the list is the lead partner or focal organization, which is required to control the strategic bargaining 'scene' (strategic choices), to ensure that the collaboration does not operate too far outside given institutional frameworks, this relates to the issue of inter-organizational learning, that includes the "adjustments and alterations that have to be made during the implementation process"⁵⁶⁸. What is also required is organizational stability, which is an essential ingredient in inter-organizational relationships and a significant determinant for implementation. This includes maintaining positive contact, a degree of trust and valuing consultation. In other words, an organization has to be stable and sufficiently flexible to accommodate and manage the external pressure that comes with inter-organizational projects. Furthermore, stakeholders' images can be very significant in the progress made in implementation⁵⁶⁹.

Linked to organizational stability is organizational capacity. An organization will have to ask itself if it has the requisite capacity to deal with both the macro-organizational and micro

⁵⁶⁷ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 74.

⁵⁶⁸ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 9.

⁵⁶⁹ Levitt, R. (1980) *Implementing Public Policy* (London: Croom Helm).

management of the implementation structure. The organization has to be able to relate at both strategic management level and operational leadership level. This requirement is even more essential for the lead organization because of its location and responsibility within the implementation structure. Critical to this requirement are issues of organizational design (structure) and operation and evaluation of the performance of the inter-organizational implementation structure. In short, policy-makers and operational decision-makers have to be able to plan and operate within an inter-organizational network system⁵⁷⁰.

Another critical requirement is organizational cooperation. Cooperation is a concrete synthesis of opposing facts and the thoughts and emotions of human beings. An executive is required to facilitate this synthesis through reconciling conflicting forces, instincts, conditions, positions and ideals. Again, it is the “executive that must manage independence, dependence, exchanges, cooperation systems, participation, and relationships in such a way that they benefit the organization”⁵⁷¹. Furthermore, organizational behavior is critical in that any actor becomes the ‘face’ of and advocates for the effective implementation of tourism public policy. Thus appropriate organizational behavior is an essential element that enhances the performance and image of the implementation structure. This requirement has to be met by all stakeholders in the tourism services supply chain. This means that managers use their “knowledge of organizational behavior to better understand themselves, their subordinates, their peers and colleagues, and their superiors”⁵⁷².

One of the most important ingredients of a successful tourism organization is accountable leadership. In many ways, leadership is both a process and a property. As a process, leadership involves the use of non-coercive influence. As a property, leadership is the set of characteristics attributed to someone who is perceived to use influence successfully⁵⁷³. Linked to leadership is inter-organizational accountability. The key philosophical and practical question is how accountability can be arranged to tie in with and address the problem of the empirically complex world of networks. In a context where sources of power such as resources are dispersed, actors have opportunities to block decisions, and societal

⁵⁷⁰ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications) p. 10.

⁵⁷¹ Denhardt, R.B. (2008) *Theories of Public Organization*, (5th edition, Thomson Wadsworth, USA) p. 91.

⁵⁷² Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations* (Boston and New York: Houghton Mifflin Company) pp. 30-31.

⁵⁷³ Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations* (Boston & New York: Houghton Mifflin Company) p. 352.

problems can only be resolved by the involvement of large group of actors that practice accountable leadership⁵⁷⁴.

Inter-organizational Co-evolution and Learning

TKZN achieved internal cohesion and adaptation to a large degree; this has led to more joint projects being initiated and implemented. This demonstrates that TKZN has gradually increased its institutional capacity. It is also an indication that it has learnt through consistent and on-going interaction and has adopted innovative approaches to coordination and explored organizational alternatives. When actors engage in these intense interactions, they are forced to be creative and quick to understand and unpack the complexity brought to the table by other organizations. Active and continuous stakeholder involvement in the implementation process reaffirms trust and the level of exchanges, clarification and categorization of stakeholders. Again, TKZN's leadership position in the PTF has enabled this improvement.

Inter-organizational Regulation Approach

The biggest challenge facing TKZN is harnessing the collective efforts of all tourism stakeholders in order to increase both domestic and inbound tourism to the province⁵⁷⁵. Collective action requires the abandonment of cherished assumptions of predictability and control in order to enhance compliance and accountability. This is known as a 'soft systems' management style that is necessary to handle complex situations. However, it could be seen as a convenient means of shirking responsibility and accountability, where local actors assume greater responsibility and authority, and TKZN participates almost exclusively at a local level. Contrary to traditional applications, "the soft systems management approach does not sit comfortably with top-down regulation and command and control"⁵⁷⁶.

Nonetheless, formal leadership is required to provide direction and effective steering. This is a natural requirement in that a complex adaptive system acquires self-organized stable patterns through numerous local and external interactions between all the elements in the

⁵⁷⁴ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc) p. 141.

⁵⁷⁵ KwaZulu-Natal Tourism Authority, *Annual Report* (2009/2010).

⁵⁷⁶ Geyer, R. and Rihani, S. (2010) *Complexity and Public Policy: A new approach to twenty-first century politics, policy and society* (London and New York: Routledge Taylor and Francis Group) p. 145.

system, including individuals, groups, governments, and so on. It is critical that there is visible interaction; hence regulation could consist of simplified rules that are generally accepted, as haphazard interactions produce chaos and rigidly controlled interactions result in an unchanging pattern that does not evolve⁵⁷⁷.

Politically Inspired Change of Administration

Both IOR and implementation takes into account the economic, political and social contexts and influences on effective coordination and management. It is on this basis that the relations and policy outcomes of the Tourism Portfolio are viewed alongside changes in political and administration circles. It is a sad reality that these changes have had a negative impact on implementation. The changing of ‘political hands’ from the IFP to the ANC had a massive impact on tourism at the leadership, operational and street levels. This involved the physical relocation of staff and a shift in the institutional memory; the implementation rhythm was also disrupted.

Between 1998 and 2004, the DEDT was in charge of this portfolio and the leadership consisted of the MEC, Barrows, and the HOD and the CEO of TKZN. The provincial administration was controlled by the IFP. The leaders came from different backgrounds and had different conceptions of IOR and implementation. In my view, there was no stability especially on the part of government, and it was business as usual for tourism business owners. In other words, there was less focus on social tourism, and hence less emphasis on pro-poor tourism development. A certain pattern of relations and relations developed during this period. Tourism was mainly commercial and urban, with government trying to learn and build relationships with associations and individuals who were in control. Most District and Local Municipalities were under the control of the IFP; hence there was some alignment of goals and understanding, especially at PTC level. There was balanced vertical coordination and it was therefore assumed that implementation would be possible. Another development that was a bonus to this administration was the enactment of the 2002 KwaZulu-Natal Tourism Policy.

⁵⁷⁷ Geyer, R. and Rihani, S. (2010) *Complexity and Public Policy: A new approach to twenty-first century politics, policy and society* (London and New York: Routledge, Taylor and Francis Group).

From 2004 to 2008, the portfolio under the DACT was led by MEC Thusi, the HOD was Mrs Khumalo and the CEO was Mr Miller. Building and sustaining relations and a tourism network takes a long time and political and administrative changes are disruptive to the patterns of interaction. It would be unfair to expect that the MEC and HOD would be tourism experts; hence the PTC was not as effective and pro-active as it could have been. The PTF bore the major burden of addressing the strained relations between the private and public sectors. It is during these years that the Tourism Strategy and other legislation were drafted.

Further changes occurred from 2008 to 2010. After the general elections, the tourism portfolio reverted to the DEDT, under the new MEC, Mabuyakhulu, with a new set of administrators, HOD and CEO. In practical terms this means that there was a period where officials were caught up in these changes and did not know how to proceed. The changes had a major influence on how the two coordinating structures (the PTC and PTF) managed organizational relations. Furthermore, there were massive changes in the control of District and Local Municipalities in the province. The ANC and NFP coalition ensured a shift in control from the IFP to the ANC-NFP, and had an influence on how the PTC and PTF interpreted and executed their mandates.

Balanced and effective cooperative management was not possible in the contexts discussed above. The network managers at different levels (the DACT/DEDT and TKZN) could not achieve balanced relationships and implementation. This is stated on the understanding that there was continuous development of already established tourism ventures and associations; it was just that government was not organized enough to secure its own tourism objectives. For example, the implementation of PTC-PTF resolutions depended on a number of factors which included the provincial and district leaderships' views on where tourism featured in the grand scheme of community and economic development. It is for this reason that tourism continued to be amenable to 'abuse' by external actors because they own what could be called 'indispensable resources' for tourism product development, including finance, business acumen, information technology, etc. These resources are used to influence the nature of relationships amongst stakeholders.

In short, a balance could not be achieved between administrative and political implementation and experimental and symbolic implementation. Administrative implementation is the sphere of the HOD and the CEO-TKZN who take, and execute rational

decisions, guided by availability of funding, financial prescripts, internal systems and controls, etc. Experimental and political implementation, are areas of influence for politicians (MEC), where collective local action (the local context and environment) is recognized in alignment with national political priorities (political power). This meant that, for a very long time (a decade), there was no synergy between the work of the PTC and the PTF; hence implementation (tourism policy outcomes) was still in the hands of private actors. Government's unique position of being a central coordinator, the process manager, and the network builder and public service related objectives are never guaranteed⁵⁷⁸. Vertical and horizontal relations could not be forged for the realization of an effective IOR system.

Lack of a Strategic Framework

There was a challenging time, where understanding could not be reached between the MEC, the HOD and the CEO on tourism development in the province. This frustrating case was the result of a lack of cooperative between the above actors and the eThekweni Metropolitan Municipality (EMC). The contestation centred on competing visions and brands. This municipality had adequate financial resources to drive its own exclusive marketing campaigns. This meant that other stakeholders (poor District Municipalities), the DACT and TKZN had to compete with the eThekweni Municipality. In short, the 'Kingdom of the Zulu' as a brand has locked heads with the EMC's 'Beach and Business' brand⁵⁷⁹. This demonstrates that a growth in the number of agencies involved in tourism inevitably delays the speed at which "a change policy and planning can be affected"⁵⁸⁰.

Areas such as the Midlands, Battlefields, Zululand and the North Coast were set to struggle if the political leadership did not intervene and arrive at a common understanding with the EMC especially regarding marketing and promotions. Seemingly, that contestation was well contained by the MEC and HOD and an understanding was reached. Had this not occurred, the EMC would have overshadowed most of what the DACT and TKZN were doing to promote the province as a whole, covering all tourism sectors. It was important that the EMC recognize that business and sports tourism was not sufficient to enable KZN to be a leader in

⁵⁷⁸ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications).

⁵⁷⁹ Personal Interview with a Member of the PTC between 2003 - 2006 (DACT, Interview 02).

⁵⁸⁰ Page, S.J. (2007) *Tourism Management, Managing for Change*, (2nd edition, Scotland, UK: BookPower) p. 376.

tourism; other sub-sectors such as agri-tourism, medical tourism, cultural and heritage, business, sports tourism, etc, were also critical; hence collaborating was the best approach⁵⁸¹.

Misunderstanding of Spatial Reality

An observation of documents and physical evidence reflected the power of the spatial landscape in tourism programme implementation. It is not a lack of focus, strategic weaknesses and lack of political will that is affecting implementation. Rather it is the spatial set-up of KZN. For example, ordinary people from different places will have different views on the success of the FIFA World Cup. People in the coastal regions such as Ugu, Uthungulu, Umngungundlovu, Ilembe, Durban, and even those in Umhlathuze (Richards Bay-Mpangeni region) had far better access and opportunities to participate in this event.

The spatial reality has massive power and influence on why things happen the way they do. For example, meetings of the PTC and the PTF normally take place in Durban, Stanger, Pietermaritzburg and related areas. This spatial reality makes it difficult for shareholders and stakeholders located far from these areas to attend and benefit from such meetings. Long distances and poor road infrastructure both prevent northern KwaZulu-Natal from hosting these meetings and attracting more tourists. Regardless of the strategic goals, the degree and speed in ensuring that places such as Zululand, Amajuba, Uthukela, etc, become attractive destinations are bound to be slow. The coastal attractions have the advantage of the sea, the city and the airports in Durban, Richards Bay and Pietermaritzburg.

Summary

This chapter elevated the need to reflect on the seriousness of disconnect and lack of coordination, in this summary, I will refer to the following observations by the Department of Economic Development and Tourism, they are as follows:

- “District reports to the Provincial Structures are not informed by local activities and reports from Local Municipalities,
- Most LM’s do not attend the DTFs which becomes detrimental to the purpose of forums,

⁵⁸¹ Personal Interview with a Member of the PTC between 2003-2006 (DACT, Interview 02).

- LM's do not have their own forums as they should which is another factor hindering the growth of tourism with a destination,
- Non-alignment of local tourism structures, and
- Lack of information on critical tourism growth initiatives⁵⁸².

This statement above thus, demonstrates the changing requirements of leadership in the management of the implementation. One critical requirement is a deeper understanding of the tourism industry, especially for those managing the lead organizations and agencies. This will enable leadership to identify the resources and power they bring to negotiated implementation. These resources include authority for actors inside government and power for those outside government⁵⁸³. These are vital because they are central to inter-organizational exchanges, transfer of values, resource dependency and interdependencies, etc, and they determine the content and nature of relationships and ultimately, policy outcomes.

In this chapter, I have argued that the implementation structure is expected to comply with all relevant policies, regulations and prescripts, plans for long-term sustainability and provide responsible management and accountable leadership. This can be achieved by employing relevant strategies and putting systems in place to add value to both broad and specialized projects.

⁵⁸² Presentation by the KwaZulu-Natal: Department of Economic Development and Tourism (DEDT), reflecting on the Provincial White Paper and Tourism Forums (February 2010).

⁵⁸³ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School).

CHAPTER 5

ANALYSIS OF INTER-ORGANIZATIONAL TOURISM GOVERNANCE

Introduction

While this chapter discusses inter-organizational networks and coordination as a foundation, the main purpose is to examine cooperative tourism governance which is one of the concepts and practices I use to expose the dynamics of inter-organizational relations, partnerships and performance⁵⁸⁴. The first part of the chapter also touches on the legislative context, policy and strategic perspectives for cooperative tourism governance, while the second explores these experiences in the inter-organizational network context where issues of structure and leadership feature strongly as they relate to collaborations, partnerships, policy and strategic direction.

INTER-ORGANIZATIONAL RELATIONS CONTEXT

As a product, tourism is very interesting and complicated in that it is perishable, dynamic, intangible, heterogeneous, and inseparable⁵⁸⁵. This complexity manifests itself at the level of tourism management. My argument is that policy in general is concerned with setting parameters, guiding processes and outcomes, so tourism policy consists of a chain of processes that represents a multi-persona drama in several arenas, some of them likely to be complex, large, scarce organizational situations. The decisions that are made are “the outcomes of this drama, rather than voluntary, willed, individual, interstitial action, and the drama is continuous, and the decisions are convenient labels given *post hoc* to the mythical precedents of the apparent outcomes of uncertain conflicts⁵⁸⁶.”

The tourism sector offers an opportunity for government to implement a distributive policy system that enables comprehensive economic, cultural-heritage, social and environmental development. This is evident in operational frameworks such as the IDP, PSDP, LED, etc,

⁵⁸⁴ Through this overview and analysis of cooperative tourism governance, I am looking broadly at how the provincial leadership (lead organizations: mainly DACT/DEDT) has created an enabling participatory environment to enhance partnership, regulation and compliance, the politics of cooperative tourism decision-making, visibility and ownership of the strategic tourism agenda.

⁵⁸⁵ Page, S.J. (2007) *Tourism Management, Managing for Change*, (2nd edition, Scotland, UK: Book Power) p. 260.

⁵⁸⁶ Schaffer, B.B. (1977) *On the Politics of Policy* (Australian Journal of Politics and History) pp. 148-55.

but at the same time, it presents challenges. One major challenge is that it complicates the decision-making process. A tourism project will obviously attract multiple stakeholders who will be obliged to behave as a unit for the sake of achieving both project objectives and their own goals. Although these actors have the will to act cohesively, in practice they might struggle because they are unique in their approach to executing activities⁵⁸⁷.

The horizontal approach to policy activity recognizes that “implementation take place across organizational boundaries as well as within them and consists of understanding and commitments among participants from different organizations as well as the hierarchical transmission of authorized decisions within any one organization”⁵⁸⁸. Policy orientation is clearly focused on outcomes, and public organizations are the instrument for the accomplishment of policy objectives. The use of the term ‘programme’ reflects the value now placed on the coherent organization of government activities into programmes of closely related components, all of which are, or ought to be, managed according to the policy priorities established under the formal authority of the programme objectives. And “evaluation represents the deliberate pursuit of rational public management which originated in the struggles around programme budgeting and management by objective”⁵⁸⁹.

This study makes reference to sustainable tourism because it captures my main interest in tourism, which is that its activities have to do with “the promotion of a cautious blend of economics, development, conservation and preservation for socio-cultural and environmental benefit”⁵⁹⁰. My point of departure is that leadership should find a way to ensure that existing inter-organizational relations and arrangements benefit the public interest. The experiences of the provincial cabinet cluster provide “for inter-organizational and intergovernmental policy implementation”⁵⁹¹. The management of inter-organizational relations requires an in-depth understanding of how the rules (e.g. statutes, policies, regulations, etc) affect actors’

⁵⁸⁷ Bridgman, P. and Davis, G. (2000) *The Australian Policy Handbook* (Sydney: Allen and Unwin).

⁵⁸⁸ Colebatch, H. K. (2002) *Concepts in the Social Sciences: Policy*, (2nd edition, Philadelphia: Open University Press) p. 23.

⁵⁸⁹ Uhr, J. and Mackay, K. (1992) *Trends in program evaluation: Guest editors' Introduction*, (Australian Journal of Public Administration) 51: 433-5: p. 433. Colebatch, H. K. (2002) *Concepts in the Social Sciences: Policy*, (2nd edition, Philadelphia: Open University Press) p. 124.

⁵⁹⁰ Lubbe, B. (2000) *Tourism Distribution: Managing the Travel intermediary* (Kenwyn: Juta and Co, Ltd) p. 264.

⁵⁹¹ Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: PhD Candidate in Public Affairs, accessed October 2007) p. 23.

behaviour as they interact. These rules can be divided into operational, collective choice and constitutional choice rules.

Kiser and Ostrom describe collective choice rules as those activities that influence operational activities and outcomes by determining how operational rules can be changed and who can participate in these decisions⁵⁹². This is the arena where activities such as policy-making and the adjudication of decisions take place. The “constitutional-choice rules influence operational rules and outcomes by determining who is eligible to participate and the rules used to develop and change collective-choice rules which in turn affect the set of operational rules”⁵⁹³. I concur with Imperial’s analysis as I believe that the battle will be won once governmental organizations are able to consult during policy formulation and to promote organizational values that all stakeholders are able to subscribe to in order to achieve successful implementation. This should be a coherent process that ensures that stakeholders are well grounded and familiar with the rules and procedures at operational, collective and constitutional levels.

The following paragraphs focus on collaborations and cooperation to secure social benefits for the public (host communities), through effective tourism management practice. The “cost-benefit analysis is at the core of governmental action and inaction in supporting, intervening and monitoring tourism enterprises and interaction”⁵⁹⁴. It is important that the partnership yields direct governmental organizational benefits (social beneficiation), with minimum effort. The question for the lead organization is thus, how inter-organizational arrangements (i.e. joint decision-making, resources, information, committees, etc), can be organized in such a way that they are attractive (incentives and reduced transaction costs) to all relevant actors in joint programmes. The KZN provincial administration’s strategic orientation for tourism is based on pro-poor tourism within an integrated and cluster systems approach. The operationalization of policy and programmes is executed with the broader democratic context of enhancing participation and consultation. In short, the essence of organizational leadership, its vision and responsibilities such as strategic communications, governmental relations and

⁵⁹² Kiser, Larry and Elinor Ostrom. (1982) “*The Three Worlds of Actions: A Meta-theoretical Synthesis of Institutional Approaches*” in, *Strategies of Political Inquiry*, ed. Elinor Ostrom (Beverly Hills, CA, Sage Publication) p. 52.

⁵⁹³ Roy Gardener, and James Walker. (1994) *Rules, Games and Common-Pool Resources* (Ann Arbor, MI: University of Michigan Press) p. 46.

⁵⁹⁴ Fennel, D. (1999) *Ecotourism* (3rd edition, London and New York: Routledge) p. 208.

stakeholder management are geared towards achieving social value for the broader population, especially affected communities.

As organizations interact at various levels, they form coalitions and partnerships which enable them to secure influence and access to the operational decision-making arena in order to share the value generated by tourism policy programmes⁵⁹⁵. The critical factors essential for programme implementation include financing, political support, information, and legitimacy. All of these are critical for any organization to secure power, control, relative autonomy, the strength to evolve and the ability to grow. These factors therefore become the currency for the exchange, building and sustenance of relationships⁵⁹⁶. The political contestations at various levels are at the crux of governmental planning and activities. These sometimes manifest themselves in the political-administrative dichotomy, where political subjectivity is carried over into operational processes. It is important to note that government is accountable for obtaining a development benefit for every rand spent. This requires the effective use of the collaborative, extractive and penetrative powers and influence of government institutions and agencies⁵⁹⁷. To what extent have tourism governance mechanisms benefited or served public interests in KZN, bearing in mind that while the province has massive tourism potential, it is hamstrung by limited resources?

The central concern is thus, the impact and benefit that tourism programmes have on society⁵⁹⁸. Social justice is the concern of non-producer interest groups which include the public interest, consumers, and conservation and environmental advocacy groups. Government agencies and voters are often confronted with conflicting values, costs and needs of an economic, social, conservation and environmental nature in governance processes⁵⁹⁹. Concerns will include the compatibility of business models of tourism operations and their impact on society and the environment. From a societal perspective, tourism operations must benefit as many people as possible and develop infrastructure in the surrounding area. The development of tourism is closely associated with improvement in sewage, sanitation,

⁵⁹⁵ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁵⁹⁶ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁵⁹⁷ Dewar, D. and Kiepiel, J. (1997) *Regional Planning Guidelines; A Primer For Regional Planning, Final Report* (Commissioned by the Department of Local Government and Housing-KwaZulu-Natal).

⁵⁹⁸ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

⁵⁹⁹ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

communication, transport (even airports), roads, electricity, improved security, increased entrepreneurial opportunities/activities and employment creation. This expectation is based on the fact that tourism development, promotion and marketing are funded from the public purse⁶⁰⁰.

The notion of social justice is at the crux of this study. Social justice interest groups address two major concerns; protection of native people's interests (responsible tourism) and ensuring that economic benefits are fairly distributed (sustainable tourism)⁶⁰¹. What makes tourism interesting is that it can be treated as a dependent or independent variable, meaning that, what happens within the implementation environment matters. For example, employment trends in tourism can magnify the dependency and interdependency of tourism activities. When many countries experience recession, fewer people are likely to travel; hence tourism will be slow and employees in tourism outlets could end up losing their jobs. In some cases, they could be employed on a contract basis, or as casual or part-time employees. This is because "the tourism sector is highly seasonal and requires both unskilled and skilled labour"⁶⁰².

In a democratic governance system, it would be expected that public participation and opinion would be an essential ingredient in planning, policy-making, and the implementation of tourism policy and programmes. Public participation is about inclusivity and the integration of all legitimate ideas in the decision-making process. Key stakeholders such as relevant target groups; special interests groups, the public and other influential decision-makers should be involved⁶⁰³. However, public participation in tourism planning may represent a form of placation rather than a means of empowering communities to make their own decisions⁶⁰⁴. This raises the question of TKZN's ability to create space for the public to participate in both tourism development and marketing and promotion. The level of participation is determined by awareness, education, equality and access at all stages of the tourism policy cycle. This requires an examination of TKZN's efforts to build and nurture relationships with the wider public. A critical issue is responsibility for the promotion of arts

⁶⁰⁰ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

⁶⁰¹ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

⁶⁰² Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).p. 55.

⁶⁰³ Murphy, P.E. (1985) *Tourism: A Community Driven Approach* (New York and London: Methuen).

⁶⁰⁴ Heywood, K.M. (1988) *Responsible and Responsive Tourism Planning in the Community*' (Tourism Management, 9, 2) pp. 105-118.

and culture, a function that is shared between TKZN and Local Municipalities. This makes it even more important that TKZN's branding is based on the Kingdom of the Zulu. However, sustainability is critical in improving people's quality of life, at the same time remaining sensitive to ecological, environmental and natural systems⁶⁰⁵.

Inter-organizational Governance - *Founding Conceptions*

In previous chapters, I noted that no single organization or agency can single-handedly deliver on its mandate without the support of other agencies. This requires an exploration of ways of managing the exchange of information and resources, and the sharing of power and functional space. While organizations do specialize in providing specific products and services, there is a need to manage the interaction and relationships that exist between agencies or organizations. Furthermore, organizations still possess power (organizational autonomy) and freedom to choose whether to engage in cooperation or compete with other organizations⁶⁰⁶.

The motivation and inspiration for and the conceptual foundation of inter-organizational governance emerge from the fact that democratic governance provides for increased citizen participation, especially for marginalized groups, in the governance process, which refers to implementation. Linked to this conception is the opening up of issues of discretion, and the devolution of meaningful authority and legitimacy in that the decision-making process takes account of and embraces local voices. However, this introduces increased complexity and uncertainty into the governance process. This calls for new political and administrative systems, structures, skills and attitudes to make things work. In practice, it also means that there is a redistribution of roles and responsibilities, much needed authority and associated capacity⁶⁰⁷.

Since one of the government's main roles in the tourism sector is to consolidate membership (regulate), communicate and liaise around policy (mission-objectives) and strategy, branding, etc, it also has to create the means to navigate the complex external socio-economic and

⁶⁰⁵ Dewar, D. and Kiepiel, J. (1997) *Regional Planning Guideline: A Primer For Regional Planning, Final Report* (Commissioned by the Department of Local Government and Housing-KwaZulu-Natal).

⁶⁰⁶ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press).

⁶⁰⁷ Theron, F., Van Rooyen. A., and Van Baalen, J., (2000) *Good Governance for People: Policy Management. School of Public Management and Planning* (Bellville: Western Cape: University of Stellenbosch).

political contexts where a variety of interests and organizations are based. Linked to this issue is how tourism secures the buy-in of the private sector's collateral (e.g. brochures, websites, and posters to promote the destination). Given that the Constitution grants municipalities distinctive authority, the existing organizational culture does not seem adequate to achieve strong integration in terms of values, attitudes, messages, images, focus and coherence⁶⁰⁸.

Experiences in other parts of the world point to a growing need for and practice of cooperation or collaboration between the public and private sectors. Countries such as Canada and Australia have shown how powerful these new partnerships can be, especially in marketing a dynamic tourism industry. This explains TKZN's success in the area of tourism marketing and promotion partnerships but not in tourism development. While TKZN has achieved great deal over the past decade, this has not automatically translated into community development or social tourism benefits for the wider population⁶⁰⁹, ⁶¹⁰. One of the factors that complicate government's participation in the tourism industry is its role, responsibility and power (authority and influence to effect decisions). After ensuring ideal conditions such as roads, transport, security, and a water supply for tourism to thrive, it has a responsibility to ensure that the legal framework is in place to achieve government's national priorities⁶¹¹. The infrastructure for tourism product development has not been achieved. The non-alignment in the provision of such services to potential tourism destinations is one of the major causes of the failure of IOR for effective implementation. For example, with the guaranteed growth of the Zulu Reed Dance, one would expect that critical infrastructure, including back-packers' facilities; lodges and hotels would now be available in the communities surrounding the area where the event takes place.

Inter-organizational Governance - *Legislative Basis*

A major foundation stone of the legislative framework for tourism cooperative governance is the KwaZulu-Natal Tourism Act, 1986 (the Act as amended in 2002), which provided for the establishment of the KwaZulu-Natal Tourism Authority (TKZN), as the provincial institution responsible for marketing and promoting KZN as a tourist destination. The Authority is tasked with working with the Minister, the Provincial Tourism Committee (PTC), the

⁶⁰⁸ Page, S. J. (2007) *Tourism Management: Managing for Change*, (2nd edition, Scotland, UK: Book Power).

⁶⁰⁹ Page, S. J. (2007) *Tourism Management: Managing for Change*, (2nd edition, Scotland, UK: Book Power).

⁶¹⁰ Personal Interview with a Member of the PTF from 2003-2008, (Ulundi LM, Interview 13).

⁶¹¹ Page, S. J. (2007) *Tourism Management, Managing for Change*, (2nd edition, Scotland, UK: Book Power).

department, municipalities and tourism stakeholders in the province to implement and advance national and provincial policies.

South Africa's Constitution provides for cooperative governance, and spheres of government and stakeholders are given discretion to interact and enter into partnerships and agreements on matters of common interest. Thus dependence and interdependency is legislated and tools and mechanisms are put in place to enhance it. At provincial level in KZN, these mechanisms include the PTC and the Provincial Tourism Forum (PTF). The PTC is chaired by the Member of the Executive (MEC) for the DACT, and it deals mainly with strategic steering of the tourism portfolio and political contestations, while the PTF is chaired by the Chief Executive Officer (CEO) of TKZN, and focuses on the consolidation of stakeholders for the implementation of programmes. At provincial level, the MEC deals with particular kinds of actors while at operational level, the CEO deals with a different cohort of actors; the actors are sometimes similar at both levels. It is clear that complexity is one the characteristics of the tourism portfolio and that by its nature, it requires interactions, active participation and collaborations. This creates a valid basis for collective management by provincial leadership and adoptive co-management by TKZN's leadership.

Strategic Overview and Provision

As the premier marketing and promotions agency, TKZN has the mandate and responsibility for the implementation of the provincial tourism policy, and the promotion and marketing and development of tourism in KZN. Its mandate includes the following:

- To *investigate and make recommendations* to the Cabinet, through the Minister, on any matter relating directly or indirectly to the promotion or marketing and development of tourism in KZN,
- To be solely responsible for *marketing and promoting the province* as a whole to international and domestic tourist markets in competition and cooperation with other provinces in the Republic, and in cooperation with municipalities,
- within the framework of national and provincial tourism policies, to *coordinate, advise and guide municipalities*, tourism operators, tourism establishments and organizations or institutions whose activities or aims have an impact on and relate to the promotion or marketing and development of tourism in KZN,

- To *become partners or shareholders* in companies, closed corporations or other bodies and to sell all or part of such shares or interests,
- To *enter into agreements and contracts* with the approval of the Minister, provided that the approval of the Minister may not be unreasonable withheld and must be given within a reasonable time frame.

Such provisions are enabling to the lead organizations to articulate the tourism strategic agenda, especially within the issues of addressing diversity of the tourism product, participation of various stakeholders/shareholders, transformation and broadly development of the people who are host. The implementation structure allows different actors to contribute to and shape the implementation environment⁶¹². The lead organization has the difficult task of persuading other stakeholders to internalize its organizational culture (the values and manner in which government delivers services). Three practices best describe an inter-organizational structure, which include the partnerships (PPPs), intergovernmental grant patterns and inter-units contracts. The diagram below illustrates and highlights this structure, in the broad structure of TKZN⁶¹³.

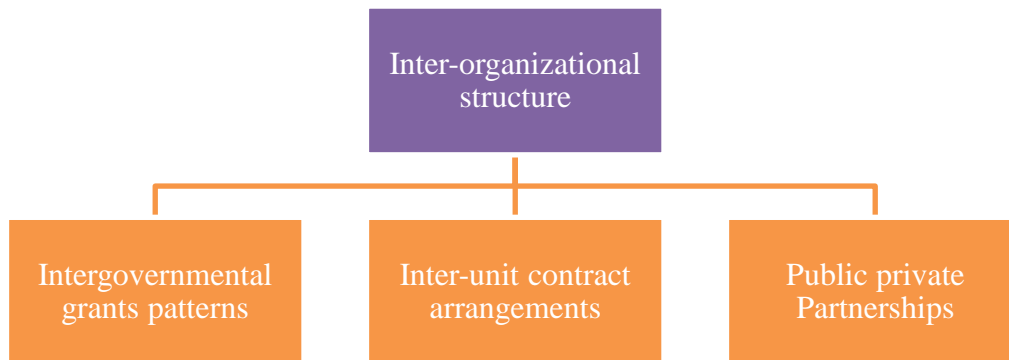


Figure 11 Diagram that Interprets the TKZN Inter-organizational Relations Structure and Practice.

National government provides grants to the province (DEAT to DACT), that in turn makes grants available to local agencies (TKZN to municipal tourism agencies). As major tourism

⁶¹² Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall).

⁶¹³ O' Toole, L. J. (1993) *Inter-organizational Policy Studies: Lessons Drawn From Implementation Research* (Journal of Public Administration Research and Theory, 3, 2), pp. 232-251.

services are owned and driven by the private sector, TKZN is required to enter into inter-unit contracts and agreements with either other parastatals or partner tourism agencies. Partners in KZN include municipalities and Trade and Investment KZN (TIK-KZN). In tourism, implementation is not as simple as in other sectors. The performance of any stakeholder, especially government, is dependent on the performance and cooperation of others. The lead organization (TKZN)'s main responsibility is building of conducive environment for a range of reliable and sustainable coalitions and partnerships. This process involves packaging and marketing the strategic objectives, values and culture that define the tourism industry. TKZN's main objectives are development, promotion and marketing; at the same time it has to market itself as a lead agency in the tourism implementation process.

Therefore, the actions or inactions of other organizations and their perceptions of TKZN matter. Tourism implementation requires the provision of security, roads and airports, education and training, catering and hospitality, conservation, financial and banking (foreign exchange) services, heritage management, international relations, water, food and agriculture, etc. Whatever happens in these sectors impacts tourism. For example, food shortages will negatively affect pricing in hotels and others outlets. This is the context and environment that characterizes the existence and operations of an inter-organizational structure.

Pursuit of Relational Governance

As a concept, relational governance focuses on social variables rather than the economic aspects of relations. This is critical because all relationships, exchanges, negotiations, and contracts have a social component. This implies that the success or failure of organizations today partially depend on how well relationships are developed, managed and sustained. This raises the question of personalities and their power and influence in the management of implementation. These are challenging developments that emerge as part of the process of moving from government to governance. One of the roles that have changed is that of 'steering' or directing that was normally executed by government. Today governmental organizations are expected to empower and serve as they negotiate service delivery. This notion enforces the participatory aspect of governance that is transforming the way organizations do business as they seek to meet the needs of the customer (including poor citizens). It is therefore not surprising that information and communication are one of the

dominant concepts in contemporary governance processes⁶¹⁴. Another set of concepts includes network governance, policy networks, and inter-organizational relations¹. Essentially, network governance is a critical and central concept in that it acknowledges the new dispensation management which is characterized by negotiation, accommodation of different views, cooperation and alliances rather than the command and control approach⁶¹⁵. As inter-organizational relations refer to frequent interaction and mutual exchange between a limited number of organizations, participants and actors, it is important for the lead organizations to use available tools to influence and control the developing networks⁶¹⁶. . . At varying levels all these concepts define overlapping goals, values, membership, blurred boundaries, and voluntary/non-voluntary interactions and capture the essence of the integration and convergence of interests. It must be emphasized that “leadership and management play a massive role in network governance and inter-organizational relations in order to ensure that various organizational goals and interests are secured”⁶¹⁷. And there is an expectation and responsibility on leadership to manage the influences that penetrates the organizational actor’s and affect their perceptions, attitudes or behaviour. .

As noted above, I argue that TKZN has been successful in marketing tourism products and services; however the DEDT/DACT has not come to the party. TKZN has managed to partner with the private sector and has a well-organized process for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders⁶¹⁸. In contrast, the DEDT/DACT, has not organized its own system of intergovernmental relations management in order to identify, anticipate and satisfy stakeholder requirements and facilitate the achievement of the organization’s objectives⁶¹⁹.

⁶¹⁴ Rondineli, A. D. and Cheema, G.S. (2003) *Reinventing Government for the Twenty-First Century: State Capacity in a Globalised Society* (USA: Kumarian Press, Inc).

Clarke, T. and Chanlat, J.F. (2009) *European Corporate Governance; Readings and Perspectives* (London and New York: Routledge Taylor and Francis Group).

⁶¹⁶ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁶¹⁷ G. and Griffin, R.W. (1998) *Organizational Behaviour: Managing People and Organizations* (Houghton Mifflin Company, Boston, New York) p. 380.

⁶¹⁸ Nzimakwe, T (2010) *Marketing as a Tool To Promote Public Service Provision* (School of Public Administration, University of KwaZulu-Natal, Journal of Public Administration, Volume 45 Number 1, March 2010).

⁶¹⁹ Nzimakwe, T. (2010) *Marketing as a Tool To Promote Public Service Provision* (School of Public Administration, University of KwaZulu-Natal, Journal of Public Administration, Volume 45 Number 1, March 2010).

However, I also argue that most of the 2000-2010 decade was a period of consolidation; hopefully, the following decade will witness a stronger DEDT structure. Marketing requires an understanding of the customer so that the product or service fits him/her and sells itself. The lead organizations have a huge responsibility to reach out to all stakeholders, especially Local Municipalities and empower them because they host the local tourism associations and product owners who need first-hand support and who need to feel appreciated so that they become advocates of the KZN-TIS. This is important as programmes and services that meet targeted customers' needs require less promotion and satisfied customers may become evangelists for public institutions⁶²⁰.

Forging Compliance and Regulation

To give substance to the arguments that follow, I make reference to the three modes of governance that characterize the operations of organizations, especially when they engage their environment. It is common for organizations employ one or a “combination of governance by authority, by transactions or through persuasion”⁶²¹. Authority relates to the provisions and mandate (legitimacy) that gives a particular government structure / institution the power to design and perform certain tasks, regulate and oversee all parts within the governance cycle. Authority is more prevalent in traditional, top-down, hierarchical management structures and practice. In this mode, government's primary concern is regulation and imposition. The lead organizations, such as DEDT and DACT (provincial administration) would have a straightforward task. The delivery of products and services is seen as having an exclusive (public good) character. The term ‘government’ refers to an array of political-administrative actors acting under a legislative mandate; in the context of this study, the concept of government also embraces external implementation actors who display various levels of commitment⁶²².

The exercise of governance by transaction focuses on the creation of frameworks in which other actors can perform, while ensuring that such frameworks function well. These tasks have a constitutional foundation and are based on a democratic mandate. Legislation as well

⁶²⁰ Nzimakwe, T. (2010) *Marketing as a Tool To Promote Public Service Provision* (School of Public Administration, University of KwaZulu-Natal, Journal of Public Administration, Volume 45 Number 1, March 2010) p. 60.

⁶²¹ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publications) p. 181.

⁶²² Hill, M. and Hupe, P. (2009) *Implementing Public Policy; An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications).

as institutional design are important, especially the institutionalization of oversight. The “role of government is that of regulator and inspector”⁶²³. In tourism, government’s role has focused on interaction with other stakeholders and shareholders; therefore, the dominant mode of governance has been through persuasion because participation in the tourism implementation structure is voluntary and also by invitation, hence the DEDT/DACT’s “objectives are bound to be flexible in order to accommodate the aspirations of the societal actors and individuals who are invited to participate in the tourism agenda”⁶²⁴.

The management of inter-organizational relations requires an in-depth understanding of how the rules (e.g. statutes, policies, regulations, etc) affect organizational behaviour as the actors interact. These rules can be divided into operational, collective choice and constitutional choice rules. Kiser and Ostrom describe “collective choice rules as activities that influence operational activities and outcomes by determining how operational rules can be changed and who can participate in these decisions”⁶²⁵. This is the arena for activities such as policy-making and the adjudication of decisions. The application of the constitutional-choice rules influence approach has potential to inspire the operational rules and outcomes. This can be done in many ways, but the most common is that of making an effort to be selective on who is eligible to participate and this in turn will inspire and enhances the set of new operational rules within the partnership⁶²⁶. I concur with Imperial’s assertion that the battle will be won once governmental organizations are able to consult during policy formulation and promote organizational values that all stakeholders will find acceptable. This should be a coherent process that ensures that stakeholders are familiar with the rules and procedures at operational, collective and constitutional levels.

⁶²³ Hill, M. and Hupe, P. (2009) *Implementing Public Policy; An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications) p. 187.

⁶²⁴ Hill, M. and Hupe, P. (2009) *Implementing Public Policy; An Introduction to the Study of Operational*, *Second Edition* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications) p.187.

⁶²⁵ Kiser, L. and Ostrom, E. (1982) “*The Three Worlds of Actions: A Metatheoretical Synthesis of Institutional Approaches*”, in *Strategies of Political Inquiry*, (ed, Elinor Ostrom. Beverly Hills, CA: Sage Publication) p.52.

⁶²⁶ Ostrom, E., Schroeder., L. and Wayne, S (1993) *Institutional Incentives and Sustainable Development: Infrastructure Policies in Perspective* (Boulder, Colorado: Westview Press) p. 46, from Imperial, M.T. (1998) *Intergovernmental Policy Implementation: Examining Inter-organizational Networks and Measuring Network Performance* (San Diego, CA: School of Public and Environmental Affairs, Indiana University, Bloomington: (PhD Candidate in Public Affairs), p. 23, accessed October 2007).

INTER-ORGANIZATIONAL NETWORKS EXPERIENCES

One of the best ways of exploring cooperative tourism governance is to employ inter-organizational networks as a mechanism of analysis. This allows for an understanding of the points of connection and disconnection amongst and within the actors involved in implementation. In brief, an inter-organizational network is about a web of interconnected business relationships, understanding network structures, processes and evolution. It enables the actors to bargain, negotiate and exert influence as they seek the best way of interconnecting their actions, mobilizing resources and coordinating key actors. Managing an inter-organizational network has to take into account the dynamics that coalitions experience as they pursue a common purpose and objectives⁶²⁷.

No organization can single-handedly deliver on its mandate without the support of other agencies. As a result, there is a growing need for innovation and empowerment, stakeholder management, partnerships and collaborations. At the same time, this study reveals the level of complexity that is involved in the management of the inter-organizational exchange of information, resources, power, values, autonomy, interests, etc. While organizations do specialize, they focus on the services and products that give them comparative advantage. Management has the task of identifying the interaction and relationships that will give their organizations the best returns or benefits. The contemporary implementation and management provides the “freedom to engage with other organizational actors but these exercises force organizations to be more aware of and protect their values, interests and autonomy”⁶²⁸.

As a phenomenon, the “globalization has led to multifaceted organizational activities (private, public, non-profit), interaction, interdependence, integration and cooperation amongst nations, people and organizations”⁶²⁹. It is a new way of looking at things that provides opportunities for sustainable and competitive governance, and economic, political and socio-cultural development for countries around the world. Like any other new concept,

⁶²⁷ Table 3.3 *Three levels of analysis in network research*. Cropper, S., Ebers, M., Huxham, C., and Ring, P.S., (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁶²⁸ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) p. 14.

⁶²⁹ It is said that a simple and single programme has the potential to become a very attractive, complex programme which involves many participants with different perspectives. Denhardt, R.B. (2008) *Theories of Public Organization*, (5th edition, USA: Thomson Wadsworth) p. 131.

globalization has both advantages and disadvantages⁶³⁰. This study utilizes a cohort of concepts and these include “reinventing government, relational governance and communicative governance”⁶³¹, ⁶³², ⁶³³. These concepts are related in that they are centred within the process where information and knowledge (as a resource) are created and shared through the wide range of media available to the actors involved. Organizational communication⁶³⁴ is amongst the many activities that can be used to ensure that the organization reaches out to, welcomes and engages internal and external stakeholders, especially in the decision-making process. Such communication is guided by the institutional system and organizational culture which are designed to secure the interests of the organization.

Inter-organizational Network Complexity

This brief assessment is based on the factors affecting Community Owned Tourism Enterprises (COTES). In July 2008, it was recommended that an assessment of the factors affecting Community Owned Tourism Enterprises (COTES) in KZN be conducted in order to establish an appropriate partnership structure and support mechanisms. This was due to the fact that KZN had failed to enhance community tourism enterprises. It was thus important to explore the factors constraining COTES’ development. The assessment was a collaborative effort of the DACT, DED, EKZMW, TIKZN, TKZN, and Ithala Development Cooperation⁶³⁵.

The COTES are viewed as one of the catalysts for the promotion of economic development and the redistribution of wealth, especially in rural, underdeveloped areas. The key findings of this assessment included:

- “A lack of proper business planning prior to business establishment,

⁶³⁰ Rondineli, A.D. and Cheema, G.S (2003) *Reinventing Government for the Twenty-First Century: State Capacity in a Globalised Society* (USA: Kumarian Press, Inc).

⁶³¹ Zaheer, Akbar and N. Venkatraman (1995) *Relational Governance as an Inter-organizational Strategy: An Empirical Test of the Role of Trust in Economic Exchange*, (Strategic Management Journal, 16) pp. 373-92.

⁶³² Denhardt, R.B. (2008) *Theories of Public Organization*, (5th edition, USA: Thomson Wadsworth) p. 138.

⁶³³ Communicative governance refers to the idea of involving society, the public, in the process of governing. Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications) p. 13.

⁶³⁴ Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations*, (Boston and New York: Houghton Mifflin Company).

⁶³⁵ Republic of South Africa, *The South African Tourism Planning Toolkit for Local Government: Department of Environment and Tourism (DEAT)*, January 2009.

- Poor understanding of market requirements,
- Lack of business/finance/management skills,
- Poor access to institutional support,
- Funding constraints, and
- Conflicting objectives and expectations within communities and between partners”⁶³⁶.

These findings reflect my point of view, as they indicate the lack of implementation during the decade under study. This assessment produced a set of recommendations, including:

- “The adoption of a comprehensive business development process prior to project implementation,
- Establishment of a business support and COTES implementation unit,
- Considerations to be taken into account when forming partnerships between COTES and the private sector”⁶³⁷.

One of the positive outcomes of this assessment was that it identified and prioritized the lead actors in the tourism sector and created new awareness of the reasons for the failure or success of a pro-poor tourism development approach. Furthermore, the consolidation of ideas helped the private sector to identify the best approaches to working with government and communities. This is critical as clarity is required on the approved project system, objectives, expectations, roles and responsibilities. This will hopefully pave the way for tangible, successful cooperation between government, the private sector and host communities, which are mainly rural.

INTER-ORGANIZATIONAL COORDINATION EXPERIENCES

Governmental relations are characterized by complexity and interdependency between governmental institutions. As a result, there is an increasing need for modern public administrators to interact with administrators from other institutions on mutual projects, which includes sharing information, negotiating contracts, ensuring compliance with

⁶³⁶ Republic of South Africa, *The South African Tourism Planning Toolkit for Local Government*: Department of Environment and Tourism (DEAT), January 2009.

⁶³⁷ Republic of South Africa, *The South African Tourism Planning Toolkit for Local Government*: Department of Environment and Tourism (DEAT), January 2009.

regulations, and monitoring, reporting and evaluating the results of joint projects⁶³⁸. It is on the basis of this understanding that the study commenced by exploring the theoretical and administrative significance of inter-organizational coordination as it relates to policy processes. Overall “inter-organizational studies provide an educative setting that can enable organizations to learn from collaboration as they realize their own interests, and this requires the management of interdependencies”⁶³⁹.

In the current era, governmental and non-governmental institutions are becoming increasingly aware that complex inter-institutional interactions occur between themselves as stakeholders in the provision of services to the public⁶⁴⁰. African states, including South Africa, are no exception. Inter-organizational policy studies enable an analysis of policy as a product of guided and unguided interactions in a pluralist setting⁶⁴¹. The inter-organizational policy approach allows both researchers and practitioners to explore the in-depth processes and outcomes of contemporary organizational interactions. The aforementioned assessment notes that institutional overlap causes a lack of clarity on responsibilities, silo operations and the duplication of projects; this is a waste of resources. Much money is spent, but few projects are successful. Another critical issue is the need to locate stakeholder relations management in an Implementation of COTES Unit (i.e. a COTES Project Management Unit), probably at TKZN. This unit would ensure effective planning that could improve the rate of successful implementation of community tourism projects.

No organization or agency can single-handedly deliver on its mandate without the support of other agencies. Therefore, it is crucial to manage the exchange of information and resources, and the sharing of power and functional space. As organizations specialize in providing specific products and services, there is a need to manage interaction and relationships between agencies or organizations. Furthermore, organizations still possess the power (organizational autonomy) and freedom to choose whether or not to engage in cooperation or

⁶³⁸ Du Toit, D.F.P., van der Waldt, G., Bayat, M.S., Cheminais J., (1998) *Public Administration and Management for Effective Governance* (Kenwyn, Cape Town: Juta and Co, Ltd).

⁶³⁹ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (Sage Publications, London and Beverly Hills) p. 13.

⁶⁴⁰ Du Toit, D.F.P., van der Waldt, G., Bayat, M.S., Cheminais J., (1998) *Public Administration and Management for Effective Governance* (Kenwyn, Cape Town: Juta and Co, Ltd).

⁶⁴¹ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications) p. 12.

compete with other organizations⁶⁴². Another essential recommendation is clarity on the purpose of partnerships, especially from the community and government perspective. It was suggested that partnerships should have built-in local capacity building (technical and managerial skills), and ownership of the process (improved decision-making); hence certain specific partnership models, including joint ventures, leases and co-management were recommended⁶⁴³. All of these recommendations culminated in the identification of government's role as regulator, broker, negotiator and mediator in COTES project management.

The process of inter-organizational coordination is an appropriate framework to discuss cooperative tourism governance as it broadly exposes the dynamics that are involved. There is increasing recognition of the importance of collaboration among organizations and agencies, especially in the public sector. It is acknowledged that the focus should be on inter-organizational coordination (IOC) rather than on competition between public sector organizations and agencies. If well-managed, coordination enhances efficiency and effectiveness, which represents value for money for the lead organizations⁶⁴⁴. In practice, IOC is preceded by coordination, which is defined as “a structured process, which is perceived by many as not only a means for increasing the quality of public service delivery systems, but also as way to improve the efficiency of government”⁶⁴⁵. This study found that coordination in tourism has been effective, especially from the provincial perspective, in that, given the already existing tourism infrastructure, the leadership relied on the hope that things would simply happen. However, more could have been done with regard to building the capacity of and empowering municipalities⁶⁴⁶.

When government seeks to increase its efficiency, the exercise of coordination becomes a catalyst in that participants are made to recognize their interdependence and putting

⁶⁴² Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press).

⁶⁴³ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications).

⁶⁴⁴ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press)

⁶⁴⁵ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) p. 4.

⁶⁴⁶ Personal Interview with a Member of the PTC-PTF from 2003-2006., Interview 1.

arrangements in place to make consensus based decisions⁶⁴⁷. In the contemporary governance context, effective policy coordination is one of the most challenging tasks confronting public managers. The challenges include organizational fragmentation, sectoral interdependence, policy complexity, competing interests, conflicting values, poor consultation, and the sheer scope and scale of governmental activity. There are invariably a number of competing streams of departmental advice on a particular issue, not to mention the conflicting views of external advisers and interest groups. Furthermore, there is the continuing problem of translating complex policy decisions into practical reality. It is clear that, regardless of how the machinery of government is organized, policy coordination will present difficulties⁶⁴⁸. The above discussion confirms that the translation of policy and a vigorous public affairs exercise for tourism development did not take place. The provincial administration intervenes and supports initiatives that are in line with political priorities; hence certain initiatives are neglected. Given the complexity of the sector, this has been the case with tourism relations and programmes in many districts.

Corporate coordination emphasizes the achievement of results through formal rules, ensuring space for central authority and securing collective goals. The alliance type of coordination is more focused on negotiation and securing consensus-based decisions for mutual agreement and benefits. Finally, “the mutual adjustment type of coordination seeks to achieve and protect autonomy, ensure that individual objectives prevail and guarantee mutual influence”⁶⁴⁹. Within the KZNTIS, the lead actors have found themselves caught between a rock and a hard place in that the benefits of cooperating are not always obvious and guaranteed and that, like any business venture, tourism takes time to deliver benefits to entrepreneurs. Therefore the public sector might find it difficult to attract relevant investment simply because the benefits of joint ventures are not realised, especially in the short and medium term.

In my opinion, mutual adjustment coordination is most supportive of the values and principles associated with inter-organizational theory. Partnerships and collaborations will thrive if there is a focus on consensus decision-making and when the autonomy of

⁶⁴⁷ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

⁶⁴⁸ Boston J. Martin, Pallot J. and Walsh P. (1996) *Public Management: The New Zealand Model* (New York: Oxford University Press).

⁶⁴⁹ Rogers and Whetten (1982). Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p. 45.

stakeholders and shareholders within the implementation structure is assured. It is likely that the actors involved will commit their time, money and expertise when they know that a partnership is flexible and organized mainly for their benefit. One example is the KZN Master Plan that indirectly removes the discretion of Local and District Municipalities (LED/Tourism portfolios) in that it sets out broad guidelines and a strategic direction for funding and compliance.

Based on the false sense of ‘natural cooperation’ and failure to comply with national and provincial strategic priorities, the lead organizations could confront challenges in achieving adequate legitimacy and influence to secure coordination. The study’s findings suggest that the lead organizations (DACT/DEDT) missed an opportunity to use coordination to restructure relations and interactions between units of the organizations that make up the KZNTIS. Effective coordination could assist organizations to minimize the costs of achieving outcomes according to their mandates⁶⁵⁰. A systematic and effective process of “coordination is necessary in that it is motivated by the desire, especially at lower levels of government activity, to avoid duplication or redundancy at horizontal dimensions”⁶⁵¹. The lead organizations in tourism have been ‘unfairly excellent’ in that, TKZN, the marketing and promotions agency was expected to take on the responsibilities of the provincial administration. This implies that tourism cooperative governance was compromised⁶⁵². As a result the pace of the integration and implementation of national and provincial policy into local programmes has been slow.

It should be noted, that as much as “coordination is a desirable practice, it poses a threat to organizational autonomy because it requires the commitment of a variety of organizational resources, including time, personnel and finance”⁶⁵³. It is therefore important that an organization’s involvement in cooperation is justified in terms of benefits it brings to the organization. Rogers and Whetten identify three broad strategies to reduce the negative impacts of coordination, which can be used in particular cases and contexts and these are “mutual adjustment, alliance and corporate strategies (which are not explored in-depth in this

⁶⁵⁰ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

⁶⁵¹ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) page 14.

⁶⁵² Personal Interview with a Member of the PTC-PTF from 2000-2008 (TKZN, Interview 1).

⁶⁵³ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) p. 15.

study)”⁶⁵⁴. The lack of focus of the provincial departments and the only partial achievement of intergovernmental relations coordination have resulted in the benefits of tourism programmes coordination not being realized⁶⁵⁵.

While the lead organizations (the DACT/DEDT/TKZN) could claim that they did what they could give the level of available resources, the fact is that, no matter which strategy is employed “coordination results in adjustments among organizations’ respective outlooks, objectives, and methods of operation because it involves the coordination of activities between different organizations”⁶⁵⁶. This recognizes that coordination is not limited to any particular aspect of organizational functioning; it could be around programme planning, action, monitoring and evaluation. Contemporary public sector organizations understand that they do not possess all the required expertise, information, resources, etc.; they are therefore open to sharing their autonomy, space and the markets they seek to service. Such conditions require active interaction with other organizations to benefit the wider public interest. As noted in the previous chapter in the discussion of the KZNTIS, while the coordination process does not take place spontaneously and voluntarily, there are always those who pursue their own organizational agendas. This requires the development and sustenance of an IOC system⁶⁵⁷. This enables the creation of awareness of the formal (structured) and informal (unstructured) interactions, exchanges, patterns and dependencies amongst stakeholders. Furthermore, already existing external and internal coordination patterns and interdependencies need to be examined⁶⁵⁸.

By definition, inter-organizational coordination is known to be “the process whereby two or more organizations create and/or use existing decision rules that have been established to deal collectively with their shared task environment”⁶⁵⁹. By its nature, tourism provides for such a process in that it requires the involvement of a variety of stakeholders and partners which in

⁶⁵⁴ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press,) p. 18.

⁶⁵⁵ (EKZNW, Interview 14).

⁶⁵⁶ Mott, 1970 cited in Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) p. 13.

⁶⁵⁷ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications), p. 332.

⁶⁵⁸ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications).

⁶⁵⁹ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) p. 1; and, Alexander, E. R. (1995) *How Organisations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 3.

this context are national and provincial organizations. While it has been practical for public sector organizations such as the DEDT/DACT/TKZN to embrace and understand one another, it might be a different story for the external partners. This could even include local spheres of government (District and Local Municipalities) because their priorities and decision-making rules might be slightly different; this has been the case in many instances.

To a certain degree, I am concerned that cooperative tourism governance has been hampered by the fact that the IOC process can also be viewed as a process where new rules or norms are created and applied to achieve coherent collective action and secure mutual benefits⁶⁶⁰. While tourism programmes could benefit from the consolidation of IOR and structures, there is always the danger that some organizations will feel that the partnering process will overshadow their own values and efforts; hence weakening their commitment. A well facilitated and effective IOC requires that “organizations recognize and manage their interdependence by creating structures to reach consensus”⁶⁶¹. In many ways, IOC is a necessary practice and if managed well, it can help management to deal with systems inefficiencies, reduce fragmentation of services and overlap, and regulate and direct programmes. If well-managed, IOC can “provide a platform for management to deal with the problems and challenges posed by shrinking resources and make it possible for organizations to economize by sharing the costs of existing and new programmes”⁶⁶².

There is no doubt that IOC is a valuable practice within the context of inter-organizational studies and it has been noted that “it should be part of the design of implementation systems (strategy) because it can enhance effective implementation of policy goals”⁶⁶³. As noted above, coordination requires commitment. Furthermore, as an activity, IOC requires commitment from all parties in that it “invokes institutionalized arrangements, power and control”⁶⁶⁴. For example, some local government partners such as Ugu, Ilembe, Uthungulu District Municipalities and the eThekweni Municipality (Durban Metro) are well-resourced. Furthermore, they were able to set up organizational structures that supported and boosted

⁶⁶⁰ Alexander, E. R. (1995) *How Organisations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 301.

⁶⁶¹ Alexander, E. R. (1995) *How Organisations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 6.p. 301.

⁶⁶² Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press,) p. 301.

⁶⁶³ Linder and Peters (1987: 459), cited in Alexander, E. R. (1995) *How Organisations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 49.

⁶⁶⁴ Alexander, E. R. (1995) *How Organisations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 6.

tourism. This is in line with the view that IOC goes beyond the commitment of resources, personnel, time, expertise and material support. The actors also share common values, activities, interests, and goals; this makes it easier to alter or adjust institutional frameworks to achieve the desired outcomes.

In this context of partnerships and collaboration, there is an opportunity for the effective use as well as the abuse of power. Inter-organization coordination occurs at formal (vertical) and informal (horizontal) levels. From the provincial administrative perspective, the DEDT/DACT is responsible for aligning national and provincial priorities; this is the vertical level, where IOC follows vertical liaison procedures between governmental bodies operating in a hierarchy⁶⁶⁵. While cooperative tourism governance has been adopted, more emphasis should be placed on finding an efficient inter-organizational system or procedure. The 2010 FIFA Soccer World Cup was a catalyst and building block through which such an approach can be pursued⁶⁶⁶. At the horizontal level, uniformity and coordination is attained to a limited extent by means of internal liaison, with fixed arrangements that guide associations to liaise formally on a vertical basis. This has largely been achieved by the marketing and promotion partnerships set up by TKZN. Cooperative tourism governance takes place in a context where there is a lack of political alignment in certain districts and a politicised bureaucracy⁶⁶⁷.

While a macro-organizational structure (the DACT/DEDT/TKZN), such as a government institution exhibits strong vertical practice, it also has a hierarchical element. Institutional arrangements in governmental organizations are planned to enhance coordination. Roux *et al* identify some of the factors that can enable the attainment of smooth coordination; these include establishing special departments or units to coordinate particular types of activity, creating supra-control bodies, and setting up control units within departments⁶⁶⁸. In summarizing these factors, I note that for coordination to work, it has to be treated as a special case within the broader compliance and regulatory units in organisations.

⁶⁶⁵ Personal Interview with a Member of the PTF from 2006-2010, (Pongola LM, Interview 16).

⁶⁶⁶ Roux, N., Brynard, P., Botes, P., and D, Fourie (2002) *Critical Issues in Public Management and Administration in South Africa* (Pretoria, South Africa: Kagiso Tertiary).

⁶⁶⁷ Personal Interview with a Member of the PTF from 2006-2010, (Pongola LM, Interview 16).

⁶⁶⁸ Roux, N., Brynard, P., Botes, P., and D, Fourie (2002) *Critical Issues in Public Management and Administration in South Africa*: (Pretoria, South Africa: Kagiso Tertiary).

COOPERATIVE TOURISM GOVERNANCE - *the Coordination Structures*

Managing IOR requires clarity of tasks, competencies and resources. This demands that all actors who seeks to partner on a project are realistic and understand that at a formal or informal level, they are entering into a contract which will require compliance of some sort. The lead organization in the implementation structures is expected to ensure that external clients and partners are orientated on institutional demands (rules, procedures, etc) and participation requirements. The coordinating units include the Premier-Cluster-Portfolio Committee, the PTC, PTF and the district and local municipal forums. In this instance, the coordination process starts with the Premier's Office that has the overall responsibility to ensure that the cluster system and Portfolio Committee are effective so that the bigger picture is known and shared among all relevant actors. In short, cooperatively, the MEC and the HOD, have the PTC and the District / Metropolitan Municipalities (DTFs) as their mainly coordinating tool, and the TKZN CEO has the PTF, Local Tourism Forums (LTFs) and the CTOs at the main coordination units.

The PTC is responsible for strategic coordination in that it galvanizes stakeholders and secures the commitment and cooperation of the Cabinet, the CEO of TKZN, the MEC, DTFs and Local Mayors (LTFs). Strategic organizations such as EKZNW, Isimangaliso Wetland Park, Trade and Investment KwaZulu-Natal (TIKZN), and the KwaZulu-Natal Sharks Board (KZNSB) are also invited to participate. Importantly, the PTC is responsible for the development of the Provincial Tourism Action Plan (KZNTAP), which specifies provincial tourism goals and objectives⁶⁶⁹. In essence, the PTC is an avenue through which local authorities can play a central role in setting the tourism agenda, mainly because they understand the implementation context. However, this hinges on the ability of the lead coordinator to ensure their inclusion in inter-agency steering committees for specific programmes as well as relevant inter-agency decision-making⁶⁷⁰.

⁶⁶⁹ KwaZulu-Natal Tourism Act, 1996 (as amended, including No. 2 of 2002).

⁶⁷⁰ J.K. Friend., J.M. Power and Yewlett, G.J.L. (1974) *Public Planning: Inter-corporate Dimension* (Tavistock Publications).

Amongst the key objectives and responsibilities of the PTC, are to:

- Coordinate the formulation of provincial tourism policy with municipalities,
- Assist municipalities to develop municipal tourism policies within the framework of national and provincial tourism policies and legislation, and
- Formulate methods and processes to evaluate the implementation of provincial tourism policy at a municipal level⁶⁷¹.

Due to a lot of factors (lack of policies, strategies, understaffing, funding,) the PTC has not been adequately able to provide this support to the municipalities and this shows in many aspects of tourism support services⁶⁷². A combination of strategy, structure, communication and leadership is critical to the achievement of the aforementioned objectives, and the evidence suggests that the PTC was not effective in managing these tasks. Neither TKZN nor the DACT provided sufficient support to District and Local Municipalities. This is due to a number of factors, including political instability, administrative changes, lack of funding, etc⁶⁷³. Up until 2012, the province was not represented at the CTAs and local tourism offices. While the province has physically deployed staff to these areas, one can conclude that relations have been vague in that they did not concern tangible projects.

The PTF is located at operational level where it connects the province with tourism stakeholders, including the public that directly benefits from tourism activities. The PTF is convened and chaired by the TKZN CEO and COO and attended by senior management from marketing and communications, tourism development, information services, and representatives of the DEDT, and District and Local Municipalities. The key objectives of the PTF are to:

- Enable TKZN and the municipalities to communicate with one another and to coordinate activities of mutual interest, and
- Enable TKZN to assist and advise municipalities on the development of policies, implementation of programmes and reporting.

⁶⁷¹ KwaZulu-Natal *Tourism Act*, 1996 (as amended, including No. 2 of 2002).

⁶⁷² (EKZWN, Interview 22).

⁶⁷³ Personal Interview with a Member of the PTC from 2003-2006 (DACT, Interview 2).

Again, due to the lack of support from the PTC, the PTF has not been entirely effective in providing support services to the municipalities⁶⁷⁴. This study found that, at cooperative governance level the DEDT/DACT/TKZN have struggled to manage IOR for effective tourism implementation as this requires much time and resources⁶⁷⁵, ⁶⁷⁶. While coordination instruments such as the PTC and PTF enabled partnerships and collaborations, they were unable to integrate tourism into local government programmes⁶⁷⁷. However, at cooperative management level, TKZN has attempted to enhance participatory tourism development, transformation and ensure effective partnerships mainly through the marketing and promotion of tourism through Joint Management Agreements (JMA)⁶⁷⁸.

In this context, the 'handle' for cooperative tourism governance is based on the law, policy and strategy and related practices especially leadership, protocol and communication. I briefly refer to what is known as process management, which characterizes and describes relational governance, the network perspective, cooperative governance, co-management and adaptive management in practice. In doing so, I will reflect on how the leadership of the lead organizations has negotiated a shared purpose and vision and facilitated communication for the benefit of inter-organizational implementation. The process management practice should provide an indication of how intergovernmental relations and arrangements were structured and whether they impacted, enhanced or constrained IOR practice.

The context for tourism policy is the strategy and strategic decisions and positions which inform the actions taken by government; it arises from contestation and the communication of different ideas, values, and interests⁶⁷⁹. This requires that the lead organization design a comprehensive partnership implementation strategy to manage the chaos caused by organizational dynamics. These are crucial because they locate stakeholders and shareholders' interactions within the implementation process. This discussion and analysis of cooperative tourism governance lays the foundation for the discussion of cooperative management in the next chapter. The aim of this chapter is to explore the bigger picture in

⁶⁷⁴ Personal Interview with the Member of Ezemvelo KZN Wildlife, (EKZNV, Interview 22).

⁶⁷⁵ In terms of tourism policy, I am biased towards rural tourism, which consists of community-based, pro-poor, township, social, agricultural, environmental, culture and heritage tourism.

⁶⁷⁶ Personal Interview with a Member of the PTC-PTF from 2003-2010. (ADM, Interview 17).

⁶⁷⁷ Personal Interview with a Member of the PTC-PTF from 2006-2010. (DACT, Interview 5).

⁶⁷⁸ Personal Interview with the Member of Ezemvelo KZN Wildlife, (EKZNV, Interview 14).

⁶⁷⁹ Lawrence, M. and Dredge, D. (2007) *Tourism planning and policy processes* (Milton: John Wiley and Sons), p. 7.

terms of tourism policy imperatives, strategies and programmes. In a sense, all the related concepts and themes are collapsed into the concept of cooperative governance in order to provide a coherent discussion and analysis. This provides a broad operational sense of the implementation structure, with a strong focus on its lead organizations, the DACT and TKZN.

The macro analysis acknowledges the notion of long-term planning and the big picture, where the strategic framework is designed to cater for current, medium- and long-term goals. It is on this basis that IOR is viewed in terms of long-term and permanent frameworks such as cooperative tourism governance (the PTC), tourism transformation, a partnership development strategy, integrated development planning (the Tourism-LED Strategy framework), strategic interventions, especially in the promotion of social tourism, IGR regulations/provisions (district tourism forums), and the work of the PTC, which operates at strategic leadership level and is expected to provide an overarching vision⁶⁸⁰.

Cooperative Leadership as a Determinant

The leadership and management skills and processes are critical in the study of IOR in that they apply the systems that enable an understanding of actors' experiences. These include the "reward system and punishment, within organizational processes"^{681, 682}. These systems are critical in explaining why individuals within organizations pursue certain projects as well as "organizations motivation for participating in an inter-organizational activity"⁶⁸³. Managing these tasks effectively takes a special tactical awareness and leadership to effectively coordinate and achieve the required results and standards. It is in such a context that I argue for a strong demonstrative leadership to facilitate cooperative governance. Again, this imply that the lead organization have a responsibility to demonstrate this kind of leadership.

⁶⁸⁰ Personal Interview with a Member of the PTC-PTF from 2003-2010 (DEDT, Interview 18).

⁶⁸¹ Punishment is an unpleasant or aversive consequence that results from behaviour. Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations* (Boston and New York: Houghton Mifflin Company) p. 156.

⁶⁸² The reward system consists of all organizational components, including people, processes, rules and procedures, and decision-making activities, involved in allocating compensation and benefits to employees in exchange for their contribution to the organization. Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations* (Boston and New York: Houghton Mifflin Company) p. 208.

⁶⁸³ Motivation is what causes people to behave in particular ways; this linked to the existence of a Motivational Framework, which is a useful way to examine how motivational processes occur. Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour: Managing People and Organizations* (Boston and New York: Houghton Mifflin Company) pp. 118-119.

The other critical concept and practice is PPPs. These can be defined as the mostly formal collaboration of a wide range of actors (governmental, non-government and private) in the planning, financing and delivery of services to citizens. The most common “PPPs are joint ventures, contracts, concessions, build-operate and transfers” etc⁶⁸⁴. What is critical is how PPPs are managed and coordinated. The main question is whether or not public sector administrators set rules that facilitate the process in both current and future exchanges and transactions⁶⁸⁵. Another critical set of concepts is “decentralization and administration decentralization”⁶⁸⁶. Vertical decentralization shifts power and activity from central government structures to horizontal and lower levels of operation. It allows for organizational adjustments which make policy implementation possible. Administrative decentralization refers to the transfer of responsibility for planning, management, fundraising and allocation of resources from central government and its agencies to field units of government agencies. This is very important for horizontal governance.

The above concepts reflect the importance of interactions and relationships in modern governance processes. These concepts have a profound influence on the practice of governance and IOR are part of this set-up. The concept of a policy network recognizes increased participation, representation, diversity in society, chaos in negotiations, imminent conflict, uncertainty and collective action⁶⁸⁷. During the formulation and implementation of policy, “there are always pressure groups, community advocates, street level bureaucrats and other actors that operate outside the set regulatory framework”⁶⁸⁸. This is just one example of how governance processes have changed.

As indicated, these changes have penetrated and impacted every sector in society and place new demands and expectations on leaders. The language has changed from traditional leadership practices to a new set of vibrant concepts such as coaching, pace-setting,

⁶⁸⁴ Rondineli, A.D. and Cheema, G.S. (2003) *Reinventing Government for the Twenty-First Century: State Capacity in a Globalised Society* (USA: Kumarian Press, Inc) p. 204.

⁶⁸⁵ Denhardt, R.B. (2008) *Theories of Public Organization, (5th edition*, USA: Thomson Wadsworth).

⁶⁸⁶ Rondineli, A.D. and Cheema, G.S. (2003) *Reinventing Government for the Twenty-First Century: State Capacity in a Globalised Society* (USA: Kumarian Press, Inc) p. 40.

⁶⁸⁷ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁶⁸⁸ In addition, public policy is a process in that policies are formulated and implemented in a dynamic environment with a complex pattern of decisions, actions, interaction, reaction and feedback. Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p. 10.

emotional intelligence, and transformative, consultative and shared leadership⁶⁸⁹. At different levels of societal operations (such as ward committees), I feel that leadership has been overwhelmed and could have made some critical errors. These are made manifest in a variety of ways and in various contexts. The government and the private sector have reacted differently to global upheavals and have also committed errors. There has been a lack of advocacy for tourism entrepreneurship at local level, making the establishment of flourishing local IOR for tourism very difficult.

One of the critical requirements of implementing organizations is that they deliver agreed upon tourism objectives; this requires that each and every actor have a clear understanding of what is expected of them. It is on this basis that the lead organization has to use its legislative mandate to organize, plan, coordinate and implement to declare itself the leader. There are many opportunities to achieve this, including generating ideas (managing agenda setting), crafting programmes, structuring patterns of participation (interactive decision-making) and sustaining the bargaining space, especially during the design of partnerships for resource mobilization. Part of this responsibility is advocacy, where organizations like TKZN have to 'sell' tourism as a means of economic and social development to many reluctant, poor local communities who have negative perceptions of the sector⁶⁹⁰.

Organizational Leadership as a key Requirement

As noted in the discussion on IOC, organizational leadership is essential to drive relevant adjustment and cultivate the necessary attitudes. Organizational leadership is also a practical necessity because it provides a link between the statements of goals (public policy) and the exercise of control in organizations (compliance/regulation) in order for clients (the public) to enjoy policy outcomes. It is clear that this is not simply a matter of leaders in organizations seeking control in order to accomplish their objectives, but rather taking responsibility for articulating the purpose (vision and mission) to justify their claim to leadership. Goal orientation is also important in negotiating relationships outside the organization⁶⁹¹.

⁶⁸⁹ Concepts from the leadership model 'entitled *Leadership for Accelerated Development and Delivery*', presented / proposed by David Schmidt and Edgar Pieterse on the Governance Summer School of 24-28 March 2008, Somerset West, Cape Town, South Africa.

⁶⁹⁰ Republic of South Africa, *The South African Tourism Planning Toolkit for Local Government*: Department of Environment and Tourism (DEAT), January 2009.

⁶⁹¹ Colebatch, H. K. (2002) *Concepts in the Social Sciences: Policy* (2nd edition, Philadelphia: Open University Press).

This study also focuses on the applied managerial and institutional frameworks of both the DACT and TKZN, as the institutional framework is in many instances an avenue through which decentralized interactions are enabled⁶⁹². Other issues that will be discussed include the evolution of the tourism management portfolio and the establishment of the provincial implementation agency. Institutional structures are one of the vehicles through which the DACT and TKZN ensure and enhance programme implementation. These structures are the PTC and the PTF.

What informs the complexity and a leadership challenge is that “tourism is not a generic sector; it is unique in that it impacts on the environment, society and cultural systems in ways that require a holistic orientation within a broad and multidimensional context”⁶⁹³. This chapter thus examines the business of managing tourism, with special reference to policy imperatives and programmes. As all tourism activities are produced, packaged, marketed and delivered within the context and operations of government it is important that the discussion on inter-organizational implementation is located at institutional level, because government is an institution. This will enable an evaluation of the role and contribution of the state in tourism. One of the critical elements of organizational processes is the pursuit of goals and an assessment of whether such goals are achieved. This explains the relevance of authority; people can act together because “authorized leaders have determined collective goals and the means to achieve them”⁶⁹⁴. However, it is important to note that some people decide on the goals to be implemented, while others are responsible for actual implementation.

The determination of policy goals is a challenge for the lead organization in that “policymakers make decisions for all participants, in a context where there is a range of actors” with their own conception of what the problems are and how they could be solved⁶⁹⁵. And this could consist of participants who share commitment to a particular programme; this represents a loose organizational form; but some are more cohesive than others. The participants have full discretion to represent their organizations. The challenges also rise in assessment, monitoring and evaluation. None of the lead organizations which are the

⁶⁹² Geyer, R. and Rihani, S. (2010) *Complexity and Public Policy. A new approach to twenty-first century politics, policy and society* (London and New York: Routledge Taylor and Francis Group).

⁶⁹³ Fennel, D. (1999) *Ecotourism*, (3rd edition, London and New York: Routledge) p. 215.

⁶⁹⁴ Colebatch, H. K. (2002) *Concepts in the Social Sciences: Policy*, (2nd edition, Philadelphia: Open University Press) p. 58.

⁶⁹⁵ Colebatch, H. K. (2002) *Concepts in the Social Sciences: Policy*, (2nd edition, Philadelphia: Open University Press) p. 60.

DACT/DEDT/TKZN) had strategic partnerships, intergovernmental relations, or monitoring and evaluation units in their institutional structures. One thus wonders how these functions are organized, planned and executed, because it is during such exercises that appropriate and agreed upon adjustments can be made; this implies that implementers, who are mainly private actors, are left to decide what is appropriate and what is not. Again, this demonstrates that less time is devoted to implementation than policy-making and planning. In short, it has taken the national department too long to connect with and capacitate local government structures for effective tourism governance and the implementation of programmes.

The Pursuit of a Cooperative Tourism Culture

An examination of the experiences of actors within the implementation structure suggests that one of the critical questions is how cooperative tourism governance is achieved. This relates to agenda setting, galvanizing resources, conceiving of programmes, planning, management and implementation, or the delivery of tourism services and products. All these processes exist within established governance, where informal norms and formal institutions prioritize consultation, participation and representation. This system welcomes external influence and innovation and is amenable to relevant change⁶⁹⁶.

Another way of examining cooperative tourism governance is at the cluster systems at cabinet planning level and the integrated development plans (IDPs), at local governance level (District and Local Municipalities). This also points to the complexities that exist during the commitment of resources and the protection of organizational values and objectives. Cooperative governance assumes that cooperation exists within stable, functional and vibrant linkages between and across economic sectors for collective benefit. This is essential to an understanding of the importance of cooperation to effective tourism programme implementation⁶⁹⁷. As it has been alluded in the above discussions that cooperative governance results from political processes which seek to achieve a sequence of interactions and dialogue and recognize all stakeholders' inputs. And to summarize, one could assume that "policy is a consequence of the political environment, values and ideologies, the

⁶⁹⁶ Fennel, D. (1999) *Ecotourism*, (3rd edition, London and New York: Routledge).

⁶⁹⁷ Fennel, D. (1999) *Ecotourism*, (3rd edition, London and New York: Routledge).

distribution of power, institutional frameworks, and of the decision-making process”⁶⁹⁸. This is the foundation for the design, management and execution of cooperative governance. All these elements present critical dynamics for inter-organizational relations and implementation, in that they can block or promote progress, depending on how they are structured and managed.

Cooperative Tourism Communication

Inter-organizational relations and implementation in the core systems of contemporary governance can be described by concepts such as horizontal governance, communication governance and network governance. To unpack the system of tasks, reporting and authority relationships within which the organization operates, I link the concepts of “implementation structure and organizational structure in subsequent chapters”⁶⁹⁹. The discussion that follows outlines some of the critical elements that characterize contemporary governance and inter-organizational theory. With regard to implementation, it could be argued that sustainability and success or failure, are determined by how well relationships, networks, interaction and communication are managed. The communication and networks are core elements of the implementation process. Change takes place at different levels of governance and this requires different levels of communication. The current approaches to governance require that stakeholders and shareholders interact, negotiate and reach consensus on problems and solutions. This has a significant impact on governance in that, for example, the accountability, responsiveness and legitimacy of governance institutions is wide open and sometimes shared with external partners.

In addition this statement above, the informal relations are becoming increasingly formalized and foster mutual respect and trust amongst stakeholders and “governmental institutions are both reliant on and involved in a network of structures and partnerships”⁷⁰⁰. In traditional models of governance, government issued orders, and gave instructions on what should be done and how. In the contemporary era, such issues are negotiated at the lateral and

⁶⁹⁸ Simon, 1976, in Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 5.

⁶⁹⁹ Sabatier, P.A. and Mazmanian, D. (1979) *The Conditions of effective Implementation: A Guide to achieving policy objectives, Policy Analysis*, in Parsons, W. (1997) *Public Policy: Introduction to the Theory and Practice of Policy Analysis* (Cheltenham: Edward Edgar) p. 486.

⁷⁰⁰ Clarke, T. and Chanlat, J.F, (2009) *European Corporate Governance; Readings and Perspectives* (London and New York: Routledge Taylor and Francis Group) p. 49.

horizontal level. This process is known as moving from government to governance and it highlights the relational nature of engagement. In the public sector, structures and systems are tailored in such a way that governmental organizations are capacitated to communicate effectively. This can be summarized as communicative or relational governance, which, in practical terms, refers to ‘emotional’ and social exchange and transition relations, negotiations and contracts. It is acknowledged that the success or failure of organizations is determined by how effective they are in managing relationships⁷⁰¹.

This raises the issue of personalities and their power and influence in the management of implementation. Most communication “takes place between people who have their own individual conception of what matters and what does not in terms of their organizational objectives”⁷⁰². This is expected as in the network and informational society, information technology (ICT) has made it possible and easy to generate, package and transmit information. Government is supposedly the largest producer and consumer of information and knowledge⁷⁰³. It is not surprising therefore, that communication is one of the dominant concepts in contemporary governance processes. However, the fact that government is the main producer and consumer of information does not mean that it dominates the various sectors and networks.

Along with many conceptions that emerge within the context of a network society and communities, is the practice of PPPs. These are mainly “formal collaborations between a wide range of actors (governmental, non-government and private) to plan, finance and deliver services to citizens. The most common PPPs are joint ventures, contracts, concessions, build-operate and transfers, etc”⁷⁰⁴. All of these are essential in tourism relations and development, and in KwaZulu-Natal they are most common and well-managed in EKZNW’s ecotourism programmes. Public-private partnerships indicate the existence of a well-developed pattern of relations between the interdependent actors involved in policy networks. Sadly, IOR have not

⁷⁰¹ Zaheer, Akbar and Venkatraman, N. (1995) *Relational Governance as an Inter-organizational Strategy: An Empirical Test of the Role of Trust in Economic Exchange*” (Strategic Management Journal, 16) pp. 373-92.

⁷⁰² Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational*, (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications) p.13.

⁷⁰³ Rondineli, A.D. and Cheema, G.S. (2003) *Reinventing Government for the Twenty-First Century; State Capacity in a Globalized Society* (USA: Kumarian Press, Inc).

⁷⁰⁴ Rondineli, A.D. and Cheema, G.S. (2003) *Reinventing Government for the Twenty-First Century; State Capacity in a Globalized Society* (USA: Kumarian Press, Inc) p. 4.

enabled the transfer of expertise and leadership skills to the lead organizations and the rest of the actors within the implementation structure.

At this point, it is important to define what it meant by an implementation structure. Accordingly, it can be described as a cluster of both the parts of public and private organizations (in which), subsets of members within organizations view selected programmes and projects as an avenue through which they could achieve their own interest⁷⁰⁵. This introduces the notion that it is at organizational level that actors reorganize (adjust) their outlook and objectives in order to create an umbrella agency to implement a particular project. It is for this reason that organizations such as EKZNW, iSimangaliso Wetlands Park, Umsinsi Resorts, and a few municipalities made organizational adjustments to enhance their proactivity and reaction to collaborative programmes.

It is critical for the lead organization (DACT) that an implementation structure is well managed, because its success or failure lies in its functionality. Cropper *et al* note that a well-managed implementation structure results in continuity and stability in that stakeholders are likely to repeat their behaviour if they feel that their role and contribution is acknowledged as a factor determining the success of the project⁷⁰⁶. For the DACT to manage the interaction processes successfully, it has to be clear on who the stakeholders are, why they are participating, what the project objectives (and activities) are, and how flexible it can be in accommodating others⁷⁰⁷. Furthermore, the DACT will need to formulate a stakeholder engagement strategy and reflect on how successful it has been in ensuring that stakeholders are content and benefiting from the process. Again, TKZN (as a key coordinating agency) has a permanent responsibility to entice and attract external actors by illustrating that collaboration will be beneficial.

As a practice and field, tourism emerges from the “temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken

⁷⁰⁵ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁷⁰⁶ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁷⁰⁷ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

during their stay in these destinations, and the facilities created to cater to their needs”⁷⁰⁸. The determination of the intentions and outcomes is entrusted to management⁷⁰⁹. Scholars have argued that “the formulation of policy objectives should not only aim to utilize national resources for tourism development, but also to ensure their sustainability”⁷¹⁰. In other words, a balance is required between public interests and public service principles especially during the programme formulation stage, in order to achieve dynamic, effective and efficient tourism.

What I have also noticed is that because of the complexity linked to it, the tourism objectives are often vague and unrealistic⁷¹¹. This mainly occurs when they do not align well with the objectives of related sectors. For example, almost all tourism establishments will need clean water and electricity; thus tourism objectives need to take this into account. For this reason, it is necessary to carefully examine what provisions seek to acknowledge the factors within a particular implementation environment. An implementation structure is not an organization but a composition of subsets of members within a variety of organizations which view a programme as their primary interest. It should therefore always be seen as a vehicle through which ‘purposive actions’ are taken so that the organizations involved achieve their goals⁷¹².

In considering future development and support for the sector, a clear vision is required of how tourism fits into the economy. A further consideration is that tourism’s contribution to national imperatives is not necessarily a priority at sub-national level. For example, in a country such as Zambia, “tourism is based on wildlife (dependent on the future sustainability of the environment); hence it is organized to contribute to rural development”⁷¹³. There is an ever growing need for the diversification of the tourism product, especially in agricultural and rural areas and social settings. The managing an implementation structure has built-in

⁷⁰⁸ Gunn, C.A. (1998) *Tourism Planning, Basics Concepts Cases*, (3rd edition, Washington DC: Taylor and Francis) p. 5.

⁷⁰⁹ Hall, C.M. and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

⁷¹⁰ Elloit, J. (1997) *Tourism Politics and Public Sector Management* (London and New York: Routledge) p. 96.

⁷¹¹ Lickorish, L.J., and Jenkins, C.L., (2002) *An Introduction to Tourism* (Oxford, Auckland, Johannesburg, Boston, Melbourne and New Delhi: Butterworth Heinemann).

⁷¹² Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall).

⁷¹³ Lickorish, L.J., and Jenkins, C.L., (2002) *An Introduction to Tourism* (Oxford, Auckland, Johannesburg, Boston, Melbourne and New Delhi: Butterworth Heinemann) p. 171.

potential for diversity in that programmes are often implemented by a cluster of parts of public and private organizations; this brings a wealth of diversity to the tourism product⁷¹⁴.

The major characteristic that differentiates an organization from the implementation structure is that in the latter, there is a less formal structure and fewer authoritative relations; the structure is more dynamic and shifting. An implementation structure consists of a cluster of actors and is not a legally defined entity with its own building and corporate charter. In an ideal situation, the decisions to participate in a “programme should not be are ‘fuzzy’ but they should be based on consent and negotiation”⁷¹⁵. It is critical to note that an implementation structure is more likely to be “self-selected than designed through authoritative relationships”⁷¹⁶. This means that an implementation structure could exist in a context where participation is voluntary and not even permanent. A program champion or entrepreneur within a particular organization could simply identify an opportunity in the form of a project and engage with it. This individual does not necessarily belong to the organization formally charged with programme implementation.

For example, a national tourism department could launch a programme aimed at empowering small tourism businesses in various provinces. A private organization in the same location could partner with government to provide a particular element of training and disengage once its task is done. This is not uncommon in the tourism sector, where seasonal actors will join the implementation structure to benefit from a particular annual event and then re-focus their attention on other areas of business. The lead organization needs to have a system to manage this process and relationships.

The organizations’ perceptions and relationships are legally organized and defined by set boundaries (rules and regulations). So making decisions in this context is bound to be successful; this is not the case in an implementation structure, where there is an element of voluntarism, free will, consensus and spontaneity⁷¹⁷. One of the critical expectations of the lead organization is that it has a system to plan and manage. This includes managing the key

⁷¹⁴ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publications).

⁷¹⁵ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall) p. 230.

⁷¹⁶ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall) p. 231.

⁷¹⁷ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall)

elements of production, which include “organizing projects, mobilizing resources (budgeting and investments), effectuation (execution and performance) and evaluation of the implementation structure”⁷¹⁸. The DEDT/DACT/TKZN lacks a comprehensive stakeholder and partnerships strategy. This raises the question of how they plan to coordinate a voluntary association of resourced and opinionated entrepreneurs. In simple terms, it can be stated that organizations and implementation structures differ in that some are better informed, financed and resourced, and more powerful and independent than others. These differences play themselves out in the construction of culture, values and beliefs, goals, size and location, capacity (technology and skills), resources (human and financial), history and credibility, actors and their influence (personalities), power, discretion and authority, vested interests, and the nature of services and commitment.

It is important to note that policy implementation takes place under the norm of responsibility and accountability; it is for this reason that the DEDT/DACT/TKZN is the lead organization. In other words, it is recognized as “the focal organization and custodian of tourism public policy at provincial level”⁷¹⁹. An implementation structure comprises of subsets of members within organizations which view a policy programme as an opportunity to serve their interests. For example, they are those that are interested in achieving their business ambitions through establishment such as hotels and casinos, and those who mix conservation, business and heritage, such as EKZNW and Isimangaliso Wetlands Park which are leaders in ecotourism (camps and lodges). As noted earlier, contemporary organizational management confronts a new set of challenges. Amongst the key challenges is “managing relations with partners, which is achieved by establishing contact, aligning objectives, improving interactions and sustaining relevance”⁷²⁰. This is a typical inter-organizational relations exercise, which is centred on exchanges, transactions and interdependencies between organizational actors. These interactions result in the creation of regular patterns of relations. Again, the DEDT/DACT/TKZN has to demonstrate how this process has been managed.

This new pattern and relationships manifest themselves in various components of organizational operations, mainly at institutional level. At the practical level, new behaviours

⁷¹⁸ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall) p. 233.

⁷¹⁹ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall) p. 303.

⁷²⁰ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p. 133.

and resources exchange have the potential to disorganize and rearrange existing organizational rules, regulations and procedures. This forces an organization to revisit its strategic approach, which later impacts on policy management as a whole (i.e. national programme reception, conception, interpretation and application). One of the EKZNW's core strategies was prioritizing partnerships. This organization successfully made the adjustment from a focus on its traditional, purely conservation approach. This is reflected in its organogram that shows a fully-fledged Unit for Partnerships, Programmes and Projects. This has enabled EKZNW to secure grass roots, community partnerships. The phenomenological approach to implementation structures focuses on the properties of the processes of implementation, rather than the top-down perspective. These properties are crucial to this study. They include organizational complexity, self-selection of participants, the multiplicity of goals and motives and localized discretion⁷²¹. In this study, organizations are analysed as part of a network of organizations which form an implementation structure. It is within this structure that inter-organizational interaction takes place and where actors negotiate within set organizational arrangements.

It is crucial to note that power and influence are accessed and exercised through the level of resources that are committed. This is complicated by the fact that this inter-organizational process is "embedded within a range of vertical and horizontal relations between organizations involved in the making and implementation of policy"⁷²². In such a context, conflict and disagreements are bound to exist, especially in relation to standards and objectives, policy and resources within the given economic, political and social conditions. And this is essential in that the inter-organizational theory is built on organizational science, which reflects on organizational performance and success, hence to some extent an organization's survival depends on its sustained connectedness with other organizations. An assumption can therefore be made that the success of the DEDT/DACT/TKZN is linked to its effective management of relations between itself and its implementation structure, which is composed of non-governmental and private stakeholders. Part of this understanding is the fact that the members of this structure may have different values, perspectives, and priorities from one another and from those advocating the policy⁷²³. As a lead organization, the

⁷²¹ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall).

⁷²² Hill, M. and Hupe, P. (2002) *Implementing Public Policy: Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publications) p. 163.

⁷²³ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader, Practice and Hall).

DEDT/DACT/TKZN is faced with the enormous challenge of reaching out to these organizations and reconciling its own values with theirs.

Another challenge is that “the inter-organizational policy implementation process sets high standards, especially for public organizations”⁷²⁴. The DACT will find itself stretched, especially at operational level, as implementation managers have to know how to negotiate, procure and access relevant resources such as facilities, capital, knowledge, technology, information, expertise, time and other necessary commodities to fulfil public service objectives. Hence it is important that variables such as actors, processes, decisions, power and value are explored in order to determine how they play out under current circumstances and made recommendations for future improvement.

Summary

This chapter explored some of the elements of cooperative tourism management and its dynamics. In conclusion, it is important to point to the legal and policy provisions. Prior to and during the decade under study, tourism policy was spelt out in the Tourism Act of 1993, the National Guidelines for Responsible Tourism of 2002, and the White Papers on the Development and Promotion of Tourism, 1996 and 2008. These policies did not provide adequately for institutional frameworks to facilitate inter-organizational relations. As a result, I conclude that the period 2000 to 2010 was a foundation and consolidation phase in that this decade was devoted to the consideration of policies and strategies. It is clear that the public tourism organizations, particularly the DEDT/DACT, and TKZN were not able to achieve 100% implementation but were instead involved in drafting relevant policies and strategies to improve tourism management. All the annual performance plans and strategies indicated that there was very little missing in terms of visioning (the bigger picture and tourism potential); the challenges lay in insufficient skills, resources, organization and legislation. This is borne out by the fact that almost all the spheres of government were better organized and prepared in 2010 than they were in the year 2000.

It is acknowledged that tourism development is currently solely driven by the private sector; hence massive work needs to be done to assist public agencies to design and achieve their

⁷²⁴ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London; Sage Publication) p. 180.

own objectives. Part of this realignment and transformation has been the establishment of a National Department of Tourism, ensuring a functioning cluster system (at national and provincial levels), South Africa's Tourism Planning Toolkit (2010), the Domestic Tourism Growth Strategy (2010-2020), National Heritage and Culture Strategy (2013), National Rural Tourism Strategy (2013), and a Tourism Bill (2012), which will soon be signed into law. The NDT hosted the Local Government Tourism Conference from 26 -27 February 2012 that focused on policy issues, policy alignment, planning for tourism and capacity to delivery on plans. This is a serious gesture that indicates a commitment to reposition local government to become a major shareholder in the implementation of tourism policy. Since 2010, many other pieces of legislation and tools to support effective tourism development have been approved and put into practice⁷²⁵.

These developments have had a massive impact in how the lead agencies structure their annual performance plans (APP). For example, the DEDT 2011/2012 plan reflects a serious intention to partner with EKZNW because they have being successful in managing ecotourism in the province, especially in rural areas. Again the DEDT aims to implement tourism capacity building programmes at local government level, establish District and Local Tourism Forums, ensure that funding is available and provide orientation on relevant legislation⁷²⁶. All these initiatives point in the right direction in securing effective partnerships for tourism policy implementation.

⁷²⁵ These include amongst other things, the Republic of South Africa: *National and Provincial Spatial Economic Development Strategy* (PSEDS), Republic of South Africa: *National Tourism Sector Strategy* (NTSS), KwaZulu-Natal: *Provincial Growth and Development Strategy* (PGDS), KwaZulu-Natal: *Strategy on the Professionalization of Tourist Guides*, Republic of South Africa: *The South African Tourism Planning Toolkit for Local Government* (2010), Republic of South Africa: *National Heritage and Culture*, and Republic of South Africa: *National Rural Tourism Strategy*.

⁷²⁶ These plans include the establishment of the KZN Tourism Fund, and targeted support for tourism strategy development to some of the struggling municipalities, which include Amajuba, Hlabisa, Kokstad, Ukthukela, Umhlabuyalingana, and Jozini.

CHAPTER 6

ANALYSIS OF INTER-ORGANIZATIONAL TOURISM MANAGEMENT

Introduction

This chapter presents an analysis of cooperative tourism management practice in order to explore the dependencies and dynamics related to inter-organizational relations and performance at tactical and operational levels. Through this focus on cooperative tourism management, I wish to highlight the actions and in-actions (role and effort), on stakeholder/shareholder management with the scope of the Provincial Tourism Forum, where District and Local Municipalities participate. This will include views and perceptions around issues of upholding values of responsible tourism and also on organizational adaptation. . This includes a discussion on the inter-organizational chains that exist within the operational space shared by numerous actors. Secondly, network management embraces and appreciates the everyday dynamics that confront contemporary public actors. This mean that I study the management of interaction and at the same time reflect on the management of a network, which could also be an implementation structure, depending on its actual set-up.

BACKGROUND TO COOPERATIVE TOURISM MANAGEMENT

Two of the most significant concepts and practices that influence how I view tourism management are social risk and responsible tourism. In earlier chapters, I referred to the risks and benefits associated with trust, loyalty and agreement on priorities as political alignment, where there is an understanding between provincial, district and local municipal councils. Bulhalis observes that, “tourism firms share critical information, resources and decisions without knowing the exact outcomes of it, and often market their supply of products and services together with other local tourist firms”⁷²⁷. This level of social and economic risk is a built-in dichotomy between investment and benefits that shapes cooperative tourism relations and represents a massive management challenge. It is an environment in which there are no guarantees that the expectations of private actors will be met. Government actors’ role is that

⁷²⁷ Bulhalis, D. (2000) *Relationships in the distribution channel of tourism: Conflicts between hoteliers and tour operators* (in) *Global Alliances in tourism and hospitality management*. Crotts, J.C. Bulhalis, D. and March, R. (eds), pp. 113-140 (Birmingham, NY: Haworth Hospitality Press).

of managing expectations; they attempt to create a sustainable, positive and calm environment that exudes trust and loyalty, through which stakeholders can contain the risks in investing in tourism development.

There is a fundamental inconsistency between the administrative arrangements and policy paradigm in the tourism sector. This mainly relates to the way in which the organized interests and the formal power structures have interacted around issues of compliance and regulation⁷²⁸. This became evident when I observed where the organizational emphasis was located. The provincial administration had a broad and vague conception of how partnerships could produce practical social benefits; yet TKZN's orientation was more commercial. In other words, TKZN was not able to domesticate provincial priorities which included that tourism development should enhance social benefits.

One of the reasons for this dichotomy might be insufficient financial resources to enable the realization of social benefits through tourism development. One would hope that such alignment could be achieved through the cluster system⁷²⁹. Linked to this misalignment is the lack of intense management of the drift⁷³⁰ that has been taking place in efforts to achieve social value and benefits through tourism. For example, EKZNW has mainly relied on its own initiatives and the communities adjacent to its ecotourism establishments for sustainability and continued success. They have maintained links with the relevant authorities (attendance at the PTC and PTF), while ensuring that they create tourism products and negotiate social value with the communities they serve. Indeed, EKZNW claims to be a leader in the implementation of community development and social responsibility programmes.

Responsible tourism has become a central feature and a guiding measure for the public sector organizations that are responsible for managing tourism. It reflects the government's social contract with citizens. This requires the prioritization of community development and social

⁷²⁸ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press).

⁷²⁹ The cluster system was established to facilitate resourceful, cross-sectoral thinking on public policy issues and to ensure an integrated approach to policy-making and governance of the province (Cabinet Manual, 2011, Office of the Premier, KwaZulu-Natal) p. 37.

⁷³⁰ This refers to the gradual, decisive movement of the sector's policies, administrative arrangements, and inter-organizational resource dependencies.

partnerships. However, it is important to note that government's involvement in tourism in South Africa is both passive and active. At mandatory and support level, there is strong and sound provision for cooperative governance which is critical for the development, packaging and marketing of tourism. This is critical for this study in that cooperative governance opens up the space for external actors to contribute to the implementation of tourism programmes.

Responsible government involvement in tourism is represented by a commitment to the practice of responsible tourism and the strong application of developmental and managerial provisions and practice. There is a connect at institutional and organizational level in that the PSDS, PGDS, IDP, LED⁷³¹ and tourism strategies mainly at provincial and local governance levels aim to enhance a coherent approach to and the practice of sustainable tourism development. At strategic level, the provincial department is linked by law to the broad implementation of the developmental agenda and is also responsible for supporting developmental local government. At operational level, both municipal leadership and management are mandated to ensure mass participation and enhanced sector involvement in tourism projects. This lays a sound basis for the effective practice of 'just tourism' that benefits host communities and participating actors.

Alignment of Policy, Structure and Strategy

Alignment in the organizational structure, policy and strategy is essential in actors joining and committing to the implementation structure. Their participation hinges on the perceived (and sometimes guaranteed) benefits that emanate from the organizational structure (leadership, coordination and culture), policy (resources and intentions) and the strategy (the actual objectives and outcomes). The content of initiatives, programmes and projects therefore matter and determine actors' participation in, commitment to and investment in an IOR set-up. Serious deviation from the original policy intentions and objectives and a failure to address real social problems could compromise and delay social justice and development. The governance and institutional processes are so adaptable and flexible that serious damage could occur at the grassroots level. For example, negotiations and consultations to reach

⁷³¹ KwaZulu-Natal, *Provincial Spatial Development Strategy* (PSDS), KwaZulu-Natal, *Provincial Growth and Development Strategy* (PGDS), Local Economic Development (LED), and the Integrated Development Plan (IDP).

clearer decisions, extensive participation to increase legitimacy, and negotiated implementation cause delays in the delivery of critical services.

For many stakeholders, the importance of the best fitting organizational design and structure has always been one of the neglected elements in the management of tourism in KZN. The lead organization has recently made attempts to address this issue. The DEDT and KZNSB sponsored and facilitated an organizational design exercise to benefit less privileged stakeholders. This engagement, that aimed to enhance annual organizational strategic planning and inter-organizational financial transactions, was known as the Shareholder's Compact⁷³². It is noted that, the structures score differently when evaluated separately for implementation process and output, thus suggesting that the structure-policy problem is more intricate. Structures for inter-organizational implementation can indeed be compared, such "comparisons should be an important part of inter-organizational policy management"⁷³³. One of the concerns I have is that the legislation provides for more than what the organizational structure can achieve; this structure-policy challenge is proving to be a serious constraint in cooperative relationships.

Within the period under study, the DEDT/DACT was not proactive in taking advantage of integrated decision-making in the reorganization of its agencies to effectively implement their mandate and in responding to the challenges. Firstly, the DEDT/DACT was slow in planning to serve assertive community organizations; hence capacity constraints continue to negatively affect district and local organizations and associations. A well-managed and coordinated process of internal assessment and reorganization would have resulted in a new organizational structure to strengthen the DEDT/DACT, and TKZN's efforts to ensure that tourism benefits all. As a result, local CTOs are struggling to be effective. Secondly, tourism as a policy sector has not been closely monitored for effective reorganization. It thus becomes difficult for integrated tourism programmes (inter-organizational resources dependent) to be implemented for social benefit.

Most organizations are structured in such a manner that they are represented at all levels of the governance (service production) chain, so an organization will therefore operate at

⁷³² KwaZulu-Natal, *Provincial Tourism Forum (PTC)*, Meeting, Didima Camp (Uthukela District): 20 November 2009.

⁷³³ O' Toole, L.J. (1993) *Inter-organizational Policy Studies: Lessons Drawn From Implementation Research* (Journal of Public Administration Research and Theory, 3, 2), pp. 232-251.

“policy (based on constitutional imperatives), institutional (organizational directive and set-up) and micro (programme and operational) levels”⁷³⁴. It will then have to manage relations in its operations at all these levels. The fact that a wide range of actors is scattered over all the levels of the chain creates an inter-organizational relations context where roles and tasks are negotiated, competence and expectations are tailored, the basis for compliance is clarified and partnerships are realized. It must be noted that a contemporary organization is not fixed, it has no choice but to be flexible in order to remain relevant and survive. In the changing organizational context, there is recognition that organizational success is linked to the acknowledgement of the interdependence of organizations⁷³⁵. Organizations find themselves engulfed by strong external forces and operate within new societal formations. Amongst these external forces are government agencies (or departments) who are mandated to enforce particular prescripts such as legislation and policies. In short, organizational changes are informed by and reflect transformation at social, political, economic and cultural levels of society.

As a result of this transformation, contemporary organizations have no choice but to look outward, be innovative, decentralize, be diverse and strive to adapt. These characteristics are obviously contrary to the ‘traditional organization’ which was rigid, formalized, hierarchical, centralized, bureaucratic, single-task orientated and self-focused in nature. In line with the democratic dispensation that many states have embraced, a contemporary organization is open, consultative, responsive, and transparent and engages or interacts with its environment⁷³⁶. The changes described above demand a new form of leadership, especially from government. As part of the new contemporary organizational environment, government has to realign its structures in recognition of the changes and prepare to deliver within new governance challenges, particularly in implementation. For each and every government mandate, there is a department or agency directed to manage affairs related to that mandate; this introduces the notion of a ‘lead organization’.

As noted above, policy programmes attract many actors; a lead department will be responsible for each programme. The DACT is responsible and accountable for the

⁷³⁴ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publication) p. 189.

⁷³⁵ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

⁷³⁶ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

management of the tourism portfolio in the province of KZN. To further explain DACT's position and function, it is not the coordinating unit *per se*; rather, its mandate is bigger and broader, with the coordination function being one among many⁷³⁷. Alexander notes that the success of a lead organization operating in a mandated framework is "determined by the strength of its mandate and its willingness to use its authority to impose sanctions or allocate resources"⁷³⁸. This implies that the expectations of the lead organization are different and high in that it possesses authority. The question that arises is how well the lead organization uses the powers at its disposal to get things done. Secondly, the lead organization should be capacitated to be effective in its operations. This implies that it has the power to procure and employ relevant services to achieve the required goals; this expectation cannot be compromised if policy objectives are to be accomplished.

It is of great importance that the lead organization operates as a network management agency, meaning that it has mechanisms in place to coordinate projects and support other actors within the implementation structure⁷³⁹. These mechanisms come in different forms and could include guidance on the nature of projects (objectives and timeframes), the demands of projects (commitment and agreements), and the management of actions (flow of information and resources). This is critical for the DACT because to large degree its success lies in how well it manages its implementation structure, the implementation network. The DACT has to undertake many technical exercises, including screening the actors in terms of their commitment to resolving the public problems in question (the targets of the project) and their readiness to adapt their institutional arrangements in order to honour their part of the deal. It is important to note that inter-organizational implementation theory conceives the network (the implementation structure) as a vehicle for the execution of decisions.

As indicated, in an inter-organizational implementation context, the public actors (leadership within the DACT), will assume the role of network manager (the broker or facilitator). Unfortunately for the DACT, this requires that the network manager plays a less dominant role at the same time as being accountable for the outcomes of implementation. This translates into the fact that the DACT has to avoid representing its own goals and interests

⁷³⁷ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

⁷³⁸ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 183.

⁷³⁹ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations*. (New York: Oxford University Press Inc).

within the implementation structure⁷⁴⁰. The concern that arises is the kind of tourism public policy that is implemented if the custodians of the function are pushed aside from the decision-making arena by forces within the implementation structure.

In concluding this discussion, I refer to the organizational science approach to defining inter-organizational theory. The important elements in this approach include the actors, processes, decisions, power, information and values⁷⁴¹. Actors within an organizational setting create a network of organizations. The processes acknowledge the arena within which inter-organizational interaction takes place, where transactions and exchanges occur. The decisions that are taken signify the outcomes of the interactions, which emerge as a result of negotiations between actors and organizations. Linked to these features is power, which in this context plays a major role; however there is a central authority structure and power depends on the abundance and/or shortage of resources. Finally, access to relevant information is a power resource and values signify the potential conflict that may arise from the fact that actors and organizations have different and conflicting goals⁷⁴².

The public sector agencies appear to span boundaries in that they are active players in inter-organizational networks, where client referrals and processing, grants and programme development, and funding, procurement and supervision of third party service providers take place. These consist of more durable, on-going interactions between liaisons or boundary spanners in their task-related roles⁷⁴³. Similarly, in the private sector, functional areas such as investment, finance, manufacturing and subcontracting, advertising and marketing, purchasing and personnel generate inter-organizational networks which modify the perfect market. What I have noticed is that as part of adapting and coping with the complex demands municipal business environment, a few District municipalities have cooperated with business to establish development agencies. For example, uMkhanyakude has Umhlozinga Development Agency (UDA), and Ilembe District Municipality (IDM), has Ilembe Enterprise

⁷⁴⁰ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc)

⁷⁴¹ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organisations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School).

⁷⁴² Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p. 20.

⁷⁴³ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

Development Agency (IEDA). And one of the major focuses of these agencies is to facilitate economic development and tourism.

APPLIED TOURISM COOPERATIVE MANAGEMENT

As noted earlier, this chapter examines cooperative management, which is mainly about partnerships, and collective and adaptive management. I use this concept as it best presents inter-organizational relations within the tourism implementation context. Cooperative management best describes how the tourism network (the provincial tourism forum, tourism district and tourism local forums) was structured and managed to promote IOR implementation. This is evaluated in terms of how well cooperative partnerships, collective management and adaptive management are prioritized and aligned. The Provincial Tourism Forum (PTF), the domestication of projects, the execution of instructions (provincial and district recommendations), and the empowerment of the street level bureaucrats (SLB) interactions such as the tourism officers, and IDP and LED officials form part of this analysis. The experiences of the inter-organizational chains are the essence of this chapter; this is located within the context of the PTF, which is chaired by the Chief Executive Officer (CEO) of the KwaZulu-Natal Tourism Authority (TKZN). The discussion focuses on inter-organizational service delivery, that is, the tourism institutional structure, infrastructure and tools for effective tourism development.

The concepts of cooperative governance and cooperative management locate stakeholder and shareholders' interactions within the implementation process. Cooperative management is associated with cooperation, partnerships, and collective and adaptive management; these concepts are critical to the definition of inter-organizational theory. This chapter thus examines how tourists, local people, tour operators (service providers), government and others are affected and interact within the broader implementation context. Finally, this chapter focuses on inter-organizational governance, which involves the promotion of horizontal governance, communication governance and network governance in implementation.

The concept of cooperative management emerges from the broader conception of new public management, contemporary governance and the practice of governmental relations. It acknowledges working together, dialogue, engagement and the proactive participation of

various stakeholders in the tourism sector. Participation and interactions take different forms at different levels of operational governance (implementation). The diagram below illustrates some of the elements of this management approach.

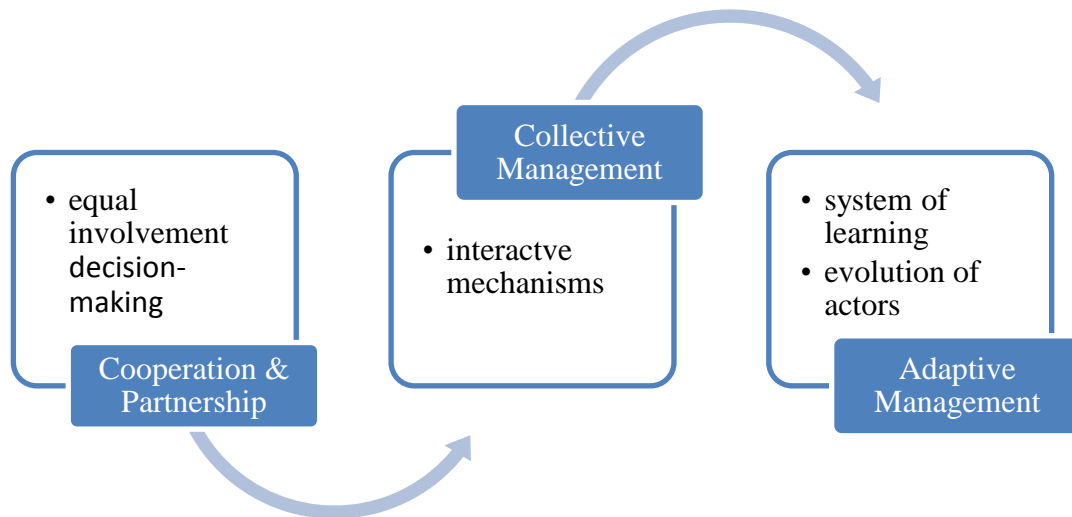


Figure 12 Key Elements of the Cooperative Management Approach.

Amongst a variety of shareholders and stakeholders, government is the one that primarily, will need to use tourism as a tool to effect and inspire social change and benefits. In one way or another, each and every stakeholder is dependent on other stakeholders; this implies that there should be equal participation in dialogue and decision-making. This process culminates in a web of relational and communicative governance systems and patterns⁷⁴⁴. In practical terms, different tourism products and services act as the current through which relationships are established, nurtured and sustained. Partnerships are forged because everybody has to form them in order to have access to the inputs which make up a complete tourism product. The nature of the interactions in a partnership obliges the participating organizations to respond to the implementation environment. Partnering provides an excellent opportunity for organizations to learn more about themselves and their external environment.

Collectively, partners set the agenda and make decisions about implementation. This introduces a wide range of dynamics because partners represent organizations with distinctive goals and identities. It is at this point that the elements of a cooperative relationship are

⁷⁴⁴ Fennel, D. (1999) *Ecotourism*, (3rd edition, London and New York: Routledge).

defined and executed. In practical terms, issues of co-management became a reality and partners start to worry about how they will retain their identity. This demands that every stakeholder is clear and realistic about their intentions in collaborating, and makes conscious decisions about committing to the terms of contracts⁷⁴⁵.

The process of stakeholder/shareholder coordination and also organizational communication, rather the management of the communication process is a major ingredient and central in determining success or failure. Successful collective decision-making requires adjustment and adaptation to partnership agreements. This implies that successful tourism programme implementation is people-centred because the final tourism product needs different ingredients which are possessed by various partners. Furthermore, this evokes issues of power relations, trust, equality, etc, that force organizations to apply adaptive management to cope and be successful under changing conditions⁷⁴⁶.

Pursuit of Operational Governance Synergy

The process of managing implementation partnerships is a critical focus of this study. The careful alignment of modes of operational governance is becoming more important. These include enforcement (government by authority), performance (government by transaction), and co-production (government by persuasion). More than ever before, the implementation context requires that governmental organizations avoid the excessive application of any of the stated operational modes of governance. There is an interesting connection between the political, administrative and operational elements of implementation. If built and nurtured, this synergy becomes an advantage in securing sound relationships, communication, interactions and networking amongst the stakeholders, especially those in the public sector.

At the political level, this synergy is represented by the KZN Cabinet, the Cabinet Cluster, the Member of the Executive (MEC), and the Head of Department (HOD). The MEC uses the PTC as an instrument to coordinate tourism programme support. At strategic leadership, it is represented by the TKZN Board, the Chief Executive Officer (CEO), and Chief Operations Officer (COO); the CEO uses the PTF as an instrument to secure commitment. Finally, the

⁷⁴⁵ Fennel, D. (1999) *Ecotourism*, (3rd edition, London and New York: Routledge).

⁷⁴⁶ Fennel, D. (1999) *Ecotourism*, (3rd edition, London and New York: Routledge).

Mayors, Municipal Managers (MM), the IDP Performance Management System (PMS), and LED/Tourism Officers represent this synergy at the technical level and, and the strategic tool for the Mayor to secure commitment from all actors is the DTA or DTF, i.e. Amajuba Tourism Forum (ATF).

The above discussion reflects that, as much as cooperative tourism management enhances the practice of horizontal governance, in many ways, national government provides the strategic direction and supports domestication at provincial and local government levels. While it is true that the cooperative governance provided for in South Africa's Constitution enables local authorities (Municipal Councils) to craft and implement their own tourism initiatives, legislative overlaps make it possible for both national and provincial administrations to directly influence local tourism strategies and operations. One of the interesting findings of this study is that huge effort was put into ensuring that tourism was utilized as one the key elements in expanding access to economic opportunities. Hence, intergovernmental and inter-organizational relations were established and investment was made in the implementation of tourism programmes. The DACT and TKZN were required to ensure that the strategy and structure reflected this new approach, which emphasized that tourism has to benefit more people, especially host communities.

Between 2003 and 2005, there was a political change in the provincial structure, in that the ANC took over from the IFP; this had massive implications for tourism development and marketing. From what I observed during my time as the Management Executive Committee (MEXCO) secretariat in 2003 and 2004⁷⁴⁷, despite the political upheaval, there was common understanding of the need for cooperative governance to improve joint programme development. Again, it was recognized that for this to succeed, the focus should be empowering local government and local communities, because local government has an important role to play in fostering the conditions for good and cooperative governance. Thus the province was supposed "to embark on a comprehensive capacity building programme for local government, in order to better position it to contribute to governance processes, with a focus on institutional, political, technical and administrative capacity"⁷⁴⁸.

⁷⁴⁷ KwaZulu-Natal, *Management Executive Committee*, a forum attended by the Heads of Department (HODs) of provincial departments, and chaired by the Director-General (DG), of the province of KwaZulu-Natal.

⁷⁴⁸ Worthington, A. C. and Dollery, B.E. (2002) '*An analysis of Recent Trends in Australian Local Government*' (The International Journal of Public Sector Management, vol. 15, 6) pp. 496-515.

The promotion of good and cooperative governance involves identifying the barriers to and opportunities for participation and opening dialogue with individuals and agencies with an interest in tourism⁷⁴⁹. Related issues such as strategy and coping, marketing and communication, problem solving, and joint image building provide a platform to practice cooperative tourism management. While stakeholders will hold different opinions, the target should be to achieve and sustain consensus, and progressive and beneficial relations. Given the complexity of the tourism agenda and the sector, some actors such as District Municipalities have been accused of competing instead of cooperating; this is not surprising given the blurring of municipal boundaries. The interpretation of values and goals will always vary and be applied according to the context and perceived benefits. A classic example is Zululand (the Abaqulusi Municipality), where Amajuba, Umzinyathi and Uthukela District Municipalities have claimed the Battlefields tourist attraction as their own. While avoiding passing judgment on who is right and who is wrong, this is a serious misallocation of resources. While this could encourage cooperation, there is a lack of creativity and local innovation.

In instances like these, inter-organizational theory and practice become critical in that they propose partnerships and consensus-based decision-making. This is essential given the different interpretations of responsible tourism between the government and the private sector⁷⁵⁰. For government, the term implies sustainable development and securing public benefits, while for the private sector, it implies ensuring the ecological and financial viability of ecotourism ventures, with a small element of social responsibility. Inter-organizational coordination mechanisms are required to craft appropriate strategies to intervene in the existing structure of interrelationships in order to promote and facilitate beneficial interdependencies and progressive interactions. Again, this is not to imply that inter-organizational relations, partnerships and networks and the implementation structure undermine or take for granted the concept of management. If coordinated and executed effectively, an implementation structure can enhance and elevate the practice of management.

⁷⁴⁹ Municipal Association of Victoria (1997).

⁷⁵⁰ Especially as most District and Local Municipalities use consultants to draft their tourism strategies. For example, the Dannhauser Local Municipality used the services of ADEC Consultants >www.adec.za.com> (draft Tourism Strategy, 2006); and Amajuba District Municipality used the services of Urban-Econ Tourism Economists > www.durban@urban-econ.com < (Amajuba Tourism Strategy, 2012).

The practice of cooperative tourism governance demands that the lead organizations ensure policy communication, which is an on-going dialogue between state, regional and local agencies with a policy interest in tourism in order to enhance awareness and sustainability and minimize conflict. In a context of well engaged and participative communities, there is social ownership of the long-term vision for the development and management of the community. In this context, tourism is viewed as a shared development enterprise in that expertise is transferred, and transparency and accountability are possible.

As reflected in the Tourism Strategy of Amajuba District Municipality, there have been recent improvements in most local organizations with regard to collaboration, cooperative budgeting (i.e. the launch of a tourism investment promotion strategy), vision, leadership, and clarity of roles and responsibilities. This emerged from local debates, which resulted in a search for clarity on operational structures and processes for framing and conducting decision-making. The results include massive self-learning, and plans to ensure flexibility and adaptability, because the tourism industry is diverse.

Reflection on TKZN'S Strategic Tourism Management Framework

An organization's strategic management approach or framework should locate it within its business comparative advantage. In this context, I examine the inter-organizational systems function that best describes and characterizes tourism business communities. What must also be noted is that, in many destinations, there are intermediaries who have become community builders and enablers for cooperation and have allowed for the coexistence of cooperation and competition. A fluid and dynamic medium which encourages trials and low initial investments helped to overcome prior obstacles to developing an IOS and cooperative marketing⁷⁵¹. It is important to note that government agencies are just one of the shareholders and stakeholders that are trying to use tourism as a tool to effect social change. Each and every stakeholder, in one way or another, is dependent on other stakeholders; this implies that there should be equal participation in dialogue and decision-making. This process culminates in a web of relational and communicative governance systems and patterns⁷⁵².

⁷⁵¹ Klein, S. and Tschanz, N. (1997) *Web-enabled Cooperation: A Case Study from the Region of Lake Constance* (University of St Gallen and University of Loblentz-Landau).

⁷⁵² Fennel, D. (1999) *Ecotourism*, (3rd edition, London and New York: Routledge).

Within the marketing and communication strategic conception, TKZN has put emphasis on building, strengthening and sustaining relations with the International Convention Centre (ICC) and Durban Tourism⁷⁵³. This excludes relevant actors like EKZNW and the Zulu Royal Household (traditional leadership), that wish to be elevated to shareholder status. Tourism development places more emphasis on urban and commercial tourism enterprises (mainstream tourism) and focuses less on people. By implication, social and rural tourism, and cultural and heritage tourism, are excluded. Such a development approach is not holistic. Indeed, to a greater degree, it excludes sustainable and responsible tourism⁷⁵⁴. Finally, the Tourism Information Service and research also places less emphasis on people, which are a huge part of the tourism experience and product⁷⁵⁵.

In their own way, the different tourism services and products become the current through which relationships are established, nurtured and sustained. Partnerships are forged because everybody has to partner in order to have access to the inputs which makes up a complete tourism product. It is critical to note that organizations in partnership are forced by the nature of the interactions to respond to the implementation environment. Partnering provides an excellent opportunity for organizations to learn more about themselves and their external environment. It is expected that the partners will collectively set the agenda and make decisions about implementation. This introduces a wide range of dynamics because partners represent organizations which have distinctive goals and identities. It is at this point that the elements of cooperative relationship are defined and executed. In practical terms, issues of co-management became a reality and partners start to worry about how they will retain their identities. This demands that every stakeholder is clear and realistic about their intentions in collaborating and makes conscious decisions about committing to the terms of contracts⁷⁵⁶.

Inter-organizational Relations and Chains

To elaborate on the level of complexity in the contemporary implementation context, I briefly refer to inter-organizational chains. This refers to a situation where there is a chain of

⁷⁵³ While emphasizing the ICC and Durban is not wrong *per se*, this kind of thinking perpetuates massive development in already developed areas such as the coastal brand-holders (mainly Durban).

⁷⁵⁴ Tourism KwaZulu-Natal, *Annual Report* (2009/2010).

⁷⁵⁵ (EKZNW, Interview 22).

⁷⁵⁶ Fennel, D. (1999) *Ecotourism*, (3rd edition, London and New York: Routledge).

connected organizations, synchronization of activities and information within a chain, expectations of information transparency across a supply chain, and the creation of value through a shared value chain system⁷⁵⁷. One of the most successful collaborations that emerged before the end of 2010 was the crafting and implementation of the KwaZulu-Natal Tourism Master Plan (KZNTMP)⁷⁵⁸. The stakeholders were divided into the Tourism Development and Planning Working Group⁷⁵⁹, and the Human Resources Management and Service⁷⁶⁰ and Marketing Working Groups⁷⁶¹.

However, of concern is the fact that the KZNPTMP does not guarantee space for local tourism innovation, especially in terms of tourism product development. I am not convinced that indigenous knowledge systems (INKS) are catered for in the tourism skills development framework and practice. While it might be argued that ‘cultural villages’ provide for this perspective, my experience and view is that cultural villages have in fact extracted social benefits from their rightful owners and have furthermore diluted tradition and culture. In short, commercialization has removed culture and traditions from their natural context and packaged them for the tourism market. TKZN’s motto is “demand driven tourism development and marketing”; this is about conforming to what tourists want at the expense of social needs and values.

A useful way to explore the complexity of implementation is taking environmental conditions into account in the inter-organizational implementation process. A set of conditions affects the implementation process; this includes social, economic, technological, political and administrative conditions. Changes in social conditions may impact the interpretation of problems and thus the manner in which the programme is implemented. Similarly, economic fluctuations and changes impact on policy implementation processes, strategies and approaches. The shortage or abundance, and the costs of technology can also be expected to

⁷⁵⁷ Table 3.3 *Three levels of analysis in network research*. Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁷⁵⁸ A plan to ensure the responsible development and management of the tourism potential of KZN, through appropriate planning, development and management tools, techniques and processes: Special Provincial Tourism Committee Meeting: Durban, 26 November 2010.

⁷⁵⁹ Including the TIKZN, KZNSB, EKZNW, OTP, FEDHASA Business Solutions, Signature Life and uThungulu DM.

⁷⁶⁰ Including the TKZN, DTI, Umgungundlovu DM, Zululand DM, uThungulu DM, EKZNW, FEDHASA, etc.

⁷⁶¹ Including the TKZN, TIKZN, KZNSB, Amajuba DM, iSimangaliso Wetland Park, DTI, Durban Tourism, etc.

cause changes in policy. Furthermore, variations in political circumstances also have an impact on implementation.

The administrative apparatus in charge of implementing a policy also has a significant effect. Furthermore, the political and economic resources of the target groups affect implementation. It is expected and natural for powerful groups affected by a policy to condition the character of implementation by supporting or opposing it. It is common for implementers to strike compromises with other groups in order to make the task of implementation easier; this can affect public support and ultimately the actual implementation process. As a result of certain actors wielding their power and influence, many policies witness a decline in support after they have been adopted, providing more opportunity to implementers to alter the original intent⁷⁶².

To conclude, this study found that the key determinants of internal relations and partnerships include political will and strategic priorities, a mismatch in political deployment, management personalities, leadership styles, institutional uncertainty, the availability of resources (human and financial), and the magnitude and importance of projects. Critical priorities and strategic decisions in KZN include the annual Reed Dance, the commemoration of King Shaka (Stanger), commercial projects such as uShaka Marine World, the Dube Trade Port, King Shaka International Airport, etc. All of these have a direct impact on the management, development and promotion of tourism.

Inter-organizational Relations and Learning

It is essential that the lead provincial actor, the DEDT/TKZN, find a way of putting ideas and experiences into practice. The minutes of PFT and PTC meetings are full of ideas and recommendations that could make a huge difference in redirecting KZN-TIS's energy and creating new perceptions of leadership. In other words, inter-organizational learning has to take place at macro-leadership level in order to achieve functional relations and partnerships through regular consultation, engagement and demonstrating openness to innovative ideas especially from CTOs and other local tourism associations. This would activate all stakeholders, resulting in micro-management of incremental positive change. Organizational

⁷⁶² Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition, Canada, USA: Oxford University Press).

actors (i.e. local municipalities) would become proactive in taking responsibility for managing the environment within which member organizations (local tourism associations) interact⁷⁶³. The inter-organizational perspective is a useful way of analysing the problems confronting the tourism sector, which frequently involve questions of organizational design and require changes in the relations amongst organizations⁷⁶⁴. As part of the learning and growth process, one of the critical questions that all actors, especially the lead organizations, should pose is, “how can organizations reorganize themselves to thrive in the contemporary context?” Capacity should be created in the DEDT to manage community outreach, PPPs, engagement with civil society, and intergovernmental relations at a broad level.

TKZN achieved a significant degree of internal cohesion and adaptation, resulting in more joint projects being initiated and implemented. This demonstrates that, TKZN has learned from consistent and on-going interaction and has gradually increased its institutional capacity. It has thus adopted innovative approaches to coordination and exploring organizational alternatives. When actors engage in these intense interactions, they are forced to be creative and quick to understand and unpack the complexity brought by other organizations. Active and continuous stakeholder involvement in the implementation process reaffirms and reiterates trust and more effective exchanges, clarification and categorization of stakeholders. The PTC and PTF leadership is best placed to promote continuous inter-organizational learning, especially the sharing of best practices among the members of the implementation structure.

One of the major determinants of the success of inter-organizational relations for effective tourism implementation is ensuring that collaborative work and cooperative thinking is central in the pursuit of tourism objectives. One of the instruments for enhancing inter-organizational learning and progressive co-evolution is the KwaZulu-Natal Provincial Tourism Master Plan (KZNPTMP). There is a degree of in-equilibrium between the mandatory and optional requirements promoted by this strategy. In the tourism industry, operational activities (establishments) are organized, managed and facilitated by the LTOs, LTBs, RTOs, LTAs and CTOs. This perpetuates simple administrative challenges such as holding meetings after normal working hours and excludes public officials based at the

⁷⁶³ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications).

⁷⁶⁴ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications).

provincial administration, and Districts and Local Municipalities. This means that the ‘support, interventionist and monitoring voice’ of government is not effected and felt.

Inter-organizational Relations and Trust

In the context of this study, I interpret trust to be representing the understanding, the cooperation, appreciation of value and coexistence, and a fair exchange, within the social, political, economic organizational environments, etc. Trust can sometimes be based on and influenced by based the institutional responsibility (legal / legislative), securing economic benefits (regular dependency), certainty, organizational identities, location, historical performance (repeat business and quality), operational courtesy, clear cooperative protocol and behavior, etc. The existence of trust says to those involved that, no stakeholder or partner will take the other for granted, clear, consistent and reliable communication, etc. One of the threats to trust is opportunism, where compliance to the stated requirements is only done to access opportunity and value, and then change and abdicates the responsibility cooperative organizational behavior⁷⁶⁵.

The activities of IOR trust are viewed from a context of attendance and representation which has implications for how the relationships are structured and how they influence joint decision-making. While trust as a phenomenon does not necessarily collapse into economic logic, it is acknowledged that it is an important element in relationships between organizational factors⁷⁶⁶. Forums such as the PTC and PTF provide an opportunity for politicians, administrators and clients (the public) to interact; sadly, in many ways this excludes the private sector that owns a major stake in the tourism industry. The PTC and PTF are mainly attended by officials during working hours, while the CTO and other private sector dominated meetings are organized after hours in the absence of government officials. This lack of representation becomes a source of mistrust and misconceptions about cooperative commitment, in that it may be seem to be selective and an exercise exclusion of those actors that are not or may not be viewed as trustworthy.

The question of representation and attendance are at the heart of leadership’s legitimacy to present and protect organizational interests and overall inter-organizational performance.

⁷⁶⁵ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁷⁶⁶ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

Representative of organizations (i.e. District Municipalities) must also be trustworthy. For example, a representative should have a certain level of competence in the area of tourism. This illustrates that trust is less of a financial issue and touches on a variety of issues, including administrative consistency. This has been the case with private actors, who have been consistent in their business objectives and honest about their investments. In contrast, municipalities and other agencies have not shown the same level of commitment to consistency. For example, the PTC minutes reflect consistent representation of districts by tourism officials rather than councilors (Mayors), who lead the tourism portfolio. Non-attendance and inconsistent representation means that these local leaders make a lower contribution to decision-making.

What is coming out strongly from the interviews and observations is the element of an institutional and identify-based trust that exists, in that the private sector is more trusting within its own circles and also the governmental actors seems to be more trust from amongst them. This could be caused by many factors which could include the political alliances, competency or familiarity with tourism services, the historical tiers or long-term partnerships, etc This study has emphasized the importance of communication and the management of relations amongst actors or stakeholders. The manner, frequency and pattern of communication create the basis for trust to prevail amongst the actors; trust is critical for effective coordination⁷⁶⁷. The role that trust plays in inter-organizational relationships is one that seeks to reduce or limit opportunistic behavior, which may be prevalent in tourism business adventures. The competitive value of relational exchange, or of trust-based inter-organizational relationships, has been noted in the strategic management literature.

Firstly, the literature explores a variety of issues relating to the coordination role assumed by the lead organization. Inter-organizational systems are defined as an environment characterized by a web of shared values, alliances, partnerships, cooperation and networking focused on securing successful implementation. These inter-organizational arrangements define the contemporary implementation context. Secondly, the literature identifies inter-organizational roles and network trust as key elements that are critical to a discussion on coordination. Clarity on roles and building and sustaining trust are regarded as the foundation

⁷⁶⁷ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

for securing effective implementation. This emphasizes the fact that all the cooperating actors need to demonstrate integrity and fairness, as partnerships thrive on honest relationships. Although projects are of short duration, trust sustains implementation structures.

Thirdly, the literature examines the issues of competition, potential, exchanges, expansion, grabbing opportunities, competencies (areas of expertise), new business trends, diversification, changing organizational cultures, etc.; the bottom line for every organization is providing services to a consumer or customer and making a profit. While government is not necessarily in the business of making money, it is important that it achieves its set objectives in a cost-effective manner. In conclusion, the literature emphasizes that the lead organization is the truster and the other actors are the trustees, in whom trust is placed. For example, every disruption in inter-organizational communication threatens the implementation rhythm; ultimately, trust and loyalty suffers and this is a serious risk, mainly for the DACT/DEDT/TKZN as lead organizations. It is the task of the lead organization to ensure that communication channels are always open and active as the actors involved are dependent on one another and their livelihoods rely on the transactions and exchanges that are made. In summary, this elevates the role of the lead organization to that of *network coach* responsible for entry management, and the settlement of relationships between the partners in the 'pool'. Again, the lead organization plays the role of *broker, task manager, project manager* and *auditor*, by managing customer relationships and the order of transactions, process management, project management and addressing competition, through conflict management⁷⁶⁸. This indicates the complexity of the tasks of lead organizations in particular projects. In the context of this study, this means that the DACT will have to execute all these tasks and more to secure effective inter-organizational implementation.

Inter-organizational Relations and Performance

In terms of identifying key attractions and core destinations, "tourism offers some scope for indigenous entrepreneurship as there are extensive government support schemes in post-apartheid South Africa"⁷⁶⁹. This provides a unique approach to branding and product development. This is true for KZN because the tourism brand is based on the Zulu-Kingdom,

⁷⁶⁸ Schneider, B., Reimer, K., and Wehmeyer, K. (2001) *Role and Trust in Inter-organizational Systems* (Germany: Muenster University, Department of Information Systems) (also available on www.wi-ios.de accessed in January 20, 2010.

⁷⁶⁹ Page, S. J. (2007) *Tourism Management, Managing for Change, Second Edition* (Scotland, UK :Book-Power) p. 344.

which honours the culture and traditions of the people that are host communities. Hence, this brand represents cultural, archaeological, religious and heritage tourism, rural and agri-tourism, medical tourism, ecotourism, and adventure, entertainment and sports tourism (e.g. the annual indigenous games festival)⁷⁷⁰.

The strategy for the development of the tourism sector establishes the objectives and guidelines for what needs to be done. Identifying and agreeing on the objectives and establishing priorities must be placed with the community context, where all stakeholders are represented and able to participate fully. In other words, tourism programmes must satisfy the majority of stakeholders' interests. The socio-ecological values and interests are at the heart of this argument in that tourism has to sustain the well-being of local people as well as enable the conservation of the environment. This creates and solidifies the basis for cooperation and partnerships because they make implementation transparent, effective and efficient⁷⁷¹.

The TKZN brand was and still is characterized by Durban (the Playground of the Zulu Kingdom), the North Coast (the Jewel of the Zulu Kingdom), South Coast (the Paradise of the Zulu Kingdom), Drakensberg (the Soul of the Zulu Kingdom), Elephant Coast (the Untamed Spirit of the Zulu Kingdom), Battlefields (the Legends of the Zulu Kingdom), Zululand (the Heart of the Zulu Kingdom), and Pietermaritzburg and the Midlands (the Capital of the Zulu Kingdom)⁷⁷². There is a clear recognition of the value and dominance of the Zulu Monarch and people (their language, culture and traditions), which is this province's comparative advantage, but less has been done to elevate infrastructure and human capacity to enhance tourism benefits.

One of TKZN's major goals was maintaining relationship harmony amongst actors. Central to TKZN's approach is the facilitation of communication and management of stakeholder participation. One of the main reasons for partnering is sharing costs with local, regional, provincial, national, and even international actors. All these actors are critical to the marketing, promotion and development of tourism⁷⁷³. This approach embraces the principles

⁷⁷⁰ *The State of Tourism in KwaZulu-Natal: Tourism KwaZulu-Natal Occasional Paper No. 1: 19 November 2002.*

⁷⁷¹ Fennel, D. (1999) *Ecotourism* (3rd Edition, London and New York: Routledge).

⁷⁷² Tourism KwaZulu-Natal (2006-2011) *Tourism Strategy*.

⁷⁷³ Tourism KwaZulu-Natal (2006-2011) *Tourism Strategy*.

of sustainability and responsibility advocated by the national department, the DEAT. It ensures congruency of goals and the smooth flow of information between all actors. It is important to reiterate that the types of tourism in KZN include sports, cultural, wilderness, safari, trekking, spiritual, outdoor, nature, adventure, ecotourism, and special interests tourism. The province is endowed with “public and private farms, wilderness areas, nature reserves, kilometres of warm coastline, world heritage sites such as iSimangaliso Wetland Park and the Drakensberg, etc”⁷⁷⁴. Its people, with their wide range of cultures, traditions and heritage are also important. In 2002, the major attractions included the Durban Beaches (57%), Drakensberg (31%), Hluhluwe (23%), the Valley of Thousand Hills (21%), and Sea World (15%).

Inter-organizational Relations and Complexity

One of the key responsibilities of the provincial administration is to exercise oversight, which translates into regulation and compliance activities. From an inter-organizational point of view, this calls for the executive to coordinate the executive committee, executive agencies (i.e. TKZN, EKZWN, the KZN Sharks Board), and dominant interests (policy entrepreneurs) at both policy-making and implementation levels. It is thus important that the “institutional design and organizational structure cater for the effective execution of this function”^{775, 776}. What is common and true is that “tourism is a highly crowded and complex policy environment; hence it operates in a partially commercialized environment, with certain organizations providing goods and services directly to tourists”⁷⁷⁷. This means that specialized service providers participate in the tourism sector regardless of the season and that products are manufactured and used by tourists.

The different economic objectives of the “two sectors place different sets of demands on tourism policy and the activities of government tourism agencies, particularly with respect to promotion and marketing strategies”⁷⁷⁸. The implementation of tourism policy is influenced

⁷⁷⁴ *Adventure Tourism Strategy for KwaZulu-Natal*: Tourism KwaZulu-Natal, Occasional Paper No. 27: p. 28 January 2005.

⁷⁷⁵ The organizational structure is the system of formal, intentionally planned and executed relations existing in an institution. Thornhill, C. and Hanekom, S.X, (1995) *The Public Sector Manager* (Durban: Butterworths) p. 158.

⁷⁷⁶ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge).

⁷⁷⁷ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 51.

⁷⁷⁸ Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 51.

by a wide range of groups seeking to achieve common or related goals. Prominent groups of actors include business, labour (including sex workers), non-producers' interest groups, environmental groups, etc. The character and description of strategy is bound to contain elements of partnerships in that implementation cannot be achieved by a single actor. Inter-organizational projects require information which includes objectives, project design, and budgeting. There is a clear need for "linkages between a range of stakeholders within the broader context of the implementation plan; these actors are expected to invest as implementation agents and are bound to benefit"⁷⁷⁹.

Inter-organizational Relations and Consultation

The crafting of each and every tourism product presents the lead organizations with an opportunity to influence inter-organizational relations and implementation through consultation on the design and service delivery partnerships. A tourism product can be defined as a combination of physical and natural attractions in terms of scenery, landscapes, seascapes, history, cultural activities, accommodation, transport, etc. There is thus a need for stakeholders' buy-in so that aspects of KZN as a destination can be improved. This requires perceptions management and transformation in order to ensure that there is coherent understanding of the tourism product⁷⁸⁰. The benefit of collaborations is the flow of tourism project ideas and innovations. Again, broader consultation and the inclusion of stakeholders require a spatial tourism approach, where everybody contributes and benefits from tourism activities⁷⁸¹.

While EKZNW has recorded some success in ecotourism and community conservation, the lead organizations have not been able to effectively connect, negotiate, consult and secure inputs on the tourism product, programmes and projects with host communities. I am of the opinion that these communities were regarded as naïve and it was assumed that they would simply accept commercial tourism. I strongly believe that it is not too late to involve indigenous peoples and places in the creation of a comprehensive tourism product and

⁷⁷⁹ Dewar, D. and Kiepiel, J. (1997) *Regional Planning Guidelines: A Primer For Regional Planning, Final Report* (Commissioned by the Department of Local Government and Housing-KwaZulu-Natal) p. 68.

⁷⁸⁰ Burns, P. and Holden, A. (1995) *Tourism, A New Perspective* (London, New York, Toronto, Sydney, Tokyo, Singapore, Madrid, Mexico City and Munich: Prentice Hall)

⁷⁸¹ Personal Interview with a Member of the PTC from 2003-2006 (DACT, Interview 2).

experience⁷⁸². While there can be no doubt that that ‘Kingdom of the Zulu’ is a powerful tourism brand, one wonders how much tourism has enriched the beliefs, art, culture, morals, capabilities and knowledge of the Zulu people⁷⁸³.

Inter-organizational Relations and Power

Conceptually the term ‘power’, that’s essential a relational concept because it about influencing, controlling and bargaining the best outcome⁷⁸⁴. Just like trust, resources (money/people/material), the good management of inter-organizational power is one of those essential elements and ingredients for the achievement of short-term organizational effectiveness and long-term organizational stability and sustainability. The issue of management ethics, organizational behaviour, organizational culture, decision –making, communication and even production, is highly impacted by how power is being secured, perceived and used. And at relational governance context, this is very important for leadership because power is basically the ability to influence the other person or organization to behave or do things in a certain way mainly favourable to the lead organization. This to a great degree determines how effective and successful the organization is.

The democratic government in South Africa has a mandate to achieve social justice. Much reference has been made in this chapter to inter-organizational power, as a power struggle is bound to exist when actors interact. The critical question is which particular actor has the upper hand. It is essential that the role and weight of corporate power is critically assessed, especially in the tourism sector. One of the ways to assess this is an examination of the nature of the conflict of interest during interactions amongst actors or members of the tourism implementation structure. The conflict could be based on differences in objectives (the agenda), programmes and resources. Again, it is important to assess how the outcome of these conflicts shapes the pattern of relations and how actors relate to one another. Part of this assessment is checking how the lead organization has managed to absorb the pressure and been able to achieve what could be classified as public interests. This requires an

⁷⁸² Burns, P. and Holden, A. (1995) *Tourism, A New Perspective* (London, New York, Toronto, Sydney, Tokyo, Singapore, Madrid, Mexico City and Munich; Prentice Hall) p. 69.

⁷⁸³ Personal Interview with a Member of the PTC-PTF from 2003-2010 (ZDM, Interview 11).

⁷⁸⁴ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

evaluation of whether or not most of the original intentions of tourism public policy are achieved. This is important as corporate power can outweigh public power, resulting in private sector objectives being achieved at the expense of public interests. When policy and programmes are adjusted during the course of implementation, it is important to ensure that this is done for the benefit of the broader society and not merely for a few⁷⁸⁵.

To some extent, the basis for inter-organizational power emerges from the process of bargaining for implementation resources amongst the actors. The categories of interest groups are extremely useful in understanding their resources, methods and effectiveness in the policy-making process. The continuing relevance of group objectives to members and the corresponding degree of organizational performance will clearly influence the resource base of groups and their continued visibility⁷⁸⁶. Unequal inter-organizational success is one of the factors that give certain organizations an advantage over others during the inter-organizational bargaining process. The overall role of government in tourism development and promotion provides the DACT and TKZN with bargaining power. Even though external/private actors provide financial resources for the tourism product, they have to liaise with government on a number of issues which include the registration of business, grading, etc⁷⁸⁷. The collective bargaining power of tour operators, hoteliers and caterers is as important as governmental intervention in business agreements and the enhancement of opportunities. In such a situation, no single actor can claim superiority⁷⁸⁸.

TKZN understood that the stakeholders have a significant role to play in the development of the tourism product and its impact; therefore stakeholder consultation and participation was not an option but a necessity. This was executed through adaptive and collaborative management approaches⁷⁸⁹. An interactive planning process was adopted to ensure representation and adequate resources for tourism products and services. In 2004, TKZN put together the TKZN Panel Survey, which consisted of directors of hotels, restaurants, B&B

⁷⁸⁵ Hill, M. (1998), (ed) *The Policy Process*. (London: F Reader: Practice and Hall).

⁷⁸⁶ Regan, D.E. (1982). *The concept of governmental distance: A public administration perspective on the study of intergovernmental relations within a State*. SAIPA, 17 (2), June 51-65, page 55, and Hall, C.M and Jenkins, J.M. (1995) *Tourism and Public Policy* (London and New York: Routledge) p. 50.

⁷⁸⁷ Personal Interview with a Member of the PTC from 2003-20006 (DACT, Interview 2).

⁷⁸⁸ Burns, P. and Holden, A. (1995) *Tourism, A New Perspective* (London, New York, Toronto, Sydney, Tokyo, Singapore, Madrid, Mexico City and Munich: Prentice Hall).

⁷⁸⁹ *An introduction to the concepts of Tourism Planning and Policy-Making* (Tourism KwaZulu-Natal Occasional Paper No. 53: October 2007).

owners, tour operators, and other tourism service providers. This aimed to ensure that stakeholders have full control and ownership of the tourism product. In many ways this exercise reinforced the interactive decision-making and collaboration around the Kingdom of the Zulu brand and service-related partnerships within the tourism industry⁷⁹⁰.

Inter-organizational Relations and Communication

There have been massive improvements, innovation and progress in the areas of promotion and marketing. This is reflected by the number of JMAs and successful campaigns that TKZN has executed through its partnerships. Sadly, the same cannot be said regarding communication and stakeholder engagement for pro-poor tourism development⁷⁹¹. Again, this is a demonstration of professionalism on the part of the product development, advertising and marketing agency, TKZN and the PTF, and not a good reflection on the provincial administration, the DEDT/DACT and PTC. This demonstrates the lack of debate, sharing of expertise and consciousness in joint decision-making in these two structures which have serious implications for the province. Interestingly, the study found that less time is spent on decision-making (IOR negotiation) in the advertising and marketing space, and that the IOR negotiators are weak. For example, the PTC has decided that districts will now be brand holders, meaning that the names of the 10 districts, plus one metro will be used to advertise tourism products and services; these district names are political boundaries.

An illustration of the failure of effective IOR communication and negotiation is the branding used by product developers and entrepreneurs. One of the major shareholders in ecotourism and adventure in the province, EKZNW, is still using the Battlefields, the Berg, the Bush and the Beach. Furthermore, private actors are using Durban, Pietermaritzburg/Midlands, South Coast, Ukhahlamba/Drakensburg, Zululand, Elephant Coast, Battlefields and North Coast to advertise their tourism products⁷⁹². Using the Battlefields Route as an example of a tourism product, it includes the Siege of Fort kaMondi, British Military Cemetery at kwaMondi (Fort Eshowe), Isandlwana, Hlobane, Rorke's Drift, Kambula, Gingindlovu, Ulundi, etc., all of which are located in various districts and municipalities. Advertising and marketing of this route are driven by a collaboration which includes TKZN, District and Local Municipalities,

⁷⁹⁰ TKZN's Panel Survey – (Tourism KwaZulu-Natal, Occasional Paper No. 36: October 2004).

⁷⁹¹ Personal Interview with a Member of the PTC-PTF from 2000-2008. (TKZN, Interview 1).

⁷⁹² KwaZulu-Natal: WWW - *What, Where & When*: the Official Guide to Events, Shopping, Dining, Art, Culture & Entertainment; April-May 2012 Issue.

the DEDT-DACT, entrepreneurs, etc⁷⁹³. This enables IOR and the cooperative management of various actors and sustainability is guaranteed.

The dynamics described above demonstrate IOR disagreement about what works and what does not work, especially in advertising and marketing, which is mainly controlled by the private sector. Secondly, they indicate that there has been a lack of IOR negotiations; hence the public sector is not receptive to new ideas and innovation. Thirdly, this suggests a lack of advice from bureaucrats (tourism planners) and from tourism policy entrepreneurs. The PTC is a forum of politicians, the MEC and Mayors; the dynamics suggest that structure lacks understanding of the tourism industry.

The methodology adopted by the private sector is tried and tested; it is sustainable, clustered in design and has proven to be effective in cooperative management. This marketing approach focuses on the tourism product, for example, changing the brand formally known as the Elephant Coast to Umkhanyakude District. The overseas tourist market is not familiar with the most recent political boundaries, which could change under future administrations. This could result in a loss of repeat business. The PTC's approach has the potential to create unnecessary competition and depletion of resources because each district has its own priorities and its own approach to advertising and marketing. Serious costs are associated with strategic leadership decisions and the failure of IOR negotiations.

With the tourism industry being demand drive, this implies that the main priority would be to attract tourists and cater for their needs at the expense of local actors. The study found that communication has an external orientation and lacks an internal focus, hence it is misplaced. Besides the seasonality in the tourism industry, the actors in the implementing organizations are free to enter and exit the sector at any time. This makes it very difficult to build sustainable contact and certainty, especially in planning for implementation. As a result, there is no predictable demand and supply of space to introduce new and innovative services and products⁷⁹⁴.

⁷⁹³ The Battlefields Association: Battlefield KwaZulu-Natal; www.battlefields-route.co.za (assessed 05 November 2011).

⁷⁹⁴ Geyer, R. and Rihani, S. (2010) *Complexity and Public Policy: A new approach to twenty-first century politics, policy and society* (London and New York: Routledge Taylor and Francis Group).

One of the areas where TKZN as the lead organization in branding and marketing, has partially failed is balancing internal (to staff) and external (to consumers) communication⁷⁹⁵. The nature of tourism prioritizes external communication, with the aim of connecting consumers with the products that are available. However, public consultation, involvement and awareness are neglected in the process. In this way, TKZN has deprived itself of an essential partner in the ownership of the programme, resulting in slow implementation. This is critical because indigenous knowledge at community level should be recognized and appreciated in order to ensure alignment of state capacity which includes expertise and resources⁷⁹⁶.

Inter-organizational Relations and Agreements

The basis of democratic governance is increased citizen participation where marginalized groups and local authorities make a meaningful contribution to the management of public affairs⁷⁹⁷. In practical terms, this calls for high levels of transparency, efficiency, effectiveness and accountability especially at operational level. From the earlier chapters and the above discussion, it is clear that while organizational tools such as the PTC and PTF exist, their impact on the coordination of governmental relations is minimal. While local government was not empowered for much of the decade under study, there is evidence that the PTF was effective in its own domain, especially in reaching out to the private sector (cooperative tourism management). Sadly, the same cannot be said of the PTC that faces challenges in facilitating cooperative tourism governance.

Again, democratic governance requires that governmental organizations create an environment where quality information is made available and widely shared so that the decision-making process is open, credible, and relevant. This further implies that public officials are held accountable for the use of resources and the achievement of outcomes. This is crucial in that public trust is based on how people perceive their government and this is measured by street level implementation, where government meets the people. The

⁷⁹⁵ Republic of South Africa, *The South African Tourism Planning Toolkit for Local Government*: department of Environment and Tourism (DEAT), January 2009.

⁷⁹⁶ Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition, Canada. USA: Oxford University Press) accessed June 15, 2009.

⁷⁹⁷ T.J. Mokgoro (2004) *Alignment between the Organizational, Process and Individual Level: A Systems Perspectives: A presentation as part of the Intergovernmental Relation Module of the KwaZulu-Natal Capacity Development Programme for Heads of Departments (HOD's)*, Job Mokgoro Consulting. The Journal of Management Research and Practice, Also available at www.interscience.wiley.com.

capabilities of a state are not only determined by how it is organized internally, but by how it is linked to the society whose problems it is expected to resolve through appropriate policies⁷⁹⁸. The extent to which these groups are able to offer the necessary level and form of support depends on their own internal organization. To a large degree, both the DACT and DEDT did not initially design organizational structures to accommodate public and stakeholder empowerment. It was only later in the decade that District and Local Municipalities were brought in as key stakeholders and allocated budgets to facilitate tourism-related programmes⁷⁹⁹.

In the broad sense of intergovernmental relations and inter-organizational governance, what stands out is the vagueness of the practice of cooperative governance practices. Some assumptions and perceptions were based on a pseudo sense of collective action amongst the actors. This could be one of the reasons that the DEDT/DACT/TKZN as lead organizations did not make sufficient provision for a Partnerships Strategy and Programmes Unit. There is a visible lack of an agreed-upon overall strategic framework, leadership and effective communication flow. This is reflected in undirected and misplaced liaison, underutilized rural-social tourism (i.e. cultural heritage, oral history, customs and tradition), and a lack of institutional transformation (adaptive-management), intergovernmental awareness (influence and rethinking), mobilization of municipalities and aggressive and practical linkages between tourism and IDPs and LEDs⁸⁰⁰.

Strong organizations can bargain more effectively and need not make unreasonable demands for the sake of maintaining their members' support. In contrast, the existence of numerous narrow interest groups promotes competition among groups to pressure the state to serve their members' interests only, regardless of the effects on others; the cumulative effect is contradictory and ineffective policies that leave everyone worse off. Imperial proposes that governmental organizations should take the lead in creating an open environment where

⁷⁹⁸ Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition, Canada. USA: Oxford University Press,) accessed June 15, 2009.

⁷⁹⁹ Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition Canada. USA: Oxford University Press,) accessed June 15, 2009.

⁸⁰⁰ Personal Interview with a Member of the PTC-PTF from 2003-2010. (ZDM, Interview 11).

interaction amongst stakeholders facilitates the smooth diffusion of ideas, administrative expectations, processes, and policies⁸⁰¹.

Inter-organizational Relations and Negotiation

One of the key findings of this study alluded to in previous chapters is the need for facilitative leadership to drive cooperative partnerships and programmes. In a situation where the role of the lead organizations is that of broker, one of its major responsibilities is acting as an intermediary in managing expectations, taking into account the prevalence of risks and seasonality in the tourism sector. If well-managed, this change in the role of the lead organizations presents a unique opportunity to the public sector in that it enjoys a relative position of influence and power as chief negotiator and deal-maker. At horizontal level where it is based, TKZN will ‘naturally’ adopt the role of network manager; this involves a less dominant role than that of top-down steering. Its main focus becomes facilitation and ensuring that there is adequate participation and representation of all actors’ goals and interests. Indirectly, this means that actors associated with TKZN are in a better position to participate and influence decision-making on implementation⁸⁰².

TKZN is the broker due to its central location within the implementation structure. Both the province (the Legislature, MEC and HOD) and external actors (the hospitality industry, airlines, local entrepreneurs, etc), were forced to interact and engage TKZN on a wide range of matters. Political leadership had to ensure that tourism is used effectively to contribute to economic development and poverty alleviation in the province (oversight). The external actors had to interact regarding matters such as grading, registration and others (regulation and compliance). Hence, TKZN had the privilege of coordinating for effective implementation⁸⁰³. Negotiating and brokering relations therefore become the key feature and character of TKZN in that it uses its access and legislative power to facilitate partnerships for tourism implementation in order to ensure effective coordination of tourism activities and adequate exchange of information amongst various tourism operators⁸⁰⁴.

⁸⁰¹ Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition, Canada. USA: Oxford University Press,) accessed June 15, 2009).

⁸⁰² Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁸⁰³ Personal Interview a Member of the PTC from 2003-2006 (DACT, Interview 2).

⁸⁰⁴ Davison, R. (1998) *Travel and Tourism in Europe* (Longman: England).

Unequal Treatment and Strength of Regional Brand Holders

Profits, efficiency and effectiveness are amongst the primary objectives of tourism management agencies and operators. However, for a public sector agency, the priorities are coordination, liaison, raising public awareness and undertaking activities that will ensure that the general public, especially host communities, benefit. Hence the common management “tasks of organization, planning, leadership and control are executed in such a way that both public and private agencies achieve their goals”⁸⁰⁵. One classic area where the power, leadership, and influence of both the DACT and TKZN can be quantified is inter-organizational tourism marketing and promotions. A huge effort was made by leadership and management to ensure that they benefit from the developments of tourism. Examples include successful collaborations around the implementation of the SMME Mentorship programme, the BEE Scorecard, and Community Tourism Organizations (CTOs). These programmes were introduced to all stakeholders during Provincial Tourism Committee (PTC) meetings and District Municipalities fully supported them⁸⁰⁶.

This means that strategic alliances are structured in such a way that marketing, technology, equipment, product development, and logistical services are shared for the benefit of the wider network and the achievement of specific individual goals. The above requirements were met in that both the DACT at policy level and TKZN at operational level, were committed to strategic alignment, building synergy and sustaining partnerships and alliances with entities such as Amafa AkwaZulu, the KZN Philharmonic Orchestra, the KZN Sharks Board, EKZWN, the media, and others⁸⁰⁷.

Vague and Symbolic Collective Confidence

I am fascinated by how powerful effective inter-organizational planning can be and what it offers implementation, especially in tourism development programmes. The exercise of “forecasting and foresight enable timely and accurate programme adjustment that could save

⁸⁰⁵ Page, S. J. (2007) *Tourism Management, Managing for Change*, (2nd edition, Scotland, UK: BookPower) p. 307.

⁸⁰⁶ Tourism Strategy: TKZN, 2006-2011, and Personal Interview a Member of the PTC from 2003-2006 (DACT, Interview 2).

⁸⁰⁷ *Tourism Strategy*: TKZN (2006-2011), and Personal Interview a Member of the PTC from 2003-2006 (DACT, Interview 2).

time and resources that would have been wasted through duplication”⁸⁰⁸. This study has highlighted the absence of a provincial ‘voice’ and submissions from tourism planning practitioners at local government level during the conception of IDPs. Municipalities have been left to decide their tourism development approach on their own and in many instances they failed to integrate provincial spatial, development and growth imperatives. This resulted in a pseudo sense of collective confidence, where local tourism associations purport to reflect collective interests even where they know that nothing will come out of proposed partnerships with local people and the local municipality⁸⁰⁹.

This lack of proactive and targeted planning is a missed opportunity, in that inter-organizational challenges could have been noted and catered for. District and Local Municipalities use the leverage granted by their autonomy to propose non-beneficial tourism policy programme approaches⁸¹⁰. This robs government of the opportunity to monitor, evaluate and review mechanisms because the province is not fully committed. In a long run, this leads to the misalignment of the internal and external aspirations of the host communities (Local Municipalities), and the formal authorities, the lead organization, as accountable individuals or groups do not support the same strategies for tourism implementation⁸¹¹.

Review of the Arts, Culture and Tourism Combination (DACT)

In different spheres of government and in the life of organizations and institutions, it is necessary to have a comprehensive view of the main dimensions of regional life, which include ecological, built environmental, institutional, economic and social factors⁸¹². The change of political leadership, from the IFP to the ANC, in the 2003/4 period resulted in the establishment of the new Department of Arts, Culture and Tourism (DACT). Originally, the tourism mandate was placed with the Department of Education and Culture⁸¹³. My interest lay in observing the influence and impact of this decision on the management of cooperative

⁸⁰⁸ Friend., J.K. Power, J.M. and Yewlett, G.J.L. (1974) *Public Planning: Inter-corporate Dimension* (Tavistock Publications) p.27.

⁸⁰⁹ .K. Friend., Power, J.M. and Yewlett, G.J.L. (1974) *Public Planning: Inter-corporate Dimension* (Tavistock Publications).

⁸¹⁰ Friend. J. K., Power J.M. and Yewlett, G.J.L. (1974) *Public Planning: Inter-corporate Dimension* (Tavistock Publications).

⁸¹¹ Friend, J. K., Power J.M. and Yewlett, G.J.L. (1974) *Public Planning: Inter-corporate Dimension* (Tavistock Publications).

⁸¹² Dewar, D. and Kiepiel, J. (1997) *Regional Planning Guidelines: A Primer For Regional Planning, Final Report* (Commissioned by the Department of Local Government and Housing-KwaZulu-Natal).

⁸¹³ Personal Interview with a Member of the PTC from 2003-2006 (DACT, Interview 2).

tourism governance in the province. Was the setting up of this department an effective way to enhance social and community-based partnerships in order to ensure that tourism benefits host communities? My view is that it had massive potential to integrate ordinary citizens' culture, traditions, heritage and customs into the tourism product and experience.

The DACT's vision was "empowerment through culture and tourism" and its mission was "to provide and promote innovative and vibrant culture and tourism services which address the diverse needs of our people in order to enhance their quality of life". During the period in which this department existed, it had little experience and financial resources to make a significant impact on empowering people through culture and integrating them into the tourism product package⁸¹⁴. One of the technical shortfalls of the mission statement is that DACT is a facilitator rather than an implementer. This implies that the DACT did not fully understand its position within the implementation structure and this had an impact on how relationships were structured and managed.

This suggests that the DACT did not have a sound strategic hold to achieve its given vision and mission, which, amongst other critical strategies, was to introduce rural tourism and focus on pro-poor tourism development. I arrive at this conclusion as the DACT had no unit that focused on policy, strategy and institutional alignment. Clearly, there is serious neglect of the intergovernmental relations function, alongside participation, capacity building for historically disadvantaged communities (facilitation of access to land), and transformation to manage the integration of emerging tourism entrepreneurs. Very little was done to facilitate cooperative product development and funding at the provincial level; hence TKZN felt overburdened by provincial responsibilities. In short, the DACT's focus on tourism development was not clearly defined and comprehensive in practice. As a result, this portfolio did not survive and reverted to the DEDT in 2008.

Political changes have serious implications for inter-organizational decision-making; this was true for tourism and related sectors in KZN⁸¹⁵. The new premier had a different vision for the province and this resulted in numerous adjustments. These included the establishment of Sport and Recreation as a separate entity and integrating the portfolio of Arts and Culture

⁸¹⁴ Personal Interview with a Member of the PTC-PTF from 2006-2008 (DACT, Interview 19).

⁸¹⁵ Friend, J.K., Power, J.M. and Yewlett, G.J.L. (1974) *Public Planning: Inter-corporate Dimension* (Tavistock Publications) p. 27.

with tourism. The premier's motivation was to take advantage of the abundance of cultural and heritage products, which define the province and ultimately the tourism product⁸¹⁶.



Figure 13 Diagram that Reflects the Political Transition, Consolidation of Political Perspectives and Strategic Tourism Positioning

The diagram above reflects the political transition and the consolidation of the political perspective and the positioning of these with the broader provincial governance landscape.

The three most important objectives adopted by the DACT were to:

- Discover, develop, promote, and facilitate market access for traditional arts and culture forms and practitioners in the province,
- Grow the Kingdom of the Zulu brand to become a globally competitive tourism destination of choice, and
- Expand access to and the presence of the DACT's service offerings equitably across the province.

These three objectives provided for both the municipal needs approach and also for corporate opportunity investment approach. What is clear is that during this time, the province was not able to pay attention to these adequately; hence, there was less outcomes that were achieved. This requires that the DACT creates capacity to respond to these new challenges and ensures that it delivers on expectations. At leadership level, it calls for a mix of skills and creativity to ensure a smooth transition, integration and alignment within the mandate or the arts, culture and tourism portfolio. A head-hunting exercise was undertaken to recruit the necessary skills mix. Purposive appointments, which looked beyond the current situation, were made. Mrs Stella Khumalo is Head of Department of the DACT and lately of the DAC (Arts and Culture). Overall organizational adjustment to complex alliances, collaborations and partnerships was also required⁸¹⁷.

⁸¹⁶ Personal Interview with a Member of the PTC from 2003-2006 (DACT, Interview 2).

⁸¹⁷ Personal Interview with a Member of the PTC from 2003-2006 (DACT, Interview 2).

The 2003-2006 tourism strategy maps out the structure of the lead organization and its major goals. It defines TKZN's approach to positioning the province as a globally competitive tourist destination⁸¹⁸. The strategy is centred on the notion of cooperative governance and aims to ensure the alignment of tourism institutions. This implies that it caters for and considers all tourism actors and government partners. Secondly, the strategy makes reference to "commitment to the people of KZN"; for me, this is very important, as tourism activities should be executed for public interests and host communities. People, their heritage, arts, and culture are therefore integrated into the mainstream tourism product. There is no doubt that KZN is recognized amongst the major destinations in the world; this study will indirectly establish how the DACT and TKZN are "managing relations for the benefit of the host communities"⁸¹⁹.

One of TKZN's objectives is to ensure the broadening of ownership, promotion and black ownership (i.e. community-based tourism initiatives) in a sustainable and participatory manner. This is emphasized in the goals and targets, where reference is made to utilizing "tourism activities to create jobs and promote redistribution and transformation"⁸²⁰. In conclusion, there is a link between leadership and a thorough understanding of the resources held by the stakeholders involved in implementation. These resources include authority for actors inside government and power for those outside⁸²¹. These are central to inter-organizational exchanges, the transfer of values, resource dependency and interdependencies, etc.

Summary

This chapter focused on cooperative tourism management. I close by exposing the faulty and contradictory strategic visioning. Overall, one can conclude that there has been a lack of operational guidance, especially for Local Municipalities; hence the lead organizations have not been entirely successful in asserting their position and securing social benefits during

⁸¹⁸ KwaZulu-Natal, *Tourism Strategy*, 2003-2006, p. 3, www.zulu.org.za

⁸¹⁹ This is stated as follows in the mission: "to initiate, facilitate and implement strategic tourism marketing and product development programmes that provide an enabling framework within which regional provincial and private sector stakeholders can achieve their goals to the benefit of the Province". KwaZulu-Natal, *Tourism Strategy* (2003-2006, p. 4).

⁸²⁰ KwaZulu-Natal, (2003-2006) *Tourism Strategy*, p. 7.

⁸²¹ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Graduate School of Business, Stanford University & Harvard Business School, Boston, Massachusetts).

tourism policy implementation. For example, no partnership strategy has been drafted and approved; hence there is no practical tool for members of the implementation structure to use to enhance inter-organizational communication. A partnership strategy could make provision for a database of partnerships, strategies to enhance Local Municipalities' capacity, monitoring (managing the performance of implementers), creating awareness of relations, provision of technical support, ways of sustaining effective collaborations, and achieving alignment of tourism strategic objectives with local priorities (service delivery). Such a strategy could be of great assistance in improving process protocol, and could help local tourism organizations to benefit through cooperative resourcing.

While the strategic approach to cultural, rural and general pro-poor tourism is commendable, it may have worked against other strategic goals. Cultural villages in urban settings such as at Shakaland and Sibaya Resorts have become convenient places for foreign tourists to observe and participate in these cultural activities. This is supported by the massive improvements in road, security, and business infrastructure that make it possible for tourists to access all their needs in the city and establish a cultural and heritage connection to Zululand without exploring the rest of the province. Although the northern part of KZN has massive cultural and heritage resources and potential, it is losing out to the urban areas because there is less provision of similar kinds of facilities in the rural and northern parts of the province.

Within the strategic framework, reference is made to the 'Kingdom of the Zulu' brand as it enables me to explain and qualify my focus on the northern and wetlands regions (the former KwaZulu part of the province). This brand is centred on four core areas; corporate, retail (Zulu Legends), events and destinations. The corporate area focuses on cultural heritage, which covers the battlefields, Emakhosini and Durban. The destinations area is focused on Mountains/Scenery, which covers uKhahlamba/Drakensburg and the Midlands. The retail "area focuses on Sun/Sea/Beach, which covers the North and South Coast and Durban. Wildlife is mainly found in many areas, including Greater St Lucia, which is known as iSimangaliso Wetland Park and surroundings"⁸²².

⁸²² KwaZulu-Natal, (2003-2006) *Tourism Strategy*, p. 12.

CHAPTER 7

REFLECTING ON THE OVERALL INTER-ORGANIZATIONAL RELATIONS PERFORMANCE

Introduction

This chapter presents a comprehensive analysis of inter-organizational performance, through reflecting on the assumptions, patterns and perspectives that emerge from this study within the context of tourism policy implementation. The focus is the manner in which inter-organizational relations processes have been managed by the lead organizations to facilitate dialogue and interactions between and amongst the shareholders and stakeholders is critical to this inter-organizational relations process. Critical to these is issues of transformation, participation and empowerment within the context of public interests as a central focus for integrated governance system. Furthermore, I present issues of how the IOC strategies and leadership negotiated inter-organizational negotiation, compliance and enhancing of the shared vision.

INTERDEPENDENCY WITHIN THE IMPLEMENTATION STRUCTURE

In addition to the scarcity (funding and information), what I have found to be essential in the creation and maintaining of the state of interdependency is the the social, economic, technological, political and administrative conditions impact the implementation process. Interdependency within the implementation structure means that, changing conditions may also affect the interpretation of problems and thus the manner in which the program in implemented, and ultimately the final outcomes. A shortage or abundance, and the cost of technology can also be expected to cause changes in policy. Variations in political circumstances have an impact on implementation. In summary, this means that, the make-up and functioning of the KZN-TIS is subject to these changes and hence its impact is relatively dependent on them. This was demonstrated in the previous chapters, where it was shown how a change in political control impacted the CEOs, HODs, the tourism portfolio, the MECs and

ultimately, the composition and strategic direction of local tourism associations and municipalities.

This built-in interdependency implies that the administrative apparatus in charge of implementing a policy could be negatively affected. Furthermore, the political and economic resources of the target groups also affect implementation. One of the reasons why many TKZN projects were delayed is that it had not mastered community engagement. All projects attract both small and more powerful groups that impact the character of implementation by supporting or opposing it. It is thus common for implementers to reach a compromise with these groups in order to make the task of implementation easier. An example of a project that has not yet been implemented is the Bhambatha Project. Amongst other reasons, the lack of public support through consultation with expert partners such as the EKZNW and community engagement delayed implementation⁸²³. Another serious constraint to inter-organizational projects is the appointment of service providers who do not understand the context in which implementation takes place. It is widely perceived that support declines after the adoption of a policy due to the appointment of private service providers who are expensive and who produce results that are far from the original intention of the policy makers⁸²⁴. This leads the discussion to the role that lead organizations play in securing public benefits and interests.

Public Trust and Interests as Central Priorities

Tourism products and services are still widely owned by non-governmental actors and it is up to the lead organizations to secure public benefits in this context. One of the basic exercises required of the lead organization is connecting with society (including tourism entrepreneurs) whose problems it is supposed to resolve through appropriate policies⁸²⁵. The drafting of the Provincial Development Policy was led by the DACT in 2006, supported by EKZNW, the DEDT, and TKZN. However, consultants were appointed to conduct the study that was part of this process⁸²⁶. In general, consultants' main interest is profit, with little consideration for

⁸²³ Tourism KwaZulu-Natal, *Minutes of the Provincial Tourism Forum (PTF)*, meeting, held in August 2006.

⁸²⁴ Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition, Canada, USA: Oxford University Press).

⁸²⁵ Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition, Canada, USA: Oxford University Press).

⁸²⁶ Minutes of the Provincial Tourism Forum (PTF), meeting, held in August 2006, Tourism KwaZulu-Natal (TKZN).

the original intentions and objectives of the policy. Hence their approach can be selective and different from that which would have been adopted by a public entity. On the other hand, the basis of democratic governance is increased citizen participation where marginalized groups and local authorities make a meaningful contribution to the management of public affairs⁸²⁷.

In practical terms, this means that democratic government should demonstrate high levels of transparency, efficiency, effectiveness and accountability, especially at operational level. In the case of the Provincial Development Policy, the consultants made presentations to the members of the PTF, PTC, Portfolio Committee and the TKZN Board; they regarded this as adequate consultation because they deal mainly with the client (in this case, the DACT). However, this is contrary to the expectation that government should create an environment where quality information is made widely available in order to ensure that decision-making processes are open, credible and relevant. Representatives from local tourism associations and municipalities (district tourism forums) could have vital inputs in the drafting of this document because they have a deeper understanding of the context where implementation takes place. Sadly, the way in which the policy was drafted means that tourism leadership (the DACT) cannot account for use of resources and the content of the final document, because they do not have ownership of the ideas that created the document. This is crucial in that public trust is based on how people perceive their government, which is, in turn, determined by street level implementation, where government meets citizens.

Stakeholders will find it difficult to support a foreign concept or programme. Many tourism concepts lack adequate social democracy or social interest considerations; hence they do not make the expected social and economic contribution⁸²⁸. Strong organizations can bargain more effectively and need not make unreasonable demands for the sake of maintaining their members' support. In contrast, the existence of numerous, narrow interest groups promotes competition among groups to pressure the state to serve their members' interests only, regardless of the effects on others. The cumulative effect is often contradictory and

⁸²⁷ Mokgoro, J (2000) *Good Governance for people: Policy and Management* (Bellville: School of Public Management and Planning, University of Stellenbosch) p. 20.

⁸²⁸ Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition, Canada. USA: Oxford University Press).

ineffective policies that leave everyone worse off⁸²⁹. **Maximizing Governance Integration Opportunities**

There are often opportunities that are always presented by various initiatives, innovations and programmes which could enhance tourism cooperative management and governance. One of such opportunity is that many governments have shifted from a centralized to a more decentralized system of governance in order to enhance service delivery. It is important to establish whether or not government institutions have taken advantage of this shift⁸³⁰. For example, in South Africa, the successful implementation and realization of poverty eradication, social development and economic growth hinges on an effective and functional intergovernmental and IOR system. Amongst other instruments, this can be realized through effective alignment and implementation of the IDP, PGDS, and the NSDP^{831, 832}.

Another opportunity is presented by an approach, a strategy and process such as decentralization, which enables an effective sharing and diffusion of power amongst larger, medium and smaller actors and organizations⁸³³. At organizational level, decentralization refers to the “restructuring of authority so that there is a system of co-responsibility between institutions of governance at central, regional and local levels according to the principle of subsidiary, thus increasing the overall quality and effectiveness of the governance system”⁸³⁴. Tourism offers a rare opportunity to apply and reflect on almost all forms of decentralization, which include de-concentration, delegation, deregulation, and privatization. The decentralization process redefines the relationships between national and sub-national entities (regional, state, and local), and between those entities and civil society and the private sector. The formation of effective networks is determined by the extent to which decentralized relationships already exist that support and promote local autonomy and cross-sectoral

⁸²⁹Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition, Canada, USA: Oxford University Press).

⁸³⁰ KwaZulu-Natal, *Annals of Tourism Research* (A Social Science Journal, Centralized and Decentralized Tourism Governance in Turkey, Volume 32, Number 4, 2005) p. 859.

⁸³¹ Conference April, (2007) South African Local Government Association (SALGA). *Defining Development. the department of Provincial and Local Government, RSA, www.dplg.gov.za*

⁸³² Programme of Action 2008. Business Unusual: All hands on the deck to speed up change, RSA; Government Communications (GCIS). www.gov.za

⁸³³ Cohen, J.M and Peterson, S.B (1999) *Administrative Decentralisation: Strategies for Developing Countries* (Connecticut, USA: Kumarian Press).

⁸³⁴ Rondineli, A.D. and Cheema, G.S. (2003) *Reinventing Government for the Twenty-First Century: State Capacity in a Globalised Society* (USA: Kumarian Press, Inc) p. 196.

collaboration⁸³⁵. Decentralization has been described as “a transfer of authority to perform some service to the public from an individual or an agency in central government to some other individual or agency which is closer to the public to be served”⁸³⁶.

Relations at the lowest level of the governance process are defined by administrative decentralization. This refers to the transfer of responsibility for planning, management and the allocation of resources from the central government and its agencies to field units of government agencies, subordinate units of government, semi-autonomous public authorities, corporations, or area-wide, regional or functional authorities. It concerns “the redistribution of authority, responsibility, and financial resources to provide public services amongst different levels of government”⁸³⁷. This new governance perspective suggests that a growing range of services that were formerly delivered by national government will be provided by more decentralized and fragmented arrangements involving diverse public, private and voluntary sector organizations. Governance networks are increasingly complex, often organized informally and characterized by fluidity and hybridity⁸³⁸.

Some of the key factors in this analysis are the role and influence of the four collaborative institutional structures in the facilitation of inter-organizational implementation⁸³⁹. In many ways inter-organizational implementation is related to collaborative public management, which describes the process of facilitation and operating in multi-organizational arrangements in order to remedy problems that cannot be easily solved by a single organizations. This is an instance where national, provincial and local actors are activated to ensure successful intervention and implementation of a programme or project. Activities take place within a government context, yet government is not a major or central actor. Furthermore, public managers are ultimately responsible for collaborative outcomes. Tourism management is therefore characterized by bargaining, cooperation and mutual dependence. . These are the PTC, the PTF, the DTF and the LTF. The PTC and PTF connect the political (strategic

⁸³⁵ Brinkerhoff, D.W. and Brinkerhoff, J.M. *Cross-Sectoral Policy Networks: Lessons from Developing and Transitioning Countries*, p.171, cited in Mandell, M.P. (2001) *Getting Results through Collaboration: Networks and Network Structures for Public Policy and Management* (Greenwood Published Group).

⁸³⁶ Turner and Hulme, (1997) in the *Annals of Tourism Research* (A Social Science Journal, Centralized and Decentralized Tourism Governance in Turkey, Volume 32, Number 4, 2005) p. 152.

⁸³⁷ Rondineli, A.D. and Cheema, G.S. (2003) *Reinventing Government for the Twenty-First Century; State Capacity in a Globalised Society* (USA: Kumarian Press, Inc) p. 50.

⁸³⁸ KwaZulu-Natal, *Annals of Tourism Research* (A Social Science Journal, Centralized and Decentralized Tourism Governance in Turkey, Volume 32, Number 4, 2005).

⁸³⁹ McGuire, M. (2003) *Collaborative Public Management: Assessing What We Know and How We Know It* (Bloomington: Indiana University).

steering level) and administrative leadership (tactical and operational governance). It is through these structures that the dynamics of cooperative management in agenda setting and execution of decisions (the connection, prioritization and alignment of programmes) are explored and exposed. The DTF and LTF are designed to effectively coordinate tourism activities among stakeholders at local governance level. They have to enable local tourism actors to reach the provincial structures, the PTC and PTF. Despite these intentions, this study found that, in addition to the normal budgetary constraints, there is a strategy-structure-policy challenge or dichotomy that is proving to be a serious constraint to cooperative relationships.

In addition to the common capacity constraints (financial and skills) to effective cooperative tourism governance, the complexity of the sector and the illusive nature of tourism benefits do not make it easy to secure benefits and share these with poor communities. I also conclude that at political and symbolic level, the public sector has approached partnerships as a panacea to achieve its tourism development goals. Existing and more recent partnerships did not have a strategic content, focus (objectivity), framework and tangible outcomes. They were vague and hence it not easy to isolate their outright achievements. One of the conclusions is thus that, at different levels, the practice of cooperative tourism governance has not resulted in increased organizational efficiency and effectiveness. Another is that certain key lead organizations have not provided the required, adequate hands-on-support to local structures (i.e. community-based tourism organizations) for effective partnerships (active, capacitated and organized) with maximum impact. Hence, potential collaborations and partnerships for implementation failed.

Based on the above argument, both the public and private sectors are confronted by an element of risk associated with investment in tourism development and the promotion and marketing of tourism products and services. This presents an interesting dichotomy between corporate power and influence and public interests. As a result, actors or stakeholders at local governance level are faced with difficult choices when planning and budgeting; comparatively, tourism seems to lose out when short-term and less complicated programmes with visible and immediate service delivery outcomes are favoured. This discourages serious financial commitment to tourism partnerships, collaborations and cooperatives. Again, as much as the public sector is eager and willing to fully explore the tourism industry for

comprehensive benefits, there is serious lack of understanding of the sector. It for this reason that I believe that political and symbolic implementation (political will and the pronouncement of objectives) has been prolonged, at the expense of administrative implementation.

In a context where there are three spheres of government, it is expected that the integration of tourism in all three spheres as well as with other sectors would be challenging. Furthermore, it is expected that such integration would have positive effects. In contrast with such expectations, the sector has been plagued by duplication, uncoordinated, inconsistent and fragmented planning, and a poor level of integration with other sectoral policies, programmes and projects. Participant observation, interviews and the literature review did not enable me to establish the rationale, scope and specific elements that reflect the management of relations. The legislation only provides for stakeholder forums such as the PTC, PTF and the DTF. Even in these forums, few projects reflect effective cooperative leadership.

Approach and Practice of Inter-organizational Coordination

This study found that both the DACT and DEDT did not adopt an intergovernmental and IOR approach or strategy. Rather, they relied on the broader conception and practice of cooperative governance through the intergovernmental relations framework. This implies that the two coordination tools, the PTC and PTF, could not be effective. The first issue to note is the evolution of the Tourism Portfolio at provincial level. It is also important to briefly reflect on the changes that have occurred in the Tourism Ministry in KZN. These changes can be summarized as follows. During the period, 1999-2004, the tourism management portfolio was under the leadership of the DEDT⁸⁴⁰. From 2004 to 2008, it⁸⁴¹ was within the DACT⁸⁴², and from 2008 onwards, it reverted to the DEDT.

These shifts in the location of the tourism portfolio had an impact on how implementation and relations are managed. I argue that these changes might have been an unfortunate,

⁸⁴⁰ At the time, the political head (MEC) was Mr Roger Burrows, the administrative head (HOD) was Mr Mel Clark and the TKZN CEO was Mr Gareth Coleman.

⁸⁴¹ At the time, the political head was the MEC, Mike Mabuyakhulu, the administrative head (HOD) was Mrs C.N.Khumalo and the TKZN CEO was Mr Ndabo Khoza, previously the Chief Operations Officer (COO).

⁸⁴² The political head was MEC Weziwe G. Thusi, the administrative head was Mr Bonga Ntanzi (HOD) and the TKZN CEO was Mr Miller Motola (who became CEO of the ICC around 2005-6).

missed opportunity. Different Premiers and MECs had different visions for the portfolio. This is very critical for the implementation and management of stakeholder relations⁸⁴³. Some were of the opinion that, given the fact that cultural, heritage and sports, etc tourism defines the character of the KZN tourism product the DACT would be the best option, as it was in a position to promote these sectors as a package. Furthermore, the DACT model could be most suitable as economic development cuts across specific sectors⁸⁴⁴.

While the period covered by this study (2000-2010) was characterized by an emphasis on strategic alignment, partnerships and stakeholder management, the pace at which these have been implemented is worrying. Change and instability in political cycles has not encouraged intergovernmental and inter-organizational relations. For example, when political change occurs, the power and influence of the PFC is affected as new political values, goals, pressures, ideology and structure are introduced. These can make or break the rhythm and patterns of IGR and IOR. This presents a challenge to politicians, administrators and interested actors (i.e. tourism product owners).

Many countries have demonstrated that tourism has potential as a tool for economic development and can be used, especially at community level, to diversify an economy. Having said this, the focus shifts to institutional capacity, organization and structure because this theory and practice has implications for local government and municipal organizational structures. Administrators at local government are required to demonstrate how tourism would benefit the public more efficiently than other sources of revenue and investment⁸⁴⁵. These benefits include strengthening and revitalising a sense of community (and social and political capital) and the creation of new partnerships between communities and local government: and that requires the necessary adjustments and designing a cost-effective organizational structure that will maximize public benefits.

Amongst the legislative frameworks that inform the appreciation and practice of cooperative tourism governance is chapter three of South Africa's Constitution which provides for cooperative governance, the Intergovernmental Relations Act, the KZN-PGDS, KZN-PSDP,

⁸⁴³ Personal Interview with a Member of the PTC from 2003-2006 (DACT, Interview 2).

⁸⁴⁴ Personal Interview with a Member of the PTC from 2003-2006 (DACT, Interview 2).

⁸⁴⁵ Worthington, A. C. and Dollery, B.E. (2002) '*An analysis of Recent Trends in Australian Local Government*' (The International Journal of Public Sector Management, vol. 15, 6) pp. 496-515.

KZN Provincial Plan of Action, LED, IDP framework for Local Government, the Provincial Cabinet Cluster⁸⁴⁶, etc. It is through this framework that the cooperative governance context for tourism programmes is consolidated. The TKZN Board provides oversight, monitoring and evaluation, The MEC provides political steering, while the HOD and other members of senior management are responsible for strategic management and the TKZN CEO offers programme development support and implementation operations. This synergy sustains the processes of cooperative tourism governance and illustrates that cooperative tourism governance is not an isolated process. Rather, it is built on existing intergovernmental relations and parliamentary processes; these include the Premier's Coordinating Council, Cabinet Clusters, Portfolio Committees, the Management Executive Committee (MEXCO), the District IGR Forum, and other integrated management systems. All of these provide both the DACT and TKZN with an excellent network of partners that can assist in the consolidation of tourism programmes.

As noted above, organizations find it necessary to embrace cooperative management because they depend on one another. For example, national, provincial and local government share responsibility for managing airports, casinos, horse racing, gambling, cultural matters, the environment (disaster management), nature conservation, national and local tourism, public transport, trading regulations, beaches and amusement facilities. The South African government has prioritized accelerated economic growth and development⁸⁴⁷. Hence the emphasis is equitable and sustainable development⁸⁴⁸. Responsible tourism places emphasis on ensuring cultural and ecological sustainability⁸⁴⁹. All spheres of government must adhere to the principles of cooperative government and intergovernmental relations which includes fostering friendly relations, cooperating on issues of mutual interest, adhering to agreed procedures and coordinating their actions⁸⁵⁰. Municipalities are part of this set-up in that

⁸⁴⁶ KwaZulu-Natal, *the Governance, Social and Economic Clusters, and relevant Portfolio Committees*.

⁸⁴⁷ Programme of Action (2008) *Business Unusual, All Hands on Deck to speed up Change* (Republic of South Africa, Government Communications, GCIS), www.gcis.gov.za.

⁸⁴⁸ Constitution of the Republic of South Africa (1996) *Chapter 2, Section 24*.

⁸⁴⁹ Within the sustainable tourism development context in the 1987 United Nation's Brundtland Report, responsible or sustainable tourism refers to the policy-legislative level, management practice and operational guidelines that takes full account of the current and future economic, social and environmental impacts (long-term sustainability), addressing the needs of the tourists, the business owners, the environment and hosting communities. So the key focus is on issues of long-term sustainability through participation and consensus building amongst all the concerned stakeholders.

⁸⁵⁰ Constitution of the Republic of South Africa (1996) *Chapter 3, on Cooperative Governance*; Section 40, and Chapter 7 on Local Government.

municipal tourism implementation could play a significant role in ensuring that sustainable, cost-effective socio-economic development is secured.

The Intergovernmental Relations Act provides a framework for national, provincial and local government to promote, facilitate and foster cooperative governance. One of the major tasks is the alignment and integration of national, provincial and local priorities, principles and programmes, taking local communities into account⁸⁵¹. In addition, the tourism industry has to be regulated and rationalized; this includes the establishment and implementation of a grading system for accommodation and guiding members of the industry⁸⁵². Again, the lead organization is required to establish forums to develop, promote, regulate and market tourism. This includes the management of integrated international and national tourism marketing, planning, developing and promoting tourism products for the province, and the implementation of national and provincial tourism policies⁸⁵³. The private sector remains the major shareholder in the tourism sector for government. And yet, the public sector has not being effective in certain areas, and issues that remain critical are local tourism product ownership, strategic representation, employment equity, skills development, preferential procurement, enterprise development, social development and industry specific initiatives⁸⁵⁴. One challenge that the public sector has is working around the ‘distinctive’ provision of cooperative governance which sometimes makes it difficult for various actors with various needs and responsibilities to reach consensus. Sometimes it takes a serious effort to get the district municipality to have an understanding with the local municipality because of their service delivery priorities against available resources for implementation.

Appreciation of the Leadership Role: Monitoring and Oversight

In a context of shared operational space such as tourism and in the spirit of partnership, as the lead actor, government cannot afford to upset its partners, while exercising its regulation mandate. What I am saying here is that cooperative tourism governance demands too much leadership, patience and commitment from the public sector. Again, I question the level of reaction and commitment from other actors when they find themselves in a situation where their interests, perceptions and strategies are not taken into account. This emphasizes the need

⁸⁵¹ Republic of South Africa, Intergovernmental Relations Act (Act No 13, 10 August 2005).

⁸⁵² KwaZulu-Natal *Tourism Act* (and Amendment 1996, 1998, 2000).

⁸⁵³ KwaZulu-Natal *Tourism Act*, 1996 (Act as amendment, including No. 2 of 2002).

⁸⁵⁴ Green Paper of the Development and Promotion of Tourism in KwaZulu-Natal, June 2007, p. 7.

for communication in order to craft a common purpose. Problems should be studied and solutions should be arrived at collectively. The interactions and relationships that emerge in this process are valued as they are a source of strength. Contrary to the instrumental perspective, the interactive perspective aims to secure mutual and beneficial adjustment and ensures that efforts are directed to achieving common goals⁸⁵⁵.

Monitoring and oversight lies with the DACT, as a provincial actor. The PTC and PTF are expected to collaborate with the DACT in executing this function in order to ensure that there is a clear and active connection between the DACT and the citizens affected by tourism operations. This should translate into just tourism development, where programmes target areas most in need, especially rural communities where arts, culture and heritage are abundant. Different spheres of government are responsible for the development of tourism policy (national sphere), coordination (provincial sphere), and the implementation of local tourism programmes (local government). Legislative issues include consumer protection, preservation of the environment, the promotion of heritage and local culture, gambling, public enterprises, urban-regional and development planning, education, transport, traffic regulation, police and welfare services, etc. The participation of various external actors is guaranteed because governmental agencies do not have the resources and capacity to implement tourism programmes⁸⁵⁶.

The legislative framework and policies state that sustainable and responsible tourism is the central principle that should guide the development, promotion, marketing and regulation of tourism. The terms 'sustainable' and 'responsible' tourism are linked to the notion of sustainable development, which embraces environmental integrity, social justice and economic prosperity⁸⁵⁷. The promotion of responsible tourism requires the cooperation of a wide range of actors, including transport operators, travel distribution systems, organized labour, host communities, hospitality, accommodation services, etc. The provincial and local agencies are mandated to development, promote, market and regulate tourism. They also have to comply with the requirement of sustainable development. Some of the critical

⁸⁵⁵ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁸⁵⁶ Republic of South Africa *Constitution of the Republic of South Africa* (Act no. 108, of 1996), Schedule 4 part A and B.

⁸⁵⁷ Republic of South Africa: *White Paper on Development and Promotion of Tourism in South Africa*, 1996, DEAT.

elements of this process include interaction between business and local communities where tourism activities take place. In short, the main concern is well planned and consciously practiced tourism development that benefits the public at large and protects the communities most affected by tourism activities.

The Impact of the Governance Cluster System

Governments are important sponsors of organizations that enter into IOR at community level and elsewhere in response to a variety of problems⁸⁵⁸. It is therefore important to establish how government is structured to enhance effectiveness. This study found that, while all relevant organizations are very active in consultation, encouraging collaboration and promoting public participation in governmental programmes, these efforts are vague and do not translate into ownership of the process.

There is a serious deficiency in the interaction between the policy sectors (i.e. mainly the Economic Cabinet Cluster, previously the Economic Cluster) and TKZN's efforts to coordinate the public sector's interaction with private tourism enterprises. Government business has recently been reorganized, accompanied by changes in the cluster system. An Economic Sectors and Infrastructure Cluster (ESID) has been established⁸⁵⁹. This gives Cabinet wider influence, authority and control over and broader reach to relevant stakeholders; the assumption is that this will improve coordination and relations, which could promote social benefits⁸⁶⁰. Furthermore, there is a danger of exaggerated integration and clustering; this refers to a pseudo sense of collective responsibility. Instead of putting more effort into coordinating IOR arrangements, the lead organization hides behind other stakeholders (the blame game). Again, the sense of cooperative management suppresses and reduces competition, productivity, accountability, and perpetuates complacency; this is linked to inter-organizational assumptions and agreements that are not recorded.

⁸⁵⁸ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press).

⁸⁵⁹ The ESDI is responsible for financial and economic issues, infrastructural investment and job creation objectives which are all critical in tourism management and development. Cabinet Manual (2011): Office of the Premier, KwaZulu-Natal.

⁸⁶⁰ KwaZulu-Natal, Office of the Premier, (2011), *Cabinet Manual*.

Pursuit of Synergistic Strategies and Application

It is critical that there is careful alignment within the modes of operational governance. These modes include enforcement (government by authority), performance (government by transaction) and co-production (government by persuasion). More than ever before, the implementation context requires that governmental organizations ensure that there is no excessive application of any of the stated modes of operational governance. Managing IOR requires clarity on tasks and competencies and the provision of resources. This demands that all actors who seeks to partner in a project are realistic and understand that whether at formal or informal level, they are entering into a contract which will demand compliance of some sort. It is expected that the lead organization will ensure that external clients and partners are orientated on the institutional demands (rules, procedures, etc) and participation requirements.

Project level IOR experiences are at the centre of this chapter, and they are located within the context of District and Local Tourism Forums, and community organizations, such as the Community Tourism Association (CTA). Although uThungulu District Municipality is not my main focus since it is a coastal shareholder that I regard as privileged in terms of human capital, industry, infrastructure and business, I refer to their mainly positive developments to compare this experience with Zululand District Municipality, which has done very little with its massive resources and space for rural and social tourism⁸⁶¹. By 2003, uThungulu had already put an institutional framework in place, in the form of relevant Steering Committees and a District Tourism Forum and drafted a long-term (ten year) Tourism Master Plan for tourism activities⁸⁶².

However, while this master plan was connected to the municipality's IDP and LED strategy, it was biased in favour of marketing and communication, areas in which TKZN is doing very well. This had serious implications for the manner in which IOR were structured, in that they were based on marketing what was already there, which was business tourism, and less effort

⁸⁶¹ This is positive because this municipality has a number of partnerships for tourism implementation. They include partnerships with COGTA (on the KwaBuylawayo Tourism Development project), the DEDT (tourism awareness programme, One Village One Product, and Craft Hub and Training Facility), Mhlathuze Municipality (Small Craft Harbour Richards Bay) and EKZNW (Forests of Zululand), etc.

⁸⁶² uThungulu District Municipality, *Tourism Master Plan*: www.uthungulu.org.za (accessed on 05 November 2010).

was put designing tourism products which would have given more content to social tourism. It is often assumed that “most people are not interested in devoting their time, money and skills to shape public policy”⁸⁶³. It is important to assess this assumption as there are many actors with the necessary skills, time and money to develop, plan and implement tourism programmes. It is thus important to assess the lead organizations (the DACT and TKZN)’s experience in galvanizing resources through securing the participation of essential actors. This would enable them to focus on those who fit the requirements and exclude those that do not add any value to tourism.

Another question in relation to the lead organization is what they have done to ensure that there is a sound management framework in place (strategy) to address the many issues that arise in the implementation structure. These include regulation of competition, minimizing contradictions, effective penalties and incentives, the management of dominance, future transactions, facilitating performance (Monitoring and Evaluation), resolving conflict, and coordination. At strategic organizational level, “what needs to be done to enhance coordination and control of the highly fragmented and pluralist decision-making”⁸⁶⁴. A major question confronting political systems in any advanced industrial country is whether or not they have taken advantage of the policy and inter-organizational network, where there is a clear need and potential for the sustainability of interdependency amongst organizations⁸⁶⁵.

Inter-organizational District Cluster/Committees

While on-on-one relationships are easy for the public sector to manage in tourism, as more actors get involved, officials become overwhelmed, especially if they are not capacitated to manage complex relations. As much as uThungulu achieved the basics, i.e., securing partnerships with tour operators, the DEDT and TKZN, the bias towards marketing and communication undermined these efforts. For example their tourism products included Urban Cultural Tourism (a collaboration with Esikhaleni SeNkosi Tourism Association), and Passenger Cruise Liners (adventure tourism) which were both already benefiting the developed Mhlathuze region (Richards Bay). Less emphasis was placed on the inland areas of

⁸⁶³ Wolfinger, R.E. (1972) *Non-decisions and the study of local politics* (American Political Science Review: vol. 65) pp. 1063-80.

⁸⁶⁴ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications,) p. 12.

⁸⁶⁵ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications,) p. 2.

the District. More could have been done to develop innovative products that would have impacted on inter-organizational trust, capacity, learning and dependencies.

It is expected that District Municipalities provide basic institutional resources such as secretariat support and leadership. One of the “critical a challenge to inter-organizational implementation is distrust in the institutions of authority”⁸⁶⁶. In a context where implementation by order is applicable, and where all other actors have to internalize the objectives of the lead organization, trust becomes an obstacle. Unfortunately, government agencies are also dependent on external actors and they cannot command these actors by means of rewards and punishment. The focal organization sometimes finds it hard to get things done; hence, the public sector must create a shared sense of responsibility and accountability.

The answer to this problem is for the lead organization to create a strong organizational culture. Common goals and a common perspective on activities will emerge⁸⁶⁷. This raises the question of how far the DACT has come in creating a shared vocabulary that allows other actors to gravitate towards its organizational culture and not deviate from common goals. If there is a strong drive to craft, package and sell an ‘attractive’ and ‘popular’ organizational culture, the prospects of things being done correctly will improve. This forces the lead organization to look inwards and find prescripts that will enable its leadership to be fully in charge. However, developing a common vision (ultimately an organizational culture) is “becoming more difficult in that implementation structures are composed of heterogeneous members in terms of race, ethnicity, gender, language, etc”⁸⁶⁸. These ‘personalities’ are reluctant to compromise their distinctive features; hence there is limited opportunity for organizations to form successful partnerships. This limits the opportunities for an organization to refine and market their culture and vision and it is subjected to unnecessary interdependence.

⁸⁶⁶ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School) p. 24.

⁸⁶⁷ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School) p. 25.

⁸⁶⁸ Pfeffer, J. (1994) *Managing with Power, Politics and Influence in Organizations* (Boston, Massachusetts: Graduate School of Business, Stanford University and Harvard Business School) p. 39.

The literature shows that many implementation agents (including street-level bureaucrats) at local level lack capacity, especially in planning and budgeting. Their conception of inter-organizational implementation is different because they lack regulation and enforcement powers. This basically means that they cannot own policy programmes; they find themselves forced to give away too much during interactions and this causes major deviations from the original policy objectives and outcomes. Resource and bargaining practices are the key features in a discussion on contemporary implementation. It is also critical that I recognize the strength of IOR in empowering and recognizing the work of local implementers. While local implementers are crucial to implementation, they lack financial and organizational resources to improve their operating standards. Collaboration is a key survival and coping mechanism⁸⁶⁹.

However, this mechanism makes them vulnerable to practical bargaining constraints and limited opportunities. They are not able to bargain as equals with the some of the well-established actors and hence are not able to tailor and execute their own goals and priorities. In the context of this study, local municipalities and local tourism organizations fall into this category. They develop sustained tendencies such as compromising their own values, culture and goals for the sake of playing some part in programme implementation. Again, they develop *ad-hoc* patterns of dependence on some of the more reliable partners who could be district administrations, and provincial and national actors. This demands brokering, diplomatic and negotiating skills to enable them to identify cooperation that can and will work for them. Factors that should be taken into account when contemplating collaboration include forecasting the quality and grounds for agreements and areas of limitation. The critical concern for me is how governmental organizations get to the point where they can say that they have achieved a balance between power/authority and the control of resources.

One of the critical areas that this study raises is the demands of network management as it relates to contemporary implementation. As indicated earlier “there is an increase in the interaction and cooperation of private and public organizational actors located at various levels in the translation, execution and monitoring of policy intentions”⁸⁷⁰. This demands co-

⁸⁶⁹ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁸⁷⁰ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication) p. 138.

alignment of activities and some changes in the behaviour of actors. Amongst the key responsibilities of public sector actors is leadership of the network; this involves crafting and marketing the common purpose and goals⁸⁷¹. Traditional management was characterized by unskilled work, meaningless repetitive tasks and individual and unskilled work. Management held all power and coordination was directed from above. In contrast, modern management is knowledge work, innovation and caring, teamwork, project-based work, multi-skilling, recognition of the power of clients (the community), and coordination amongst peers. Clearly, this is compatible with the bottom-up approach and horizontal implementation⁸⁷².

These changes in management practices reflect the changing roles of public managers who are required to adopt a modern mind-set and attitude towards their tasks. Organizational structures and strategies have to be aligned with the new organizational culture. A network practitioner is required to recognize that implementation comprises of managing across and through different sub-networks. This refers to the wide range of issues and activities that has to do with the coordination of programmes at local level⁸⁷³. For example, there are actors located at district level and local level, where actual implementation takes place. This calls for changes in a wide range of things that has to do with implementation, including behaviour and perceptions. Now, the public managers' new role requires them to be more aware of and acknowledge the environment in which they operate. Assertiveness, knowledge of the organizational landscape (external factors), the ability to recognize and tap the comparative advantages of other actors, persuasion and marketing, vision articulation and organizational culture are all required of these managers. They have to adopt new attitudes and embrace team building and flexible approaches to conflict resolution. This is a tall order at the best of times; given the capacity limitations noted above, the challenge is particularly daunting in developing and transitioning countries⁸⁷⁴.

The adoption of a network approach to implementation does not mean that formal organizational and jurisdictional boundaries will disappear or become irrelevant. In fact, they

⁸⁷¹ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁸⁷² Du Toit, D.F.P., Van der Waldt, G., Bayat M.S., and Cheminai, J. (1988) *Public Administration and Administration for Effective Governance* (Kenwyn, Cape Town: Juta,) p. 197.

⁸⁷³ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁸⁷⁴ Agranoff, R. and McGuire, M. (1999) *Managing in Network Setting* (Policy Studies Review 161, 1), pp.18-41.

become sources of conflict and disagreements. Actors are likely to want to impose their own values on others and/or protect them from others who might want to win them over.

Executing decisions is therefore sometimes delayed by disagreements. Amongst many developments in the field of tourism has been the new approach known as responsible tourism, sustainable tourism or eco-tourism. All these concepts can be combined because they are related and their focus is similar. This approach defines tourism as the purposeful travel of people to natural areas to understand and appreciate their culture and natural history and to make a contribution to sustaining the integrity of the ecosystem. This includes ensuring that adjacent communities benefit from economic opportunities so that they can promote the conservation and preservation of natural resources.

Inter-organizational Negotiation

There will also be a need for negotiation to secure agreements in the inter-organizational process and implementation. This study found a province-district disconnect, mainly because of varying service delivery imperatives and a lack of resources. At interaction guidance level, in instances where the DACT/DEDT has had to control the rules of the game to facilitate conflict resolution and avoid clashes between political ideologies and leadership styles and personalities, very little could be achieved. At the organizational arrangements level, the expectation would that local level organizations should make fairly continuous adjustments to ensure smooth interaction and compliance⁸⁷⁵. It is clear that what has been happening is not entirely compatible with the contemporary implementation context, in that if permanent structures are put in place, it is not easy to achieve speedy adjustment.

In closing this discussion, it is important to reiterate some critical points. One of these is that, contemporary institutional arrangements are designed to enable and facilitate actors' participation in implementation programmes and projects. The strategy to manage interactions emphasizes the selective activation (correct identification) of actors in order to ensure that investment yields expected outcomes; hence unproductive actors are deactivated. This is critical in tourism services partnerships, in that actors that cannot deliver services of an expected standard are forced to close. This enables positive competition and improved performance by the actors involved in a project. Again, the issue of resources is critical in

⁸⁷⁵ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

managing interactions in that it activates activities and is also the key to influence decisions. In short, it is clear that TKZN did not have adequate strength to enable internal cohesion and adaptability and the biggest loser was social interdependence (rural social tourism), and general compliance could not be secured⁸⁷⁶.

Inter-organizational Partnerships Performance

My view on the partnerships in the PTC and PTF structures is that there is lack of basic uniformity and misguidance which affects the implementation of operational projects. For many reasons, which include budget constraints, a non-aligned budgetary cycle and other urgent priorities, the District and Local Municipalities do not have active tourism websites and yet, the expectation is that they are shareholders and partners in the implementation of tourism programmes. This basically means that there is a symbolic will amongst all stakeholders but unequal human and financial capital to make things happen. In the absence of well-coordinated, decentralized steering, some actors resorted to self-guidance, e.g., EKZNW designed its own ecotourism and social tourism approach and implemented it without hands-on leadership by TKZN.

One of the areas of concern is the lack of intervention in District and Local Municipalities by the lead organizations, especially in terms of institutional support (human capital and budget). In 2005 and 2006, the tourism budgets for Amajuba, Uthukela, Umzinyathi and Zululand who are brand holders (Battlefields) were very small and did not relate to the potential that exists on the ground⁸⁷⁷. Hence, in many ways, power and influence were handed to the private sector. Monitoring and evaluation, a routine management function, becomes difficult because the products and services are in the hands of external actors who determine the standard of services provided⁸⁷⁸. This creates a level of uncertainty and distrust amongst the internal actors and lead organizations.

⁸⁷⁶ Personal Interview with the Member of the PTC-PTF between 2003-2008 (TKZN, Interview 01).

⁸⁷⁷ Tourism KwaZulu-Natal, *Minutes of the Provincial Tourism Forum (PTF), meeting held in August 2006*,

⁸⁷⁸ Keyter, C (2010) *Perceptions of stakeholders involved in a public-private partnership arrangement: A case study of solid waste management in the City of Windhoek, Namibia*. (Journal of Public Administration, Volume 45 Number 1, March 2010).

Inadequate Transformation, Participation and Empowerment

Government aims to bring its services closer to the people and empowerment programmes are aimed at the most disadvantaged and rural communities. Is the tourism implementation structure allowing this to happen? How is government ensuring that IGR forums and agreements fulfil its objectives? Aside from formulating policy, the state must have the capacity to implement it. State capacity is a function of its organizational coherence and expertise that determines its success⁸⁷⁹. For stakeholders to participate effectively, they need to be assisted to develop adequate and relevant capacity. This includes communities where tourism ventures are located⁸⁸⁰. In this case, there appear to have been good intentions and goals without the necessary means (the process, budget, capacity, etc). This is not surprising because implementation should not only be viewed in terms of the failure to execute (achieving an outcome), but the inability to design a process and follow through⁸⁸¹. Due to a number of reasons, the DACT delayed the conclusion of the provincial tourism policy, and this impacted a number of initiatives. One of these is IOR tourism capacity building. Only in 2012 did the DEDT provide practical assistance and funding in the form of the Tourism Graduate Development Programme in order to recruit skilled graduates into District and Local Municipalities' tourism offices. This represents the implementation of the partnership that was also negotiated in IOR structures such as the PTC and PTF.

Challenge of Building a Shared Vision and Perception

The lead organization has the responsibility to ensure that there is less uncertainty within the KZNTIS. This could be done by ensure that stakeholders are kept informed on the performance of the KZNTIS in order to adopt positive and realistic expectations⁸⁸². However, uncertainty is an on-going state of affairs. For example, some members of the Battlefields were not confident that the inclusive approach (of Amajuba, Uthukela and Umzinyathi)

⁸⁷⁹ Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition, Canada, USA: Oxford University Press).

⁸⁸⁰ Keyter, C. (2010) *Perceptions of stakeholders involved in a public-private partnership arrangement: A case study of solid waste management in the City of Windhoek, Namibia*. (Journal of Public Administration, Volume 45 Number 1, March 2010).

⁸⁸¹ Pressman, J. and Wildavsky, A. (1973) *Implementation* (Berkeley, USA: University of California Press).

⁸⁸² Keyter, C (2010) *Perceptions of stakeholders involved in a public-private partnership arrangement: A case study of solid waste management in the City of Windhoek, Namibia*. (Journal of Public Administration, Volume 45 Number 1, March 2010).

would work, yet this could have reduced marketing costs for all stakeholders⁸⁸³. Considering that the budget for marketing in all these municipalities is small, this approach was the most appropriate mechanism.

This was a serious challenge for the lead organizations because strategic partners participate in the KZN-TIS to ensure that their own interests are realized. If this is not the case, distrust and a lack of synergy will emerge. This causes panic and uncertainty and stakeholders are likely to withdraw prematurely and seek alternative ways of achieving their objectives. Again, there is an indication that there was a delay in including EKZNW as a stakeholder in the PTF structure and this affected the IOR negotiations and capacity strengthening of the KZN-TIS.

Besides the long-term exclusion of EKZNW, another serious exclusion was that of capable and financially stable municipalities. For example, within the Zululand District, AbaQulusi Municipality, and within Amajuba, Newcastle Municipality could have been included in the PTF because they have financial capacity. The exclusion meant that some of the most capable and willing municipalities were constrained from participating fully. As a result of this missed opportunity, ordinary people and tourists get a raw deal in terms of tourism funding, product support and services. Local municipalities merely receive the tourism planning tool kit from the lead organizations and are left to implement tourism projects alone⁸⁸⁴.

Contracting and Influence of organizational Image and Culture

Contracting involves the government agreeing with relevant private organizations that they will provide certain services to clients, which could be the general public⁸⁸⁵. Although this cannot be explicitly labelled an inter-organizational implementation arrangement, it involves two or more partners, which gives it an inter-organizational character. The advantages of contracting include effectiveness and efficiency. Agreements or contracts are clear and specific in terms of the cost of projects, deadlines, required quality, beneficiaries and government employment regulations. As much as there will be challenges in different

⁸⁸³ Tourism KwaZulu-Natal, *Minutes of the Provincial Tourism Forum (PTF) meeting*, August 2006,

⁸⁸⁴ Personal Interview with a Member of the PTC from 2000-2010 (Vryheid CTO, Interview 12).

⁸⁸⁵ C. Auriacombe (2006) *Reflections of the New Public Management* (University of South Africa) Also available at <http://www.up.ac.za/academic/soba/SAAPAM/vol134n2/auriacom.htm>, accessed on 24 September 2006.

situations and cases, the contract arrangement is a practical way to guarantee inter-organizational implementation. Contracts are not necessarily the panacea for inter-organizational implementation as they are expensive to draw up and manage; these transaction costs can outweigh the benefits⁸⁸⁶. Secondly, natural disasters and upheavals may cause delays in the implementation process and enforcement measures will have to be applied; these processes cost money. Thirdly, the implementers on the ground might not go the extra mile to meet pressing deadlines and this could jeopardize relations between the service provider and the government agency.

Fourthly, contracting deprives government officials of the opportunity to be fully involved and learn from projects; instead, they rely on others for implementation. Furthermore, the beneficiaries, who could be public or private clients, could distrust the service provider and things could go wrong. Overall, however, contracting offers a competitive advantage and can produce results. The lack of urgency and direction on the part of some provincial lead organizations has forced some actors to examine the organizational history, image and culture that they are exposed to in the KZNTIS and the pace of their participation and commitment. It has proven to be very difficult for successful organizations, which have strong leadership, well developed communication and sound and focussed products, to participate in this structure. On the basis of its success and organizational culture, EKZNW finds it difficult to 'submit' to an inter-organizational structure that seems to be confronted by many challenges, including leadership, agenda setting and funding⁸⁸⁷.

It is common that organizations are faced with tough decisions, especially those that have to do with maximizing their goals and objectives in the network interaction process.⁸⁸⁸ Coordination challenges such as administrative problems are linked to the complexity and uncertainty that comes with decentralized administration; organizations are likely to 'emotionally' withdraw from full participation and attend simply in order to comply. This is one of the challenges that the KZNTIS might have suffered because interaction between

⁸⁸⁶ Auriacombe, C. (2006) *Reflections of the New Public Management* (University of South Africa) <http://www.up.ac.za/academic/soba/SAAPAM/vol134n2/auriacom.htm> , accessed on 24 September 2006.

⁸⁸⁷ Personal Interview with the Member of Ezemvelo KZN Wildlife, (EKZNW, Interview 8).

⁸⁸⁸ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications).

government institutions and service providers seems to be mandatory⁸⁸⁹. This raises the ongoing need for improved coordination and organization to enable joint decision-making.

Another important factor affecting organizations' attitude to IOC is domain consensus. As much as there is a culture in the KZNTIS of MOUs when there is need for partnerships⁸⁹⁰ the organization's domain or mandate is used to assume that cooperation is guaranteed.

Background negotiations need to be conducted before reaching an agreement of partnership. This is very important as it is a precondition for other actors to cooperate⁸⁹¹. Organizational culture has the potential to influence the governance patterns that emerge. Many argue that culture played a critical role in the emergence of inter-organizational networks in Japanese industry. The common technical roots and know-how underline the regional small-industry networks formed in Italy and Switzerland. Professional culture enables colloquiums and formal and informal inter-organizational networks based on common skills, norms and rules⁸⁹².

Lead Organizations' Leadership

Although the KZNTIS initiated and implemented a number of laudable projects⁸⁹³, there are many reasons why inter-organizational effectiveness is not easily attainable. Amongst these are structural deficiencies and alignment. For example between 2000 and 2010, the DEDT-DACT-DEDT and TKZN did not have district-based offices through which they could facilitate the implementation of tourism programmes⁸⁹⁴. The main stakeholders are on the ground, i.e., the District and Local Municipalities, tourism associations and the product owners (tourism entrepreneurs). The DACT in particular did not have an intergovernmental

⁸⁸⁹ Ridley, F.F. (1975) *The Study of Government* (Political Science and Public Administration, Great Britain: Cox and Wyman Ltd).

⁸⁹⁰ For example, Durban Africa (Ethekewini Municipality) partnered with TKZN to produce six CDs to be circulated on inbound South African Airways (SAA): Minutes of the Provincial Tourism Forum (PTF), meeting, August 2006, Tourism KwaZulu-Natal (TKZN).

⁸⁹¹ Alexander, E. R. (1995) *How Organisations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

⁸⁹² Alexander, E. R. (1995) *How Organisations Act Together: Inter-organizational Coordination in Theory and Practice*. (Amsterdam: Gordon and Brach Publishers) p. 74.

⁸⁹³ For example the 2010 Soccer World Cup Bid, 2010 Soccer World Cup, Establishment of Nongoma Tourism Association, Tourism Safety Project, Emasosheni Community Project (Battlefields), Integrated Action Plan 2005/6, Tourism Monitor Project and Trade and Consumer Shows, etc: Minutes of the Provincial Tourism Forum (PTF), meeting, August 2005, Tourism KwaZulu-Natal (TKZN).

⁸⁹⁴ Personal Interview with the Member of Ezemvelo KZN Wildlife, (EKZNV, Interview 8).

relations unit through which to steer coordination. This created a distance between stakeholders which is not easy to close.

This situation is contrary to what is expected from lead organizations that should create an open environment for interaction amongst stakeholders to facilitate the smooth diffusion of ideas, administrative expectations, processes and policies. This poses a coordination challenge in the form of strategic planning to achieve a well-developed, credible joint authority structure and sound relative autonomy⁸⁹⁵. Critical functions, including tourism planning, awareness, capacity building, policy analysis, coordination, monitoring and evaluation were supposed to be performed by the lead organizational actor (the DEDT-DACT); unfortunately the structure did not provide capacity for these. Inter-organizational coordination practice relates to institutional arrangements in that coordination is formal and results from adjustments among the organizations in their outlook, objectives and methods of cooperation⁸⁹⁶. In comparison, EKZNW has been able to establish functional regional and local offices through which they have managed to connect and provide support and funding in various communities.

Actions and Inactions on Joint Decision-Making

The lead organizations have proven to be capable of securing cooperation in many projects, including the July Vodacom Challenge, tourism awareness training and the Tourism Enterprise Programme (TEP) and securing the advisory services of the Small Enterprise Development Agency (SEDA), and DED, etc. However, projects that are critical for the development of tourism, especially in Zululand District Municipality, were delayed. Firstly, there was a delay in the establishment of a functional tourism structure. Secondly, there is a serious delay in completing the tarred 32km Phongola–Nongoma (Nongoma R66) connecting route which could have unlocked massive economic development for the region⁸⁹⁷.

This is a case of a failed joint decision-making process because the PTC could have used its power and influence to ensure that this job was completed. This delay could suggest that,

⁸⁹⁵ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁸⁹⁶ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) p. 12.

⁸⁹⁷ Tourism KwaZulu-Natal, *Minutes of the Provincial Tourism Forum* (PTF), meeting in November 2007.

while the project had merit and was acceptable to many, it did not have all stakeholders' support. Again, this reveals shortcomings in the effectiveness of the KZN-TIS's mobilization of bureaucratic expertise in that many government sectors could have benefitted from this route which could have been opened up by tourism champions. This illustrates that bureaucrats are not always capable of dealing with the complex problems that emerge from the coordinating structures such as the PTC and PTF and the KZN Cabinet Portfolio Committee on Economic Development and Tourism, which is the legitimate political authority⁸⁹⁸.

The PTC did not have a system to ensure that information and decisions were cascaded down to the local municipalities and other stakeholders (local tourism associations and product owners). Linked to this challenge was the lack of attendance of the PTC by the relevant Mayors and Municipal Managers⁸⁹⁹. This can result in actors being deprived of reliable information; furthermore, their actions cannot be monitored because there is no agreement between TKZN and themselves. This situation results in actors focusing their efforts on their own plans and goals, especially in contexts in which trade-offs must be made between competing goals⁹⁰⁰. The level of autonomy granted to stakeholders in contemporary governance can become a constraint if it is abused. This refers to the extent of independence and discretion each implementing actor enjoys. The tension that it creates is evident in this study, where the participation and commitment of District and Local Municipalities showed that they have autonomy and relative power to disregard recommendations and plans that are contrary to their own plans and priorities. Observers of politics have long argued that groups use self-serving motives and actions to benefit their members at the expense of the rest of society. This could be true in the context of an implementation structure where organizational interests prevent some actors from supporting initiatives because they have less or nothing to gain from them⁹⁰¹.

⁸⁹⁸ Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition, Canada, USA: Oxford University Press).

⁸⁹⁹ Tourism KwaZulu-Natal, *Minutes of the Provincial Tourism Forum* (PTF), meeting, November 2007, (TKZN).

⁹⁰⁰ Peters, G. and Piore, J (2006) *Handbook of Public Policy* (London, Thousand Oaks, New Delhi: Sage Publications).

⁹⁰¹ Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition, Canada, USA: Oxford University Press,).

This brings the discussion to the issue of organizational culture, which is critical for the lead organizations in that it concerns assumptions and perceptions that internal and external actors share about the lead organizations. These are not necessarily conscious, but surface at different intervals during implementation and are critical for the strategic decisions of all stakeholders. The way in which other actors within the KZN-TIS view the DEDT/DACT/TKZN determines how they cooperate with these lead organizations; this determines the speed and quality of implementation (tourism products and services)⁹⁰².

Possibilities of Regulation and Compliance in Partnerships

How is government's obligation to provide oversight and monitor and evaluate implementation performance possible in the contemporary environment? It is expected that this function will be executed with a high degree of objectivity and that, while government has partners that share the responsibility, in some instances they cannot be held accountable for policy failures. Having said this, I fully acknowledge that IOR partnerships place a huge burden of responsibility on the lead organization (the DEDT/DACT and TKZN) to ensure that stakeholders receive relevant information, that roles and expectations are clear and that there is compliance⁹⁰³.

Three modes of governance characterize the operations of organizations, which I find relevant in this context "authority, transaction or persuasion"⁹⁰⁴. The authority mode relates to the provisions and mandate (the right or legitimacy) that gives a particular government structure / institution the power to design and perform certain tasks, regulate and oversee all parts of the governance cycle. In the authority mode of governance, the central subject of government action is regulation and imposition. The delivery of products and services is seen as having an exclusive (public good) character. The term 'government' refers to an array of

⁹⁰² Schein 1992: 53-54 in Nyambe, N. (2005) *Organizational Culture and Its Underlying Basic Assumptions as a Determinant of Change. A Case Study of KwaZulu-Natal's Conservation Sector* (Pietermaritzburg: Centre for Environment, Agriculture and Development, University of KwaZulu-Natal).

⁹⁰³ Keyter, C (2010) *Perceptions of stakeholders involved in a public-private partnership arrangement: A case study of solid waste management in the City of Windhoek, Namibia*. (Journal of Public Administration, Volume 45 Number 1, March 2010).

⁹⁰⁴ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: An Introduction to the Study of Operational, Second Edition*, (Los Angeles, London, New Delhi, Washington DC: Sage Publications) p. 181.

political-administrative actors acting under a legislative mandate. This is the mode that, if applied alone “is not compatible with contemporary governance processes”⁹⁰⁵.

The second mode, governance by transaction, emphasizes the creation of frameworks in which other actors can perform, while at the same time it is necessary to evaluate and ensure that these frameworks continue to function well. These tasks are founded on a corresponding constitutional basis and democratic mandate. The legislation is important as well as institutional design, especially the institutionalization of oversight and the “role of government is one of regulator and inspector”⁹⁰⁶. The last mode of governance is that of persuasion, where more emphasis is placed on the participation of all relevant stakeholders in implementation. In this instance, leadership focuses on securing joint efforts between government and other actors in society. This is the most relevant mode in inter-organizational implementation, in that government plays the role of chairperson (the DEDT/DACT/TKZN) and the central vision is that of developing consensus⁹⁰⁷.

At organizational level (i.e. the PTC/PTF), the operational rules include decisions about when, where, and how to do something (advisory support). Furthermore, it should be clear who should monitor the actions of others, how actions should be monitored, under what circumstances information should be exchanged or withheld, and what rewards and sanctions will be assigned to combinations of actions and outcomes⁹⁰⁸. As much as this study is focused on IOR and implementation, indirectly, it concerns regulation and compliance within the KZNTIS. The lead organizations should be able to gauge their success in the context of negotiations, leadership and communication

In a context where” authority is exchanged for expertise, what happens to the actual services and constitutional provisions⁹⁰⁹? On the assumption that implementation managers lack some necessary skills and are therefore forced to compromise and shared the decision-making

⁹⁰⁵ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: An Introduction to the Study of Operational, Second Edition*, (Los Angeles, London, New Delhi, Washington DC: Sage Publications), p.187.

⁹⁰⁶ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: An Introduction to the Study of Operational*, (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications) p. 187.

⁹⁰⁷ Hill, M. and Hupe, P. (2002) *Implementing Public Policy: An Introduction to the Study of Operational, Second Edition*, (Los Angeles, London, New Delhi, Washington DC: Sage Publications).

⁹⁰⁸ Kiser, L. and Ostrom, E. (1982) “*The Three Worlds of Actions: A Meta-theoretical Synthesis of Institutional Approaches*”, in *Strategies of Political Inquiry*, ed. Elinor Ostrom (Beverly Hills, CA, Sage Publication).

⁹⁰⁹ Colebatch, H.K. (2002) *Concepts in the Social Sciences: Policy*, (2nd edition, Philadelphia: Open University Press) p. 120.

arena, external actors have an opportunity to change the process. The main question is what happens to the governmental objectives that they stand for. One interesting issue this study unpacks is decentralization for inter-organizational implementation, especially within an institutional context. In order for the lead provincial actors to be successful, they have to find ways to distribute power in decentralized organizations while increasing self-discipline. Again, it is clear that the days of command and control bureaucracies are over. The challenge is thus designing systems that will get things done, even within the network⁹¹⁰.

Almost all TKZN's strategic frameworks provide for stakeholder management and partnerships, but the pace of securing the correct kinds of partnerships seems to be very slow. While I strongly argue that, TKZN has done well in its marketing function, in that it has focused on its clients, tourists and tourism product owners, the province has not played its part in terms of connecting with its clients⁹¹¹. In short, I argue that the DEDT/DACT has not "enhanced the engagement and created meaningful conversations, especially regarding operational challenges"⁹¹². Achieving this in the contemporary implementation context will never be easy because organizations that invest in building a culture of self-discipline will probably be successful, and then those who try to hold on to their traditional bureaucratic systems of imposing the culture of discipline are likely fail to keep pace with their competitors⁹¹³. Much patience and persuasion needs to be applied in managing the KZNTIS and ensuring that it is a success. In terms of District and Local Municipalities, success depends on securing voluntary followership (tourism product owners). This is the same in standard bureaucracies, where organizational actors are induced to follow by mandates and sanctions. Success in the contemporary governance environment "requires deeper levels of commitment from those who are charged with pursuing the mission of the organization, mandates alone will not suffice"⁹¹⁴.

Inter-organizational Establishment

⁹¹⁰ Peters, B. and Piore, J. (2003) *Handbook of Public Administration* (London, Thousand Oaks and New Delhi: Sage Publications).

⁹¹¹ Peters, B. and Piore, J. (2003) *Handbook of Public Administration* (London, Thousand Oaks and New Delhi: Sage Publications).

⁹¹² Peters, B. and Piore, J. (2003) *Handbook of Public Administration* (London, Thousand Oaks and New Delhi: Sage Publications) p. 588.

⁹¹³ Peters, B. and Piore, J. (2003) *Handbook of Public Administration* (London, Thousand Oaks and New Delhi: Sage Publications).

⁹¹⁴ Peters, B. and Piore, J. (2003) *Handbook of Public Administration* (London, Thousand Oaks and New Delhi: Sage Publications) p. 588.

Inter-organizational establishment is one of the main themes that the governance atmosphere should create and enhance⁹¹⁵. The first thing to note is that amongst the many principles and values of democracy are access, freedom, cooperation, transparency, consultation, courtesy, fairness, equality, participation, responsive and effective governance, etc. These are an excellent basis for the practice of intergovernmental relations and cooperative governance. In South Africa, the various spheres of government are required by law to work together⁹¹⁶. This requires that governmental institutions consult, support and operate interdependently to achieve intended objectives with minimal effort and resources. This aligns with and is a response to the fact that one policy issue tends to attract a wide range of actors, both individual and organizations, that bring with them a wide range of proposals (possible solutions)⁹¹⁷.

Secondly, it is important to note that public governance within a democratic dispensation recognizes its citizens and creates adequate space and avenues that allow them to participate effectively in the governance processes. This is an environment where public interests and views are the basis for discussion. This practice does⁹¹⁸ not end with the public, but extends to policy entrepreneurs, who may be private individuals and organizations and members of civil society. The third and critical issue is that of good governance. Good governance has two elements, the first being the internalization and steering of a system of values, policies and institutions by which society manages its affairs; this extends to institutions, systems, structures, processes, procedures, practices, relationships, and leadership. The second element is that of 'good', which builds on the openness of the democratic process, especially as it relates to ensuring that government work at administrative and political levels (and the private sector) is executed with efficiency, effectiveness, accountability, transparency, ethically and with integrity⁹¹⁹.

⁹¹⁵ For me, inter-organizational establishment is a critical stage during which a strong foundation is laid by focusing efforts on *creating the basis and incentives for cooperation, presentation of value, clarity of mandate (vision-purpose), agenda setting, orientation of all actors, and strong observance of good governance principles, especially those of empowerment and enhancing participation.*

⁹¹⁶ See the Constitution of the Republic of South Africa (1996), *Cooperative Governance is provided for in Chapter 3.*

⁹¹⁷ Colebatch, H.K. (2002) *Concepts in the Social Sciences: Policy*, (2nd edition, Philadelphia: Open University Press).

⁹¹⁸ It is a common occurrence that organizations and individuals from inside and outside government are interested in a policy issue and that formal or informal structures could form out of this. Colebatch, H.K. (2002) *Concepts in the Social Sciences. Policy, second edition* (Philadelphia: Open University Press).

⁹¹⁹ Rondineli, A.D. and Cheema, G.S. (2003) *Reinventing Government for the Twenty-First Century; State Capacity in a Globalised Society* (USA: Kumarian Press, Inc.).

Inter-organizational Consolidation

In the context of this study, this principle is best defined through intergovernmental relations. Traditional, single purpose organizations are becoming a thing of the past. Inter-organizational consolidation primarily requires the lead organizations to be active in seeking cooperation⁹²⁰. As a theme, inter-organizational consolidation enables the identification and clarification of issues such as the comparative analysis of plans and priorities, refining and adjusting organizational structures to enable effective participation, simplifying the system of coordination, and observing the principles of cooperative governance (effectiveness, efficiency and accountability). Government institutions must both cooperate internally and collaborate with external actors to ensure speedy service delivery. If this is done well, it could ensure that there is coherence and consistency of policy decisions as well as in policy implementation across actors and across levels. Certain issues should also be part of the package in implementing an intergovernmental programme. These include regulation, oversight, negotiation of performance, awareness of incentives (and penalties), contracts based on clear institutional standards and clarity on shared autonomy. This demands careful policy, organizational structure and programming, a focus on the nature of collaborations and partnerships, and capacity building⁹²¹. This raises the issue of interdependence between the levels of government, the system of shared authority and the nature of public-private interdependence.

Inter-Organizational Sustainability

This notion of inter-organizational sustainability emerged as the interviewees reiterated the issue of changing ‘pace and losing rhythm’ in attendance and agenda setting within the KZNTIS⁹²². This reflects the commitment and participation of organizational actors. The PTC and PTF meetings are scheduled to take place four times a year. If different people attend at different times, the whole purpose of the exercise is defeated, especially since there is limited follow-up and few reports. In this context, the principle of participation is amongst three critical and related terms, including decentralization and incentives. At the level of

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⁹²¹ Peters, B. and Piore, J. (2003) *Handbook of Public Administration* (London, Thousand Oaks and New Delhi: Sage Publications).

⁹²² Inter-organizational sustainability is one of the themes through which I examine clarity of roles, established perceptions and expectations, the planning cycle, reporting system, improved implementation tools, rhythm in meetings, consistent attendance, improved agenda setting, expectations, etc.

policy formulation, participation ensures that every relevant stakeholder is part of the lobbying process and that the end result is a comprehensive, funded and practical policy. At another level, participation ensures that there is continuity in the participation of actors in policy formulation and the implementation process, enhancing accountability, transparency and responsiveness. The province (the DEDT/DACT) is expected to provide oversight and support to the District and Local Municipalities; hence it is essential that there is on-going monitoring, evaluation and reporting. If their attendance at the PTC and PTF is not consistent, it is possible that the province and its agency, TKZN, will not be sure what happening at local level⁹²³.

The other concept that is important to briefly review is that of incentives; this is related to the transaction and exchange that happens between organizational actors or members of the KZNTIS. The province, the DEDT/DACT, provides annual financial support to District Municipalities; in turn, they make transfers to Local Municipalities. These transfers should be a motivation or incentive for the beneficiaries to cooperate, comply and ‘submit’ to the regulators. The fact that only District Municipalities and selected actors attend the most important committees in the province, the PTC/PTF, deprives Local Municipalities of the opportunity to engage leadership and obtain direct support.

In an ideal situation, the presence and accessibility of incentives have the potential to increase discretion, ownership of the process, legitimacy, and operational capacity and trust, in that all participants are assured that their efforts will be recognized, and that they will benefit. Decentralization and incentives should be enabling conditions in the success of an implementation structure⁹²⁴. On the contrary, this study notes that commitment, participation and consultation do not guarantee any actors immediate and direct access to benefits; organizations may only accrue benefits in the long term. Again, it is important to note that financial transfers do not guarantee the province access and space to influence the local decision-making arena. In short, the lead organizations may not be able to play their role of support and oversight effectively.

⁹²³ Brinkerhoff, D.W. and Brinkerhoff, J.M. *Cross-Sectoral Policy Networks: Lessons from Developing and Transitioning Countries* p. 170, cited in Mandell, M.P. (2001) *Getting Results Through Collaboration: Networks and Network Structures for Public Policy and Management* (Greenwood Published Group).

⁹²⁴ Brinkerhoff, D.W. and Brinkerhoff, J.M. *Cross-Sectoral Policy Networks: Lessons from Developing and Transitioning Countries* p.170, cited in Mandell, M.P. (2001) *Getting Results Through Collaboration: Networks and Network Structures for Public Policy and Management* (Greenwood Published Group).

Implications of Inter-organizational Performance

Common challenges confronted by the “tourism sector include improvement and comprehensive support for public entities, enhancement of cooperative governance, increasing participation of previously marginalized groups, sustainable economic development and job creation and the formation of sustainable, effective PPPs”⁹²⁵. And furthermore, the costs of partnership and non-aligned visions (branding) are also significant. One of the critical areas is for government to redefine and refocus its participation and its approach to the management of the tourism portfolio. Generally, government’s involvement in tourism is either active or passive. Passive involvement is characterized by mandatory and supportive tendencies. In other words, government becomes involved in tourism only because it is mandated by legislation to do so. Active involvement is characterized by developmental engagement and managerial initiatives. In this situation, government does as much as it can to ensure that there is visible progress and social benefits in tourism. This flows from setting tourism objectives, enacting relevant legislation and ensuring that an appropriate environment exists for partnerships in order for tourism programmes to thrive⁹²⁶.

It is in terms of this understanding that an opinion can be formed with regard to the performance of the tourism implementation structure. Government’s level of involvement could provide energy to the tourism implementation structure, especially if tourism is integrated within the broader social and economic development agenda. Once a decision is made on the philosophy (which already exist as ecotourism and responsible and social tourism) and the management approach (partnerships), visible institutional and structural arrangements (including collective agenda setting, budget, monitoring and evaluation mechanisms) must be in place to secure the desired policy outcomes.

There is no doubt that IOC is a valuable practice within the context of inter-organizational studies, hence “experts note that it must be part of the design of implementation systems (strategy) because it can enhance effective implementation of policy goals”⁹²⁷. As indicated above, coordination requires commitment from all involved in that it “invokes

⁹²⁵ Strategic Plan 2005-2010 (published on November 2006): Department of Arts, Culture and Tourism, (KwaZulu-Natal Provincial Administration) p. 13.

⁹²⁶ Jenkins, C.L., and Henry, B.M. (1982) *Government involvement in tourism developing countries* (Annals of Tourism Research, 9, 4), pp. 499-521.

⁹²⁷ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 49.

institutionalized arrangements, power and control”⁹²⁸. This demonstrates that inter-organizational coordination goes beyond the commitment of resources, personnel, time, expertise and material support. Rather, it demands that the values, activities, interests and goals of collaborating partners be accommodated by institutional frameworks and sometimes blended so that desired outcomes can be achieved. In such a context, there is space for both the effective use and abuse of power.

Inter-organizational coordination is divided into formal (vertical) and informal (horizontal) structures. Vertical inter-organizational coordination entails vertical, mutual liaison between bodies operating in the government hierarchy. The focus should be on finding an efficient inter-organizational system or procedure⁹²⁹. At the horizontal level, inter-organizational coordination and uniformity are attained to a limited extent by means of internal liaison, with fixed arrangements that guide associations to liaise formally on a vertical basis. A macro-organizational structure such as a government institution, which has strong vertical practice, has a hierarchical element. Institutional arrangements are planned to enhance coordination. The elements that can enable the attainment of smooth coordination include establishing special departments or units for the purposes of coordination of particular types of activity, creating supra-control bodies, and instituting control units within departments⁹³⁰. Both the provincial department and TKZN should have units that specialize in strategic relations management and community projects implementation. These will ensure that the DEDT/DACT and TKZN achieve more than simply compliance and regulation, and move into real policy implementation and outcomes.

As part of implementing this recommendation, an internal inter-organizational analysis exercise should be conducted in order to explore the implementation context further and identify areas of strength and weakness⁹³¹. This will help unpack key inter-organizational issues as it will explain the organizational arrangements that are designed to secure cooperation. Any commitment to the enhancement and support of IOC structures,

⁹²⁸ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 7.

⁹²⁹ Roux, N., Brynard, P., Botes, P., and D, Fourie (1996) *Critical Issues in Public Management and Administration in South Africa* (, Pretoria, South Africa: Kagiso Tertiary) p. 184.

⁹³⁰ Roux, N., Brynard, P., Botes, P., and D, Fourie (2002) *Critical Issues in Public Management and Administration in South Africa* (, Pretoria, South Africa: Kagiso Tertiary) p. 182.

⁹³¹ Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

organizational resources, capacity, and support efforts, should be informed by an analysis of the real dynamics and experiences of the implementation structure⁹³². This is essential because organizational patterns of dependency, communication, trust, and exchange of resources have to occur within a simplified and strengthened context.

Summary

The purpose of this chapter was to explore pertinent issues such as public trust and interests, the imperatives of integration, possibilities for compliance, action and inaction in joint decision-making and an overall reflection on inter-organizational partnerships. I want to make a final observation on the challenging policy and strategy dichotomy. I conclude that there has been lack of synergy, which is a policy-strategy-structure dichotomy. The domain of the DACT/DEDT, policy, is meant to address all kinds of interests; for example, tourism policy is pro-poor (redistributive and transformational), in that it seeks to ensure that all benefit. The strategy that is the domain of TKZN (with its more business-orientated culture) is focused on the 'customer', which indirectly excludes the normal 'public'. Finally, the structure which is the domain of both organizations does not adequately cater for the implementation of the existing policy. For example, for the whole decade under review, the organizational structure did not enable these institutions to achieve their objectives.

Implementation success is determined by a well-crafted, aligned, shared vision, and collective effort to achieve these objectives. This raises the question of how the lead organizations can ensure cooperative relationships that will improve tourism policy⁹³³. The additional challenge is that the IDP is not outcomes-based; it is a broad strategic guide which is flexible in that the tourism commitment made may be altered. What gets implemented is subjective policy (pursuit of political priorities) and there are deliberate deviations from the original objectives and commitments. Activities of cooperative relationships in tourism have their own challenges, which includes understanding the product and business diversity, transformation, cooperative resourcing, initiating partnerships, seeking consensus in decision-making, compliance and facilitation of negotiations; hence synergy in objectives and a sound organizational structure are essential for the KZNTIS. This demands a stakeholder

⁹³² Kickert, W. J.M., Erick-Hans Klijn and Koppenjan, J. F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication:).

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management strategy, which will enhance negotiations, align actors' expectations and ensure real outcomes.

These issues include power and authority, goal structure and management activities, which are well-articulated in a discussion of network management. A reflection on power and authority within the management perspective examines how authority is viewed in an environment where operational decisions and responsibility for implementation are shared by various actors. Again, it looks at how power or influence is secured and applied through the commitment of resources. This study has found that organizational fragmentation, sectoral interdependence (autonomy), competing interests, conflicting values, poor consultation, and the sheer scope and scale of governmental activity impact inter-organizational coordination. There are invariably a number of competing streams of departmental advice on a particular issue, not to mention the conflicting views of external advisers and interest groups. Furthermore, there is the continuing problem of translating complex policy decisions into practical reality. It is clear that, regardless of how the machinery of government is organized, policy coordination will present difficulties⁹³⁴.

While there has been significant and increasing interaction amongst organizational actors, there are few tangible results that reflect positive mutual benefits from IOR projects. Organizational actors often do not have formal systems through which they can negotiate projects, share information and secure operational agreements with a view to cooperative reporting and compliance on joint projects⁹³⁵. This demonstrates that organizational arrangements and mechanisms such as capacity building for effective cooperative management are lagging behind, especially at community level.

⁹³⁴ Boston J. Martin, Pallot J. and Walsh P. (1996) *Public Management: The New Zealand Model* (New York: Oxford University Press).

⁹³⁵ Du Toit, D.F.P., van der Waldt, G., Bayat, M.S. Cheminai J., (1998) *Public Administration and Management for Effective Governance* (Kenwyn, Cape Town: Juta and Co, Ltd).

CHAPTER 8
SUMMARY, RESEARCH IMPLICATIONS, RECOMMENDATIONS AND
CONCLUSION

Introduction

The first part of this chapter presents a summary of the study's findings, while the second discusses the research implications, which focus on contemporary demands on leadership for effective cooperative management, inter-organizational institutional capacity and alignment, partnerships for social beneficiation, inter-organizational communication and learning (strategizing for managing collaborative governance). The last part of this chapter presents my brief reflection on inter-organizational coordination, the recommendations, the questions this study raised and the conclusion.

THE SUMMARY OF FINDINGS

Overall, the study unearthed gaps in the areas of managing public expectations, and securing and protecting public interests on the part of the lead governmental organizations⁹³⁶. In the previous chapters, I have tried to indicate that the implementation process has been largely political and symbolic, at the expense of experimental and administrative implementation⁹³⁷. As a result, the benefits of tourism remained elusive for ordinary people in most parts of the province. This study found that in many instances, especially at local government level, tourism has not been seen as a core business, hence there was inadequate financial investment, and massive deviations from identified objectives and set targets. This inaction in tourism emerged from the illusive nature of tourism benefits especially for governmental organizations; hence they are reluctant to commit public resources as in the main, tourism establishments are owned by private individuals.

⁹³⁶ These organizations include the former KwaZulu-Natal: Department of Arts, Culture and Tourism (DACT) and the current KwaZulu-Natal: Department of Economic Development and Tourism (DEDT), which are used interchangeably as they represent the provincial administration during the period under study.

⁹³⁷ Political and symbolic implementation refers to a context where implementation decisions are largely driven by political power (top-down), and cooperation is assumed to be guaranteed by established coalitions. In contrast, experimental and administrative implementation takes rationality and value for money (resources) into account, and acknowledges the contextual conditions. Hill, M. and Hupe, P. (2002) *Implementing Public Policy: Governance in Theory and in Practice* (London, Thousand Oaks, and New Delhi: Sage Publications).

During the period 2000 to 2010, there was institutional misalignment and intense contestation amongst political parties at both provincial and local government levels in KZN, hence little consensus was reached in key areas such as the tourism agenda (common vision), a tourism communication strategy, programme funding, institutional strengthening and organizational alignment. There was little provision for effective partnerships coordination in that there were no specialists officials responsible for tourism in many municipalities while partnerships were identified as a strategic priority. However, with recent political developments that resulted in political alignment, this situation is slowly changing and there is a spirit of cooperation amongst governmental structures and spheres. This has led to improved interactive and targeted communication, improved consultation, better stakeholder coordination, hands on support and funding for programmes. It is expected that this will result in improved outcomes in inter-organizational tourism relations and programme implementation.

Both political and economic forces are major elements that guide the formation and sustainability of inter-organizational arrangements, patterns and networks. In practical terms, this means that the core social benefits (i.e. social and community development programmes, and reducing unemployment and poverty) of tourism programmes tend to take a back seat. While monetary benefits are critical for the sustainability of any sector, human relations and social benefits are essential in inter-organizational programmes. Therefore, inter-organizational analysis should be contextualized within social structures, complexities and contradictions⁹³⁸.

Another interesting finding is that there has been a lack of synergy, which is a policy-strategy-structure dichotomy. Policy, that is the domain of the DACT/DEDT, should address many interests; for example, tourism policy is pro-poor (redistributive and transformational), in that it seeks to ensure inclusive benefits. Strategy, which is the domain of TKZN, is more business-oriented and is focused on the customer which indirectly excludes the general public. Finally, structure, which is the domain of both the DACT/DEDT and TKZN, does not cater adequately for the implementation of the existing policy. For example, for the whole

⁹³⁸ Rogers, D.L. Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press).

period under review, the organizational structure did not enable these institutions to achieve their objectives.

Furthermore, there is unequal development of the brand holders (districts). My view is that District Municipalities (such as Umkhanyakude, Amajuba, Zululand, Uthukela and Umzinyathi) are being overshadowed by coastal districts, which include eThekweni (Durban), Ugu, Ilembe, Ilembe, and Umgungundlovu. This is mainly apparent at budgeting and product development levels. This reflects the comparative advantage of some regions. For example, the northern part of the province has an abundance of rural, agricultural, cultural heritage and ecotourism resources; these are 'new tourism products'. On the other hand, the coastal regions are rich in business, and sports tourism resources. Investment and tourism marketing and promotions were bound to focus on known and guaranteed revenue generators.

In such a context, implementation success relies heavily on a well-crafted, aligned, shared vision, and collective effort towards achieving these objectives. This raises the question of how the DACT/DEDT and TKZN can provide leadership in order to ensure that cooperative relationships to improve tourism policy are created. The additional challenge is that the IDP is not outcome-based; it is a broad strategic guide which is flexible in that its commitment to tourism may be altered. What is implemented is subjective policy (the pursuit of political priorities) that involves deliberate deviations from the original objectives and commitments. The cooperative relationships in tourism have their own challenges which include understanding the product and business diversity, transformation, cooperative resourcing, initiating partnerships, seeking consensus in decision-making, compliance and facilitation of negotiations; hence synergy in the objectives and a sound organizational structure (organizational design) are essential for the KZN-TIS. This demands a stakeholder management strategy that will enhance negotiations, align actors' expectations and ensure real outcomes.

The study has found adequate evidence of increased inter-organizational practice especially during the planning stage of implementation. Two significant factors impacted IOR communication and leadership during the period covered by the study. The first is the lack of an enabling organizational structure. This made it impossible for the lead organizations to fully play their role. The fact that the public sector has limited influence to command, control and secure compliance has a major impact on the implementation process and outcomes. This

fluidity makes life uncomfortable for decision-makers⁹³⁹. Secondly, in 2004-2005, there were many political and administrative changes, such that the minimal level of cooperation that was achieved in the PTF/PTC was viewed as joint decision-making and regulation.

This organizational fragmentation at provincial leadership level meant that provincial structures were not able to adequately advise other stakeholders; this resulted in inconsistent participation on the part of these actors as they did not reap the full benefits of participating. The PTC/PTF were symbolic inter-organizational forums, hence participation represented compliance. It should also be noted that the PTC relied on the strength of the PTF, which is not appropriate as the PTC should set the strategic direction and provide leadership. Again, this is reflected in the unsatisfactory level of attendance of the Mayors and Municipal Managers of District Municipalities. This was contrary to the legislative provisions for tourism cooperative governance and implied that some stakeholders were seeking to secure their own interests at the expense of the rest of society⁹⁴⁰.

While cooperative leadership and co-management is widely provided for and practiced at different levels of governance, one of the many blockages is the ongoing, subtle, traditional hierarchy that separates stakeholders such as decision-makers (politicians), from bureaucratic layers (senior leadership), programme implementers (street level administrators), and 'experts' (for evidence-based decisions)⁹⁴¹. This has implications for power and authority, goals and management activities, which are well-articulated in a discussion of network management. From a management perspective, power and authority examine how authority is viewed in an environment where responsibility for operational decisions and implementation is shared by various actors. Again, it looks at how the power of influence is secured and applied through the commitment of resources.

The fact that most tourism products are privately-owned means that the PTC/PTF has limited control and influence on these establishments because they do not bear the business risks. In my view, all stakeholders retain their autonomy, even the municipalities, as their policies emerge from public consultations and are funded by the citizens of those localities. This means that no matter how good provincial initiatives and recommendations might be, they are

⁹³⁹ Geyer, R. and Rihani, S. (2010) *Complexity and Public Policy: A new approach to twenty-first century politics, policy and society* (London and New York: Routledge Taylor and Francis Group).

⁹⁴⁰ Howlett, M. and Ramesh, M. (1995) *Studying Public Policy: Policy Cycles and Policy Subsystems* (3rd edition, Canada. USA: Oxford University Press).

⁹⁴¹ Geyer, R. and Rihani, S. (2010) *Complexity and Public Policy: A new approach to twenty-first century politics, policy and society* (London and New York: Routledge Taylor and Francis Group).

viewed as unfunded mandates that are not implemented, and neither the PTC nor the PTF can force municipalities to budget for such initiatives.

A close observation of the process of managing goal setting within an IS or network in terms of IOR dynamics, reveals that there is limited space for inputs into the PTC and PTF agenda. This was most visible from 2005 to 2010, when the collective provincial vision took precedence because of the benefits anticipated from the 2010 Soccer World Cup. Sadly, other, long term local tourism infrastructure was put on hold. While the lead organizations obtained cooperation during this time, it is doubtful whether this will be sustainable as it was based on a single event. Actors whose expectations were not met withdrew; this was not due to any shortcomings on the part of the lead organizations; but reflects the interests of these private stakeholders. In terms of goal achievement level, organizations will put more effort into establishing congruency of goals, aligning perceptions, collecting data and undertaking research⁹⁴². This is the stage where all actors consolidate their efforts to find smart solutions and ensure a sustainable flow of services. This is true in this case study, in that local tourism associations have their own ways of working and interacting to get things done. Sometimes the PTF/PTC process is too remote; hence they simplify their objectives and interactions. Local stakeholders have business experience and know what to expect during the different seasons of the year; they have therefore developed coping mechanisms. Such issues are not considered at PTC/PTF level.

One of the serious shortcomings of the lead organizations is the lack of a well-developed culture of engaging with communities as part of management practice. If such a culture were operational, there would have been direct and visible tourism cooperatives, which would have implemented projects which benefit the communities adjacent to tourism establishments. In an ideal situation, strategies to design, apply and manage stakeholder relations should be in place⁹⁴³. This occurs at the level of organizational arrangements, where actors ensure order and regulation within the structures or forums. These structures include associations, committees, and boards or project administration⁹⁴⁴. The challenge for the PTC/PTC has been

⁹⁴² Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁹⁴³ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

⁹⁴⁴ Cropper, S., Ebers, M., Huxham, C., and Ring, P.S. (2009) *The Oxford Handbook of Inter-organizational Relations* (New York: Oxford University Press Inc).

to secure compliance from these structures because they operate at local level where the DEDT/DACT does not have adequate reach.

This study identified a number of factors that hamper organizational coordination, including organizational fragmentation, sectoral interdependence (autonomy), competing interests, conflicting values, poor consultation, and the sheer scope and scale of governmental activity. There are invariably a number of competing streams of departmental advice on a particular issue, not to mention the conflicting views of external advisers and interest groups. Furthermore, there is the on-going problem of translating complex policy decisions into practical reality. It is clear that, regardless of how the machinery of government is organized, policy coordination will present difficulties⁹⁴⁵. While there has been significant and increasing interaction amongst organizational actors, the results are less tangible. On many occasions, the organizational actors did not have formal systems to negotiate projects, share information and enter into operational agreements with a view to cooperative reporting and compliance on joint projects⁹⁴⁶. This demonstrates that organizational arrangements and mechanisms such as capacity building for effective cooperative management are lagging behind, especially at community level.

IMPLICATIONS FOR FURTHER RESEARCH

Cooperative Tourism Governance

The foregoing discussion raises the question of whether the concept of cooperative tourism governance is overrated. As noted, the management of inter-organizational relations emphasizes on the “adherence to the principles of good governance, which include accountability, efficiency, effectiveness, etc⁹⁴⁷.” the New public management (NPM), is characterized by clearer responsibilities for top management, performance indicators, out-put and result orientated behaviour, the disintegration of large bureaucracies into smaller and more autonomous units, market orientation and competition, parsimony and discipline, and

⁹⁴⁵ Boston J. Martin, Pallot J. and Walsh P. (1996) *Public Management: The New Zealand Model* (New York: Oxford University Press).

⁹⁴⁶ Du Toit, D.F.P., van der Walldt, G., Bayat, M.S., Cheminais J., (1998) *Public Administration and Management for Effective Governance* (Kenwyn, Cape Town: Juta and Co, LTD).

⁹⁴⁷ Leither, C. (2003) *e-Government in Europe: State of Affairs: Presented at e-Government 2003 Conference Como, Italy, 7-8 July, European Institute of Public Administration, Maastricht, the Netherlands/Pays-Nas* (<http://www.eipa.nl>).

an emphasis on business-like management⁹⁴⁸, The initiation, nurturing and promotion of cooperation also require considerable levels of coordination. Both the management and coordination of inter-organizational relations make demands on leadership. The basic requirement is that governance becomes interactive, relational and communicative so that organizational goals can be well managed within a complex environment. The most appropriate leadership styles are consultative and participative leadership. This means that the organizational structure, strategy and operations are conceptualized from an interactive perspective. This understanding is critical for the management of inter-organizational communication and relations.

In placing the above statement in context, I refer back to the gaps and challenges that emerge as serious questions in this study. One of the questions is whether or not cooperative tourism governance is a symbolic, intangible and impractical courtesy. How can partnerships be structured in order to achieve practical outcomes that yield the expected results and impact and justify the time, money and human capital spent on them? With political consensus and commitment to the notion of collective responsibility and accountability, could cooperative tourism governance have been abused to hide incompetence, underperformance, and complacency, and prolonged unnecessary dependency? This requires an examination of how the cluster has enabled or constrained progressive decision-making for pro-poor tourism development. Considering that managing an implementation structure requires political consensus, organizational commitment and adjustment, and congruence in values, interests, time and resources, could it be that the lead organizations struggled because it is not easy, practical or even beneficial to manage inter-organizational relations for effective implementation?

Inter-organizational Capacity: *Facilitative Leadership for Cooperative Management*

The study identified a major change in the role played by the public manager from that of an implementation manager to that of process manager, relations facilitator, mentor and broker. This new role requires a new set of traits and attributes, which include an excellent strategic applied vision, where hidden implications can be avoided during the process of connecting policy problems with relevant actors who will propose, package and implement solutions

⁹⁴⁸ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (Sage Publication: London) p. 36.

based on their interests and perceived benefits. This has proven to be the most challenging task for tourism practitioners in the public sector. The public sector therefore has the enormous task of building capacity that will provide transformative and facilitative leadership.

Rightfully so, the citizens expect that the public sector and its entities will be at the forefront of advocating and protecting public interests. While this expectation is legitimate, it has to be achieved in the midst of both positive and negative global governance upheavals. The biggest challenge is how to protect public interests in a fast-changing implementation context. One of the areas that require attention is relations and interactions within governance practices. In the South African context, this is accommodated through the cooperative government legislative framework, which is set out in the country's Constitution. In theory and practice, cooperative governance within the governmental context is about the interactions, relationships and exchanges that are conducted within the principles of mutual beneficiation and partnerships⁹⁴⁹. In order to understand and demystify this complexity, it is useful to observe how societies define the changes that have occurred in different sectors of social operations. This would include “an examination of how leadership has changed, and how the values and the politics have changed, especially with regard to public interests in the form of service delivery”⁹⁵⁰. Efficient basic service delivery is a constitutional right in South Africa. As noted above, the concepts that express the changes that have taken place include consultative, participatory, transformative and shared leadership.

The pattern of negative and difficult relationships has spilled over into critical institutional tools such as leadership, strategy and organizational structure which all cripple implementation. and implementation can defined as the process and a means to produce; carry out, perform, execute, achieve, accomplish; and complete; it emphasizes the act of effecting, realizing and bringing about positive change or outcome⁹⁵¹; hence effective implementation seems ‘unattainable’ in the contemporary context. It is therefore critical that solutions are crafted around the institutional environment because it is an important centre of organizational influence and power. My view of implementation is that it is an evolving

⁹⁴⁹ Du Toit, D.F.P., Van der Walddt, G., Bayat, M.S., and Cheminais, J. (1988) *Public Administration and Administration for Effective Governance* (Kenwyn, Cape Town: Juta.).

⁹⁵⁰ Anderson, J.E. (1997) *Public Policy-Making: An Introduction*, (3rd edition, Boston, New York: Houghton Mifflin Company) p. 150.

⁹⁵¹ Pressman, J. and Wildavsky, A. (1973) *Implementation* (University of California Press: Berkeley, USA).

process that is characterised by bargaining, persuasion and manoeuvring under conditions of uncertainty⁹⁵². This suggests that implementation should be viewed as a learning process, where there is and always will be room for the adaptation of organizational goals and systems to ensure the attainment of objectives. It is important to note that the demands of the democratic governance system do not rest solely with leadership. Other actors such as the “street level bureaucrats are also required to understand environmental factors in order to ensure that their decisions and actions are in tune with the expectations of the other actors because success lies in synergy and cooperation”⁹⁵³. This is a positive practice that has been brought about by the democratic governance system in that it encourages transparency, consultation, the participation of relevant actors, etc and this opens up the implementation process (adjustment of goals and decisions).

These developments are challenging in that they are contrary to the proposed conditions of successful implementation that include a clear set of objectives, adequate causal theory, a legal and sustainable implementation structure of committed and skilful implementers, the support of interest groups, and favourable changes in socio-economic conditions⁹⁵⁴. While much good arises from embracing democratic values, the application of democratic practices renders organizations open to abuse by those in power, compromising the interests of the general public. Alongside intensive human capital development for implementation (targeting skills development at the municipal level), it would be wise to rethink and reorganize information management chains (exchange and sharing), relationships and partnerships to enhance rural or social tourism, which are based on responsible tourism. This could improve legitimacy, trust and power. Serious focus should be placed on the establishment and sustenance of effective structures such as Community Tourism Development Committees. The strategies adopted by successful public-private partnerships such as Jozini Tiger Lodge and others should be shared amongst stakeholders and used to change perceptions and influence future partnerships.

It is clear that the exercise of managing IOR requires a certain degree of coherence of the institutional arrangements. The absence of such coherence is likely to have serious

⁹⁵² Bardach, E. (1977) *The Implementation Game* (Cambridge, MA: MIT Press).

⁹⁵³ Turner, M., and Hulme, D. (1997) *Governance, Administration and Development: Making the State Work*. (Houndmills, Basingstoke, Hampshire and London: McMillan Press).

⁹⁵⁴ Moorhead, G., and Griffin, R.W., (1998) *Organizational Behaviour; Managing People and Organizations* (Boston and New York: Houghton Mifflin Company) p. 446.

consequences for IOR processes⁹⁵⁵. The broader IGR context has deprived provincial departments of the right to intervene and provide relevant guidance to local government. Local governments (District and Local Municipalities) are interdependent and distinctive; hence they enjoy relative autonomy and, in practical terms, they have the right not to cooperate if they feel that their interests will not be served. This means that the DEDT, DACT and TKZN become the weakest links in the design and execution of transactions amongst the members of the KZN-TIS. There is very little that these organizations can do to market standard procedures and secure compliance, other than applying persuasion. This constitutional provision led to incoherent implementation which impacts on stakeholder participation. It is at this level that co-management, resource consolidation, capacity building, programme legitimization and relevant organizational adjustments are possible. This is not to suggest that the lead organizations should micro-manage other stakeholders, but it is important for them to influence the tourism agenda and have well-established means of consultation and providing support⁹⁵⁶.

On the basis of the institutional environment described above, the two IOR coordination structures, the PTC and PTF, could be negatively perceived as coercive compliance structures⁹⁵⁷. The fact that government has primary responsibility for coordination and agenda setting in these structures suggests that they could be perceived as monopolizing policy content. This will create tension at implementation level, where stakeholders have an opportunity to participate and influence policy outcomes. For example, constant reminders to stakeholder to attend meetings and demands for compliance could be frowned upon by un-cooperative actors. In contrast, District and Local Municipalities that fail to attend the quarterly scheduled meetings could be labelled 'free riders' in the KZN-TIS, in that they will benefit from the investments made by other stakeholders without showing any commitment. And this requires that there is a serious look into the stakeholder management approach which will assist in the management of perceptions. If this does well, it could enhance the trusts levels amongst the implementation structures partners, where they could share a common purpose, which is programmes implementation.

⁹⁵⁵ Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications).

⁹⁵⁶ Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications).

⁹⁵⁷ Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications).

There is a serious dichotomy of policy-making/implementation in tourism. The original policy goals are altered in the process and one wonders what becomes of policy outcomes. In short, identifying the start and end point of implementation is difficult. The street level bureaucratic notion is that policy is made while it is being implemented. It is clear that the lead organizations are confronted with the reality that policy entrepreneurs are more powerful and that their interests often emerge triumphant in negotiations. Furthermore, there is the likelihood that their interests are protected and served at different levels of governance. A fundamental issue is therefore the level at which the DEDT/DACT and TKZN reach their target communities and implement their programmes. For example, uThukela, Amajuba, Zululand, Umkhanyakude, Umzinyathi and Uthungulu, are rural District Municipalities; it is not clear to what extent they have been able to serve the interests of their poorest communities.

The operations of the implementation structure trigger notable changes in relationships. The power held by District Municipalities, the organizational systems of both the DACT and TKZN, the power of personalities and political influences shape the patterns that emerge. One of the critical lessons is organizational ‘shelter’ through partnerships and avoiding exclusion. This, points to the massive benefits of collaborating with other stakeholders with relatively common goals, interests, shared commitment and investment of resources. And amongst many major responsibilities of government is to enable socio-political interactions, the distribution of resources and dispersion of services. Furthermore, as the lead organization, “government has to enhance new patterns of interaction in the form of public-private partnerships, co-operative management, etc”⁹⁵⁸. Contemporary governance requires that government adapt to the fact that it is no longer the central actor in the provision of public services. This means that government becomes a coordinator, communicator, contractor, etc, and TKZN has been relatively successful in this regard, while DEDT/DACT had struggled. And having said this, government has a responsibility to ensure that it effectively coordinates all interdependent partners to ensure that services are delivered to the public.

⁹⁵⁸ Rhodes, R.A.W. (1996) ‘*The New Governance: Governing without Government*’ (University of Newcastle-upon-Tyne, Political Studies XLIV) pp. 652-667.

Inter-organizational Alignment: for Collaborative Governance

There is a great need for the national, provincial and local alignment of stakeholders. This study found that the KZN-TIS has not really taken advantage of the fact that as much as specific organizations are primarily responsible for the implementation of particular programmes, in practice, they are implemented by a cluster of public and private organizations, i.e. implementation structures. This seems to have played a big part in how actors related to one another⁹⁵⁹. The Local Municipalities for example, seems to have held back in terms of actively seeking support from the DEDT/DACT and TKZN, as there is not much evidence of collaboration between these actors.

As indicated earlier, the implementation structure is not an organization *per se*, but is a composition of subsets of members within a variety of organizations which view a programme as their primary interest⁹⁶⁰. The future will tell which organization will choose to be active between DEDT/DACT, TKZN (programme champions), and Local Municipalities (project implementers). It will also tell what role District Municipalities will play as brokers. It is important for these organizations to find one another soon, especially since provincial capacity has been strengthened. These actors must have a clear understanding of their role in the implementation structure and use it to secure their objectives and expand their network.

Amongst many reasons why some actors choose to hold back is the fact that an implementation structure is normally less formal and structured, and there are less authoritative relations. Furthermore “implementation structures are more dynamic and decisions to participate in a programme are ‘fuzzy’, based on consent and negotiation and the cohort or cluster of actors does not represent a legally defined entity with its own building and corporate charter⁹⁶¹. This is the complexity that the lead actors must grapple with, and tourism is naturally full of such actors who get involved during the ‘good season’ and diversify during the tourism ‘bad season’. All of this makes for an interesting process in managing inter-organizational tourism relations and implementation.

⁹⁵⁹ Hill, M. and Hupe, P. (2009) *Implementing Public Policy: An Introduction to the Study of Operational* (2nd edition, Los Angeles, London, New Delhi, Washington DC: Sage Publications).

⁹⁶⁰ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader: Practice and Hall).

⁹⁶¹ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader: Practice and Hall) p. 230.

As the lead organizations are used to dealing with “organized entities, managing an implementation structure with actors such as self-selected entrepreneurs and activists (i.e. environmentalists, conservationists, heritage advocates) is a challenge; in the initial stages, patterns of authority and participation are motivated by self-interest”⁹⁶². Participation in the implementation structure is voluntary and temporary. This complements the autonomy that local municipalities have in terms of cooperating; they have the relative right to be selective and choose partners that align with their IDP. As programme champions, they could identify an opportunity in the form of a project and engage in it without the provincial or district tourism authorities.

In terms of how national and provincial organizations have managed programmes, the national tourism department could launch a programme aimed at empowering small tourism businesses in various provinces. A private organisation in a neighbouring location could partner with government to provide training and disengage once its part is done. This is not uncommon in the tourism sector, as there are seasonal actors who will join the implementation structure to benefit from a particular annual event and then refocus their attention on other areas of their business. It is therefore essential that the focal organization has a system or process in place to manage relationships.

The organizations are legally organized and defined by set boundaries (rules and regulations), and they have to making decisions in this context is bound to be successful, while operating within an implementation structure context is very different. In an implementation structure, there is an element of voluntarism, free will, consensus and spontaneity in activities, while organizations are established with a clear vision and fixed guidelines in terms of what has to be achieved and why⁹⁶³. One of the critical expectations of the lead organization is that it has “a system to plan and manage IOR, and this includes managing the key ‘elements of production’ such as organizing projects, mobilizing resources (budgeting and investment), effectuation (execution and performance) and evaluation of the implementation structure”⁹⁶⁴. My assumption is that any study of implementation must evaluate the performance of the organization under study. A lead organization such as the DACT is no different. While the focus is the entire tourism implementation structure, the DACT should be evaluated as to

⁹⁶² Hill, M. (1998), (ed) *The Policy Process* (London: F Reader: Practice and Hall) p. 231.

⁹⁶³ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader: Practice and Hall).

⁹⁶⁴ Hill, M. (1998), (ed) *The Policy Process* (London: F Reader: Practice and Hall) p. 233.

whether or not it has lived up to the expectations of all stakeholders (the public, investors, politicians, etc).

What I also observed is that there are certain elements are critical in the inter-organizational dynamics of implementation, and some of these include the organizations and implementation structures which differs in that some are better informed, financed and resourced, and are more powerful and independent than others. These differences play themselves out in the construction of culture, values and beliefs, goals, size and location, capacity (technology and skills), resources (human and financial), history and credibility, actors and their influence (personalities), power, discretion and authority, vested interests, the nature of the services provided and commitment.

Inter-organizational Partnerships: *for Social Beneficiation*

This study proposes that partnerships should be a prerequisite for funding allocations at all levels in order to achieve inter-organizational communication, fair distribution, improved performance and outcomes (which include social responsibility programme implementation), as well as using local resources (such as the dam at Jozini Tiger Lodge) as a comparative advantage. This requires balanced management of political contestation (power, autonomy and legitimacy), so that sustainable public-private partnerships for (mainly) rural or social tourism can be achieved. The tourism sector is regarded as a major catalyst for poverty reduction, job creation, and economic development, which would enable the realization of social democracy. As an ideology, social democracy favours community consensus, communal and mutual economic benefits, extensive public consultation, interactive planning and purposive or targeted development which is pro-poor in nature⁹⁶⁵. Unfortunately, this study found that little time has been devoted to these aspects of tourism; as a result the KZN tourism product still has not fully integrated the core stakeholders and shareholders in the sector. In areas with tourism potential, people were persuaded to make way for tourism development and were excluded from engagement, conception, design and ownership of the product.

⁹⁶⁵ Tourism KwaZulu-Natal, *An introduction to the concepts of Tourism Planning and Policy-Making: Occasional Paper No. 53: October 2007*).

One of the primary responsibilities of the lead organization is to create a functional institutional avenue for both informal and formal interactions. Part of this function involves setting targets to achieve results and ensuring compliance with the given regulatory framework. In short, the overall task is to create favourable conditions for mutually beneficial relations (partnerships) to thrive. In further unpacking the objectives and expectations of the lead organization, reference is made to the network management approach which in many ways complements IOR management. It is essential that managers operating within a network environment craft and practice sound techniques to achieve effective cooperation. This is so as implementation activities involve managing actors across and through different functional sub-networks⁹⁶⁶. The lead organizations, the DACT and TKZN will need to demonstrate that they are managing trans-organizational structures and transactions successfully. This includes developing policies or strategies that support the integration of services at programme implementation level, creating operating plans and programmes that provide a framework for integration, and developing a system of local contacts and interfaces at the level where the client receives services⁹⁶⁷.

The instruments associated with managing implementation within a network environment lie within the institutional framework of an organization because this where the tools to impact and influence organizational behaviour are located. The advantage of network management is that it ‘talks’ a similar language as inter-organizational management. The network approach to regulatory instruments is tailored to influence order, sustainability and smooth transition in the management of relations, communication, resources, and the allocation of power and the overall management of interdependent activities⁹⁶⁸. These two aspects of network management have been critical in determining how effective the DACT has been as a lead organization in the implementation structure. I perceive a very strong link between network management and inter-organizational management. Like organizational sociology, the network management approach is one of the approaches that affirm inter-organizational theory.

⁹⁶⁶ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁹⁶⁷ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

⁹⁶⁸ Kickert, W., Erick-Hans Klijn., and Koppenjan, J.F.M. (1997) *Managing Complex Networks: Strategies for the Public Sector* (London: Sage Publication).

Inter-organizational Learning: *policy and program communication*

One of the cornerstones of IOR is effective communication and dialogue among all stakeholders. It is interesting to assess the extent to which TKZN and the DACT have achieved effective communication between themselves and stakeholders at both micro and macro levels. One of the ways to assess this is the existence of sound IGR or a partnership or stakeholders' strategy, as well as the existence of agreements and joint ventures. Another measure of effective communication is the speed and content of support and intervention from the national department in tourism policy implementation. This could include capacity building, institutional empowerment, and the availability of high level technical assistance. These are critical in that the effective implementation of policy depends on the capability and availability of relevant skills and tools in the provinces and local agencies. This enables an assessment of whether there is a smooth blending of the vertical and horizontal governance modes. The vertical element emerges from intergovernmental relations governance and horizontal governance is advocated by the inter-organizational governance mode.

While it is clear that governmental systems enable cooperative leadership and co-management, inter-organizational coordination leaves much to be desired. Hence the growth of inter-organizational theory and practices provides an educative setting for organizational actors to learn to collaborate and achieve their objectives within a network environment.

While interactions have been encouraged in order to learn and understand other organizations, there have been limitations on all actors realizing their own interests. There are many opportunities for TKZN and EKZNW to collaborate on tourism-related projects, but there is insufficient acknowledgement and application of the project-based approach. EKZNW has a well-established culture of working with community-based formations and organizations; hence TKZN does not have to reinvent the wheel⁹⁶⁹.

There has been increasing recognition of the importance of collaboration among organizations and agencies, especially in the public sector. This is also a result of the realization that the focus should be on "inter-organizational coordination (IOC) than on competition, and if well applied, coordination brings benefits such as efficiency and

⁹⁶⁹ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications).

effectiveness”⁹⁷⁰. I wonder how the lead organizations will manage this because districts and local municipalities have seriously competing needs, hence their behaviour is bound to be a competing behaviour especially when budgeting. It might be true that IOC is preceded by coordination, which is defined as “a structured process, which is perceived by many as not only a means for increasing the quality of public service delivery systems, but also as way to improve the efficiency of government”⁹⁷¹. Alexander points out that “as government seeks to increase its efficiency through coordination, this becomes a catalyst in participants recognizing their interdependence and arrangements are put in place to connect decisions”⁹⁷². It is important for districts to prove that they are capable of coordinating tourism through putting institutional capacity and support for the LTFs and CTA’s, before, PTC and PTF can really be effective. From what I have seen, it is Durban (eThekwni Metro), and Port Shepstone (Ugu District Municipality), that have specialized agencies that re focused on tourism, and a very few other municipalities are coming up.

Amongst many stakeholders, it has not being clear to them as to how facilitating tourism through the existing and legal coordination restructures relations could help them minimize the transaction costs of doing business as they seek to fulfil their tourism management mandates⁹⁷³. And this is essential because the effective coordination will help them at street bureaucrat level to avoid duplication⁹⁷⁴. Therefore, coordination that is initiated and supported by higher levels of government can enhance the alignment between national, provincial and local policy programmes. However, there is a serious caution that as much “as coordination is a good practice, it has potential to threaten organizational autonomy as it requires the increased commitment of a variety of organizational resources, including time, personnel and finance”⁹⁷⁵. What this says is that in a short-term and long-term, coordination and cooperation must make operational and financial sense (benefits), for the members of the KZNTIS.

⁹⁷⁰ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press).

⁹⁷¹ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) p. 14.

⁹⁷² Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 6.

⁹⁷³ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

⁹⁷⁴ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press).

⁹⁷⁵ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) p. 15.

The above statement concurs with the notion that, “no matter what strategy is employed, coordination results in adjustments among the organizations in their outlook, objectives, and methods of operation”⁹⁷⁶. This recognizes that coordination is not limited to one particular aspect of organizational functioning. It is therefore critical, especially for the public sector, to continuously learn, make adjustments and ensure that reorganization achieves tangible results. Coordination is practiced at different levels of operations, which could include programme planning, action, monitoring and evaluation. Contemporary public sector organizations operate on the understanding that they do not possess all the required expertise, information, resources, etc. This means that cooperative governance, leadership and management is an essential ingredient for success and sustainability; conversely, this means that autonomy, space and markets are shared and services are co-produced. Organizations are therefore required to actively interact with other organizations to achieve their objectives, which benefit wider public interests. Comparatively, from what has been achieved by the implementation structure, I can conclude that while there has been political interaction (the DEDT/DACT and PTC), administrative interaction at (TKZN and the PTF) has not been entirely effective.

What must also be noted is that “coordination process does not take place spontaneously, rather, the interdependent participants in the process pursue their own organizational agendas, and this makes it critical that even more important that an IOC system is developed and sustained”⁹⁷⁷. Largely, cooperative tourism governance and coordination is to a large degree dependent on existing IGR forums’ structure and practice, especially at local government level. Where IGR forums have been functional and effective, the tourism forums have also been at least functional, it is important tourism forums are not as dependent on other forums. This raises the possibility of creating awareness of the formal (structured), and informal (unstructured) interactions, exchange patterns and dependencies amongst stakeholders. Furthermore, there is a need to examine existing external and internal coordination patterns and interdependencies⁹⁷⁸. The management of the portfolio of cooperative governance in KZN has impacted how stakeholder coordination is implemented. This department has not

⁹⁷⁶ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) p. 13.

⁹⁷⁷ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications) p. 332.

⁹⁷⁸ Hanf, K. and Scharpf, F.W. (1978) *Inter-organizational Policy Making: Limits to Coordination and Central Control* (London and Beverly Hills: Sage Publications) p. 13.

been central in the coordination of IGR; rather, this has been left to individual departments and the Office of the Premier (through the Cabinet Cluster system). The shortcoming is that the Office of the Premier operates at the level of strategic steering and oversight, while cooperative governance is mostly practised and its impacts are mainly felt at operational level.

By definition, “IOC is a process where two or more organizations create and/or use existing rules for decision-making that have been established to deal collectively with their shared task environment”⁹⁷⁹. The most significant factor that has led to failure to achieve collective commitment is that various stakeholders have been conservative in committing their capacities and resources. For example, the varying sizes, structures and priorities of organizations at local governance level have made it difficult for District and Local Municipalities to achieve congruence of values and priorities. In some municipalities, there is provision for tourism officers or managers, while in others such as Ulundi Municipality, the IDP/LED and tourism were part of a single cluster for a long time. It was thus impossible for the official responsible to pay attention to establishing and nurturing mutually beneficial relationships⁹⁸⁰.

By its nature, tourism requires the involvement of a variety of stakeholders and partners; hence there is a need for alignment of capacity to enable a smooth flow of information and the integration of national, provincial and local government agendas. The discussion above indicates that, first and foremost, inter-organizational coordination is a process that creates new rules and norms to enhance collective action⁹⁸¹. This study found that, at local government level, the lead organizations have not been sufficiently hands-on to create value for local organizations which would result in them appreciating co-management of tourism products and services. Instead, ‘traditional’ perceptions and management practices were entrenched, particularly between the private and sector sectors. For example, Ulundi

⁹⁷⁹ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press) p. 12, and Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers) p. 6.

⁹⁸⁰ Personal Interview with a member of the PTF, (Ulundi LM, Interview 13).

⁹⁸¹ Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

Municipality was the last municipality to establish a local tourism association, which is one of the IOC structures necessary for the collective implementation of programmes⁹⁸².

It should be emphasized that inter-organizational coordination is a necessary practice that can help management to address systems inefficiencies, reduce fragmentation of services and overlap, and regulate and direct programmes. Inter-organizational coordination structures (such as the PTC and PTC) should be viewed as key platforms for management at different levels to confront the challenges posed by shrinking resources and enable the sharing of costs in cooperative tourism programmes⁹⁸³.

Related questions raised by this study include:

- What informed implementation if there was such a lack of legislative provisions (compromised implementation)?
- How can political contestation best be managed to address the lead organization's politics, leadership, authority, legitimacy and credibility (as a communicator) in the implementation process?
- How much damage was done in the absence of relevant legislative and policy provisions, and are the most recent policies and strategies sufficient to redress the damage caused, especially with regard to implementers' attitudes which are mainly concerned with commercial tourism (Eurocentric perspectives)?
- What would it take for the lead organizations to implement tourism programmes that are inspired by social history, indigenous knowledge systems, heritage, environment and context?
- "How could sequential and reciprocal interdependence strategies best be used to enhance the operations of the implementation structure"⁹⁸⁴?

⁹⁸² Alexander, E. R. (1995) *How Organizations Act Together: Inter-organizational Coordination in Theory and Practice* (Amsterdam: Gordon and Brach Publishers).

⁹⁸³ Rogers, D.L, Whetten, D.A. and Associates (1982) *Inter-organizational Coordination: Theory, Research and Implementation* (Ames, Iowa: The Iowa State University Press).

⁹⁸⁴ Sequential interdependence refers to a situation where one group completes its tasks before other groups tackle theirs; in reciprocal interdependence, the outputs of each group constitute the inputs of the interdependent groups in the enterprise; it is about resource allocation, localization, clearing task uncertainty, time and goal interdependence. Smith, P.J. and Cronje, G.J. de J. (1992) *Management Principles: A contemporary South African Edition* (Cape Town: Juta and Co, Ltd) p. 300.

Another issue of concern is the role and influence that the 2010 FIFA Soccer World Cup played in enhancing partnerships amongst tourism stakeholders and shareholders. A related question is how the lead organizations can build on the synergy obtained in preparing for this event, especially in sustaining existing tourism infrastructure, enhancing the empowerment of local communities and ensuring the wholesale transformation of the tourism industry. My observation is that tourists do not only come to KZN to enjoy the beach, hotels and urban infrastructure; they are also keen to interact and experience the life of the people; hence local communities should be at the centre of the tourism experience.

Recommendations

In the context of cooperative management and the inequitable distribution of the benefits of tourism, the implementation of pro-poor and responsible tourism mainly depends on persuading private actors to cooperate with community-based tourism development enterprises. These include cultural, heritage and township tourism. The tourism industry in KZN is designed in such a manner that there is an inequitable relationship between the well-established tourism enterprises and previously disadvantaged communities. While there has been visible success in terms of tourism marketing and advertising, there is not the same level of achievement in policy communication for effective tourism development. The province has high levels of unemployment, crime, and poverty and a lack of infrastructure. The primary focus of tourism is job creation; the question remains as to what other benefits the general public can reap from tourism activities. Regardless of the tourism policy provisions and the favourable diffusion of responsibility and organizational culture, communities still lack access, leadership and control of resources, skills and connections; hence the only potential benefit they enjoy is employment.

In conclusion, this study left me with more questions than answers. Amongst the serious questions are: Could cooperative tourism governance simply be an illusion? Does cooperating yield real and expected results and impact (based on investment and the sizes of projects)? In KZN, could cooperative governance be a 'hiding place' that prolongs dependency through the commitment to collective responsibility and accountability? In short, how enabling and supportive has the cluster system been in pro-poor tourism policy development and the design of stakeholder relations that favour community-based tourism collaborations?

To enhance the coordination of inter-organizational relations for effective implementation in KZN, I propose the active pursuit of strategic relations with the Department of National Tourism, a strong focus on the implementation of policy programmes and projects; continuous improvement of the organizational structure (for effective development, change and design and to achieve alignment between the organizational structure and strategy), inter-organizational communication to negotiate institutional alignment and operational synergy; sharing district case studies to enhance innovation; consideration of the implementation of 'local hospitality rates' to enhance accessibility; and enhanced capacity, especially at District and Local Municipality level, including Local Tourism Associations, to enable the District and Local Tourism Forums to be fully effective to assist implementation.

I also highlight the need to rethink and redefine the approach to tourism development to ensure that what exists locally becomes central in the tourism product. In essence, this is a tourism transformation process which should embrace sustainable, community-based, bottom-up development perspectives and initiatives. This philosophy should guide how tourism cooperative relations are structured, resourcing, investment and the direction of its development. It could result in a massive investment in marketing and packaging rural tourism products, which would achieve socio-economic objectives.

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Personal Interviews

To complement the documentary analysis and observation, I conducted 23 personal interviews with the members of the Provincial Tourism Forum (PTF), which is a forum that is Chaired by the Chief Executive Officer (CEO), and the Provincial Tourism Committee (PTC), which is a forum that is Chaired by the Member of the Executive (MEC), of the Department of Economic Development and Tourism (DEDT), Department of Arts, Culture and Tourism (DACT), Community Tourism Organizations (CTO) Community Tourism Association (CTA) and one of the major shareholder, Ezemvelo KZN Wildlife (EKZNW). Unfortunately, certain prominent personalities, politicians and senior managers could not be reached due to their busy schedules. The interviewees are listed or recognised with numbers from 01-25 in the text. About five of these were telephonic interviews with various Integrated Development Planning (IDP) Officers/Local Economic Development (LED)/Tourism Officers and also with one senior manager from the national department. And for examination purposes, full details / list of all the interviewees are available and will could be requested and provided through the Supervisor and Dean of Graduate Studies.

Direct Observations

I attended several KwaZulu-Natal, Durban ICC, Annual Tourism Indaba Faire (2002, 2004, 2008, and 2013), during my time as a student, as an Intern (Office of the Premier), and also during the time as a public servant at the Department of Public Service and Administration (DPSA) and Department of Cooperative Governance and Traditional Affairs (COGTA), and researcher/doctoral candidate. I also used the two-year Internship period (2003 and 2004), as the time for participant observation. I was part of a two-member secretariat team for the Management Executive Committee (MEXCO), which was a monthly Forum attended by all the Heads of Departments (HODs), in the province. I was present in all the 20 meetings spread in 2003 and 2004. It was during this time where I observe how and where tourism was located in the schemes of priority especially in the Cabinet Cluster, Provincial Growth and Development Strategy (PGDS) and in the Annual Performance Plans (APPs) of relevant department.

Just as I was completing this project, I also attended the 2013 provincial Tourism Planning workshop which was held in Newcastle (Amajuba District), where all districts municipalities and most Local Municipalities were represented.

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