

Innovative Governance Model of Small and Medium Tourism Entreprises (SMTEs) Empowerment: A Stakeholder Analysis of Lumajang Regency

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Abstract—The purpose of this research is to find out and analyze the role of stakeholders, the stakeholder relationship, and formulate the innovative governance model for empowering SMTEs in tourism in Lumajang Regency. The research method uses a qualitative approach with descriptive analysis techniques, data collection by conducting in-depth interviews with the Regional Apparatus Organization and SMTEs. The results of this study indicate that stakeholders involved in empowering SMTEs in Lumajang Regency consist of key, primary and secondary stakeholders. Key stakeholders consist of the Tourism and Culture Office and Regional Development Planning Agency. Primary stakeholders consist of the Cooperatives and Micro Enterprises Office, Community and Village Empowerment Office, Investment and integrated services office, Trading Office, Manpower Office, Public Works and Spatial Planning office, Agriculture Office, Environment Office, Communication and Information Office. Whereas secondary stakeholders consist of Tourism Awareness Group, Rural Community, and the media. The role of stakeholders in the empowerment of SMTEs is divided into very high to low interest groups. And the influence is very high to low. The institutional coordination system in empowering SMTEs in Lumajang Regency consists of a vertical and horizontal coordination system. Vertical coordination has been done and the relationship tendency is good. Whereas horizontal coordination between Regional Apparatus Organizations have not been carried out routinely and the relationship still needs to be improved. Innovation of an effective governance model that empowers SMTEs is the establishment of governance structures that are oriented towards empowering SMTEs. This is a joint task whereby SMTEs are empowered, tourist destinations will be more attractive, and tourism competitiveness will increase. The required governance innovation is a combination of elements of the Penta Helix model in empowering SMTEs

Keywords—Penta Helix, relationship, role, macro governance, micro governance, offices

I. INTRODUCTION

The tourism industry in Indonesia continues to grow with high growth from 2017 to 2018, the number of foreign tourists visiting Indonesia has increased from 1,147,031,000 to 1,405,536 with various tourist destinations. Data on the number of foreign tourists is illustrated in Fig. 1.

The Indonesian government accelerates the development of tourism through the establishment of 10 National Tourism Strategic Areas (KSPN), one of the strategic areas is the Bromo-Tengger-Semeru (BTS) area of East Java, where Lumajang Regency is one of the regions geographically

included in the tourism area. The local government of Lumajang Regency also wishes to have a competitive and sustainable tourism destination for the welfare of the community, by making Local Regulation No. 5 of 2018 concerning tourism development. So that the potential of tourist destinations in Lumajang Regency is high.



Fig. 1. Number of Foreign Tourists Visit 2017-2018

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Potential destinations are also supported by potential in terms of tourist visits. Table 1 explains the number of tourist arrivals to Lumajang Regency in the last 4 years which tends to increase.

The number of tourist visits which is increase and supported by the potential of good tourist destinations, then becomes an opportunity for SMTEs in Lumajang Regency. The tourism business in Lumajang Regency is developing, currently there are several types of SMTEs, namely: homestay, culinary, handicraft industry, souvenir center, car rental, tour guide, equipment rental, and parking

TABLE 1. TOURIST VISIT OF LUMAJANG REGENCY, 2015-2018

		Tourist Visit					
2015		2016		2017		2018	
Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign
895.468	2.455	933.514	2.367	3.250.850	7.480	3.597.712	9.983

The tourism governance approach can be developed through collaboration with external parties. Carayanis, et al., [5] states the concept of pentahelix as an integrative approach consisting of the roles of 5 (penta) actors in the process of tourism development namely Academician, Business, Community, Government and Media or often referred to as (ABCGM). Furthermore, Abdurrahman [1] revealed that tourism development needs to be managed collaboratively with the Destination Management Organization (DMO) approach. Ministry of Tourism and Creative Economy, states the DMO is a structured and synergic tourism destination governance that includes the coordinating, planning, implementation and control functions of destination organizations in an innovative and systemic way through the integrated use of networks, information and technology that are integrated with the role of the community, actors / associations, industry, academia and a government that has shared goals, processes and interests. Furthermore, UNWTO [9] revealed that the DMO has the function to lead and coordinate the elements of the destination (attractions, amenities, accessibility, human resources, image, price), marketing, and environmentally sustainable. According to Wyer and Mason [10] Empowering a small business management is important oriented to successful growth. But current empowerment literature fails to provide recommendation for small business that are unique and informal in their business operations, thus new research need to convey and understanding of the unique and novel of business empowerment that facilitates sustainable development.

SMTEs are one of the DMO elements that still have problems in managing their business competencies. DMO does not only play a role for product development, marketing, or promotion but also the development of its human resources. Empowerment of SMTEs that are still not coordinated and carried out partially, by stakeholders needs to get attention and resolution so that their welfare and business progress can be improved.

Based on this background, this research explores the concept of appropriate, sustainable governance, with the involvement of all stakeholders, so that all potential resources can be optimally utilized to empower tourism SMEs. This research will focus on governance in empowering tourism SMTEs in Lumajang Regency. Objectives of this research are to find out and analyze the role of stakeholders, the coordination system, and formulate an innovative governance model for empowering small and medium businesses in tourism in Lumajang Regency.

II. MATERIALS AND METHODS

The research method uses a qualitative approach with descriptive analysis techniques. This research was conducted

in Lumajang Regency with stakeholder informants involved in empowering Tourism SMTEs in Lumajang Regency. The focus of research consists of: analysis of the role of stakeholders in empowerment with the DMO-IDD approach, analysis of stakeholder connectivity patterns, formulation of governance models for empowering SMTEs with a combined approach of DMO and Penta Helix. This study uses in depth interview collection techniques with informants, focus group discussions to obtain primary data related to expectations and experiences so as to increase the degree of trust in data obtained from in-depth interviews. In addition, documentation techniques are also carried out to support the results of the analysis. Data Analysis Techniques include: Data reduction, giving code, Presentation of data, and drawing conclusions. The steps of data analysis are described in the following research framework:

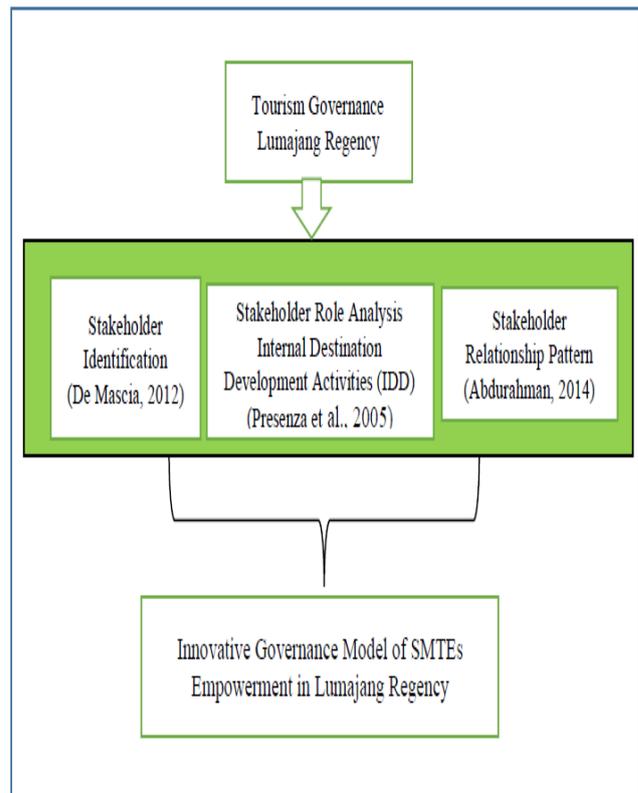


Fig. 2. Research Framework

III. RESULTS AND DISCUSSION

A. The Role of Stakeholder

There are three types of stakeholders related to the development of the Lumajang Regency tourism sector, referring to De Mascia [6], namely: (1) consistency of the key stakeholders of the Tourism and Culture Office and Regional

Development Planning Agency. (2) Primary stakeholders consist of the Cooperatives and Micro Enterprises Office, Community and Village Empowerment Office, Investment and integrated services office, Trading Office, Manpower Office, Public Works and Spatial Planning office, Agriculture Office, Environment Office, Communication and Information Office. Whereas (3) secondary stakeholders consist of Tourism Awareness Group, Rural Community, and the media. The roles of each stakeholder are as follows:

TABLE 2. TOURIST VISIT OF LUMAJANG REGENCY, 2015-2018

Stakeholder	Stakeholder Roles			
	Resource Stewardship	Human Resource Development	Crisis Management	Finance and Venture Capital
Tourism and Culture Office (TCO)	√	√	√	√
Regional Development Planning Agency (RDPA)	√	√	√	√
Cooperatives and Micro Enterprises Office (CMEO)		√	√	√
Community and Village Empowerment Office (CMVEO)	√	√	√	
Investment and integrated services office (IISO)		√	√	√
Trading Office (TO)		√	√	
Manpower Office (MO)	√	√		
Communication and Information Office (CIO)			√	
Public Works and Spatial Planning office (PWSPO)	√			
Agriculture Office (AO)	√			
Environment Office (EO)	√			

Based on Table 2, most stakeholders have more than one role in the empowerment activities of SMTEs. The role of stakeholders is analyzed based on the work program implemented to support the empowerment of SMTEs. The role of stakeholders in empowering SMTEs is part of the DMO, where in this study the analysis is based on an approach to Internal Destination Development Activities (IDD) [7].

B. The Relationship Pattern of Stakeholder

The importance of the DMO in empowering SMTEs is the basis for analyzing patterns of relations between stakeholders by referring to Abdurahman [1]. Relationship patterns are analyzed based on the aspects of collaboration, communication and coordination between stakeholders in empowering SMTEs. The pattern of stakeholder relationships is listed in Fig. 3.

Collaboration between stakeholders in empowering SMTEs has been established, but there are still obstacles in communication. Stakeholders use a vertical and horizontal coordination system. Constraints still occur in horizontal coordination and budget coordination due to the absence of a master plan for empowering SMTEs.

C. The Innovative Governance Model of SMTEs Empowerment

The innovation model of tourism empowerment management in Lumajang Regency produced in this study is a combination of the DMO (Destination Management Organization) principle, especially IDD and the pentahelix concept which is adjusted to the obstacles in the field encountered by researchers. This governance model uses the principle of collaborative governance, Shergold [8], Anshell and Gesh [2] all of stakeholder, public and private stakeholders together in collective forums with public agencies to engage in consensus-oriented decision making. The collaboration of various offices to solve the problems faced by SMTEs, so that collaboration can be realized both in empowering SMTEs. The model is divided into two, namely the macro governance model for empowering SMTEs and the micro governance model. Macro model is intended to strengthen local government stakeholders by involving academics, so they can make plans, policies and strategies for empowering SMTEs. While the micro concept contains solutions to real obstacles in the field. The concept of governance in tourism development in macro terms can be seen in Fig. 4.

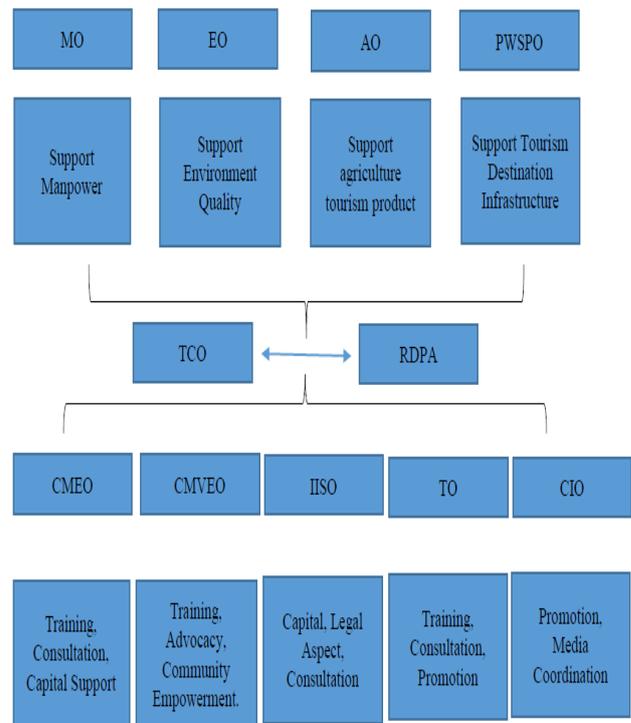


Fig. 3. The Relationship Pattern Between Stakeholder

Fig 4. Macro Governance Model of SMTEs Empowerment at Lumajang Regency.

Governance Model of empowering SMTEs at a macro level, focused on strengthening the human resources (HR) of the main stakeholders (leading sector), namely the Office of Tourism and Local Government Planning Agency. In the support sector category consists of stakeholders that support the tourism system, namely the organization of regional offices (offices). The quality of the Apparatus in these two categories needs to be given reinforcement or training on knowledge, information, and competencies related to good SMTEs empowerment governance. The training was conducted in collaboration with academics who have competencies in the field of tourism management. Furthermore, making policies and strategic plans related to the concept of empowering SMTEs by focusing on three fields, namely creative economy, tourism development, and local community with the principle of sustainable development in these three fields. The stages are also connected with the role and synergy of the media, business, academic, and community sectors to develop SMTEs.

The next governance concept is a micro concept that specializes in governance planning that can provide solutions to the constraints of empowering SMTEs. This concept can be applied after or together with the macro concept. Micro concept can be seen in Figure 5.

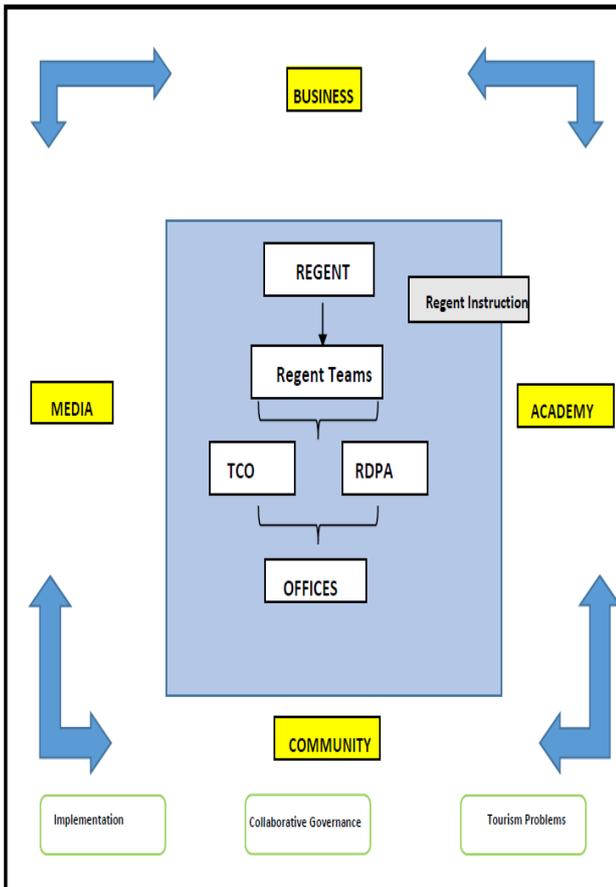
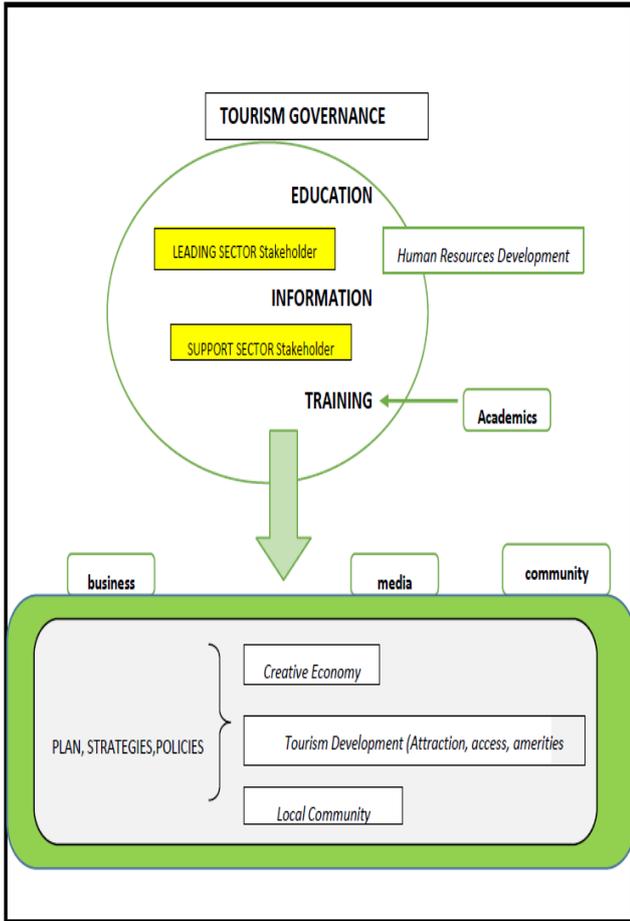


Fig 5. Micro Governance Model of SMTEs Empowerment at Lumajang Regency

Lumajang Regency must use the concept of integrated institutional governance among stakeholders and have joint responsibility in empowering SMTEs. The concept of institutional governance proposed above is a combination of the Penta Helix model and the Internal Destination Development Activities (DMO). The regent acting as the highest authority in charge of a small team consisting of individuals from various Offices, the Community is involved in planning and conducting responsible monitoring and reporting directly to the regent regarding the progress of the SMTEs. The business and academy sectors participate in empowering SMTEs in terms of training, CSR or as a facilitator. Innovative governance is based on the principles of the DMO) namely stakeholder participation, integration and synergy between stakeholders in empowering SMTEs, good cooperation between stakeholders to avoid conflicting interests and sectoral egos, and economic, industrial, social and destination sustainability. These principles are in line with the principles of good governance, namely: Participation, Responsiveness, Efficiency and Effectiveness, Transparency, Rule of Law, and Accountability.

IV. CONCLUSION

The Innovative Model of Empowerment Management of SMTEs, consists of two models, namely the macro governance model and micro governance. The micro governance model requires a pentahelix approach that involves local government, academy, business, community, and media. The issue of empowering SMTEs must be identified in detail, to be solved collaboratively by all stakeholders and the resulting recommendations must be implemented. Penta Helix coordination is needed for planning and monitoring. All elements of local government (offices) must carry out their respective roles for empowering SMTEs. Offices coordinate tasks so that the objectives of empowerment can be achieved in accordance with the DMU

principles and the principles of good governance. Community elements need to be empowered and motivated to do collaborative governance, they are business operators and tourism services, SMTEs, Association of Hotel in Indonesia (PHRI), Association of Tourism Industry (ASITA) and tourism awareness groups. This was done so that SMTEs became more empowered and community welfare improved.

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