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FINANCIAL PERFORMANCE AND VISION STATEMENTS OF NATIONAL TOURISM ORGANIZATIONS IN NORTHEAST ASIA

Motive scores (needs for Achievement, Affiliation, and Power) of the CEOs of the National Tourism Organizations (NTOs) in North-East Asia were determined using content analysis. The extent to which CEOs possess need for Achievement (n Ach), need for Affiliation (n Aff), and/or need for Power (n Pow) is significantly correlated with success in profit and nonprofit organizations. The present study findings show that tourism receipts per capita are high in a country whose vision is associated with high Achievement whereas tourism receipts per arrival are high in a country whose vision is associated with high Power.

Keywords: Vision, achievement, power, affiliation

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Introduction

Failure to consider the effects of motive imagery in the visions of the national tourism organizations (NTO)'s creates problems in forecasting the trends of tourism development. The vision of an NTO should present a statement that represents the core values of tourism regarding the individual country. Chusmir and Azevado (1992) reported that these needs, or motive imageries, can predict financial performance of companies based on their study of fifty Fortune-500 companies in the US. In the tourism industry, the vision statements have been neglected. One of the main reasons is that little research has considered tourism visions as a primary tool to forecast the impacts of tourism since there has been lack of an adequate measure for these visions (Kirkpatrick et al., 2002). The purpose of this study, therefore, is to explore the relationship between the motive imageries in visions and performance of the NTOs.

Literature Review

Empirical studies indicate associations between vision and performance (Barling, Weber, & Kelloway, 1996; Kirkpatrick & Locke, 1996). Kirkpatrick and Locke (1996) conducted their study with business students to manipulate a vision and found that vision is a core aspect of leadership. Barling et al. (1996) also support this relationship by stating that, "changing transformational leadership can exert some effects on financial performance" (p.831). However, the examination of this relationship remains underdeveloped, especially in hospitality and tourism due to the difficulty of measuring vision characteristics. Larwood, Falbe, Kriger, and Miesing (1995) show 26 content dimensions in the visions of organizations. Baun, Locke, & Kirkpatrick (1998) measure effectiveness of the vision based on brevity, clarity, abstractness, challenge, future orientation, stability, and ability to inspire.



In general, these measures have been difficult to operationalize when measuring the relationship between vision and performance.

Several studies in business and tourism use motive coding methods that build from McClelland's (1985) needs' propositions. McClelland (1985) used the Thematic Apperception Test (TAT) to measure three human needs: Achievement, Affiliation, and Power. TAT is a projective test in which participants compose their own stories for the projected, ambiguous pictures. The content of these stories reveals the underlying (unconscious) needs, conflicts and complexes that the person "projects" onto the picture. However, it is impractical to measure the motivation needs of people using these ambiguous pictures of TAT. Even if it were practical, permission to report and interpret results likely would not be given since people may be unwilling to expose themselves in such a personal way (Winter, 1982; Winter & Stewart, 1977). These problems of access and privacy led Donley and Winter (1970) to use content analysis of publicly available written material to measure motivation needs of presidential candidates. The scoring of all three motives (Achievement, Affiliation, and Power) based on TAT has been modified as follows:(1) Achievement, affiliation, and power imagery were scored; individual motive subcategories were ignored; (2) Each sentence was considered a unit of scoring, but in two consecutive sentences the same motive imagery was scored just once. However, if a different motive appeared separating these two instances of the same motive in consecutive sentences, then that repeated motive would be scored twice. In addition, if a sentence contained two or more different motives, each would be recorded. When measuring CEOs' imagery, Chusmir and Azevedo (1992) have adapted the scoring method and considered company or organization as the equivalent of a "character" or "the concern of a character" in the motive scoring system. In addition, three imageries have been scored as follows. (1) Achievement imagery of a company was scored when it appeared important to maintaining or expanding the firm's



competitive advantage. A unique accomplishment of a company was not scored as achievement imagery because it was considered normal good business practice for companies. (2) Affiliation imagery of a company has been scored when there are bonds between the company and its employees. However, simple references to well-being of employees or stockholders were not scored. (3) Power imagery would be scored when the organization expressed the specific desire to affect or influence others at present or in the future. However, descriptions of past events—unless they contained very strong additional emphasis—were not scored. After evaluating each sentence according to these rules, an overall score was derived, reflecting the number of times that the particular motive received points in the text message (one appearance = 1 point). The three imageries final score was then adjusted to the length of the text by dividing the total score by the number of words and multiplying by 1,000 (Donley & Winter, 1970; Winter & Stewart, 1977). Researchers (Winter, 1981, 1987, 1991; Winter & Healy, 1981; Winter & Stewart, 1977) have applied this content analysis methodology to inaugural speeches of presidents. The interscorer reliability of the modified scoring system for content analysis is approximately .85 when scored by individuals trained with the original system (Donley & Winter, 1970).

Tran (2007) applied the TAT method to code motives in segmenting customers successfully by motives for predicting customer preferences towards tourism service providers. According to McClelland (1985), every individual possesses to some degree a need for achievement (N-Ach), affiliation (N-Aff), and power (N-Pow). An individual possessing a high need for achievement will demonstrate a recurrent concern over performing well in relation to some standard of excellence. An individual possessing a high need for affiliation will demonstrate a recurrent concern for close social relationships or the need to make friends with other people. An individual with a high need for power will be concerned with controlling the means of influence; that is, a need for impact or social influence. This



kind of analysis is useful for measuring the associations between managers' motive scores and the NTOs outcomes. The research method in this study follows the types of analysis of Winter & Stewart (1977) and Chusmir and Azevedo (1992) with widely accepted procedures for psychological content analysis.

N Ach is the need for a standard of excellence in competition. High n Ach appears to lead managers toward expansion and growth goals rather than toward influencing others or obtaining large profits (McClelland & Winter, 1969/1971). Motivation theory states that high n Ach persons tend to be competitive and strive to do better than others and the direction of that striving is toward growth. High n Ach NTO managers characteristically would focus on the means to accomplish the end goal. In this case, the present study measures tourist receipts per capita in a destination country to access the accomplishment of the NTOs managers. Hypothesis 1: A significant relationship exists between n Ach visions of NTOs and the growth of tourist receipts per capita in the NTOs' countries.

N Pow is the need to influence, teach, or encourage others to achieve, with little interest in doing things alone (Chusmir, 1985). Persons high in n Pow like to work with discipline and self-respect (McClelland, 1975). Managers high on n Pow instead appear to be concerned with maintenance of the system rather than expansion (Winter, 1973). While high n Ach managers look to become professionals with new and alternative means, n Pow managers generally stay with available means and fight for a greater share of existing limited resources (McClelland & Winter, 1969/1971). The present study measures tourist receipts per arrival in a destination country to evaluate the end of the means (Profit) of the NTO managers. Hypothesis 2: A significant relationship exists between n Pow visions and the growth of tourist receipts per arrival in the NTO's country.

N Aff is the need for positive friendship with other persons. Individuals with high n Aff tend to worry about disappointing others (Winter, 1982), leading them to avoid making



decisive or unkind comments or criticism (McClelland, 1985; Winter, 1982). They tend to avoid conflict and competing with others (McClelland, 1985). They are thus overly sensitive under risk-taking situations (Winter & Stewart, 1977). As a result, high n Aff people are often less successful in manufacturing, research and development companies (Kock, 1965; Wainer & Rubin, 1969). The affiliation motive relates negatively to performance and effectiveness measures (House, Spangler, & Woycke, 1991), presumably because affiliation-motivated managers/leaders are reluctant to monitor subordinates' behavior, to convey negative feedback, or to discipline subordinates (McClelland, 1985). Hypothesis 3: A negative relationship exists between n Aff visions and the growths of tourist receipts per capita and tourist receipts per arrival in the NTO's country.

Method

Motive Scoring

This study has adapted content analysis of written material modified by Winter (1991) to score three imageries: Achievement, Affiliation, and Power in the vision statements of the NTOs in 2010 vision statements of the selected Northeast Asian countries. For example, affiliation imagery in the vision of the Japan National Tourism Organization is "to show people around the world why the next trip they take should be to Japan" (Japan, 2010). Achievement imagery in the vision of the Macau tourism statement is "This year, the 10 shows of the Macau International Fireworks Displays Contest, which used to span a period of a month, will be shortened to half a month, promising a 2-week extravaganza to visitors." (Macau, 2010). Power imagery in the vision of the Taiwan tourism statement is "strengthen the management to gradually and orderly play a proper role in tourism-related policy control to Taiwan" (Taiwan, 2010).

Sample



The Northeast Asian countries (China, Hong Kong, Japan, South Korea, Macau, Mongolia, and Taiwan) were selected as a sample for this study because they were associated with a larger decrease of revenue per available room in 2009(-28.4%) compared to other continents (North America -19.2%, Middle East -15.9%, Europe -19.4%) (Ogren, 2009). In 2005, the market share of the Northeast Asian countries comprised of 50.3 % of all Asian countries. Therefore, these Northeast Asian countries represented an important test of the study hypotheses.

Dependent Variables

Two dependent variables were used in this study: relative growth in tourist receipts per capita for 2004 and 2005, and relative growth in tourist receipts per arrival for 2004 and 2005. Operational definitions of each dependent variable follow:

Relative growth in tourist receipts per capita.—Percentage of growth in tourist receipts per capita from the previous year for each NTO divided by the average percentage of growth for the corresponding NTOs countries in Northeast Asia.

Relative growth in receipts per arrival.—Percentage of growth in tourists receipts per arrival from the previous year for each NTO divided by the average percentage of growth for the corresponding NTOs countries in Northeast Asia.

Data for the years 2004 to 2005 were collected from the United Nations Common Database (2010).

Analysis

To evaluate the strength of the association between each motive imagery and the performance variables, the present study calculated a set of Spearman's rho correlations due to a small sample size. If a high correlation had been found among the variables, then partial correlation or multiple stepwise regression analysis would have been used to control the effects of the relationships being investigated. All three independent variables (n Ach, n Pow,



and nAff) were not significantly correlated, however, the two dependent variables were significantly related. Therefore, only Spearman's rho correlations are reported in this study, see Table 2 for details.

Results

Content Analysis

Table 1 shows the results of the content analysis. Scores for the motives of the vision statements were designated as high or low according to their location above or below the mean of the distributions. Scores for n Ach scores ranged from a low of 1.66 to a high of 19.23 with a standard deviation of 6.47 and a mean score of 6.68. Scores for n Aff ranged from .83 to 15.15 with a mean score of 7.21 and a standard deviation of 5.32. Scores for n Pow ranged from a low of 1.03 to a high of 22.73 with a mean score of 6.29 and a standard deviation of 7.60.

Hypotheses

The first hypothesis predicts that n Ach visions of NTOs will associate significantly with tourist receipts per capita. Results of correlation analysis (see Table 2) indicate that n Ach correlates significantly with the growth of tourist receipts per capita for 2004-2005 (r = .71, p < .05). See Table 2 for details.

Hypothesis 2 predicts that n Pow visions of NTOs will associate significantly with their profit growth. The analysis indicates a significant positive correlation between n Pow and the growth of tourist receipts per arrival for 2004-2005 (r = .70, p < .05). See Table 2 for details.

Hypothesis 3 predicts a negative relationship occurs between n Aff visions of hotels and their revenue and profits. Results of correlation analysis (see Table 2) shows that n Aff



does not significantly correlate with growth in tourist receipts per arrival nor tourist receipts per capita for 2004-2005.

TABLE 1.
MOTIVE SCORES FOR VISION STATEMENTS FROM NTO'S REPORTS

NTOs		Total words	nAch	Level*	nAff	Level	n Pow	Level
1	China	132	7.58	Н	15.15	Н	22.73	Н
2.	Hong Kong	1004	1.99	L	4.98	L	3.98	L
3.	Japan	542	3.69	L	12.92	Н	1.85	L
4.	Korea R	974	2.05	L	9.24	Н	1.03	L
5.	Macau	1132	10.60	Н	3.53	L	1.77	L
6.	Mongolia	1204	1.66	L	0.83	L	4.98	L
7.	Taiwan	260	19.23	Н	3.85	L	7.69	Н

^{*(}L) - below the mean; (H) = above the mean.

Data source:

China NTOs (http://en.cnta.gov.cn/html/2010-3/2010-3-4-10-2-75203.html, Japan NTO (http://jicc/JapanNow/EJN_vol5_no3.html#Article5), South Korea (http://www.tourism.gov.za/Pages/dr-hyun-jae-cho-speech.aspx), Macau (industry.macautourism.gov.mo/files), Hong Kong (http://rthspace.com/headlines/336645/speech_by_commissioner_for_tourism_at_2010_hong_kong_tourism_overview.html), Mongolia (http://www.unescap.org/TTDW/ppp/PPP2007/mm_mongolia.pdf), Taiwan (http://en.cnta.gov.cn/html/2009-7/2009-7-30-12-55-48514.html)



TABLE 2.
SPEARMAN'S RHO COEFFICIENTS AMONG ALL VARIABLES 2004-2005

Spearman's rho	nAchievement	nAffiliation	nPower	repcap0405	reparri0405
nAchievement	1.00				
nAffiliation	0.14	1.00			
nPower	0.18	0.11	1.00		
repcap0405	0.52	0.23	0.70*	1.00	
reparri0405	0.71*	0.50	0.57	0.93**	1.00

^{*}Correlation is significant at the 0.05 level (1-tailed)

Discussion

Despite differences between manufacturing and service industries, it appears a unique relationship exists between vision statements and financial performance. The present findings link n Ach to growth in tourist receipts per arrival whereas n Pow is linked to growth in tourist receipts per capita. NTOs with a high need Achievement in their visions seem related to high growth in tourist receipts per arrival, whereas NTOs with a high need for power in their visions seem related to high growth in tourist receipts per capita.

Although an NTO's vision is an important predictor of the NTO's performance, there are likely additional major factors affecting performance. Dwyer et al. (2009) reported that key factors within external environment could be "economic, political, environmental, technological, demographic, and social" (pg. 63). A limitation of this exploratory study is that the vision statements followed performance. The present analysis may indicate associations between performance metrics and motives with vision statements, but does not address the lagged causal relationships between motives and performances. Examining cross-lagged

^{**} Correlation is significant at the 0.01 level (1-tailed)



relationships (e.g., Woodside 1999) for motives in vision statements and firm performance is suggested for future research.

Prior studies use content analysis of inaugural speeches and other publicly available material to determine motive scores for n Ach, n Aff, and n Pow, for example of presidential candidates and incumbents. However, this study appears to be the first published effort in the tourism literature to extend that method of scoring in a successful manner to motive scores of nonpolitical persons using official business documents.

The scoring system employed in prior studies and this present study involved objective and readily available measures. The findings of the present study using the tourism industry are consistent with previous research in the manufacturing industry in terms of associations between vision statements and financial performance.

The present study findings show that tourism receipts per capita are high in a country whose vision is associated with high Achievement whereas tourism receipts per arrival are high in a country whose vision is associated with high power. In other words, countries who present successful accomplishments in development will appeal to more tourists in general; while countries who present power will appeal to high-income guests. Therefore, this study suggests an understanding of tourism industry vision as a type of motivation that can be linked to tourism outcomes; achievement being linked to growth in infrastructure and population, and power targeting specific tourist types. The tourism industry implications are two fold: (1) NTOs should create visions emphasizing standards, unique themes, and long-term development when they plan to focus on increasing the general number of tourists. (2) NTOs should create visions emphasizing prestige and power when they plan to attract affluent tourists.



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