IOSR Journal of Business and Management (IOSR-JBM)
e-ISSN:2278-487X, p-ISSN: 2319-7668. Volume 28, Issue 8. Ser. 3 (August. 2026), PP 15-24
www.iosrjournals.org

Rethinking DMO Performance: Toward an Internal–External Performance Framework

FATTEH SARA
Docteur en sciences de gestion, École Nationale de commerce et de gestion Agadir, Université Ibn Zohr-Maroc, laboratoire de recherche en tourisme , innovation et développement durable (LARTI2D)

Abstract
Assessing the performance of Destination Management Organizations (DMOs) remains a complex issue because of the diversity of their missions, the heterogeneity of their stakeholders, and the difficulty of distinguishing their own results from those of the destination in which they operate. Approaches focusing exclusively on internal organizational effectiveness, financial results, or the tourism performance of the destination are therefore insufficient to capture this complexity. This article proposes to rethink DMO performance through an integrated framework combining two complementary perspectives: an external perspective, oriented toward stakeholders and the functions performed at the destination level, and an internal perspective, centered on the DMO's organizational capacity to mobilize its structures, resources, and processes effectively and efficiently. The study draws on a quantitative survey of 120 actors and stakeholders of the Agadir-Souss-Massa Regional Tourism Council and on the assessment of a model using PLS-SEM. The results show that the five domains considered—strategic management, governance, external marketing, destination operational management, and internal DMO management—jointly contribute to explaining its performance. The model explains 78.5% of the variance in DMO performance. The article thus supports a multidimensional conception in which performance cannot be understood exclusively from within the organization or solely through its effects on the destination. Rather, it results from the articulation between internal organizational capabilities and value creation for stakeholders and the tourism territory.
Keywords: DMO; organizational performance; internal performance; external performance; stakeholders; tourism destination; performance measurement system.

Date of Submission: 09-08-2026 Date of Acceptance: 21-08-2026

I. Introduction

For several decades, performance has been a central concern in management research. However, both its definition and measurement have evolved considerably. Traditional approaches, largely dominated by economic and financial indicators, have gradually been complemented by multidimensional conceptions incorporating internal processes, organizational capabilities, customer satisfaction, stakeholder expectations, and long-term value creation. This evolution reflects the recognition that an organization cannot be considered high-performing solely because it generates economic results: performance also requires consideration of the resources mobilized, organizational coherence, goal achievement, and the value created for its environment.

This difficulty is particularly pronounced in the case of Destination Management Organizations (DMOs). Unlike a firm pursuing relatively circumscribed economic objectives, a DMO operates within a complex territorial system characterized by a multiplicity of public and private actors, dispersed resources, and diverse expectations. Its missions may simultaneously involve strategic management, governance, marketing, product and supply development, information provision, support for tourism stakeholders, and the management of its own organizational resources.

Assessing its performance therefore raises a twofold difficulty.

The first difficulty is determining precisely what should be assessed. Should DMO effectiveness be evaluated on the basis of its internal organization, the quality of its processes, its financial management, and its human resources? Or should it instead be assessed according to the outcomes achieved for stakeholders and its contribution to destination development?

The second difficulty lies in distinguishing DMO performance from destination performance. The two concepts are related but cannot be conflated. The tourism performance of a territory certainly depends on DMO action, but also on tourism businesses, local and regional authorities, public administrations, and other organizations. The underlying research shows that indicators of DMO success and destination success partially overlap while retaining certain specific features.

This ambiguity makes approaches that equate DMO performance with tourist arrivals, overnight stays, generated revenues, or the destination's overall competitiveness insufficient. These territorial outcomes are collective and cannot be attributed exclusively to a single organization.

Conversely, limiting assessment to the DMO's internal resources, processes, and administrative results would overlook the very purpose of its intervention. A DMO does not exist merely to ensure its own functioning. Its raison d'être lies in its capacity to contribute to the management and development of a destination and to create value for its various stakeholders.

This tension therefore calls for a broader conception of performance.

The literature mobilized in the underlying research, particularly Pike and Page (2014), specifically distinguishes an internal perspective, concerning resource use, goal achievement, and organizational effectiveness, from an external perspective, concerning the impact of DMO activities on destination competitiveness and sustainability.

The empirical research conducted with the Agadir-Souss-Massa Regional Tourism Council reaches the same conclusion. It identifies two main orientations within the assessment framework: an outward-looking perspective and an inward-looking perspective.

On this basis, the research problem can be formulated as follows:
Can DMO performance assessment be reduced to internal organizational effectiveness, or does it require an approach that simultaneously integrates outcomes produced for stakeholders and the destination?
The research question is therefore:
How can DMO performance be comprehensively assessed by integrating internal organizational effectiveness and external stakeholder-oriented outcomes?
The objective of this article is therefore to propose an Internal–External DMO Performance Framework in which performance is understood through the articulation between the organization's internal capabilities and its areas of intervention oriented toward the destination and its stakeholders.
The intended contribution is twofold. Conceptually, the article clarifies the distinction between DMO performance and destination performance and proposes an integrated interpretation of DMO organizational performance. Managerially, it offers an architecture that enables managers to move beyond opposing internal effectiveness and external outcomes and instead integrate them within a single performance management system.

II. Rethinking Performance in the DMO Context

2.1. From Unidimensional to Multidimensional Performance

Traditional conceptions of performance long emphasized economic and financial results. A high-performing organization was primarily one that achieved its objectives with the lowest possible level of resources.
In this conception, two notions occupy a central position: effectiveness and efficiency.
Effectiveness refers to the ability to achieve stated objectives, whereas efficiency relates the results obtained to the resources mobilized. This classical view has gradually been enriched by other dimensions, particularly relevance and coherence. The underlying research therefore retains four fundamental principles of performance: effectiveness, efficiency, coherence, and relevance.
Effectiveness concerns the achievement of objectives.
Efficiency concerns the relationship between results and resources.
Coherence concerns the alignment between objectives and means.
Relevance assesses the fit between the organization's orientations and the constraints and expectations of its environment.
This evolution marks an important departure from a strictly financial conception of performance.
More recent performance measurement models, such as Kaplan and Norton's Balanced Scorecard and Neely et al.'s Performance Prism, reflect this opening toward non-financial dimensions and stakeholders.
The Performance Prism is particularly relevant in the DMO context because it emphasizes reciprocal relationships between the organization and its stakeholders while linking these relationships to strategies, processes, and organizational capabilities. It notably distinguishes stakeholder satisfaction, stakeholder contribution, strategies, processes, and capabilities.
This theoretical evolution leads to the view that performance is not merely an end result. It also depends on the capabilities mobilized and the quality of the processes through which the organization transforms its resources into value.
This conception is particularly relevant to DMOs.

2.2. Why Is DMO Performance Particularly Complex to Assess?

The difficulty of assessing DMOs stems first from their organizational nature.

DMOs can take different institutional forms: public bodies, associations, public–private partnerships, or hybrid organizations. They are therefore not necessarily driven by a profit logic that would allow profitability to serve as the central criterion.
Their mission is also multifaceted.
They may simultaneously be required to promote the destination, coordinate stakeholders, participate in planning, develop the tourism offering, support businesses, manage information, contribute to the quality of the visitor experience, and ensure the effective management of their own organization.
This multiplicity of functions necessarily generates a multiplicity of performance criteria.
The second source of complexity lies in the plurality of stakeholders.
Tourists may expect a high-quality experience.
Tourism businesses may seek greater visibility, economic activity, and support.
Public authorities may expect a contribution to economic and territorial development.
Local communities may attach greater importance to employment, quality of life, or sustainability.
Performance therefore cannot be assessed solely from the perspective of a single group.
This characteristic directly reflects the stakeholder approach: organizational performance must be understood in light of the organization's capacity to respond to the expectations of the multiple groups on which it depends and to which it must provide value.
A third difficulty concerns the attribution of results.
Destination tourism development is the product of networked action. Businesses, administrations, local authorities, and other organizations all contribute to its outcomes. The underlying research therefore emphasizes that tourism success is determined by DMO effectiveness but also by the actions of other local organizations.
This observation calls for an essential distinction.

2.3. DMO Performance and Destination Performance: Two Related but Distinct Concepts

Destination performance can be assessed using indicators such as:
tourist arrivals, overnight stays, expenditure, employment, market share, competitiveness, visitor satisfaction, or sustainability.
These indicators provide information on the outcomes of a territorial system.
However, taken in isolation, they do not make it possible to assess the organization responsible for contributing to its management.
For example, an increase in arrivals may result from a favorable macroeconomic environment, the opening of new air routes, private investment, or an improvement in international conditions.
Conversely, visitor numbers may decline despite effective DMO management if the environment is affected by a crisis or an exogenous shock.
Bornhorst et al. specifically identify factors associated with DMO success, factors associated with destination success, and factors common to both levels. Stakeholder relationships, operational activities, resources, and performance measurement notably belong to the DMO level, whereas other factors operate at the territorial level.
Destination performance is therefore a collective outcome.
DMO performance refers more specifically to its capacity to fulfill its missions effectively and, within the resources and responsibilities available to it, to contribute to the destination's collective outcomes.
This leads to the following distinction:
Destination Performance = Territorial Collective Outcomes
whereas:
DMO Performance = Organizational Contribution to Destination and Stakeholder Outcomes.
The former therefore cannot be used as a complete substitute for the latter.

III. The Two Perspectives of DMO Performance

3.1. The External Perspective: Creating Value at the Destination Level

The external perspective focuses on DMO activities and outcomes oriented toward its environment.
Here, the organization is assessed not on the basis of its administrative functioning, but on its capacity to effectively perform the missions that justify its existence at the destination level.
In the underlying research, the empirical results identify several domains belonging to this external orientation: strategic destination management, destination governance, external marketing, and destination operational management.
These domains reflect four complementary ways of creating value.

3.1.1. Strategic Destination Management

The first domain concerns the DMO's capacity to contribute to defining a shared vision and objectives, formulating a strategy, formalizing it, and monitoring its implementation.

External performance therefore first requires the DMO to be capable of helping provide direction for tourism development.
This dimension is not limited to the existence of a planning document. It concerns the capacity to transform the destination's expectations and potential into collective orientations.

3.1.2. Destination Governance

The second domain concerns the capacity to organize relationships among stakeholders.
Because a destination cannot be governed through an exclusively hierarchical mode, the DMO must contribute to the quality of decision-making, cooperation, stakeholder mobilization, and coordination.
External performance therefore takes on a relational dimension.
It lies not only in what the organization directly produces, but also in its capacity to create the conditions that enable other stakeholders to contribute effectively to collective action.

3.1.3. External Marketing

Marketing has traditionally been the most visible domain of DMO performance.
It encompasses destination branding, communication, promotion, market knowledge, measurement of the visitor experience, and the use of digital tools.
In the empirical model, external marketing has the largest relative contribution to explaining DMO performance, at 28.06%.
This result confirms its importance, while also showing that it represents only one component of overall performance.

3.1.4. Destination Operational Management

Finally, the external perspective includes destination development and management activities.
Presenza et al. notably distinguish external marketing activities from internal destination development activities, arguing that the DMO's position results from the interaction between its efforts across these two dimensions.
This perspective may include human resource development at the territorial level, visitor management, measurement of the visitor experience, crisis management, resource mobilization, and sustainable destination management.
These four domains give the external perspective a broader scope than the satisfaction of any single stakeholder category.
Overall, they address the DMO's capacity to create value for its territorial environment.

3.2. The Internal Perspective: Building DMO Organizational Capacity

External performance, however, cannot be sustained without internal capabilities.
The second perspective therefore focuses on the DMO as an organization.
The underlying research defines this perspective as the assessment of internal value creation in terms of economy, capacity, efficiency, and effectiveness. It relates to resource management, the organization's mandate, its internal governance system, its plans, and its human, financial, and technological resources.
This distinction is fundamental:
External perspective: *What does the DMO contribute to the destination?*
Internal perspective: *How effectively is the DMO itself managed?*
Several dimensions make up this second perspective.

3.2.1. Mandate and Strategic Alignment

The DMO must have a clearly defined mandate.
Its missions must be aligned with the destination development strategy.
An organization whose mandate is ambiguous or disconnected from territorial priorities risks mobilizing its resources in directions that do not correspond to its raison d'être.
Alignment therefore becomes a first criterion of internal performance.

3.2.2. Internal Governance

DMO functioning also depends on its own governance structures.
It is important here to distinguish destination governance, which concerns relationships among territorial stakeholders, from the DMO's internal governance, which concerns its decision-making structures, responsibilities, procedures, and organizational coordination.
The underlying research notably links this dimension to the clarification of roles and responsibilities and to the functioning of internal governing bodies.

3.2.3. Internal Strategic and Operational Planning

A high-performing organization must be able to translate its mandate into an action plan. The internal strategic and operational plan transforms broad missions into objectives, programs, timelines, and responsibilities. It provides the link between the destination's territorial orientation and the DMO's organizational capabilities.

3.2.4. Human Resource Management

Human resources directly determine implementation capacity.
Skills, recruitment, training, motivation, and staff development therefore constitute important determinants of internal performance.

A DMO may have an ambitious strategy without being able to implement it if the organization lacks the appropriate competencies.

3.2.5. Financial Efficiency

The financial dimension does not disappear in a multidimensional conception of performance. It simply ceases to be the sole criterion. Financial efficiency consists of using available resources optimally in order to produce the expected results.

The question therefore becomes not only:

How much money does the DMO have?

but above all:

How effectively does it transform financial resources into organizational and destination value?

3.2.6. Technological Capabilities

Finally, the effective use of information technologies constitutes an element of internal capability.

Information systems contribute to market knowledge, coordination, internal processes, communication, and activity monitoring.

The underlying research initially identified six indicators for this internal dimension, covering mandate, governance, strategic and operational planning, human resources, finance, and ICT.

IV. Toward an Internal–External DMO Performance Framework

The distinction between internal and external perspectives does not mean that they should be analyzed separately. On the contrary, their conceptual value lies in their articulation.

External performance largely constitutes the organization's purpose.

Internal performance constitutes part of its capacity to achieve that purpose.

This relationship can be represented as follows:

Figure 1. Internal–External DMO Performance Framework

EXTERNAL PERFORMANCE PERSPECTIVE	INTERNAL PERFORMANCE PERSPECTIVE
Strategic destination management	Mandate and strategic alignment
Destination governance	Internal governance
External destination marketing	Strategic and operational planning
Destination operational management	Human resources
Stakeholder-oriented outcomes	Financial efficiency
Destination-oriented value creation	ICT capabilities

Internal Organizational Capabilities → DMO Actions and Processes → External Stakeholder & Destination-Oriented Outcomes

Overall performance lies at the point where the two perspectives intersect:

Comprehensive DMO Performance = Internal Organizational Effectiveness + External Stakeholder- and Destination-Oriented Performance

This is not, however, an arithmetic addition. Rather, the framework suggests functional complementarity. High internal performance creates the organizational conditions that enable external outcomes to be produced. In turn, external expectations and outcomes should guide the DMO's internal choices.

A genuine performance loop then emerges:

Stakeholder expectations Strategy and organizational capabilities →

Processes and activities → External results → Evaluation and stakeholder feedback

→ Organizational adaptation

This interpretation brings the proposed framework close to the Performance Prism, in which stakeholder expectations are linked to the organization's strategies, processes, and capabilities.

Based on these developments, we formulate the following central proposition:

P1: A comprehensive assessment of DMO performance requires the simultaneous consideration of internal organizational effectiveness and external stakeholder- and destination-oriented performance.

V. Methodology

The empirical study on which this framework is built focuses on the Agadir-Souss-Massa Regional Tourism Council, considered as the management organization for the Agadir destination.

The research adopts a quantitative hypothetico-deductive approach. A questionnaire was administered to 120 DMO actors and stakeholders. The empirical model includes five explanatory variables: effective strategic

destination management, effective governance, effective external marketing, effective destination operational management, and effective internal DMO management. The dependent variable is DMO performance. Model assessment and relationship testing were conducted using structural equation modeling with the PLS approach.
This article does not seek to artificially reconstruct two latent variables labeled "internal performance" and "external performance." Rather, it provides an integrated reading of the empirically validated domains in order to identify the two assessment perspectives highlighted in the discussion of the research results.
This approach is consistent with the empirical conclusion of the underlying research, which explicitly identifies two orientations: an outward-looking assessment and an inward-looking assessment.

VI. Results

6.1. Overall Explanatory Power of the Model

The results first show that the five domains considered jointly contribute to explaining DMO performance.
The model's coefficient of determination is:
$R^2 = 0.785$, with adjusted $R^2 = 0.720$.
Thus, the model explains 78.5% of the variance in DMO organizational performance.
This value constitutes a first important result for the research problem addressed in this article.
Performance does not appear to be the product of a single function.
It results from a set of complementary domains relating both to DMO action within its territorial environment and to its internal organizational functioning.

6.2. Relative Contribution of the Different Performance Domains

The relative contributions of the five variables are distributed as follows:

Domain	Contribution to performance explanation
Effective external destination marketing	**28,06 %**
Effective strategic destination management	**25,39 %**
Effective destination governance	**18,32 %**
Effective destination operational management	**16,36 %**
Effective internal DMO management	**11,88 %**

These values are drawn from Table 58 of the research. Two conclusions can be drawn.
First, no single domain explains overall performance on its own.
Second, although the internal dimension has a lower relative contribution than the destination-oriented dimensions, it remains a component of the model and cannot be excluded from the assessment.
The result therefore supports the idea of performance constructed across multiple levels.

6.3. External Performance Domains

Together, the four destination-oriented variables represent the main functions performed by the DMO in its environment.
Strategic management accounts for 25.39% of the contribution.
External marketing accounts for 28.06%.
Governance contributes 18.32%.
Destination operational management contributes 16.36%.
These four domains should not be interpreted as strictly independent results.
They reflect different dimensions of the same territorial role:
provide direction → coordinate → promote → develop the destination.
The external assessment perspective therefore becomes much broader than a simple indicator of satisfaction or tourist visitation. It assesses the DMO's capacity to fulfill its main territorial missions.

6.4. Internal Organizational Performance

Effective internal DMO management also has a positive effect on organizational performance. The model reports a structural coefficient of $\beta = 0.316$, and the research concludes that the corresponding hypothesis is supported.
This relationship confirms that internal functioning is not a secondary administrative issue.
It constitutes a condition for the DMO's capacity to fulfill its missions.
Factor analysis of the internal management scale also confirms its unidimensional structure. The five items ultimately retained have loadings of 0.876, 0.838, 0.796, 0.787, and 0.764, while the first factor explains 66.225% of the variance.
The internal perspective therefore has its own empirical coherence, even though it is integrated into an overall performance model.

6.5. Overall Interpretation: A Two-Perspective View of Performance

The most important result for this article is not the relative ranking of the five domains.
It lies in their complementarity.
Four variables are primarily oriented toward the DMO's capacity to act at the destination level.
A fifth addresses its capacity to function as an organization.
The study therefore leads to a clear distinction between:
External value creation et **Internal organizational capacity.**
This distinction directly reflects the general conclusion of the research that DMO performance requires a holistic approach combining outward-looking and inward-looking assessment.

VII. Discussion

7.1. DMO Performance Is Inherently Multidimensional

The first lesson from the results is the rejection of a unidimensional conception of performance.
None of the five domains studied is sufficient on its own to explain organizational performance.
Marketing does emerge as the largest relative contributor, but it represents only 28.06% of the explanatory contribution of the variables studied. Strategic management, governance, operational management, and internal management also make substantial contributions.
It would therefore be reductive to continue assessing DMO performance primarily on the basis of promotional activities.
This conclusion reflects the evolution of the DMO role itself, from a predominantly marketing orientation toward a much broader responsibility for destination management.
Performance assessment must reflect this evolution.

7.2. Internal Effectiveness Is a Condition, Not a Sufficient End in Itself

The second lesson concerns the role of internal performance.
An organization with a clear mandate, effective governance, competent human resources, sound financial control, and effective information systems has better conditions for fulfilling its missions.
Internal performance thus creates a capacity for action.
However, it does not by itself constitute the ultimate purpose of performance.
A DMO could theoretically comply with its budget, have effective procedures, and manage its teams properly while remaining poorly able to coordinate stakeholders, develop the destination, or produce a relevant strategy.
It can therefore be stated that:
Internal efficiency is necessary but not sufficient.
Sound organizational management becomes genuinely high-performing when it translates into a capacity to create external value.
This articulation is explicit in the underlying research: the internal perspective aims at organizational value creation, while its objectives and mandate must remain aligned with the achievement of destination development objectives and therefore with external value creation.

7.3. External Outcomes Cannot Be Sustained Without Internal Capabilities

The reverse relationship is equally important.
Strong marketing visibility or occasional stakeholder mobilization may create the impression of a high-performing organization.
But if this external performance is not supported by an organization capable of learning, controlling its resources, developing its competencies, and sustaining its processes, it is likely to remain fragile.
Sustainable performance therefore requires a link between:
Capabilities → Processes → Activities → Outcomes.
This sequence again reflects the principles of the Performance Prism and contemporary performance measurement systems, which reject separating outcomes from their organizational determinants.
The internal perspective therefore does not compete with the external perspective.
It makes it possible.

7.4. Stakeholders as Recipients and Evaluators of Performance

The external perspective introduces another important implication.
Stakeholders are not merely resources to be mobilized or actors to be coordinated.
They are also recipients of the outcomes produced by the DMO.
Performance must therefore take into account how DMO activities respond to their needs and contribute to the destination's shared objectives.

However, the underlying research also emphasizes that external assessment cannot be reduced to the individual satisfaction of each stakeholder. Some studies instead emphasize the DMO's capacity to monitor and assess the destination's overall performance and to contribute to its competitiveness and development.
This nuance is important.
Stakeholder orientation does not simply mean adding up satisfaction scores.
It means assessing the collective value created for the destination's stakeholder system.

7.5. DMO Performance and Destination Performance: Maintaining an Analytical Boundary

One of the main risks in DMO assessment is using destination outcomes as a direct measure of DMO performance.
Our framework calls for avoiding this conflation.
The DMO contributes to territorial performance but does not fully control it.
It is therefore necessary to reason in terms of organizational contribution.
This distinction can be expressed as follows:
DMO Performance
↓
Contribution to collective action
↓
Destination Performance
The first level is organizational. The second is relational. The third is territorial.
Destination indicators therefore remain relevant, but they should be interpreted as outcomes to which the DMO contributes alongside other actors.

VIII. Theoretical Contributions and Managerial Implications

8.1. Theoretical Contributions

The article makes four main contributions.
First, it reinforces the multidimensional conception of DMO performance. The results show that it cannot be reduced to a single function.
Second, it distinguishes internal from external performance, not as opposing concepts but as two complementary orientations within the same assessment framework.
Third, it clarifies the distinction between DMO performance and destination performance. The DMO is an organization that participates in producing collective territorial outcomes, but its own performance must remain analytically identifiable.
Finally, the fourth contribution lies in integrating internal capabilities and external value creation within an Internal–External Performance Framework:
Internal organizational capabilities
↓
Effective organizational processes
↓
Destination-oriented activities
↓
Stakeholder and territorial value
This architecture makes it possible to conceptualize performance as a chain rather than as a set of independent indicators.

8.2. Managerial Implications

The first practical implication is that DMOs should not manage their performance through a dashboard focused exclusively on internal indicators or exclusively on tourism outcomes.
A Dual DMO Performance Dashboard can therefore be proposed:

Internal Performance Dashboard	External Performance Dashboard
Mandate and strategic alignment	Strategic destination leadership
Internal governance	Destination governance
Strategic & operational planning	Stakeholder coordination
Human resource capabilities	External marketing effectiveness
Financial efficiency	Destination development activities
ICT capabilities	Visitor and stakeholder outcomes
Internal KPI monitoring	Destination-oriented outcomes

The first dashboard answers the question:
How well are we managing the DMO?
The second answers:
What value is the DMO creating for the destination and its stakeholders?
An organization should be considered comprehensively high-performing only when both questions receive satisfactory answers.
This approach is also useful for accountability purposes.
DMO managers can more clearly distinguish elements under their direct control—resources, procedures, competencies, and plans—from territorial outcomes to which they contribute without being solely responsible for them.
This helps avoid two opposite biases: attributing all destination success to the DMO or, conversely, holding it entirely responsible for unfavorable territorial outcomes resulting from external factors.

IX. Limitations and Future Research

This research has several limitations.
First, the study is context-specific, having been conducted with a single regional organization. Validating the proposed framework with other DMOs, both in Morocco and in other institutional configurations, would strengthen its broader applicability.
Second, the data are cross-sectional and primarily perceptual.
Third, the proposed architecture itself constitutes a limitation. The internal and external perspectives result from an integrated interpretation of the domains validated in the model; they were not estimated in the underlying research as two autonomous first- or second-order latent constructs.
This limitation opens an important avenue for future research.
A future study could develop specific scales and empirically test a model such as:
Internal DMO Capabilities → External DMO Performance → Destination Performance.
This direction is consistent with the future research avenues proposed in the underlying research, which recommends separately and more finely testing the external perspective or some of its dimensions, as well as the internal perspective, in order to develop specific sets of KPIs for each.

X. Conclusion

The objective of this article was to determine whether the performance of a Destination Management Organization could be understood solely through its internal effectiveness or whether it requires a broader conception that simultaneously integrates its action toward stakeholders and the destination.
The results clearly support the latter approach.
The empirical model explains 78.5% of the variance in DMO performance and shows that strategic management, governance, external marketing, destination operational management, and internal management all contribute to explaining it.
DMO performance therefore appears as a two-sided reality.
The first concerns what the organization is capable of doing internally: organizing its resources, structures, competencies, and processes.
The second concerns what it is capable of producing externally: strategic direction, coordination, development, marketing, and value creation for the destination and its stakeholders.
Reducing assessment to the first would amount to conflating performance with administrative effectiveness.
Reducing it to the second would attribute to the DMO outcomes whose production is collective.
The most appropriate approach is therefore to articulate the two:
Internal Organizational Effectiveness + External Stakeholder- and Destination-Oriented Performance = Comprehensive DMO Performance.
DMO performance therefore lies neither exclusively within the organization nor exclusively within the destination. It is built through the organization's capacity to effectively transform its internal resources into external collective value.

References

[1]. Atkinson, A. A., Waterhouse, J. H., & Wells, R. B. (1997). A stakeholder approach to strategic performance measurement. *Sloan Management Review*.
[2]. Bornhorst, T., Ritchie, J. R. B., & Sheehan, L. (2010). Determinants of tourism success for DMOs & destinations: An empirical examination of stakeholders' perspectives. *Tourism Management, 31*(5), 572–589.
[3]. Bouquin, H. (2004). Management Control. Paris.
[4]. Buhalis, D. (2000). Marketing the competitive destination of the future. *Tourism Management, 21*(1), 97–116.
[5]. Connolly, T., Conlon, E. J., & Deutsch, S. J. (1980). Organizational effectiveness: A multiple-constituency approach. *Academy of Management Review*.
[6]. Cooper, C., Fletcher, J., Fyall, A., Gilbert, D., & Wanhill, S. (2008). *Tourism: Principles and Practice*.

[7]. Kaplan, R. S., & Norton, D. P. (1992). The balanced scorecard: Measures that drive performance. *Harvard Business Review*.
[8]. Kaplan, R. S., & Norton, D. P. (1996). *Translating Strategy into Action: The Balanced Scorecard*. Harvard Business School Press.
[9]. Lebas, M. J. (1995). Performance measurement and performance management. *International Journal of Production Economics*, 23–35.
[10]. Marion, A., et al. (2012). Works on organizational performance and its fundamental principles.
[11]. Morrison, A. M. (2013). Destination management and destination marketing: The platform for excellence in tourism destinations. *Tourism Review*.
[12]. Neely, A., Adams, C., & Kennerley, M. (2002). *The Performance Prism: The Scorecard for Measuring and Managing Business Success*. London: Financial Times/Prentice Hall.
[13]. Page, S. J. (2011). *Tourism Management: An Introduction*.
[14]. Pfeffer, J., & Salancik, G. R. (1978). *The External Control of Organizations: A Resource Dependence Perspective*.
[15]. Pike, S. (2004). *Destination Marketing Organisations*. Oxford: Elsevier.
[16]. Pike, S., & Page, S. J. (2014). Destination Marketing Organizations and destination marketing: A narrative analysis of the literature. *Tourism Management, 41*, 202–227.
[17]. Presenza, A., Sheehan, L., & Ritchie, J. R. B. (2005). Towards a model of the roles and activities of Destination Management Organizations. *Journal of Hospitality, Tourism and Leisure Science, 3*, 1–16.
[18]. Ritchie, J. R. B., & Crouch, G. I. (2003). *The Competitive Destination: A Sustainable Tourism Perspective*. CABI.
[19]. Ritchie, J. R. B., & Crouch, G. I. (2005). Works on competitiveness, destination management, and DMO functions.
[20]. Salgado, M. (2013). Works on the concepts of effectiveness, efficiency, coherence, and relevance in performance assessment.
[21]. Sheehan, L., Presenza, A., & Minguzzi, A. (2007). Analyzing the performance of destination management organizations: An empirical study. *Sinergie Rapporti di Ricerca, 25*(72), 113–125.
[22]. Spyriadis, T., Fletcher, J., & Fyall, A. (2009). Destination management organisational structures. In *Trends in European Tourism Planning and Organisation*.
[23]. World Tourism Organization (UNWTO). (2007). *A Practical Guide to Tourism Destination Management*. Madrid: UNWTO.
[24]. World Tourism Organization (UNWTO). (2019). *UNWTO Guidelines for Institutional Strengthening of Destination Management Organizations (DMOs): Preparing DMOs for New Challenges*. Madrid: UNWTO.