

Stakeholders' Relationship Management: An Exigency for Sustained Operational Performance of Tourist Centres in Nigeria

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Abstract

Tourist centres are integral to the economic and social wellbeing of their regions. Their operations not only contribute to the revenue of their context, but also enables employment of manpower in the region; thus sustaining their operational performance. In this paper, the role of stakeholders' relationship management is examined in line with the actualization of sustained operational performance of tourist centres in Nigeria. The stakeholders' theory was adopted as the theoretical framework for the review with the discussion bothering on relative advantages accruing from effectively managed stakeholders relations and exchanges. Some of which include flexibility, access to funds and information, support systems and partnerships. These facilitate relative stability and robustness in the activities of related tourist centres. It was concluded that effectively managed stakeholders relations can provide relative stability and flexibility to tourist centres in Nigeria and that way enable their continued relevance, value and patronage during and even after change or crisis based events in the country.

Keywords: Stakeholders' relationship management, sustained operational performance, stakeholders mapping, stakeholders' engagement.

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I. Introduction

While Tourism is a social, cultural and economic issue which involves the movement of people to different places outside their usual environment for personal, business or professional purposes (United Nations World Tourism Organization, 2008; Polyzos, Samitas and Spyridou, 2020), tourist centres are considered key features of the tourism industry. Apart from the goal of revenue and the creation of jobs, these centres are considered avenues for indigenous cultural experiences; and as such enrich the perceptions of foreigners about the peoples of a particular region or locality. Jaipura, Parida and Ray (2021) opined that tourist centres also boost the attractiveness of regions – drawing in investors and increasing its economic wellbeing. Reports suggest that as at 2017, the Nigerian Tourism Industry, accounted for 34% of Nigeria's GDP and was considered as contributing at a 20% rate to the country's employment creation (ATTA, 2020). However, recent change events such as that occasioned by the recent COVID-19 pandemic were observed to have a disrupting impact on the industry with Polyzos, Samitas & Spyridou (2020) reporting significant drops in activities and as such revenue. Gossling, Scott and Hall (2020), argued that while the COVID-19 outbreak had a negative impact on all industries, the hospitality and tourism was one of the hardest hit, especially with the closure of borders, strict restrictions on travellers and the ban on social activities. Hence, it is important as Obiora (2018) opined, for organizations to be resilient in order for continuous achievement of organizational objectives irrespective of change events that may alter organizational processes.

The responsibility of sustaining operations, especially for tourism centres during change events or crisis periods is such that extends beyond just the administrators and care-takers of these centres (Okpoko, Okonkwo and Diminyi, 2008). This is because the activities of these centres, as earlier noted, are tied to the economic wellbeing and employment of various members of the society or public. Ndajiya, Shehu and Yunusa (2014) in their study observed that as open systems, it is important that tourism centres are more inclusive when it comes to management. This view is corroborated by Obiora and Ifegbo (2019) who identified stakeholders' relationship management as a basis for the development and sustained growth of the hospitality and tourism industry in most developed countries. Good stakeholders' relation, according to Bourne (2010) increases the networks, enhances access to resources and also provides a basis for flexibility and improved operational robustness. Bourne (2010) also argued that stakeholders relations also enhances relational rent for tourism centres – due to combined investments and the pooling of financial resources.

While studies on the benefits of stakeholders' relationship management abound, even within the context of hospitality and tourism (Bankole, 2002; Bichaka, Christian & Badassa, 2007), interest has rarely touched on the imperatives of such in advancing outcomes of sustained operational performance for tourist centres, most especially those in Nigeria. This gap is made more glaring as a result of the recent COVID-19 pandemic and its disruption of the operations of tourism centres across the nation, stifling revenue and growth within the industry. Focus on this area would highlight not only on the availing opportunities accruable from such relationships but would also identify other avenues and platforms through which related parties can pursue their goals more effectively and efficiently, leveraging on partnerships and healthy levels of collaboration. The review on the importance of stakeholders' relationship management for sustained operational performance in this paper is premised on the stakeholders' theory.

II. Literature Review

Stakeholders' Theory

Organizations, according to Eskerod, Huemann and Ringhofer (2015) comprise a body of interests and goals. The actions and activities channelled towards the attainment of these goals often occur within specific contexts which often define and shape the choices and approaches of the organization in its pursuit of targets (Crane & Ruebottom, 2011). The stakeholders' theory, as put forward by Crane and Ruebottom (2011), identifies each organizational context as being uniquely defined and as constituting key parties and players which are either influenced by the actions and operations of the organization, or which have the power to influence the organization – thus it is a theory which emphasizes on the recognition of significant others in the actions of the organization. The stakeholders' perspective projects the organization as mindful – sensing and considerate of others – thus suggesting its recognition of the role of other parties in its success and progress. Likewise, Miles (2012) argued that the stakeholders' theory emphasizes on organizational ethics and its responsibility to its context and the various groups linked to its actions and services – stressing the need for morals and value in relating and engaging these groups.

Various definitions of stakeholders exist. Miles (2012) described stakeholders as the various groups and parties which are directly impacted upon by the organizations activities and actions, and which in turn have the capacity to influence the wellbeing of the organization. Folrea and Florea (2013) identified stakeholders as comprising of the organizations employees, customers, host communities, related government agencies and other relevant groups that provide the basis for the survival of the organization through their actions and contributions; while Matos and Silvestre (2013) argued that stakeholders are integral to the functionality and success of the organization. Thus studies (Mol & Birkinshaw, 2014; Parmar, Freeman, Harrison, Wicks, Purnell and De Colle, 2010) appear to agree on the criticality of stakeholders to the organization – identifying such as providing the basis for the wellbeing of the organization. However, Uju (2010) opined that despite these features, most organizations in Nigeria hardly maximize their relations and stakeholder networks, that way delimiting their potentials and their access to various opportunities.

Another ideological premise of the stakeholders' theory – bothering on the development and strengthening of social ties is that which places emphatics on the favourable positioning of the organization with its stakeholders through increased participation, value and partnership (Miles, 2012). Meynhardt, Chandler and Strathoff, (2016) observed that information flow and knowledge development draw on the extent of the organizations networks and its openness towards partnering, engaging and collaborating with others within its context or environment (Erdiaw-Kwasie, Alam and Kabir, 2017). Relationships are crucial to the functionality of organizations – providing increased access to opportunities and enhancing the alternatives (funding, distribution channels, manpower supply etc) for the organization and in various ways ensuring the consistency or robustness of operations and functions – especially during change related incidences or crisis periods (Bourne, 2010; Chinyio and Olomolaiye, 2010). Stakeholders' relationships as such could contribute meaningfully towards sustaining and also ensuring stability in the operations of tourist centres in Nigeria.

Stakeholders' Relationship Management

Stakeholders' relationship management involves the effective mapping and engagement of key stakeholders within the context of projects or organizations as a basis for not only addressing ethical issues and considerations but also facilitating healthy levels of collaboration in actions and processes (Baugh, 2015). Choi and Wang (2009) opined that given the multitude of expectations and concerns raised by various interests groups, the action of stakeholders mapping and engagement provide a basis for effectively identifying, ranking and in that way prioritizing the needs and interests of stakeholders (Dangelico, Pontrandolfo & Pujari, 2013; Black, 2013). According to Takeishi (2001), Obiora and Ifegbo (2019), the management of stakeholders' relationships bothers on understanding their roles and the implications of their actions or non-action on the wellbeing of the organization. It also captures the context of interaction and the symbolisms that are projected

unto the organization based on the overarching values and social constructs of the institutions and host communities wherein the organization or centre is situated.

Bichaka et al (2007) noted that much like in other sectors and industries in Nigeria, one of the major issues afflicting the hospitality and tourism industry in Nigeria is corruption and poor accountability. These vices have in several ways stifled relations between organizations and their public – impacting negatively on trust outcomes and as such rendering cooperation between organizations and their sponsors almost impossible. Von-Meding, McAllister, Oyedele and Kelly (2013) argued that one approach to addressing these concerns was the strengthening of policies and processes over individual agenda and the increased decentralization of power, inclusivity in leadership and the development and support for stakeholders participation in building transparency in the actions and operations of organizations. Sundarasan (2013) reiterates this position, arguing that the engagement of stakeholders enables a more collaborative approach that is only successful where all players are open about their expectations, the conditions of their involvement and their roles or concerns about resource control, processes and operations (Zakharova & Jager, 2013). This is imperative in bridging possible differences in interpretations. Two dimensions of stakeholders' relationship management – stakeholders mapping and engagement are discussed accordingly:

- i. **Stakeholders' mapping:** The identification of stakeholders' is an important aspect of stakeholders' relationship management – primarily because it involves the specification of stakeholders' significance and importance to the organization. Mapping outlines the nature of the link between the organization and the stakeholder and at that, ranks its significance and also the extent to which its interests or concerns are prioritized by the organization or related authorities (Uju, 2010). Reypens, Lievens and Blazevic (2016) This is essential, first, in apportioning time, resources and focus given the various demands from various stakeholders. Second, it is necessary in identifying the ways such stakeholders – through relevant partnerships, could serve in advancing the goals and concerns of the organization.
- ii. **Stakeholders' engagement:** The engagement of stakeholders' describes the various platforms and channels through which organizations or management authorities are able to dialogue with, involve and partner with their stakeholders'. Effective engagement is such that harmonizes the values of both parties – prioritizing goals that are favourable and healthy for both parties and by that allowing for compromise where necessary and emphasizing on cooperation in related actions (Aarseth, Rolstadas and Andersen, 2011). Stakeholders' engagement thus bridges the expectations and possible differences in perceptions or perspectives through stakeholders' participation and active involvement in the decision-making and operations of the organization. Thus, stakeholders' relationship engagement provides a basis for enriching the relations between involved parties and strengthening existing ties (Post, Preston and Sachs, 2002).

Sustained Operational Performance

The concept of sustained operational performance as it applies to tourist centres in Nigeria suggests not only continuity in the activities of the centres but also the capacity of the centres to maintain its service and functional standards (Teece, 2014; King, 2007). Not only is the sustainability of operational performance necessary for the financial wellbeing of the centres, it also implies workers within these centres are assured of their jobs and thus their ability to cater for their needs and wellbeing despite the changes or turbulence in the environment. Boonstra and De-Vries (2010) argued that apart from the financial and tangible benefits or gains from sustained operational performance of related tourist centres, there are also intangible advantages such as that associated with perceptions of robustness and reliability, as well as consistency in its services to the public. However Kurnia and Johnston (2000) argued that one way behavioural and operational consistency is possible despite change events, is the development of the required architecture and infrastructures that enable adaptation and effective responses in service forms.

Kaynak (2003) and Obiora and Ifegbo (2019) observed that while approaches to sustainability may differ on the basis of context, industry and the type of organization; the development of relative structures and adaptive systems are such that should anchor on the specificity of the context and unique attributes of the organization, that at the long-run would elicit sustainable customer satisfaction. Teece (2014) agreed with this view – stating that the idea of sustained operational performance may for some organizations entail the shifting from traditional physical activities to online activities and telecommuting actions such as was prevalent amongst most service organizations; and for others may involve the use of restructuring (Wanyoike, 2013; Carmeli, Gelbard and Gefen, 2010), job redesigns and also the strengthening of control measures in the organization. The debate on the suitability and adequacy of sustainability-based actions and approaches is such that, according to Camison and Villar-Lopez (2012), focused on technology based development initiatives; however, as Bowen, Rostami and Steel (2010) pointed out, although technology driven change actions may be considered as imperative especially within today's information based world, various alternatives exist which may provide for more effective adjustments and as such improved levels of sustainability in terms of operational performance. Some of which include increased monitoring actions, increased stakeholders participation and policy redressing on succession.

Stakeholders' Relationship Management and Sustained Operational Performance

Goldsby, Kuratko, Bishop, Kreiser and Hornsby (2018) noted that to be sustainable implies evidence of robust characteristics which ensure roles are carried out undisrupted and service features follow and align with established thresholds. Obiora and Etuk (2020) support this when they reiterated that sustainability hinges not only on capability but also on supportive links, networks and social ties. These enhance flexibility by enabling concerned parties to contribute effectively through financial aids such as funding, grants, loans and also through the development of frameworks or infrastructure which allow for consistency in the operations of the concerned organizations or centres during change events or situations which if unchecked or unaddressed may disrupt the operations of the centre – leading to loss (Uju, 2010). Social ties and networks such as those afforded by stakeholders' facilitate improved positioning and relative stability for the operations and functions of the organization. Florea and Florea (2013) argued that stakeholders, when effectively managed serve in buffering the negative impact of external change or crisis factors.

Baugh (2015) pointed to related actions such the reduced pricing by vendors or distributors, financial aid and funding by interested agencies and other organizations, leveraging on government relationships as some of the ways stakeholders' contribute to enhancing the robustness, and by that sustainability of organizations during crisis events (Choi & Wang, 2009). At this juncture, it is imperative to note that there is a significant difference between stakeholders' relationship and the management of such. While the former details the specific interaction and exchanges between the organization and its stakeholders, the latter involves the approaches adopted in channelling or manoeuvring such relationships in positive and healthy ways that are advantageous and yield beneficial outcomes. This difference is as Dangelico et al (2013) emphasized, necessary in distinguishing between both actions and understanding that the management of stakeholders relationship is a purposive action and as such one that must be consciously pursued by organizations or related management authorities in order to achieve sustained operational performance.

THEORETICAL AND PRACTICAL IMPLICATIONS

This paper filled contextual gaps and has further added to the existing body of knowledge on Stakeholders' relationship management, particularly in the Tourism sector in Nigeria, where it is observed that scarce literature exists. This can be used as a framework in formulating and implementing policies in the Nigeria Tourism Industry.

Moreover the use of the stakeholder theory application in operational performance, as discussed in this study, in the developing country, such as Nigeria, is unique. The theoretical study in no small way will benefit the government and industry stakeholders by providing the latest views and perspectives in Nigeria.

III. Conclusion

The restructuring of the tourist centres as well as the development of infrastructure necessary for change events are some of the ways these attractions can adapt and cope during change or crisis situations. Building on the stakeholders' theory, this paper prescribes the imperatives of stakeholders' relationship management in not only advancing and strengthening such restructuring processes but also ensuring the sustained operational performance of these centres during change situations. As noted, such relations, where effectively managed and channelled, help to buffer the negative impact of change factors through the centres leveraging on its partnerships with even the government, access to resources (financial and non-financial) and support from both clients and vendors as well. Effectively managed stakeholders relations can provide relative stability and flexibility to tourist centres in Nigeria and that way enable their continued relevance, value and patronage during and even after change or crisis based events in the country.

It is therefore recommended that sequel to the current COVID-19 intrusion, stakeholders inclusion in the viability and sustainability of the Tourist centres should be emphasised.

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