Article

Determining factors of regional tourism development based on public policy management

Alexander Zuñiga-Collazos[1,2], Jose Fabian Ríos Obando[3,*], Alexander Romero Sánchez[4,5]

[1] Universidad de Las Palmas de Gran Canaria, 35001 Las Palmas de Gran Canaria, Spain

[2] Departamento de Administración y Organizaciones, Universidad del Valle Cali, Valle del Cauca 760042, Colombia

[3] Universidad de San Buenaventura Cali, Valle del Cauca 760042, Colombia

[4] Sapienza University, 00155 Rome, Italy

[5] The Unidad Central del Valle del Cauca (Uceva), Valle del Cauca 760042, Colombia

* Corresponding author: Jose Fabian Rios Obando, jfrioso@usbcali.edu.co

Abstract: Studies on the influence of public policies on the regional tourism sector are of high scientific and practical interest, as they offer inputs to guide public management towards strengthening the tourism development of the territories. Through the structural equation model, this study took a sample 99 companies in the tourism sector in Valle del Cauca, Colombia, addressing the relationship between public policy management (PPM) and regional tourism development (RTD), from the perspective of the rational model of business performance. The findings show that the capacity of the state and its entities to comply with the requirements of the organizations, as well as the rigor to take criticism and suggestions for improvement, as a basis to strengthen their management, are the factors that best explain the relationship between the PPM and RTD based on the performance of organizations in the sector, especially focused on increasing market share, productivity, and income. Other findings and practical implications are discussed.

Keywords: management; tourism development; public policy; regional tourism

1. Introduction

Tourism as a productive value chain is considered a fundamental activity to drive regional development in territories since it generates multiple direct and indirect jobs, which, in developing countries, support employability dynamics and social mobility.

In this sense, tourism has managed to occupy a significant place on the global political agenda, aiming to promote its development and competitiveness by focusing resources and actions that emerge from territorial planning to achieve an increased market share for companies in the sector and, consequently, higher revenues through better resource utilization.

The importance of designing and implementing actions aimed at strengthening the tourism sector, through the development of growth-applicable policies, has been reflected in recent decades, taking the government's development plan as a cornerstone. Additionally, in response to the regulations imposed by the tourism industry in the country, through Law 300 of 1996, known as the General Tourism Law, the Ministry of Industry, Commerce, and Tourism was tasked with formulating policies and planning for the tourism sector. This subsequently led to the creation of CONPES 3397 in 2005 and the Tourism Sector Plan within the National Development Plan, which each president must present in their first year of government.

In addition to Law 300 of 1996, greater emphasis was placed on the sector with the issuance of Law 1558 of 2012, which included the promotion, development, competitiveness, and regulation of the tourism activity through the necessary mechanisms to efficiently manage the comparative and competitive advantages of the territory while safeguarding resources and sustainable development. Under these guidelines, there is a need to develop policies, plans, and economic programs for the development of the tourism activity, as indicated by the World Tourism Organization in its local planning guide, which establishes that states should direct and channel their tourism potential towards municipal destinations with a status of excellence and quality based on environmental factors, services, culture, and products (UNWTO, 1999).

In 2020, the enactment of the new Tourism Law (Law 2068 of 2020) was intended to mitigate the impacts of the COVID-19 crisis. This legislation prioritizes the enhancement of sustainability, formalization, and competitiveness within the tourism sector. By fostering the sector's reactivation, the law aspires to position the country as a highly recognized, sustainable, responsible, and high-quality destination.

The proposed strategies aim to boost investment in the sector, through the development of new hotels, theme parks and other attractions, guaranteeing the protection and conservation of environmental resources and complying with the principles of sustainable activity.

According to Monfort (2000), the tourism sector comprises a wide range of subsectors, all of which add value to the entire chain. This is why activities such as restaurants, hotels, travel agencies, transportation, among others, are part of a fundamental productive chain for the dynamics of territories, particularly the Valle del Cauca, a region known for its tourism and service sector.

This sector plays a pivotal role in the global economic recovery, and there are expectations for it to regain the growth trajectory seen before the COVID-19 crisis. Prior to the crisis, tourism ranked third in terms of employment and economic development, following only the fuel and chemical industries (UNWTO, 2022).

According to the World Tourism Organization (UNWTO), in 2022, there were more than 960 million international tourist arrivals, achieving 66% of the pre-pandemic situation. Furthermore, the outlook for 2023 is even more encouraging, as in the first half of this year, the number of people traveling has doubled compared to the previous year.

For Colombia, the figures also point to recovery, as reported by the National Administrative Department of Statistics (2023), the contribution of the tourism sector to the economy was 2.1%, which is 0.4 percentage points higher than 2021 and slightly below the 2019 figure, considered a benchmark year for the sector when the contribution was 2.6%.

Due to its strategic importance and the impacts caused by the Covid, there has been an increase in the number of studies aiming to identify the crises and challenges faced by the tourism sector. These investigations seek to determine the aspects in which public management should be strengthened to foster prolific regional tourism development (Sahni et al., 2023).

To assess key factors for tourism revitalization, entities such as the COTELCO-Asociación Hotelera y Turística de Colombia (2023) annually publish the Regional

Tourism Competitiveness Index of Colombia. This report defines the main challenges facing the sector in 2022, encouraging various stakeholders to actively participate in strengthening management and competitiveness. Specifically, in Valle del Cauca, it is observed that out of the eight criteria used for measurement, there was a setback in five of them (cultural, economic, entrepreneurial, market strategy, and infrastructure). This necessitates governmental entities to undertake improvement actions at both macro and micro levels, aiming to make a significant impact on the tourism competitiveness of the destinations.

It is therefore crucial that public policies in the tourism sector contribute to regional development, as this helps to establish a strong business ecosystem and favor macroeconomic indicators such as employment and GDP, among others (Vieira et al., 2024). Managing tourism development through effective political planning is a critical element on political agendas to boost sector growth and promote virtuous spaces for business consolidation, based on pillars such as organizational performance (Moreira dos Santos et al., 2024).

Despite the existence of studies that address these constructs, they tend to focus on measurement through indicators, providing information on development dynamics and expectations. However, there are few studies based on rigorous quantitative methods that precisely outline the impact of public policies in the tourism sector on regional tourism development, which is more evident for tourist destinations in developing countries. Therefore, this research aims to offer insights into this matter by analyzing the determinants of RTD based on PPM in SMEs in Valle del Cauca. This paper achieves to identify, among other things, that the ability of the State and its entities to meet the demands of organizations, as well as the rigor in considering criticisms and improvement suggestions, are the factors that best explain regional tourism development.

This document begins with a chapter that outlines the theoretical foundations of the model and the variables that constitute the constructs. The subsequent methodology section details the data processing techniques employed, the sample, and other relevant factors. This is followed by a chapter presenting the research results. Finally, the document concludes with a discussion of the main findings and conclusions, where future research directions are also defined.

1.1. Regional development through performance

Regional development through performance refers to the improvement of economic, social, and cultural conditions in a specific region by enhancing performance or efficiency in various aspects such as education, infrastructure, capacity, and resource enhancement, among other key sectors (Han et al., 2023). This approach focuses on optimizing and maximizing the available resources in a region to drive long-term development (Glaeser and Resseger, 2010).

In the tourism sector, the importance of managing adequate infrastructure that strengthens communication networks is recognized as an aspect that has demonstrated a positive impact on performance and, therefore, regional development (Bryan et al., 2020).

Performance theory in the context of regional development involves acknowledging that the progress and development of a region are directly related to its capacity to improve and optimize performance in various key aspects (Morris et al., 2020). This approach emphasizes efficiency, productivity, and a region's ability to use its resources effectively to achieve sustainable development. In this sense, transport infrastructure, investment, and innovation are recognized as drivers of productivity that, when combined, can boost the performance of businesses, and collectively strengthen regions to address economic challenges (Tilley, 2023).

From this perspective, the stance of Myrdal (1957) and Kaldor (1970) finds justification, as they recognize a growing and interdependent causality in economic growth. They empirically illustrate how success leads to further success by implementing regional policies concentrated on mitigating market failures and efficiently capitalizing on territorial competitive advantages.

To achieve this, regional and local governments could establish policies that encourage and reward business performance. In certain instances, providing tax incentives to companies that create employment or attract investments, grounded in a systematic institutional approach, has the potential to foster synergies between the capabilities of stakeholders and regional development policies, especially within the tourism sector. These policies have the potential to yield enhanced economic and social outcomes, thereby strengthening a resilient regional framework (Corradini, 2023).

Regional development through performance, therefore, necessitates strategic management and a long-term perspective to advance progress in various domains. Tourism stands to gain from tailor-made strategies that adapt to the unique traits and requirements of each region. Nonetheless, emphasizing the enhancement of performance remains an integral component of any effective regional development strategy.

The literature specifies that regional development is closely related to the performance of firms, since firms are one of the main economic engines in any geographical area. Business performance can have a significant impact on economic growth, employment, and quality of life in a region. To maximize the positive impact of businesses on regional development, it is important that local authorities, businesses, and other stakeholders work together to create a favorable business environment that fosters innovation, growth, and sustainability of businesses in the region. In addition, it is essential to ensure that the benefits of business performance are shared equitably and that challenges related to inequality and environmental sustainability are addressed.

Therefore, it is possible to explain that by considering the development of policies focused on strengthening small and medium-sized enterprises through a set of conditions that increase productivity and competitiveness, it results in macroeconomic effects that lead to balanced and equitable regional development (Bailey et al., 2023). These facts constitute an argument in favor of a targeted industrial strategy that accounts for the specificities of localities, explaining that certain measures aimed at optimizing resource utilization and improving efficiency in key areas are decisive factors in achieving competitive regional development (Coyle and Muhtar, 2023).

The scientific literature, including notable authors such as Xu et al. (2023), establishes a significant connection between regional development and performance, particularly in terms of efficiency and profitability. Consequently, it has been demonstrated that regions with higher economic performance tend to experience more accelerated and sustainable development.

Other researchers, such as Niewiadomski (2023), emphasize that regional performance is influenced by various factors, including infrastructure, institutions, and public policies. Additionally, it has been observed that the quality of state management and its best practices can significantly boost regional performance. These findings have led policymakers to implement strategies focused on improving performance as a means to stimulate economic growth and social development in the regions.

At present, despite the focus on organizational performance, discussions in organizational theories have centered around addressing the immediate connection between enhanced outcomes and administrative practices (Hurtado-Palomino et al., 2022). According to Madero and Barboza (2015), in fact, internal (managerial) factors represent the primary influencing element on performance.

In accordance with the preceding arguments, organizational performance was assessed using the Competing Values Framework introduced by Quinn and Rohrbaugh (1983), for whom the diverse aspects of performance into a three-dimensional model, encompassing the rational system model, natural system model, and open system model. Indeed, the performance measurement model amalgamates three approaches: organization, structure, and purpose, all aimed at achieving operational efficiency (Naranjo et al., 2016; Quinn and Cameron, 1983).

From this perspective, correctly directing organizations, under principles of foresight or strategic planning through scenarios that account for effective management, leads to satisfactory results for all interested parties, which obviously pays off in a dynamic effect for the growth and development of the region. As found in an empirical study carried out by Zuñiga-Collazos et al. (2023), organizational performance should be considered as a strategic pillar for the state, since its performance, mainly in terms of productivity and efficiency, can favor the competitiveness of the territory, thus "performance and competitiveness are closely related, as an organization that achieves high performance in terms of efficiency, quality, and productivity is more competitive in the market" (Zuñiga-Collazos et al., 2023).

When considering the contributions of Quinn and Cameron (1983) and Michel and Barragán (2018), the rational system model considers aspects such as productivity; efficiency and profitability of organizations, focusing on the control of resources and internal management to generate competitiveness; in addition, its importance is focused on successfully managing external factors, which are difficult for companies to control (O'Neill and Quinn, 1993). In this sense, this manuscript addresses the variables of (1) increase in market share; (2) increased profitability and (3) increased productivity.

1.2. Public policy as a determinant of regional tourism development

According to Lerda et al. (2003) public policy formulation must have a clear vision to positively impact economic and cultural development, especially in countries with tourism potential. These regions, such as Colombia, are often characterized by a lack of infrastructure, exacerbated social violence associated with armed groups and a consistently low social investment. Therefore, according to this study, understanding how public policy management could affect economic development, especially in those countries with tourism potential, is of great interest to academics, but also to public policy managers and entrepreneurs to improve the conditions and quality of life of residents of these types of countries or tourist destinations.

Considering the country's potential to benefit from tourism as one of the most impactful cross-cutting activities at both micro and macroeconomic levels, it is essential to recognize the importance of timely planning by the national government as a dynamic force to strengthen and project the country's tourism sectors. This dynamic is due to an evolution in regional development theories, while in their beginnings they did not address tourism, mainly because they considered it of little value to influence the economic development of the territories (Calero and Turner, 2019).

Hence, government actions should actively promote destinations that possess untapped potential for sustainable tourism and have not yet harnessed their economic capacity to generate wealth and enhance social well-being. Achieving this involves strengthening local economies with recreational and leisure opportunities based on their geographical location.

Considering this, once effective policies and established tourism processes aimed at genuinely strengthening the sector are in place, the state must ensure that destinations, services, and tourism activities operate efficiently, maintaining quality, safety, and infrastructure while safeguarding the integrity of tourists. To achieve this, the state must collaborate with other stakeholders involved in the tourism management process. The development of proposed programs for business improvement in the country and the internationalization of small and medium-sized enterprises (SMEs) in the tourism sector are also vital, promoting the visitation of recognized sites and new destinations, as well as products specific to these areas. These efforts contribute to studies and policies designed to segment the broad market of the sector (Velasco, 2016).

The impacts generated under the direction of these public policies focus particularly on the collaborative action that serves as a rigorous framework to enhance businesses. These businesses are the main drivers of economic and social development in nations. The effort and work carried out by governments, especially in Iberoamerica, have been characterized by integrating the collaborative actions of other agents, such as large companies, universities, and other non-governmental institutions capable of providing innovative solutions to small businesses' problems (Solleiro et al., 2014). This has allowed for the identification of the impact of public policies aimed at developing the sector, primarily from the perspective of company performance, where various actors play a crucial role (Del Valle and De Jesús, 2016).

Given the strategic role of the state in generating public policies for the tourism sector, it must consider certain factors that affect this management. These include the performance of organizations and their ability to generate positive results and sustain themselves over time (Molina, 2007). However, issues related to the design of effective public policies in the sector arise because the conditions of organizations, especially micro and small ones, are not observed, particularly their needs and requirements, not only to develop new goods or services but also to achieve customer loyalty and increase market share, which are essential aspects for generating income in the sector.

The concept of public policy encompasses at least three key aspects that warrant more in-depth exploration: the quality of management, administrative performance (to be approached through the lens of innovation and creativity), and transparency. These elements, in various ways, have been viewed within the context of caring for the individuals within society (Beshi and Kaur, 2020).

Therefore, it is crucial to understand governance as the embodiment of individuals who wield the power of representation, whether within the state institution or as public officials, to translate collective aspirations into reality. For this reason, governance, as a process of systematic guidance, lacks a fixed identity but relies on governmental practices, creating a dynamic space where various forms of authority intersect.

There is a certain degree of uncertainty about how aspects such as policy innovation to design or improve new tourism services; the transparency of the State's actions and their quality to, for example, incorporate the expectations of all the actors in the production chain, are key aspects in the decision-making processes and their direct influence on the regional development of the sector (Calero and Turner, 2019).

According to Farazmand (1999), managerial quality is a dynamic process that represents changes in the environment, power structures, and objectives. This performance is observed from the point of view of efficiency, effectiveness, quality, to name a few; it requires the exploration or establishment of permanent indicators to carry out precise measurements, through exploration at different stages of intervention, namely: ex ante, during the process and ex post, which promote continuous improvement (González and Rozo, 2021).

The quality of the implementation and effective application of policies in a State depends largely on the management of the resources provided for the purposes allocated. No matter how well conceived a public policy is, without equity or justice in the management of resources; it is weakened for its fulfillment. This implies agents who are capable, competitive, and independent of political and economic biases (Stein and Tommasi, 2006).

However, it should be noted that there are conjunctural factors that threaten the achievement of the goals set; therefore, it requires a capacity to respond to complex, surprising challenges or challenges that arise in times of crisis (Torres-Delgado and Font, 2024); in this way, greater citizen satisfaction is guaranteed. Of course, public policies cannot be conceived if they are not oriented to the public interest. The very reason for public policies is based on the social character. This component is aimed at solving social problems; however, it is closely related to inequality (Stein and Tommasi, 2006), since the issue of the distribution of public resources raises the

question of whether there is a public interest that expresses the needs, interests and aspirations of the community, above political pressures, and those of some sectors with economic and political power.

The actors involved in public policy actions must set objectives and goals that are consistent with general policies and the approach of plans that have been set at certain times. When it comes to coordination and coherence, it must be considered that there are multiple agents involved in the implementation of public policy actions. However, contradictions can occur between them, so that coordination must bring into play social interests and not particular interests, whether political, economic, or personal (Lerda et al., 2003).

Due to the above; the State must act as a maker and guarantor of innovation processes and activities, to promote a favorable competitiveness scenario for its territory. In this concomitant role, various programs have been developed in recent years to encourage innovation, as a strategy to accelerate long-term socioeconomic growth (Antolín-López et al., 2015). For such a noble purpose, a reliable government is required that conveys security to the investor; Only in this way will the business environment be energized, to achieve a scenario of economic competitiveness and face the challenges of the context (Arundel et al., 2019).

Empirical studies, such as that by Zuñiga-Collazos et al. (2023), have demonstrated that public policies should be oriented towards the valuation and incorporation of key aspects for territorial development. These include the increase in market share (rational) and service quality (internal), among other performance aspects. However, certain gaps become evident, as the literature has typically addressed the impact of public policy management on development from an integrative perspective of various economic sectors, thereby overlooking the specificities of individual sectors.

In the words of Queiroz and Rastrollo (2015), governance should incorporate the involvement of stakeholders, ensuring that, with the support of institutions, shared tourism objectives may be realized. Consequently, governance serves as a valuable governance model to unite endeavors that enhance the competitiveness of tourism (Hattori and Tanaka, 2016).

Given the importance of achieving satisfactory results in terms of innovation, productivity, among many aspects of economic and social order; the public administration is exposed to the continuous demands of society; in such a way that its installed capacity must respond to expectations in the face of the imperative fulfillment of certain structural or conjunctural elements that in the background; they reflect the imaginary of the collective (Paddison and Walmsley, 2018; Uvalle, 2004).

In this sense, the principles of governance based on managerial quality and innovation and creativity must necessarily be accompanied by internal mechanisms for the disclosure of information, as a key space for dialogue with the actors, which undoubtedly supports the other two variables; it contributes to a sense of transparency and continuous improvement (Finkelstein, 2000; Fung et al., 2007), through the development of innovative programs that address the needs felt by the population (Farazmand, 1999; Golembiewski and Vigoda, 2000).

There is empirical evidence such as that provided by Zuñiga-Collazos et al. (2023) who in a quantitative study managed to demonstrate that the innovation of organizations in the tourism sector in Colombia is positively influenced by

transparency in the management of the state's public policies. In this way, aspects such as considering the opinion of the actors to generate improvement strategies and timely accountability, generates legitimacy for the government, which has a dynamic effect on the competitive attributes of tourism, resulting in an offer of value-added services, among other benefits associated with the promotion of competitiveness.

The State must have the capacity to offer permanent dialogues with all actors, where observations and suggestions for improvement must be addressed, as a strategy to strengthen democracy and the institutionality of the State and the tourism sector (Castillo-Palacio et al., 2017). Thus, transparency and accountability require collective discussions that emerge from multi-causal and multidimensional approaches; recognizing the need to establish guidelines with the participation of the State/society, which move towards a holistic view from the point of view of performance, competitiveness, and territorial development (Moore, 2018).

The following hypothesis is proposed based on the above:

H1: PPM have positively influenced RTD in Valle del Cauca, Colombia.

The aforementioned factors serve as a driving force for this research, aiming to propose a theoretical model that can be empirically tested, comprising two constructs: PPM and RTD, as presented in Graph.1.

The dimensions and variables that were considered for the measurement of public policy constructs (Cali 1–3; Inyc 1–2; Trans 1–3) and territorial development (Modrac 1–3), are precisely expressed in Appendix, which represents the survey applied in the fieldwork

2. Materials and methods

This study focused on the use of the quantitative method using SEM, a technique very suitable for research in services (Reisinger and Turner, 1999), for the treatment of empirical data the Smart PLS 4.0 software was used.

Structural modeling under the PLS-SEM technique has the purpose of validating theoretical models of causal correlations between constructs/variables (Haenlein and Kaplan, 2004).
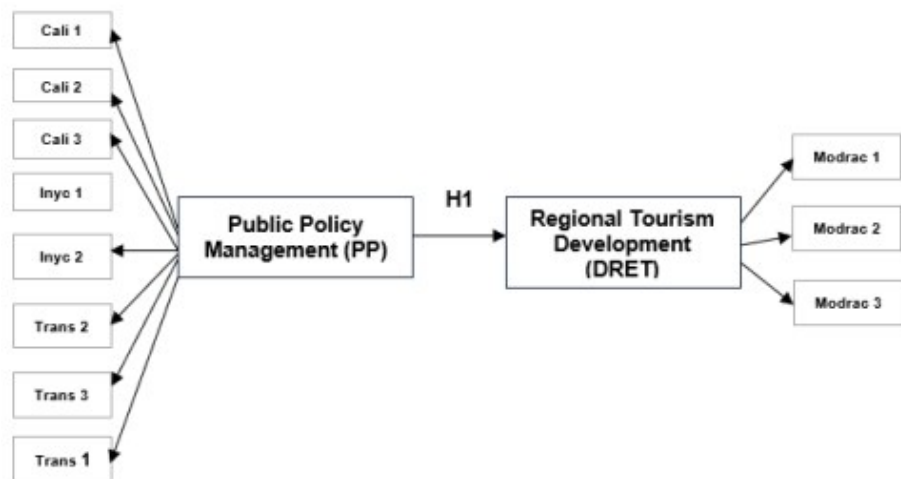

Figure 1. Theoretical model.

Source: Prepared by the authors.

In this regard, the aim of this study is to confirm the presence of the causal relationship between PPM and RTD, as is evident in the proposed theoretical model (Refer to **Figure 1**).

2.1. Population and sample

According to the Chamber of Commerce and the Colombian Tourist Information Center–CITUR–2434 SMEs that offer tourist products and/or services were registered and active in Cali and Valle del Cauca by 2022. For the calculation, the parameters for a finite population according to Hernández et al. (2014) were considered. With a 95% confidence level, a 50% probability of success, and a maximum estimation error of 10%, it was determined that a random sample of 92 SMEs is representative, ensuring that the results align with the central parameter of the total population of 2434 companies. However, it was decided to expand the sample and apply the instrument to 99 tourism sector companies located in the city of Santiago de Cali, based on the freedom of judgment. Furthermore, it is important to clarify that the criteria outlined by Marcoulides and Saunders (2006) are met. They describe that for an SEM model with 10–12 relationships, an adequate sample should consist of at least 91 observations.

The companies were randomly selected from the database provided by SITUR (2020); of these, 52% have up to 10 employees (micro-enterprises), 34% have between 11 and 50 employees (small enterprises), and the remaining 14% have between 51 and 200 employees (medium enterprises). Regarding the distribution by subsectors, 45% belong to the lodging subsector, 23% to restaurants, 16% to travel agencies, and the remaining 16% to other subsectors. Finally, 80% of the companies have been in the market for more than 4.1 years, 11% between 2.1 and 4 years, and only 9% up to 2 years.

2.2. Data collection instrument

In the month of July 2022, through a survey conducted with 99 managers/administrators/legal representatives of tourism SMEs in Valle del Cauca, Colombia, the data were collected. The instrument consists of a total of 11 items, which were adapted from the literature review and explain the constructs RTD (3 items) and PPM (8 items). (Refer to Appendix). The survey was designed using a five-point Likert scale ranging from "not important" to "very important", aiming to capture stakeholders' perceptions regarding the impact of public policy management on territorial dynamism, viewed from a tourism perspective. The reliability of the data measurement was tested by using the PLS-SEM algorithm, and causal corrections were demonstrated through the Bootstrapping PLS-SEM method.

3. Results and discussion

This study analyzed the factors of RTD, and their relationship based on PPM through the perception of these variables of the managers of 99 SME Companies in the Tourism Sector, in the Department of Valle del Cauca, Colombia.

This study was carried out through the quantitative method, using structural equation modeling through the PLS-SEM partial least squares technique; the

reliability of the measurement scale was validated through three statistics: Cronbach's alpha, composite reliability index (CR) and average variance extracted (AVE). This study agrees with what was proposed by Nunnally and Bernstein (1994) who suggest minimum values of 0.70 for Cronbach's alpha, and Fornell and Larcker (1981) suggest values higher than 0.70 and 0.5 for IFC and AVE, respectively. As evident from **Table 1**, all items meet the proposed ranges, ensuring both internal consistency and convergent validity. In addition, this study shows that the items used to explain each construct meet the requirement of a minimum factor loading > 0.5 (Parapari et al., 2022).

Table 1. Reliability of the first-order construct scale.

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Regional Tourism Development (RTD)	0.831	0.898	0.745
Public Policy Management (PPM).	0.919	0.934	0.640

Source: Prepared by the authors.
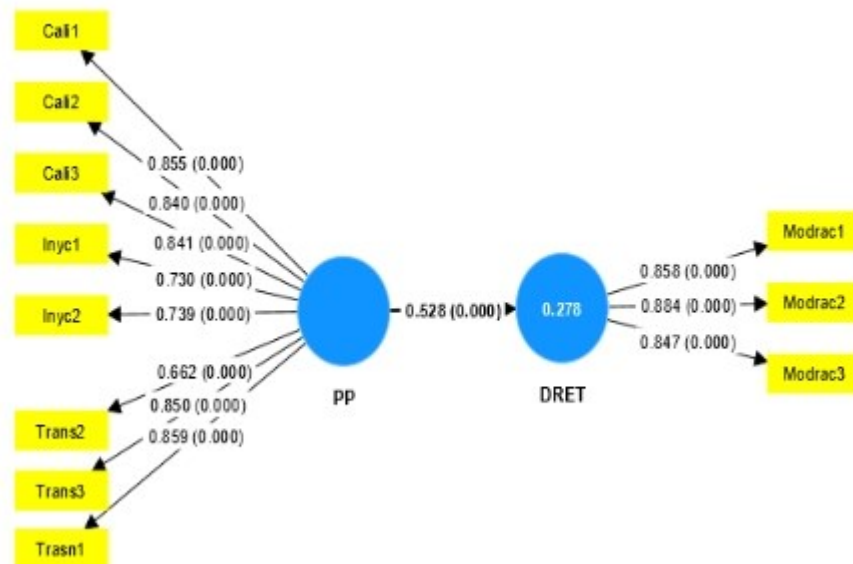
Figure 2. Model results.

Source: Prepared by the authors.

The result of the structural model (Refer to **Figure 2**) demonstrates that the proposed hypothesis is corroborated, that is, that there is a relationship between RDT and PPM, since the statistic $T > 1.965$ and $p < 0.00$ (**Table 2**).

Additionally, all items used in the analysis exhibit robust factor loadings exceeding 0.7, in line with the recommendations of Hair et al. (2021), except for Trans 2, which approaches the 0.7 threshold, and the standardized coefficient resulting from the PLS algorithm, as presented in Graph 2, also reveal a consistent pattern, with all cases resulting in a p-value of less than 0.001. These outcomes underscore the strong model consistency and provide compelling evidence in support of the hypothesis.

Furthermore, the Standardized Root Mean Square Residual (SRMR) value of 0.078 conforms to an optimal fit according to Hu and Bentler (1999). In the same sense, the goodness of fit index of the model can be considered adequate based on the criteria of nomological, convergent and discriminant validity (0.570), by running the

model with PLS and obtaining the SRMR = 0.078, NFI = 0.887, d_ULS = 0.401, d_G = 0.238, and Chi-Square = 131.49 (Hair et al., 2021; Ringle et al., 2014).

Table 2. Hypothesis testing.

HYPOTHESIS	Original Sample	Sample mean	Standard deviation	*T* Statistics	*P*-Values
H1: RTD→PPM	0.528	0.541	0.069	7.611	0.000

Source: Prepared by the author.

The study's findings affirm a direct, positive, and statistically significant relationship between PPM and DRT, empirically confirming Hypothesis 1. This implies that, in the presence of a harmonious interaction between these constructs, the region has the potential to foresee promising prospects for tourist development. Realizing these opportunities depends on the effective operations of small and medium-sized tourist enterprises (SMEs), which can enhance the production of tourist products and services, thereby augmenting the region's value (Arundel et al., 2019) and, in turn, its profitability; results that are supported by what was demonstrated in the study by Zuñiga-Collazos et al. (2019).

4. Discussion

The results obtained in this study are consistent and statistically significant, since a β value of 0.528 with a significance level of $p < 0.000$, resulting from the causal relationship between PPM and RTD, shows that the development of public policies whose management is mainly focused on the adequate and transparent management of media exposure (Trans2 $\Lambda = 0.662$), taking seriously the suggestions for improvement (Trans 1 $\Lambda = 0.859$), and responding in a timely manner to the requirements of the interest groups of the tourism sector (Cali 1 $\Lambda = 0.855$), could have a direct and positive impact on the regional tourism development of SMEs that offer products and services for the sector in the territory, the study shows that this impact could be seen especially focused on variables such as the profits obtained by the organizations (Modrad2 $\Lambda = 0.884$) and the increase in market share associated with attracting tourists to the destination (Modrad1 $\Lambda = 0.858$).

In other words, the results obtained demonstrate that public policies can favor regional tourism development, and, according to the indices and factor loadings (InnyC2 $\Lambda = 0.739$; $p < 0.000$) identified in this study, this can be related to the fact that it allows the implementation of innovative programs that respond to market challenges, creating an enabling environment for investment in the regional tourism sector. This result is consistent and related to what was proposed by Ruiz-Ballesteros and González-Portillo (2024) that innovation in public policies is crucial to establish an agenda based on tax incentives, simplification of permit and license processes, financing for tourism projects, among other aspects, which through innovative and disruptive policies can attract investments from both the public and private sectors. This, in turn, can stimulate job creation, economic growth and the improvement of tourism infrastructure, thus strengthening the competitiveness of the region as a tourist destination.

This reinforces empirical evidence that public policies exert an influence on tourist arrivals and tourism revenues (factors measured within the construct of territorial development), wherein favorable conditions of transparency and governance have the potential to mitigate the political risk in regions; consequently, this enhances the competitiveness and performance of companies (Xu et al., 2022).

The literature review showed that public policy has a significant relationship with the promotion of the development of the territories; however, the empirical evidence is still incipient, as studies have limited themselves to considering the comprehensiveness of public policy from its genesis and spirit, while few studies focus on evaluating the variables that are part of public management and their degree of association with regional tourism development (Eichelberger et al., 2020).

In this context, the research contributes valuable insights that represent a significant advancement in both scientific knowledge and the field of tourism management. Through the meticulous examination of data and empirical validation, the study unveils a critical finding: the formulation of policy processes that integrate the identified variables leads to a tangible enhancement in the performance, productivity, and market positioning of companies; this, in turn, plays a pivotal role in fortifying the overall tourism development of the region.

Finally, the results of this study support other findings, such as those of Castillo-Palacio et al. (2017), who state that efficiently managed public policies, focused on strengthening urban infrastructure and other factors that promote the productivity of the sector, have had a positive impact on tourism development in Medellín, Colombia.

5. Conclusion

The purpose of this research was to explore the potential connection between public policies and territorial development, as an approach to encourage favorable conditions within organizations in the tourism sector. In this sense, a positive relationship between both constructs is evident, so to the extent that it's feasible to establish a regulatory framework that incorporates the considered variables under optimal conditions, it becomes possible to mobilize efforts and resources toward territorial development, specifically within the tourism sector.

By empirically validating the hypothesis proposed in the work, it is assumed that the management of public policies in the tourism sector manages to positively impact territorial tourism development by 52.8%. On the other hand, when evidencing the factor loads of both constructs, a favorable estimate is observed to consider managerial quality; innovation-creativity and transparency; as explanatory factors for the increase in market share, profitability and productivity of organizations belonging to the sector. In any case, the hypothesis put forth for the public policy construct and its relationship with regional tourism development is significant (with a *t*-value > 1.965 and a *p*-value < 0.05), as accepted based on the SEM result.

The research findings underscore the imperative to deliberate on critical factors, such as the transparency of governmental actions and the ability to account for the expectations of all stakeholders within the production chain. These elements are pivotal in the decision-making processes, exerting a direct impact on the regional development of the sector.

While the Tourism Law acknowledges the significance of community participation, policies can further fortify mechanisms for engaging communities in the planning and decision-making processes concerning tourism development, through the creation of formal spaces for dialogue and consultation.

Despite the economic incentives provided within the regulatory framework for tourism, particularly outlined in the Law 2068 of 2020, gaps persist in attracting tourism investments in certain regions, notably in rural areas. This results in asymmetries in infrastructure, the provision of tourism services, amusement parks, among other aspects, as discussed in the findings. Such disparities are fundamental in influencing the aggregated income growth within regions and, consequently, fostering regional tourism development. Therefore, considering the implementation of fiscal and financial incentives as a long-term strategy provides an additional stimulus for companies, encouraging investment and project development that enhances productivity and the quality of tourism services.

It is crucial to recognize, in future tourism policy construction processes, the importance of promoting public-private partnerships. These partnerships aim to stimulate voluntary company participation in continuous and progressive investment, particularly in infrastructure improvement and other competitive factors for the sector. The approach has multiple benefits, enhancing operational efficiency and positioning Colombia as a modern and appealing tourist destination.

Moreover, public policy must ensure a fair and equitable allocation of expenditure, alongside the effectiveness of government plans. This is crucial for generating trust and legitimacy among various stakeholders, who are then more likely to adopt a favorable stance towards investing in key aspects of the tourism chain. Consequently, this enhances business productivity and the capacity to meet customer expectations, ultimately strengthening companies' competitive advantages, performance, and profitability.

Incorporating the performance and productivity of companies into Colombia's public tourism policy represents a crucial step towards sustainable development and competitiveness in the sector. When considering aspects such as public-private collaboration, fiscal incentives, training, infrastructure, sustainability, indicator measurement, and innovation promotion, a comprehensive framework is established that benefits both companies and the overall economy.

Lastly, ensuring a political agenda that acknowledges the influence of managerial quality, innovation, and transparency as fundamental pillars for sustainable and equitable regional tourism development is an essential step. This aligns with the recognition that good governance practices are the driving force behind promoting world-class tourism, as expressed in Colombia's Tourism Law. Such actions should be developed under a comprehensive approach that combines elements such as decentralization, community participation, and the improvement of tourism-related infrastructure, goods, and services.

Regarding the limitations of the study, it is important to point out that they caused difficulties in applying the survey, mainly with those companies located in rural areas with little access to the internet, which forced its face-to-face application, to ensure representativeness in the sample and that the data obtained were adjusted to the central parameter. Finally, when considering future lines of research, it is considered

appropriate to approach regional development from other dimensions, such as creative tourism and community-based tourism.

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Appendix

Table A1. Operationalization of variables.

Contruct	Category	Ítems	Authors
Public Policy Mangement (PPM)	Transparency and accountability	Trans1-Take suggestions for improvement	Vigoda-Gadot and Yuval (2003)
		Trans2-Exposure to the media.	
		Trans3-Exposure to state control entities.	
	Innovation and Creativity	Innyc1-Develop Ideas to boost tourism.	Lerda et al. (2003)
		Innyc2-Develop ideas to improve the quality of tourism.	
	Management Quality	Cali1-Responds promptly to the requests.	Roth (2010)
		Cali2-help and Support tourism companies.	
		Cali3-Response to Society in reasonable time.	
Regional Tourism Development (RTD)	Racional Model	Modrac1-Market share.	Quinn and Rohrbaugh (1983)
		Modrac2-Profitability.	O'Neill and Quinn (1993)
		Modrac3-Productivity.	Quinn and Rohrbaugh (1983)