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Citation:

Bandari, K and Cooper, CP and Ruhanen, L (2014) The Role of the Destination Management Organisation in Responding to Climate Change: Organisational Knowledge and Learning. *Acta Turistica*, 26 (2). pp. 91-102. ISSN 0353-4316

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Document Version:

Article (Accepted Version)

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# **The Role of the DMO in Responding to Climate Change: Organisational Knowledge and Learning**

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# **The Role of the Destination Management Organisation in Responding to Climate Change: Organisational Knowledge and Learning**

## **Abstract**

This research note reports on an exploratory empirical study that examined the extent of organisational adaptation of a destination to climate change. The note takes its theoretical stance from the organisational learning and adaptation literature. Utilising a case study of a UK island destination, the note focuses specifically on the way the destination management organisation acquires climate change knowledge and how it translates this knowledge into organisational learning and destination adaptation. The study identified a number of challenges facing the destination management organisation, particularly in relation to leadership and destination governance.

## **Key Words**

Climate change, adaptive learning, destination management learning organisation, destination governance, knowledge management

## **Introduction**

Climate change has become a global conversation and has received attention from scholars across all academic disciplines including tourism (Becken, 2013). Tourism in particular is climate sensitive and is therefore impacted by climate change, not only in terms of the need for destinations to adapt to the physical impacts of climate change, but also in terms of consumer behaviour and tourist education. The climate change and tourism literature has emphasised the need for adaptation and mitigation measures to tackle the *impact* of climate change, but there are concerns that more action is needed (Jopp et al, 2010; Jopp et. al, 2012; McKercher et. al, 2010; Ruhanen and Shakeela, 2012; Scott, 2011). This research note

addresses the neglected area of behavioural change in tourism organisations as a consequence of climate stimuli, and draws upon the literature on learning organisations and organisational learning.

### **Destination Management Organisations**

Destination management organisations (DMOs) not only attempt to manage and coordinate stakeholder behaviour at destinations, but they also act as opinion leaders and valuable sources of intelligence for the destination (Singh, 2014). Over and above their traditional functions of destination marketing and in some cases product development, DMOs are increasingly expected to take on more diverse roles within destination governance systems including contributing to and providing leadership to destination stakeholders on aspects of tourism strategy, policy, planning and broader economic, social and environmental changes within the destination. Such changing roles necessitate DMOs moving beyond destination marketing knowledge to possessing much broader knowledge of the economic, social and environmental influences on the destination system. Given the increasing importance of climate change for tourism destinations, DMOs also have a central role to play in destination-level climate adaptation and mitigation strategies.

To succeed in this role, DMOs will need to source, understand and communicate knowledge about climate change within their internal structures and also externally to their destination stakeholders. In this regard, climate change acts as a stimulus to organisational change and adaptation, and whether experienced or anticipated, climate change represents an indicative signal to which organisations will be forced to respond (Berkhout et al, 2006). Using a case study of a UK island destination, this note examines how a DMO acquires climate change knowledge and how it translates this knowledge into organisational knowledge, learning and adaptation.

## **Learning Organisations and Organisational Learning**

Organisational learning is based on the expectation that organisations can adapt to unpredictable conditions more quickly than their competitors, using enhanced knowledge capabilities to gain competitive advantage (Argyris and Schon, 1978; Argyris, 1982). Here importance is placed on adaptive learning, by which an organisation can learn to cope with change. In contrast to the learning organisation, which is geared towards improvement and continuous change, organisational learning is viewed as routine-based, history-dependent, and target-oriented (Levitt and March, 1988). There is general agreement that learning is a change measure; where learning and change are interdependent and synonymous (Alderfer and Brown, 1975; Friedlander, 1984). This view positions learning as important for adapting to the challenge of change as, for effective change to take place, organisations and individuals must first learn (Argyris, 1993; Clark, 1991; Heywood, 1989; Srivastva et al., 1995). However, in any organisation it is the individual member of that organisation that learns; in other words, organisations cannot learn until their members begin to learn (Beesley, 2005; Beesley and Cooper, 2008; Senge, 1990). Once learned, knowledge is amassed within the minds of individuals and can only be shared if those who possess it are inclined to do so. However, as soon as that knowledge is made explicit, it immediately becomes available to others and can be absorbed into knowledge structures. Once this occurs, it has been transferred. For knowledge to be adopted however, it must undergo further cognitive processing and lead to the restructuring of an individual's knowledge network and allow the recipient to think differently about an issue such as climate change.

There is a problem however, in taking the theoretical principles of organisational learning and adaptation and applying them to organisational responses to climate change. This is because the concept of organisational routines relies on historical experiences, whereas, in the case of

climate change there is as yet, little such experience. Indeed, knowledge about climate change and adaptation in tourism contexts is still emerging, representing a new fluid, environmental condition for tourism organisations to respond and adapt to. In other words, organisations have no prior experience to refer to in shaping their adaptive behaviours. This ‘invisibility’ of the effects of climate change has led to Giddens’ paradox’ which states that, ‘since the dangers posed by global warming aren’t tangible, immediate or visible in the course of day-to-day life, however awesome they appear, many will sit on their hands and do nothing of a concrete nature about them’ (Giddens, 2009, p. 2). In such a scenario, Hall and Beck (2005) propose a deliberately transient, episodic response to a new, yet fluid, environmental condition so that organisations can capitalise on environmental change in a way that can create new opportunities, options and capabilities.

### **The DMO Case Study**

An exploratory qualitative study was carried out in an island microstate located off the British Isles. The island’s DMO is primarily responsible for marketing and plays a role in encouraging new tourism product development and innovation on the island. Primary data was collected through in-depth semi-structured interviews with the employees of the island’s DMO and other island stakeholders. The interviews were focused on understanding the influence of climate change on the island, particularly its impact on the way the DMO acquires climate change knowledge and how it translates this knowledge into organisational learning and destination adaptation strategies. A total of 25 interviews were undertaken lasting between 20 minutes and one hour. The interviews were either transcribed verbatim and checked by the interviewees, or detailed notes were taken and immediately written-up following the interview. The interview transcripts were analysed and manually coded using content analysis thematic coding techniques.

## **Results**

### Knowledge sources and exchange

The research identified that knowledge sources within the DMO are varied and information sharing within the DMO is ad hoc and informal. Most respondents recognised that the DMO offers a free environment for employees and industry stakeholders to share information and ideas. There are however, few formal measures within the DMO for knowledge exchange. The DMO is a small organisation and so informally staff generally see each other on a daily basis. However, being a small team also puts them under constant work pressure, leaving little time to sit together and share information in a more formalised manner.

Externally the DMO maintains a computerised information sharing system for the island's tourism industry and a weekly electronic industry newsletter is distributed. In terms of external networking on the island, most DMO staff are on different boards associated with tourism. However, these interactions are mainly limited to product development and marketing issues. The extent to which the DMO engages with stakeholders in networks external to the island is limited.

### Climate change knowledge, learning and adaptation

Given the informal knowledge exchange structures that exist within the DMO generally, not surprisingly knowledge exchange regarding climate change within the DMO is largely tacit with few formal measures identified by respondents. For instance, explicit information on climate change flows to the DMO through a variety of sources, including government departments, European Union recommendations, websites and other media sources. Respondents noted however that this information was largely generic. In terms of education and training, the DMO had not instigated any form of induction or training for DMO staff on

climate change issues and its implications, and DMO staff had not participated in any external workshops or training programs on climate change.

Across the DMO there was consistency in the respondents' awareness of climate change; many respondents claimed that they were aware of climate change generally but it was their understanding that climate change is not an issue concerning the island generally or tourism on the island specifically. Certainly the 'invisibility' of climate change was a common theme amongst the respondents and a reason why climate change had such a low priority on the island. External knowledge exchange regarding climate change was also very limited.

When respondents were asked to comment on the DMOs adaptation actions and initiatives most respondents identified climate change adaptation as essentially about reducing human actions and impacts that cause environmental degradation. In terms of the destination itself, most respondents referred to the need to preserve the physical and natural features of the island to maintain its attractiveness to visitors as the main adaptation to climate change. Respondents were almost unanimous in the view that the product changes that have been implemented on the island were not a strategic response to climate change adaptation, but rather in reaction to changing consumer behaviour patterns. Interestingly each of the internal departments saw climate change as a problem of another DMO department.

## **Discussion**

This exploratory case study has provided valuable insights into the organisational knowledge, learning and adaptation experiences of a DMO. In this case, in terms of organisational learning and knowledge, the DMO had limited access to new knowledge sources or networks. While the DMO was relatively well connected internally (albeit informally), there was little evidence of opportunities to inject new knowledge into the organisational system. Indeed a

number of respondents, either explicitly or through intimation, admitted to having little knowledge about climate change. The lack of engagement with networks external to the island is problematic in this regard, as is the lack of education and training available within the DMO. Arguably the lack of new knowledge stocks flowing into the organisation will inevitably constrain the DMO's institutional capacity to adapt to climate change. Climate change was clearly a low priority for the DMO and so climate-related adaptation measures were almost non-existent.

The DMO in this case study lacked the organisational culture and leadership behaviour that Garvin et al (2008) identifies as essential for organisational learning and adaptability; knowledge inputs around climate change were not sought, the DMO was not developing knowledge-based strategies and policies for climate change and tourism; and DMO staff were focused on day-to-day and tactical issues with few cognizant of the predictions for tourism on the island under climate change scenarios. The findings of this study provide evidence for what Czernek (2013) claimed were determinants that could hinder or enable knowledge exchange at the destination level including a lack of leadership. Strong leadership by the DMO can overcome many of the negative factors hindering knowledge exchange and foster the development of a learning destination. This is particularly the case given that the literature has shown that the most effective organisational learning is dependent upon a baseline of knowledge and its management.

Exploring this issue further, the interviews uncovered the fact that the island's constitutional status and political system militate against a strategic long-term approach to climate change and have detracted from the need to source knowledge stocks on climate change. In terms of governance, the island is a British Crown dependency and the executive power is exercised by a Chief Minister and ministers, who are elected from among the members of the island's

Assembly. An important character of the island's political system is the absence of party politics: all 53 members of the Assembly are independents. This system has two implications for climate change and go some way to explaining the findings.

Firstly, in terms of the constitution, the island does not maintain direct international relations with other countries. Instead, these are taken care of by the United Kingdom government on its behalf. This means that whilst it is committed to the second stage of the Kyoto protocol, being part of the UK, it does not have its own carbon reduction targets and largely lags behind the UK's targets. The combined effects of the constitutional status of the island, together with the lack of external knowledge inputs had a very clear impact on the way climate change is viewed in the DMO. Certainly there was no sense of urgency that climate change was an issue that the island must respond or adapt to. In fact, there was a distinct lack of concern about the issue in the tourism sector.

Secondly, some respondents alleged that the resulting political system of independents leads to an inward looking, reactive and tactical approach to issues, where strategy is not a priority. Inevitably, as independents, Assembly members are more concerned with the day-to-day affairs of their constituency rather than on longer-term global issues such as climate change. This also creates a problem of delivering consistent policies because of weak political memory. With the Assembly composed wholly of independents, when a Member leaves or loses an election, their tacit knowledge and institutional memory is lost. The technocrats have to restart from the beginning with each new politician. Such an unstable nature of politics does not support a long-term, strategic or policy-driven approach to climate change adaptation.

## **Conclusion**

Building on the literature on learning organisations and organisational learning, this research note has provided some of the first insights into the organisational knowledge, learning and adaptation experiences of a DMO with regards to climate change. This study was driven by the recognition that DMOs have a ‘new’ leadership role that extends beyond the traditional remit of destination marketing to act as enablers, facilitators and providing the stimulus to behaviour change across the tourism industry (Coles et al, 2013). However, DMO staff will require new knowledge stocks and skills that allow them to source and understand climate change knowledge, before integrating it into their knowledge structures and going on to develop (or contribute to) policies and strategies that can facilitate destination resilience and adaptation to climate change.

The findings of this exploratory research demonstrate that, in this case, the DMO has yet to fully engage with the myriad of issues around climate change. While the DMO staff were aware of climate change issues on a general level, most could not identify the implications of climate change for the island generally or for the tourism industry on the island more specifically. It follows then that adaptation measures for the island were not considered a priority. Where the DMO had made product changes on the island this was in response to changing consumer demand patterns and visitor markets i.e. cycling and walking trails on the island.

Given the informal knowledge exchange structures that exist within the DMO generally, not surprisingly knowledge exchange regarding climate change within the DMO is largely tacit with few formal measures identified by respondents. Injections of new knowledge into the DMO were lacking. While the DMO received general knowledge about climate change, the

DMO management has done little to facilitate a learning environment that would support the development of climate related knowledge (i.e. induction, training, external workshops, etc.). The findings clearly demonstrate that the lack of leadership across both tourism and climate change agendas has led to indifference to the issue of climate change and its potential impact upon the island's future.

The insights gained from this particular study context highlight that there are still considerable gaps in terms of organisational learning in the context of climate change. Further empirical studies are needed to explore the extent to which DMOs are engaged in organisational learning and acting as learning organisations. Certainly focus is needed on how the principles of organisational learning and adaptation apply to organisational responses to climate change. As noted, the reliance on historical experiences in organisational learning presents a challenge in the case of climate change where there is little such experience. While the particularities of this case, namely the constitutional status and political system, have presented certain limitations, the findings do give insights into the importance of the overarching governance of the destination and the extent to which this will impact on the development of a learning destination that is equipped to adapt and respond to future climate change scenarios.

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