INSTITUTIONAL THEORY IN TOURISM STUDIES: EVIDENCE AND FUTURE DIRECTIONS

A TEORIA INSTITUCIONAL NOS ESTUDOS TURÍSTICOS: EVIDÊNCIAS E DIREÇÕES FUTURAS

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ABSTRACT

The present article focuses on the effective application of the Institutional Theory as a theoretical perspective in scientific studies. The particular goal is to present a literature review about the Institutional Theory applied to the tourism industry, particularly the wine tourism segment. Different research areas are identified among those developed within institutional premises in tourism studies. The present review discusses the influence of the institutional framework in the organizational behavior and the pursuit of social legitimacy of tourism organizations. The Institutional Theory presents itself as a consolidated theoretical perspective used to explain organizational behaviors; however, it has been poorly used in tourism studies. It is in this sense that this article offers significant contributions by gathering a theoretical discussion body of the Institutional Theory in the tourism industry, which could lead to practical implications concerning the public and private management of this sector. This article provides theoretical reflections for future research directions with the Institutional Theory in wine tourism and adds to the few tourism studies developed with an institutional perspective.

Keywords: Institutional Theory, Tourism, Wine Tourism, Tourism Organizations.

RESUMO

Este artigo tem foco na aplicação da Teoria Institucional como uma perspectiva teórica em estudos científicos. Particularmente tem o objetivo de apresentar uma revisão da literatura sobre a Teoria Institucional aplicada no sector do Turismo e, dentro deste, no segmento do Enoturismo. Identificam-se as diferentes áreas de investigação desenvolvidas com os pressupostos institucionais nos estudos turísticos. Discute-se a influência do contexto institucional no comportamento organizacional e a busca pela legitimidade social das organizações turísticas. A Teoria Institucional apresenta-se como uma perspectiva teórica consolidada e utilizada para explicar comportamentos organizacionais. Porém, ainda é pouco utilizada nos estudos turísticos. É nesse sentido que este artigo oferece importantes contribuições ao organizar um corpo teórico de discussão da Teoria Institucional no sector do Turismo, o que pode gerar implicações práticas para a gestão pública e privada deste sector. Este artigo fornece reflexões teóricas para direções futuras de investigação com a Teoria Institucional no Enoturismo e soma-se aos poucos estudos turísticos desenvolvidos com a perspectiva institucional.

Palavras-chave: Teoria Institucional, Turismo, Enoturismo, Organizações Turísticas.

JEL Classification: M10, M20, M21

1. INTRODUCTION

The Institutional Theory is a theory of organizations that was developed by Philip Selznick around 1940. The initial goal of the Institutional Theory was to explain the group conflicts and the rational limitations inherent to the organization's decision-making process, coming from pressure groups and from alliances. Over time, however, the theory advanced by beginning to attribute importance to conflicts of interests that were either internal to the organization or between organizations. By also considering the organization's responses to these conflicts, it investigated the relation between internal stability, involvement with the organizational field and the search for social legitimacy.

This origin of the Institutional Theory reveals an embodied, multidisciplinary characteristic throughout its theoretical evolution, provided by influences from the fields of the Political Sciences, Economics and Sociology.

Today, it is a consolidated theory with application in different scientific areas focusing its analysis at an institutional level. In other words, the primary focus is on the organization's relation with its environment and the rules within this environment that imposes restrictions on the organization's behavior.

The Institutional Theory is, therefore, the focus of analysis of this study. However, the present work does not have the pretension of doing an exhaustive literature review about the Institutional Theory. Rather, it consists of presenting the works carried out with an institutional perspective in the tourism sector and, in particular, the wine tourism[1] sector.

The interest in these particular sectors of the economy or areas of application of the theory arise within the study of the Doctoral Theses in Tourism which has a fundamental goal of understanding the development of wine tourism in organizational contexts. With an institutional perspective, it intends to comprehend the way in which the institutional organism "Wine Route" influences the development of wine tourism in wineries. Such an approach commits this work to becoming an initial part of a theoretical deepening in comprehension that permits the understanding of organizations[2] in its own environment.

The present work begins with the presentation of the theoretical foundations of the Institutional Theory. The concepts of institution, organizational field, isomorphism and social legitimacy are discussed. The next topic presents a review of the literature of the Institutional Theory in Tourism, identifying the different research areas where the institutional assumptions are applied in these tourism studies. The present review discusses the influence of the institutional framework in the organizational behavior and the pursuit of social legitimacy of tourism organizations.

The selection criteria of this review mainly prioritized seminal articles with an impact factor in scientific journals. The study of the Doctoral Theses in Tourism is also identified, where the Institutional Theory is applied as a theoretical basis.

Among the tourism studies presented, a detailed look at the application of the Institutional Theory in wine tourism is proposed. Therefore, areas for future studies to investigate are identified, related to issues of wine tourism and this theoretical perspective.

Finally, the conclusion identifies gaps in scientific knowledge about wine tourism, to which the Institutional Theory has the ability to respond, and it highlights the main contributions of this work.

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[1] Wine tourism is a segment of the tourism activity and a scientific investigation line in the tourism area. It arises from the combination of the wine product with the tourism activity, and it consists of providing experiences and knowledge about the elaboration technique and wine production where the main activities are visiting the caves and wine tasting.

[2] In this study the terms "organization" and "company" are used as synonymous.

2. INSTITUTIONAL THEORY: CONCEPTS AND FUNDAMENTAL ASSUMPTIONS

According to the Institutional Theory, organizations are involved in an institutional environment characterized by the existence of different institutions guiding the organization's behavior.

For the Institutional Theory, there is a conceptual differentiation between "institution" and "organization" and a mutually interdependent relation between them. Institutions are defined as *"the rules of the game or humanly-devised structures that provide incentives and constraints to economic actors"* (North, 1990: 3). An institution reflects a space of human conduct reproduced by social rules being developed in and through history (Scott and Christensen, 1995). Thus, it establishes boundaries which shape interactions between people, organizations and social actors.

In its turn, organizations integrate institutions in the sense that they provide a structure to develop such human interactions. How an organization comes into existence and how it evolves are both fundamentally influenced by a specific institutional framework (North, 1990).

According to Richard Scott, an institution consists of three elements or institutional pillars: regulative, normative and cognitive (Scott, 1995) (Table 1). The regulative pillar provides explicit guidance to organizations by means of formal rules. The normative pillar is constituted of values and social standards that establish informal rules for organizational behavior. The cognitive pillar refers to cultural elements (social rules and abstract meanings) governing organizational behavior.

These three elements of the institution each differently affect the organization's behavior as well as provide stability and meaning to social behavior.

Table 1: Three elements of the institutions

	Regulative	**Normative**	**Cognitive**
Basis of compliance	Expedience	Social obligation	Taken-for-grantedness, shared understanding
Basis of order	Regulative rules	Blinding expectations	Constitutive schema
Mechanisms	Coercive	Normative	Mimetic
Logic	Instrumentality	Appropriateness	Orthodoxy
Indicators	Rules, laws, sanctions	Certification, accreditation	Common beliefs, shared logics of action, isomorphism
Basis of legitimacy	Legally sanctioned	Morally governed	Comprehensible, recognizable, culturally supported

Source: Scott (1995: 35)

Another concept inherent to the Institutional Theory is the "organizational field" concept. This allows operationalizing the institutional environment involving the organizations and explains the homogeneity of organizations. DiMaggio and Powell (1983: 148) define it as *"those organizations that, in the aggregate, constitute a recognized area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organizations that produce similar services or products."*

Therefore, an organizational field is institutionally defined and formed by the group of organizations that somehow relate and influence each other. At first glance, the field is

characterized by a wide diversity of approaches and forms. Upon closer examination and to the extent that it discloses itself as well established, it becomes homogenized, thus leading to the institutional isomorphism concept (DiMaggio and Powell, 1983).

The Institutional Theory understands that organizations in the same organizational field tend to grow more and more similar to each other, in accordance with imposed restrictions on their behavior. According to DiMaggio and Powell (1983), the concept that defines this homogenization process is the "institutional isomorphism", which *"is a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions"* (DiMaggio and Powell, 1983: 149).

The isomorphism develops through three institutional pressure mechanisms: coercive, normative and mimetic; these mechanism all relate with the three institutional elements: regulative, normative and cognitive, respectively (Scott, 1995). The coercive isomorphism comes from formal rules, since laws and penalties ensure its compliance by the organizations. The normative isomorphism results from the professionalization provided by education centers and by disseminating information through entrepreneurial and professional networks disclosing converging regulations and techniques disseminated by the organizational field. On the other hand, the mimetic isomorphism emerges from social expectations related with other organizations' conduct imitations, successes and/or leaders (DiMaggio and Powell, 1983; Scott, 1995).

The institutional pressures lead organizations to adopt structures, strategies and similar processes (DiMaggio and Powell, 1983; Meyer and Rowan, 1977; Scott, 1995). As a result, the isomorphism can be an element of advantage for the organizations as the similarity can facilitate interorganizational transactions and favor its internal workings by incorporating a set of socially acceptable rules (Fonseca, 2003).

The effect of the isomorphism process on organizations is legitimation, which refers to the need for acceptance and social support, prestige and compliance to organizational actions (Deephouse, 1996). Therefore, one of the purposes of the organizations is the achievement of social legitimacy. Suchman (1995: 574) states: *"legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions."*

Social legitimacy is an acquired status by the organizations through social actors (Ashford and Gibbs, 1990). According to Deephouse's (1996) point of view, some particular social actors have the competence to ensure legitimacy. These actors are the government regulatory bodies with authority over organizations and public opinion that has the fundamental role of establishing and keeping acceptability standards (Deephouse, 1996).

A legitimate organization is that whose values and actions (organizational practices) are consistent with the social actors' values and their expectations of institutional actions (Oliver, 1991). As a result, the achievement of legitimacy is linked to the achievement of social endorsement and acceptance of the environment in which it operates (Meyer and Rowan, 1977; Dimaggio and Powell, 1983).

In general, and according to the Institutional Theory, conformity with institutional pressures increases the probability of survival of the organizations (Deephouse, 1999; DiMaggio and Powell, 1983; Suchman, 1995; Meyer and Rowan, 1977).

3. THE INSTITUTIONAL THEORY IN TOURISM STUDIES

The Institutional Theory is applied with different purposes in tourism studies. The main research areas in which the Institutional Theory was used as a theoretical basis in tourism studies are: environmental, entrepreneurship, innovation, technologies, social responsibility, institutional arrangement, governance structures, public policy, and political trust (Table 2).

Table 2: Main research areas of Institutional Theory in Tourism

Sector	Research area	Authors
Tourism	Environmental	Strambach and Surmeier (2013); Rivera (2004); Shah (2011); Vargas-Sánchez and Riquel-Ligero (2010; 2011; 2012); Riquel-Ligero (2010; 2011); Riquel-Ligero and Vargas-Sánchez (2012a; 2012b; 2013); Grimstad (2011); Grimstad and Burgess (2012)
	Entrepreneurship	McCarthy (2012); Roxas and Chadee (2013)
	Innovation	Ottenbacher and Harrington (2009); Gyau and Stringer (2011)
	Technologies	Ali *et al.* (2013); Vatanasakdakul and Aoun (2009)
	Social responsibility	Sánchez-Fernández (2012)
	Institutional arrangement	Forbord *et al.* (2012); Karhunen (2008); Ingram (1998); Wilke and Rodrigues (2013)
	Governance structures	Lapeyre (2009); Lapeyre (2011a)
	Public policy	Wang and Ap (2013); Urbano *et al.* (2010)
	Political trust	Nunkoo *et al.* (2012); Nunkoo and Smith (2013)

Source: Own development

These tourism studies are mostly empirical, since only three are theoretical works (Ingram, 1998; Wilke and Rodrigues, 2013; Gyau and Stringer, 2011). The empirical application of the Institutional Theory is recent with the first study being published in 2004. However, between 2009 and 2013, a greater concentration of these publications was registered. A gradual, annual increase of publications was observed, with the height of publications of the Institutional Theory applied to the tourism sector occurring in 2013.

Most of the studies have components of tourism supply as an object of analysis, specifically hotel ventures (Rivera, 2004; Shah, 2011; Ingram, 1998; Wilke and Rodrigues, 2013), golf courses (Vargas-Sánchez and Riquel-Ligero, 2010, 2011, 2012; Riquel-Ligero, 2010, 2011; Riquel-Ligero and Vargas-Sánchez, 2012a, 2012b, 2013) and agricultural-based tourism clusters (Grimstad, 2011; Grimstad and Burgess, 2012). There are also studies evaluating the perception of the local resident communities about the tourism institutions (Nunkoo and Smith, 2013; Nunkoo *et al.*, 2012), as well as the innovating processes embraced by cuisine chefs (Ottenbacher and Harrington, 2009). However, there are no identified studies with the object of analysis – under the institutional perspective – involving tourist demand.

Regarding the geographical perspective, there are studies involving regional analysis (Nunkoo and Smith, 2013; Vargas-Sánchez and Riquel-Ligero, 2010, 2011, 2012; Riquel-Ligero, 2010, 2011; Riquel-Ligero and Vargas-Sánchez, 2012a, 2012b, 2013) as well as national analysis (Rivera, 2004; McCarthy, 2012; Roxas and Chadee, 2013; Wang and Ap, 2013; Ali *et al.*, 2013; Strambach and Surmeier, 2013; Lapeyre, 2011a; Lapeyre, 2009; Vatanasakdakul and Aoun, 2009). At the same time, there are also comparative studies between countries (Forbord *et al.*, 2012; Ottenbacher and Harrington, 2009; Shah, 2011), regions of the same country (Urbano *et al.*, 2010) and even comparisons between regions of neighboring countries (Sánchez-Fernández, 2012).

It prevails that the largest number of tourism studies carried out with the Institutional Theory is in the environmental area. These studies present a great deal of concern, mainly, with the pressures of the institutional environment influencing environmental management practices adopted by the tourism enterprises. They also present an analysis model which allows the measurement of significant Institutional Theory constructs such as the impact of three sources of institutional pressure (coercive, normative and mimetic) in the tourism organization's behavior and performance, as well as the effect of social legitimacy given by the social actors and reflexes from this effect in the organizational performance.

The rural tourism sector is a subject of analysis by Forbord *et al.* (2012) who describe the sector through three interdependent factors: products, organizations and institutions. Through comparative[3] analysis, it is highlighted that, while regulatory prescriptions are the basis for top-down standardization, cognitive factors serve as a starting point for creativity and heterogeneity, bottom-up, in the tourism sector.

Wang and Ap (2013) also offer a sectorial analysis of tourism by describing the factors that affect the implementation of tourism policies in China, which comprehend the following: the socioeconomic macroenvironment, institutions, interorganizational relations and interest groups.

Another study within the research areas of "public policies" in tourism identifies in which way formal and informal institutions influence the conception and implementation of supporting policies for tourism companies (Urbano *et al.*, 2010). Through a comparative analysis between two Spanish regions, Urbano *et al.* (2010) states that, while formal (regulatory) institutions play an active part in the conception of supporting mechanisms for tourism business, it is the informal institutions (through socio-cultural factors such as cultural values, entrepreneurial activity, population education and social networking) that are the important determinants for its implementation.

In the investigation field regarding "governance structures", Lapeyre (2009; 2011a) uses the concepts of power and governance in the tourism field to understand why and how the actors bring up specific structures of governance to operate tourism activities, redistribute revenues and minimize transaction costs.

The two works of Renaud Lapeyre (Lapeyre, 2009; 2011) and the study by Urbano *et al*. (2010) are exclusively based on an economic perspective of the Institutional Theory, sustained by authors such as Douglass North, Clark Gibson and Oliver Williamson. This current institutional understanding seeks to explain how the institutional framework affects the organization's economic and social development. In turn, this generates the arguments of the regulative pillar.

Regarding the "political trust" (Table 2) that institutions can generate from residents of a tourism destination, Nunkoo *et al.* (2012) and Nunkoo and Smith (2013) identify connections between the concepts of legitimacy and trust when supporting that political legitimacy can only be achieved upon the confidence of the residents in the public administration.

Nevertheless, this review of the literature also allowed the identification of tourism studies that employ certain concepts or approaches of the Institutional Theory but are not exactly applicable as a theoretical study basis. Alipour and Kilic's (2005) work are some of the examples that take over the concept of "intuitionalism" to analyze the structure of the Cyprus tourism sector. The "institutional support" approach, used by Lerner and Haber (2001), conclude that tourism developments with financial support by external resources show better performance compared to those that are completely self-financed. Initially, the "institutional arrangement" argument is used to assess the potential contribution of tourism companies of a communitarian basis in reducing poverty and empowerment (Lapeyre,

[3] Comparative of three regions from different countries that possess some similarities in their natural environment and agricultural structure: North Tyrol (Austria), South Tyrol (Italy) and Norway (Forbord *et al.,* 2012).

2010). Subsequently, it is used to analyze the socio-economic impact of the tourism relations between community, public and private bodies in rural areas (Lapeyre, 2011b).

Wink's (2005) study about ecotourism and processes of collective learning also does not use the Institutional Theory as a theoretical perspective. Another example is Ateljevic and Doorne (2004) who concluded that the development of small tourism businesses is influenced, mainly, by existing governmental regulation.

3.1. Influence of the institutional context in the behavior of tourism organizations

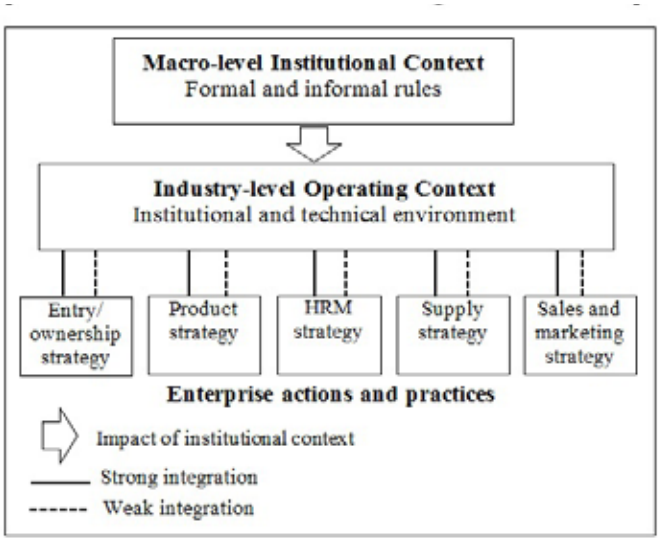
Different tourism studies prove the institutional environment influence over the different types of tourism organizations. There is evidence that different sources of institutional pressure impact in different degrees and organizational behaviors.

Especially in the "environmental" research area studies, a larger influence of the coercive pressures towards the normative and mimetic pressures has been identified in the adoption of corporative environmental practices. This has been empirically proved by Rivera (2004) in tourism studies in hotels and in golf courses (Vargas-Sánchez and Riquel-Ligero, 2013; Riquel-Ligero and Vargas-Sánchez, 2012a, 2013). Rivera (2004) states that hotels facing greater governmental monitoring are more likely to participate in voluntary environmental programs. Concerning golf courses, coercive pressures, followed by mimetic pressures, have a greater impact in the development of environmental practices.

The institutional context also plays a significant role in the use of communication and information technologies adopted by tourism organizations, as it is shown in studies undertaken in Maldives (Ali *et al.*, 2013) and in Thailand (Vatanasakdakul and Aoun, 2009). In the latest case study, for instance, normative and coercive pressures had a larger influence on the use of certain communication and information technologies by the Thai tourism industry rather than the mimetic pressures, which had no significant weight (Vatanasakdakul and Aoun, 2009).

The institutional perspective in studies about strategy considers the strategic choices of organizations as a result of the dynamic interaction between institutions and organizations (North, 1990; Oliver, 1997). With this point of view, Karhunen (2008) states that the institutional context comprehends formal and informal restrictions, strongly affecting the way hotel companies' strategies are integrated in the operational context, at the industry level (Figure 1).

Figure 1: Impact of institutional context on management of hotel operations



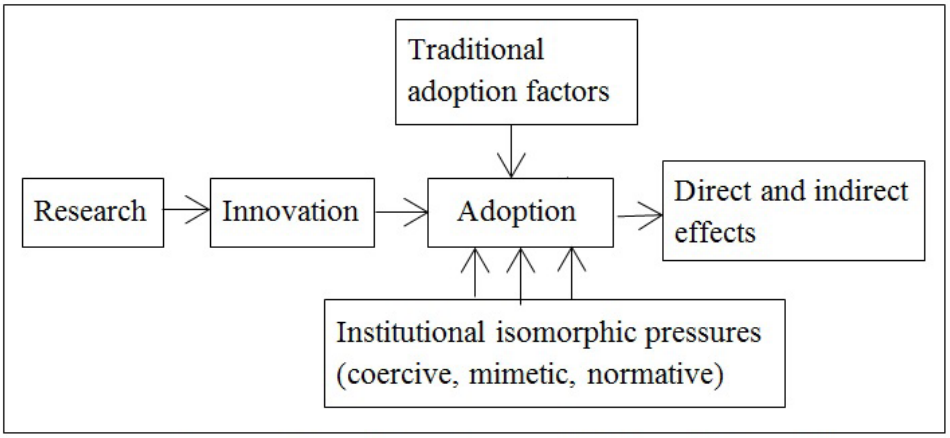
Source: Karhunen (2008: 31)

Karhunen (2008) is not concerned with the particular effect of each institutional source (coercive, normative and mimetic) but rather with the combined impact of institutional restrictions at an integration level of organizational actions and practices. It is important to take into account this perspective that considers the institutional environment effect in the organization's strategic choices (Karhunen, 2008), as well as the perspective that identifies the institutional effect in the innovation adoption by the tourism industry, which leads to the institutional isomorphism (Gyau and Stringer, 2011; Ottenbacher and Harrington, 2009).

Works cited by Ottenbacher and Harrington (2009) reveal that strategic decisions, as well as organizational and process innovations, are influenced by both top managers and the institutional environment context. Although institutional literature points out that institutional factors affect the organizational structures and the processes, little is known about how, where and why these factors occur. However, Gyau and Stringer (2011) and Ottenbacher and Harrington (2009) give a better understanding about such influences of the environment.

The theoretical model of Gyau and Stringer (2011) shows how the isomorphism process may influence the level of innovation adoption by the tourism industry (Figure 2). The authors state that the decision of innovation adoption by tourism operators may be influenced alone or in combination with the institutional pressures for the isomorphism. Additionally, when combined with the traditional innovation adoption factors, this model can offer a better understanding of these behaviors of tourism operators.

Figure 2: Conceptual model for institutional isomorphism and e-marketing adoption



Source: adapted from Gyau and Stringer (2011: 137)

Future empirical applications of Gyau and Stringe's (2011) model can, for instance, identify *"what are the relative importances of isomorphic pressures and the traditional adoption factors in explaining tourism related innovations such as the e- marketing?"* (Gyau and Stringer, 2011: 137).

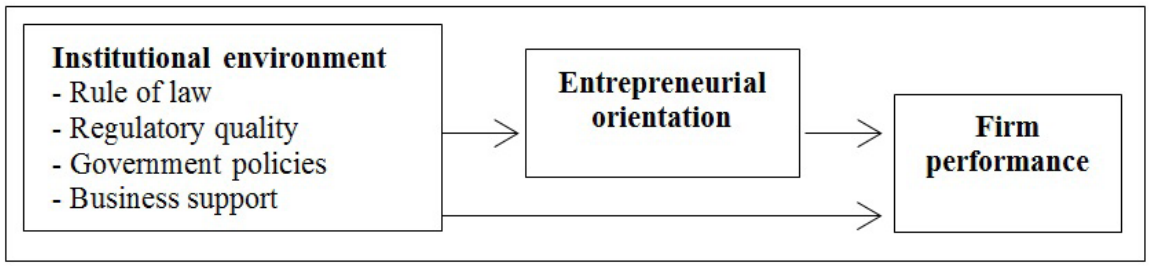
Ottenbacher and Harrington (2009) point out that studies about the innovation process, based upon the principles of the Institutional Theory, have given little attention to mimetic pressures. Faced with this insufficiency, Ottenbacher and Harrington (2009) analyze, in particular, the mimetic processes used to generate and execute new ideas by cuisine chefs with a Michelin star in North America and in Europe. They have discussed the potential impact of contextual, institutional and sociocultural factors as possible explanations for the similarities and differences between cuisine chefs. More specifically, towards institutional

factors, the authors provide evidence about the way they may affect the structure and process of culinary innovation.

The institutional environment can affect the tourism organization's performance as it is shown by the evidence (Vatanasakdakul and Aoun, 2009; Roxas and Chadee, 2013). More specifically, the normative pressure exercises significant influence in Thailand's tourism industry performance (Vatanasakdakul and Aoun, 2009), while the entrepreneurial orientation highlights the institutional environment effects over companies' performance (Roxas and Chadee, 2013).

Roxas and Chadee's (2013) model (Figure 3), identify a strong mediator effect in the relation between the institutional environment and the organizational performance. Results show that public administration plays an important role in guaranteeing that the institutional environment promotes entrepreneurship and, at the same time, an organizational performance improvement.

Figure 3: Effects of institutional environment and entrepreneurial orientation on firm performance: a conceptual model



Source: adapted from Roxas and Chadde (2013: 3)

There is also evidence in the institutional literature applied to the tourism sector that the institutional environment can cause changes in organizations' behavior regarding different institutional restrictions imposed on the organizations. Nevertheless, a contrary phenomenon may also occur where the organizational behavior causes changes in the institutions. This phenomenon is called "institutional change" and is related to a line of recent studies of the Institutional Theory, the "institutional entrepreneurship" (Haro, 2010; Bruton *et al.*, 2010), that considers the organization's influence (through the actions of managers and entrepreneurs) in these institutions, altering them. It defends the conception of organizations as active agents, not as passive ones, of the environment in which they reside.

This literature review of the Institutional Theory in tourism studies identified the work of McCarthy (2012), carried out in this line of institutional entrepreneurship, which comprehends the social entrepreneurial impact in the institutional context and in the shifting of institutional arrangements.

North (1990) stated that organizations are the main agents of the institutional change and that organizational learning is the main factor explaining this same change. Advancing on this finding, Ingram (1998) illustrates which actors affect the institutional change and how they do it by analyzing the institutional change in the education systems of the hospitality industry in the United States.

To Ingram (1998) there are distinct behaviors and organizational abilities between two different organization forms: the existent organizations and the new organizations. According to Ingram's (1998) conception, hotel chains are new incipient organizational forms and, therefore, understood as "new organizations". These "new organizations"

distinguish themselves from the existent organizations mainly because they are, somehow, free from those restrictions that prevent the existent organizations from benefiting from new knowledge. According to Ingram's (1998) point of view, the "new organizations" are, precisely, an important source of institutional change.

Ingram's (1998) theoretical discussion reveals a previous step in order to understand the behavior of tourism organizations and its implications for the institutional context that surrounds them. In that sense it is pertinent to highlight Roxas and Chadee's (2013) point of view that states that the institutional environment defines the entrepreneurial environment of those organizations in the tourism sector and that it can also determinate the entrepreneur who will be accepted and worthy of institutional support. The level of cooperation in an organizational field plays a relevant part in forming this institutional environment (Ali *et al.*, 2013).

3.2. Legitimation of tourism organizations

Social legitimacy is analyzed by tourism studies mainly in the environmental research area. There are studies that recognize the need of legitimacy as a driver of the corporate environment behavior (Riquel-Ligero, 2010, 2011; Riquel-Ligero and Vargas-Sánchez, 2012b, 2013; Vargas-Sánchez and Riquel-Ligero, 2010, 2011, 2012) and that the achievement of legitimacy reflects, for instance, the environmental responsibility of hotel organizations (Shah, 2011).

Wilke and Rodrigues's (2013) theoretical study differentiates the three institutional pressure sources regarding the legitimacy of Brazilian hotel organizations (Figure 4). The normative forces come from centers or from hotel training schools (technical and/or management expertise). Coercive forces come from coercive legal demands and/or from persuasive nature regulations. Mimetic forces come from the participation of executives or owners in the sector events which allow sharing solutions and decisions and/or adopting strategies directed to the attendance of specific hotel markets.

Figure 4: Concept assumptions of legitimation in the hotel organizations



Source: adapted from Wilke and Rodrigues (2013: 350)

Future empirical applications of this conceptual model allow an explanation of how and if organizations of the hotel industry use the legitimacy condition as a strategic instrument in favor of greater attractiveness of guests or in favor of a larger operational effectiveness (Wilke and Rodrigues, 2013).

Social legitimacy is confirmed as a mediator variable between the organizational performance and the organization's behavior, whether it is related to social responsibility practices in hotels (Sánchez-Fernández, 2012) or to the development of environmental practices in golf courses (Vargas-Sánchez and Riquel-Ligero, 2010, 2011, 2012; Riquel-Ligero and Vargas-Sánchez, 2012b, 2013; Riquel-Ligero, 2010, 2011). Through these works, evidence is identified that social legitimacy has been providing some priority over

the organizational performance; in other words, social legitimacy presents itself as a path to improve organizational behavior.

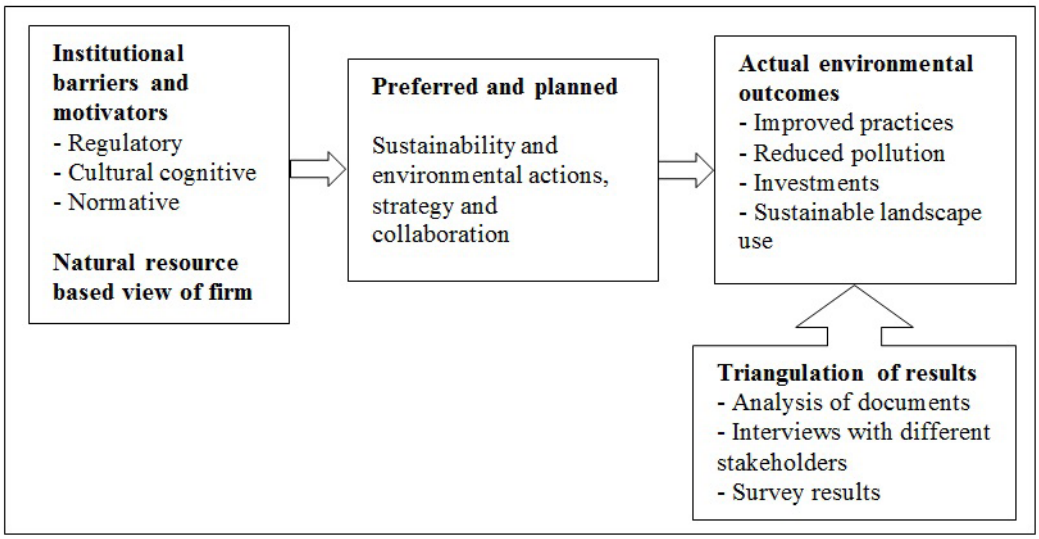
Such review of the literature also allowed identifying tourism studies that analyze the concept of legitimacy but that are not necessarily associated with the institutional perspective and its intrinsic assumptions. Some of these examples analyze the legitimacy in festivals (Ooi and Pedersen, 2010), the legitimacy associated with the involvement of the local community in tourist attractions (Garrod *et al.*, 2012) and tourist conservation projects (Cousins *et al.*, 2009; Hoffman, 2009) and the legitimacy related with sports tourism (Griffith, 2013).

4. INSTITUTIONAL THEORY APPLIED IN WINE TOURISM

The Institutional Theory was applied in the wine tourism segment in two of Sidsel Grimstad's works to analyze questions concerning organization's sustainability. These works are of greater theoretical significance not only in terms of pioneering, exploring questions of sustainability and companies' business decisions in clusters from an institutional perspective (Grimstad, 2011) but also because of the empirical evidence that provides tourism studies with an environmental focus (Grimstad and Burgess, 2012).

Both studies combine two of the organization theories having distinctive analysis perspectives: the Institutional Theory and the model of Natural Resource Based View of the Firm adapted from Hart (1995)[4] (Grimstad, 2011; Grimstad and Burgess, 2012). With these theories, Grimstad (2011)[5] arranges his conceptual model in order to understand how the social dynamic between actors inside the cluster may influence sustainability (Figure 5).

Figure 5: Conceptual framework of initiatives for sustainable tourism cluster



Source: Grimstad (2011: 76)

This model allows a discussion on how tourism business towards sustainability can be promoted or hampered by the institutional context. In this study, the sole focus is on

[4] The model of Natural Resource Based View of the Firm comes from the Resource Based View Theory (RBV) and their fundamentals can be identified in Hart (1995).

[5] This analysis model was presented, for the first time, in 2011 in the *International Journal of Wine Business Research*. It consists of an intra-industrial comparative study (involving two agriculture-based tourism businesses: the wine tourism cluster and the apple tourism cluster) between countries (Australia and Norway), with a mixed method approach interviewing different actors, inside and outside the cluster. The partial result of this comparative study was published in 2012, in the *Australia and New Zealand Academy of Management Conference,* relating the case study in the Australian wine tourism cluster (Grimstad and Burgess, 2012).

identifying how the Institutional Theory has been applied in wine tourism and what are the theoretical and empirical contributions to this tourism sector. The institutional perspective comes from the multi-level theoretical model from Brown *et al.* (2007), called the Value Adding Web, which analyzes the resources in the cluster, particularly the ways in which the context influences individual companies and the competitive advantage of the cluster.

Grimstad (2011) identifies the types of institutions (formal and informal), based on North's (1991) conception and how they impact the environmental initiatives of these companies in clusters. The results obtained in the Australian wine tourism cluster reveal that only 55% of the respondents identified external pressures to carry out environmental actions derived from corporative associations (which are relevant sources of knowledge about environmental questions), neighborhoods and clients. To a lesser extent, some pressure was felt from the State and Federal Government, whereas the local Government did not offer any pressure to engage in environmental action (Grimstad and Burgess, 2012).

Therefore, results point out the prevalence of the normative pressures over the coercive ones to the environmental initiatives in the Australian wine tourism cluster. This poor influence of the coercive pressures turns out to be surprising and paradoxical information since it is one of the main causes of behavioral changes for corporative environmentalism, as tourism studies show in other economy sectors (Hoffman, 2000; Clemens and Douglas, 2006; Riquel-Ligero and Vargas-Sánchez, 2013; Sánchez-Fernández, 2012; Riquel-Ligero and Vargas-Sánchez, 2012a; Riquel-Ligero, 2010).

According to Grimstad and Burgess (2012), one explanation for the poor coercive pressure is that it may be associated with most of the respondents (58%) having their own business focused on accommodation tourism activity, which is only a small percentage that has any kind of connection with agricultural activity. Typically, tourism activities have less industry control and regulations than agriculture production (Grimstad and Burgess, 2012).

Concerning the business typology, respondents with entrepreneurial tourism activity prevail. It is intended to show that this typology may compromise results, especially those of specific institutional forces that provide influence at this level, as it is understood in this case, for coercive pressure. If the sample of respondents having their businesses oriented towards agriculture (viticulture, for example) was more significant, the institutional pressures that provide influence at this level would probably be different. This hypothesis may be sustained by Grimstad and Burgess's (2012) considerations that the possible factors explaining the lack of influence of the regulator institutions may be associated with the type of business (entrepreneurial tourism or agriculture activity), the size of the business, the property structure and the agricultural knowledge about environmental questions.

4.1. Future studies in Wine Tourism with the Institutional Theory

Tourism literature has been doing poorly at trying to explain the wine tourism nature. There is a lack of research and information about how the economic activity aggregation of viticulture production occurs and identifying the causes and effects of wine tourism development in the organizational scope.

We support the point of view which states that the wine tourism development process in wineries may be explained through the aggregation of the tourism business component which is translated, mainly, in the provision of tourism services combined with the wine production. This aggregation can be seen as an innovative process that unleashes a new, strategic positioning of organizations.

Ingram's (1998) arguments allow a reflection about the features of wineries in developing wine tourism in their business, which proves to be significantly important while reflecting on the wine tourism nature.

In accordance with the wine tourism development concept previously defended and Ingram's (1998) point of view, wine tourism ventures can be considered "new organizations" with new organizational forms since, for instance, they developed new competences that allow them to aggregate new activities. They present new organizational arrangements differing from the wineries that do not have the wine tourism component in their business.

In these "new wine tourism organizations" the concept of "organizational[6] inertia" is not applied, since they assumed the risk of an organization change and were able to learn and apply the new, necessary knowledge to such ends. However, one cannot consider that these "new wine tourism organizations" had lost an institutional stability referential in terms of their environment. Conversely, it became evident that these wineries – by being inserted in Wine Routes – have suffered a certain influence of this institutional body in developing wine tourism and also that this process may have some effect in the social legitimacy of these organizations.

Evidence gathered through Grimstad and Burgess's (2012) studies allow the realization that wine tourism ventures – by combining entrepreneurial agriculture activities and tourism activities – have suffered different influences and, therefore, different institutional pressures. Even though institutional pressure sources related with wine tourism had been analyzed according to environmental actions (Grimstad and Burgess, 2012), this provides the first evidence of pressures held in the institutional context for wine tourism. However, such findings provide an alert to the importance given to the business typology considered in the sample, as it can register a greater or lesser amount on a scale of an institution's influence and have direct reflections on the organization's social legitimacy.

As a result, the Institutional Theory also presents itself as a proper theoretical tool to explain the wine tourism development process with the behavior and organization practices of wine tourism ventures. Future studies may present concerns in understanding the wine tourism development process by wineries when considering the influence of an institutional context and its effect over those organizations' behaviors. Such questions had not yet been properly clarified within the specialized literature.

Specifically, there can be the pretension of knowing the institutional pressures of a Wine Route and how they influence the wine tourism development in wineries. This will allow testing some theoretical arguments of the Institutional Theory in wine tourism, such as the impact of legal aspects (coercive forces) as well as the moral values and social norms (normative forces) of a Wine Route on the wine tourism development process in wineries. The imitation of models and successful practices of other wine tourism ventures will allow the verification of the impact of mimetic forces.

Other future directions concerning wine tourism – with the use of the Institutional Theory – may describe relations between wine tourism and social legitimacy, as well as identify if the wine tourism development causes any effect in the social legitimacy of these wineries. This would verify if the theoretical argument of the social actors pushing organizations in the pursuit of legitimacy is also proved in the wine tourism case.

5. CONCLUSION

The Institutional Theory presents itself as a theoretical perspective consolidated in the Management area because of its conceptual thoroughness and theoretical consistency in the pursuit of answers to the problems involving organizations in the institutional context. However, it is still used infrequently in the tourism sector.

[6] The argument of "organizational inertia" refers to the organizational failure risk caused due to an intraorganizational change (Ingram, 1998).

Tourism studies identified in this literature review appear to be tangential for future research proposals in the wine tourism industry as a scientific investigation area. Particularly, tourism studies carried out in environmental and innovation research areas seem to offer the best contributions and the ones nearer – in terms of analysis model, tested variables and goals – to the future research proposals to investigate wine tourism with the Institutional Theory previously presented.

More specifically, the two works carried out in the wine tourism industry (Grimstad, 2011; Grimstad and Burgess, 2012) are relevant starting points to further researches since they do not press ahead in certain aspects, whereas the Institutional Theory is able to give answers. For instance, they do not show any concern for questions surrounding the social legitimacy issue which proves to be remarkable in other tourism studies (Riquel-Ligero, 2010, 2011; Riquel-Ligero and Vargas-Sánchez, 2012a, 2013; Vargas-Sánchez and Riquel-Ligero, 2011; Shah, 2011; Sánchez-Fernández, 2012; Wilke, 2013).

In addition, concerning organizational performance, they are strictly focused on verifying results of environmental connotation, ignoring other dimensions which can be explored in this non-financial, organizational performance variable, such as operative and organizational aspects.

The presented gaps in the scientific knowledge demonstrate the need of future, in-depth research with the Institutional Theory in the tourism sector and, particularly, in wine tourism. It is suggested that future directions involve different concepts and institutional theoretical arguments.

One other suggestion for future studies is the use of other theories combined with the Institutional Theory. The Dynamic Capabilities Theory can be an example, as it has its analysis focus oriented to the intraorganizational aspects and can present itself as a complementary perspective to the Institutional Theory's interorganizational focus. This combination of other theoretical perspectives will allow a magnification of the analysis focus of a study as well as diminishing specific limitations still existing in the Institutionalism.

The theoretical development presented with this literature review contributes to gathering a theoretical discussion body of the Institutional Theory in the tourism and wine tourism sectors. It takes a step forward in the scientific knowledge by providing theoretical reflections for future research in Institutional Theory in wine tourism.

The theoretical implications presented provide clues about the behavior of tourism organizations and the institutional environment influences in these organizations that can generate practical implications to the public and private management of the tourism sector. Another relevant contribution of this study combines the few and still incipient researches in the tourism and wine tourism area with the institutional perspective.

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