



How Tourism Policy Co-Creation Enhances Stakeholder Trust in Destinations: The Mediating Role of Institutional Legitimacy Perception

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ABSTRACT

In the last 10 years, co-creation of tourism policies has been acquiring more and more importance because of its beneficial contribution to sustainable destination development and collaboration of stakeholders in the tourism sector. The paper examines how institutional legitimacy perception mediates the relationship between co-creation of tourism policy and stakeholder trust in destinations. Our hypotheses in this study were: Institutional legitimacy perception is a mediator between tourism policy co-creation and stakeholder trust. The results were based on structural equation modeling (SEM) analysis of data gathered on a sample of 468 tourism stakeholders in Jordan, and these were the policymakers, tour operators, destination managers, and hospitality executives. The findings indicated that co-creation of tourism policy had a positive and direct relationship with stakeholder trust in a destination and institutional legitimacy perception. The results also indicated that institutional legitimacy perception positively and directly predicted stakeholder trust in destinations. In addition, institutional legitimacy perception was found to significantly mediate the relationship between tourism policy co-creation and stakeholder trust. The results are well substantiated by Stakeholder Theory and Collaborative Governance Theory as they emphasize that the perceived institutional credibility and the increased trust between tourism stakeholders are the results of inclusive and participatory tourism policy-making. These findings confirm the significance of co-creation mechanisms in policies and enhanced institutional legitimacy in promoting sustainable tourism governance in Jordan. The research has practical implications on tourism policymakers and destination management organizations aiming to realize collaborative governance, stakeholder engagement and destination trust to develop the tourism sector in the long term.

Keywords: Tourism Policy Co-Creation, Stakeholder Trust, Institutional Legitimacy Perception, Collaborative Governance, Stakeholder Theory, Destination Governance, Jordan Tourism

JEL Classifications: L83

1. INTRODUCTION

In recent years, the tourism sector has emerged as one of the most strategically significant sectors of economic growth, job creation and global competitiveness, especially in developing economies like Jordan. The World Tourism Organization confirms that the international tourism is recovering and growing after the pandemic, and the Middle East region is experiencing a gradual rise in the number of tourists arriving and government-led destination development projects. Jordan, especially, has

benefited as a destination because of its heritage sites, religious tourism resources and its location within the regional tourism networks. In spite of this expansion, the industry is still struggling with governance issues, lack of stakeholder alignment, as well as policy inconsistency that undermine destination competitiveness and confidence among the key participants (Aftab et al., 2026; Micu et al., 2026). In this respect, co-creation of tourism policy has become an important governance tool. It describes the process of cooperation between policymakers, destination management bodies, the actors of the private sector and communities in the

design and implementation of tourism policies. This participatory model is becoming an agent of inclusive governance and sustainable tourism development (Wang and Ji, 2025; Li et al., 2026). Nevertheless, although co-creation of the policy is often encouraged, there is a lack of in-depth research on its direct and indirect mechanisms in establishing destination trust within stakeholders (Opriş and Hosu, 2025; Amani, 2025).

Stakeholder trust in destinations refers to the trust that destination actors (investors, operators, and service providers) have in destination governance systems, destinations institutions and policy frameworks. Trust is vital as it affects how people invest, the quality of services, and future cooperation in tourism ecosystems (Zhang et al., 2026; Johnson and Buhalis, 2025). Even the well planned tourism policies cannot result in sustainable implementation unless there is trust. Thus, to enhance the effectiveness of tourism policy, it is critical to understand the factors behind trust in destination governance (Tran and Schanzel, 2026). To describe this relationship this paper proposes a mediating variable, institutional legitimacy perception. Institutional legitimacy perception is the subjective assessment of whether the tourism governing institutions are suitable, transparent and consistent with social norms and expectations by stakeholders (Buhalis et al., 2023; Nie and Tang, 2022). Legitimacy is very central in the tourism contexts in that it determines the acceptance and adherence to policy decisions by the concerned stakeholder. Co-created policy processes also increase the chances of institutions being perceived as legitimate, and in turn, an indirect increase in the trust of stakeholders (Giannopoulos et al., 2021; Wang, 2023). This study is based on the theoretical framework of the Stakeholder Theory and Collaborative Governance Theory. Stakeholder Theory stresses the fact that tourism destinations are complex systems with various actors affecting the results of decision-making (Freeman, 1984). The Collaborative Governance Theory also indicates that it is more transparent, less conflictual, and more legitimate in the policies when everyone participates (Arca et al., 2023). Combined, these theories explain why the policy of co-creation in tourism should help boost institutional legitimacy perception and eventually lead to more trust among stakeholders. Although more academic attention has been given, there are still a number of gaps in research.

In earlier research like Zhang et al. (2026), Li et al. (2026) and Tran and Schanzel (2026) stakeholder engagement in tourism governance is emphasized but empirical operationalization of Co-creation of tourism policy is not empirically operationalized as a structured construct to mediate trust outcomes. Font and Genzbigelytè-Venturi (2026) and Orts-Cardador et al. (2025) are concerned with the governance system and the destination management without taking into account the psychological mechanism between governance and the trust of the stakeholders. Likewise, Christou et al. (2025) and Wang and Ji (2025) consider the attitudes towards tourism but do not incorporate institutional legitimacy perception as a mediating factor. (Opriş and Hosu, 2025) pay an even greater attention to governance of sustainability but overlook the dynamics of trust formation in policy ecosystems. Also, earlier studies have been more inclined on sustainability outputs or destination marketing, and have not considered the

formation of trust mechanisms in policy ecosystems (Huang et al., 2026; Wang and Ji, 2025). There is also a gap in methodology with most of the studies basing on qualitative methods or partialized models instead of structural equation modeling that includes the complex mediation effects. These limitations highlight the need for a more integrated and empirically robust model (Lan et al., 2021; Tran and Schänzel, 2026).

The main objectives of this research can thus be summarized as: (1) to explore the direct influence of tourism policy co-creation on stakeholder trust in destinations, (2) to explore the influence of tourism policy co-creation on institutional legitimacy perception, (3) to explore the influence of institutional legitimacy on stakeholder trust and (4) to investigate the mediating role of institutional legitimacy on the relationship between tourism This study is significant both theoretically and practically. In theory, it expands the stakeholder and collaborative governance structures by incorporating the institutional legitimacy as a psychological-institutional bridge mechanism. In practice, it allows policymakers in Jordan to gain practical insights into the role of participatory governance to enhance trust and stability in the tourism system. The research area to be considered in this study is the tourism ecosystem in Jordan and the stakeholders, both the government and the business world, involved in the management of destinations. The originality and inspiration of this research is that it combines co-creation governance and legitimacy-based approaches to trust formation and provides a new perspective on tourism policy effectiveness in the emerging economies. This study helps to address a gap in the literature regarding tourism governance and provides a full framework on how empirical analysis can be done in the future by positioning institutional legitimacy as a key mediating variable. On the whole, the study will contribute to the further development of the body of knowledge on the translation of collaborative tourism governance into the process of trust building to facilitate sustainable and resilient destination development in Jordan and other developing tourism destinations.

2. THEORETICAL BACKGROUND

The present research is based mainly on Stakeholder Theory and Collaborative Governance Theory, which offer a solid and complementary background to explain the effects of tourism policy co-creation on stakeholders trust in destinations based on the perception of institutional legitimacy. The theories have found special application in the study of tourism as destinations are multi-actor systems in which the achievement of governance is subject to coordination, participation and participation in decision-making by various stakeholders. The Stakeholder Theory (Freeman, 1984) proposes that the results of organizations and systems are not as the result of one controlling body, but due to the interplay of the interactions and interests of several stakeholders. Examples of stakeholders in the tourism sector are government agencies, the destination management agency, the tour operator, hospitality companies, the local people, and investors (Christou et al., 2025). The value of the present theory is that it focuses on the interdependence of relationships, in which the prosperity of a destination is determined by the balance of interests among the stakeholders and the inclusion of participation (Melis et al.,

2023). This view has been well supported by other previous tourism studies that have shown that stakeholder involvement enhances the sustainability of the destination and the effectiveness of governance (Zhang et al., 2026; Huang et al., 2026). But these studies focus on the outcomes of participation and they lack adequate explanations of how the process of structured policy co-creation can be transformed into psychological outcomes, such as trust (Aftab et al., 2026; Pinhal et al., 2025). Thus, Stakeholder Theory in this work is used to justify the direct correlation between tourism policy co-creation and stakeholder trust by highlighting that inclusion decreases information asymmetry, ownership strengthens, and builds relational trust among tourism actors.

In addition to this, Collaborative Governance Theory (Ansell and Gash, 2008) offers a process explanation on how collective decision-making results in better governance outcomes. This theory argues that when stakeholders are involved in formal, transparent, and iterative processes in the making of policies by the public institutions then it helps in strengthening the legitimacy, diminishing conflict, and increasing effectiveness in implementation (Melis et al., 2023; Christou et al., 2025). Font and Genzbigelytè-Venturi (2026) and Tran and Schänzel (2026) note that collaborative governance is one of the key features of sustainable destination management in the contexts where there are conflicting interests among various actors. On the same note, Christou et al. (2025) believes that the governance systems in tourism should no longer be based on a top-down approach but rather participatory models in an attempt to bring about long-term stability. These studies, however, though recognizing the significance of collaboration, they seldom test the psychological process by which collaboration can affect trust perceptions. In this paper, therefore, Collaborative Governance Theory warrants the creation of the institutional legitimacy perception as one of the mediating constructs that explain how inclusive governance improves the perceptions of fairness, transparency, and institutional credibility. The combination of these two theories forms a solid and coherent theoretical model. Stakeholder Theory describes the reasons and causes of participation and explains that inclusive engagement is crucial, whereas Collaborative Governance Theory describes how the process of participation can create legitimacy and institutional acceptance. They combine to give an inclusive perspective of how the process of policy co-creation can be turned around to become a source of stakeholder trust via legitimacy perceptions. This integrated model is further supported by empirical evidence of previous studies about tourism governance.

Pinhal et al. (2025) observed that the involvement of stakeholders greatly promotes trust in the tourism authorities, but they did not investigate the mechanisms behind this. Wang (2023) highlighted the role stakeholder networks play in destination governance but failed to look at institutional perception variables. Equally, Kiliç and Ozaacmaci (2026) emphasized collaborative planning procedures as critical towards tourism development but did not empirically test psychological outcomes. Wang and Ji (2025), and Lan et al. (2021) affirmed the significance of collaborative governance and paid primary attention to the results of sustainability, instead of the mechanism of the trust formation. Arica et al. (2023) and Oprüş and Hosu (2025) also showed that quality of governance has an

effect on the attitudes of stakeholders but failed to incorporate the concept of legitimacy perception as a mediating variable. Recent research by Huang et al. (2026) and Zhang et al. (2026) has shown that the role of participatory governance in tourism policy systems is becoming more and more important. Nevertheless, these works mostly concentrate on the environmental sustainability, destination competitiveness or resident attitudes but not elucidate the relational results like the trust among the stakeholders and institutions. This demonstrates that a long-standing theoretical gap exists: There is no integrated model of co-creation governance, institutional legitimacy, and trust in stakeholders in a single structural framework. Thus, the present research makes a contribution to the literature by placing institutional legitimacy perception at the core of the mediating mechanism that helps explain how co-creation of the tourism policy turns into stakeholder trust. Theoretically, it is the integration that makes Stakeholder Theory stronger as it goes beyond participation to trust formation and Collaborative Governance Theory stronger as it takes into consideration psychological legitimacy evaluation as one of the primary outcomes of participatory processes. Together, this framework offers a more holistic and explanatory model of studying the dynamics of tourism governance in emerging economies like Jordan in which institutional trust and collaborative policymaking are central to sustainable destination development.

2.1. Tourism Policy Co-creation and Stakeholder Trust

The co-creation of tourism policy should lead to a profoundly positive impact on stakeholder trust in the destination destinations in that the collaborative governance frameworks increase transparency, inclusion, and shared decision-making processes in the tourism systems. Stakeholders (policymakers, tour operators, destination managers, and local communities) get a better chance to build trust in the institutional processes and outcomes when they take an active part in the policy-making process (Buhalis et al., 2023; Pinhal et al., 2025). Stakeholder Theory substantiates this expectation by stating that such an inclusive engagement decreases the power imbalance and enhances the relational trust of inter-relationships among mutually dependent actors (Johnson and Buhalis, 2025; Micu et al., 2026). Collaborative Governance Theory also describes that co-creation enhances trust by fostering openness, dialogue, and shared accountability between the public and private tourism players (Zhang et al., 2022; Johnson and Buhalis, 2025). Tourism governance empirical research confirms the effectiveness of participatory policy frameworks in improving the confidence of the stakeholders in the destination management systems (Wang and Ji, 2025; Arica et al., 2023). In the same spirit, Pinhal et al. (2025) point out that shared planning activities enhance the relational stability of tourism stakeholders by minimizing uncertainty and conflict. This connection is also corroborated by more recent studies, which suggest that inclusive governance systems in tourism enhance the perception of fairness and institutional responsiveness, which, in turn, positively affects the level of trust (Font and Genzbigelytè-Venturi, 2026; Wang and Ji, 2025). Tourism policy co-creation is an even more essential component of the development of trust-based systems of governance in emerging destination settings like Jordan, where the coordination of the institutions and the alignment of the stakeholders play a crucial role (Johnson and Buhalis, 2025). Thus,

according to the theoretical arguments and empirical evidence, the hypothesis is:

H₁: Tourism policy co-creation positively predicts stakeholder trust in destinations.

2.2. Tourism Policy Co-creation and Institutional Legitimacy Perception

It is anticipated that tourism policy co-creation will greatly contribute to the institutional legitimacy perception among tourism stakeholders. Stakeholders are likely to view governing institutions as just, trustworthy and normatively appropriate when policy development processes are participatory, transparent and inclusive (Tran and Schänzel, 2026). This is in line with Collaborative Governance Theory which suggests that perceived legitimacy is enhanced through collaborative decision-making by creating openness, accountability and joint responsibility of results (Huang et al., 2026; Zhang et al., 2026). Theoretically, legitimacy stems not only out of formal authority but also out of stakeholder assessment of procedural fairness and inclusiveness. Policies co-created in tourism systems where various actors share resources and power diminish perceptions of exclusion and enhance institutional acceptance (Amani, 2025; Micu et al., 2026). This view is aligned with the literature on governance that proposes that participatory policy settings enhance institutional credibility and decrease skepticism towards public decision-making procedures (Wang and Ji, 2025; Kiliç and Oezsaacmaci, 2026). This argument is further supported by empirical studies. To illustrate, Pinhal et al. (2025) highlight that institutional trustworthiness can be improved when tourism planning is collaborative in nature by incorporating the voices of stakeholders into policymaking. Likewise, Buhalis et al. (2023) emphasize that governance legitimacy in tourism is strongly connected with the perceived fairness of the institutional set up. Even more up-to-date studies show that the engagement of stakeholders in tourism policy-making enhances perceived transparency and institutional responsiveness, which are essential elements of legitimacy formation (Wang, 2023; Li et al., 2026). Co-created policy frameworks in an emerging tourism destination like Jordan, where institutional trust is fundamental to sustainable tourism development, are critical in enhancing the perception of legitimacy of the various stakeholders. Therefore, it is hypothesized that:

H₂: Tourism policy co-creation positively predicts institutional legitimacy perception.

2.3. Institutional Legitimacy Perception and Stakeholder Trust in Destinations

The perception of institutional legitimacy is likely to be critical in influencing the stakeholder trust in tourism destinations. In cases where the governing institutions are seen as legitimate (fair, transparent, consistent, and in accordance with shared norms) by the tourism stakeholders, they tend to build confidence in the decisions and actions of those institutions (Amani, 2025). This is the central thesis of the Institutional Theory, which underlines that trust, compliance, and stability of the system in the long term are all based on the legitimacy (Nie and Tang, 2022; Font and Genzbigelytè-Venturi, 2026). The use of legitimacy in tourism governance contexts is a cognitive filter with the help of which

the stakeholders judge the institutional behavior (Zhang et al., 2022). When the institutions are perceived as being procedurally fair and socially appropriate, the stakeholders see the decisions made by the policy as credible and foreseeable, which enhances the relationship of trust. This process is especially significant in multi-actor tourism systems whereby coordination relies much on voluntary collaboration and not mandatory adherence (Opriş and Hosu, 2025; Huang et al., 2026). This rationale is reinforced by empirical research on tourism that demonstrates that perceived institutional fairness and credibility of governance play a key role in determining the attitudes and intentions of stakeholders on how they relate to destination authorities. Indicatively, Aftab et al. (2026) have concluded that perceptions of governance have a strong influence on the support of stakeholders to tourism development projects. On the same note, Tran and Schanzel (2026) emphasize that perceived fairness and institutional responsiveness influence the trust in tourism institutions. Additional reasons include the fact that the stakeholders are more ready to participate, invest, and cooperate in destination systems when institutions are transparent and consistent in their tourism policies (Orts-Cardador et al., 2025; Kumar et al., 2024). In developing locations like Jordan, where institutional arrangements are still in the transition phase, the perception of legitimacy plays a more significant role in determining the confidence and co-operative trust of the stakeholders. Thus, the hypothesis is that:

H₃: Institutional legitimacy perception positively predicts stakeholder trust in destinations.

2.4. Mediating Effect of Institutional Legitimacy Perception

It is assumed that institutional legitimacy perception is a major explanatory factor that would mediate the impact of tourism policy co-creation on destination trust by stakeholders. The power of the participatory policy processes in the governance system is not always direct, but rather it functions via the cognitive assessment of institutional credibility and aptness of the stakeholders (Buhalis et al., 2023; Nie and Tang, 2022). This encapsulates the fundamental rationale of Collaborative Governance Theory that argues that perceived legitimacy enhances as a result of inclusive decision-making and subsequently stabilizes relational outcomes between actors (Christou et al., 2025; Tran and Schänzel, 2026). Theoretically, legitimacy provides an interpretive mediating role between the processes of governance and the relational outcomes. Stakeholders gain greater perceptions of fairness, responsiveness, and consistency of collective expectations when they see inclusive and transparent co-creation of policy. Such perceptions lower the level of uncertainty and increase the belief in institutional behavior, thus converting participation in governance into the formation of trust (Li et al., 2026; Wang, 2023). This process aligns with the Institutional Theory, which states that legitimacy is a significant pre-condition of stable trust-based relations within a complicated organizational environment (Aftab et al., 2026). This indirect route is also supported by empirical evidence in the research of governance and tourism. Research has revealed that participatory governance enhances institutional acceptance, which in turn, has the effect of affecting stakeholder behavioral reactions and the level of cooperation (Christou et al., 2025; Pinhal et al., 2025). On the

same note, Zhang et al. (2026) and Amani (2025) emphasize that collaborative processes increase the perceptions of legitimacy, which are a mediating factor between the governance design and relational outcomes. Other tourism research also suggests that a stronger influence on stakeholder trust can be observed when governance participation is mediated by institutional fairness and credibility perceptions and not direct interaction (Christou et al., 2025; Orts-Cardador et al., 2025). This mediating mechanism can be of particular importance in the understanding of how policy co-creation can turn into long-lasting trust relationships in the context of emerging tourism destinations, like Jordan, where institutional structures are still developing, and stakeholder coordination is still complicated. Thus, it is assumed that:

H₄: Institutional legitimacy perception mediates the relationship between tourism policy co-creation and stakeholder trust in destinations.

The research model employed in this study is presented in the Figure 1.

3. METHOD AND DATA

The cross-sectional survey design was adopted in this study that involved quantitative research methods to examine the associations among the variables.

3.1. Participants and Procedures

The study population consisted of 13,420 tourism stakeholders operating in destination management organisations, hospitality businesses, tour activities, and tourism policy institutions in the Amman, Aqaba and Petra tourism destinations of Jordan within the industry period of 2024-25. Disproportionate cluster sampling was used in selecting the study sample. The number of participants to represent the population was determined to be at least 375 based on a 95% confidence level (Cochran and Talwani, 1977). The researchers went to the organizations that were the sample of the study to collect data, and questionnaires were given to the stakeholders who volunteered to participate in the study. In this regard, a total of 468 stakeholders were collected in terms of data. But before the analysis phase, ten respondents were identified to be extreme values and they were then eliminated in the original dataset. Thus, 458 sets of data that were used in the analysis phase of the research are valid. This population (n = 458) was selected as the appropriate number to represent the population of the study. Among the 458 stakeholders interviewed in the study, 56.8% (n = 260) were male, and 43.2% (n = 198) were female; and 35.1% (n = 161) of the stakeholders worked in the hospitality operations and 64.9% (n = 297) were in the tourism policy, destination management, and Among the participant stakeholders, 22.6% (n = 104) had 9 years and less of professional experience, 45.7% (n = 209) had 10-19 years experience of industry experience and 31.7% (n = 145) had 20 years and above of industry experience. In relation to the level of education of the participants, 74.8% (n = 343) had a bachelors degree and 25.2% (n = 115) had a graduate degree.

3.2. Measures

Before the data were collected, the Social and Human Sciences Research Ethics Committee of the university in question gave

ethical permission to conduct the study (Decision No. 20254/2.09, 18 March 2025). The study utilized the Tourism Policy Co-Creation Scale, the Stakeholder Trust in Destinations Scale and the Institutional Legitimacy Perception Scale in the data-gathering phase.

3.2.1. Tourism policy co-creation scale

The current study has scaled the Tourism Policy Co-Creation Scale based on literature of collaborative governance and destination policy participation (Aftab et al., 2026; Micu et al., 2026). The scale consists of 17 Likert-type questions, the answers being on a scale of 1 (Never) to 5 (Always). The scale includes three dimensions: Stakeholder participation, policy transparency and collaborative decision-making, and includes 11 items in the stakeholder participation dimension, three items in the policy transparency dimension, and three items in the collaborative decision-making dimension. The fact that higher scores are achieved with the scale shows that there is increased co-creation of tourism policy among the stakeholders. In previous studies, Cronbach alpha internal consistency coefficients were determined to range between 0.78 and 0.87 (Font and Genzbigelytè-Venturi, 2026; Opriş and Hosu, 2025). The reliability coefficients of the scale were recalculated in the current study and were found to be 0.96 when it comes to the stakeholder participation, 0.85 when it comes to policy transparency, 0.86 when it comes to collaborative decision-making and 0.95 when it comes to the overall scale (Christou et al., 2025; Tran and Schanzel, 2026).

3.2.2. Stakeholder trust in destinations scale

Stakeholder Trust in Destinations Scale was constructed according to the literature on tourism governance and institutional trust (Zhang et al., 2026; Buhalis et al., 2023). The scale has 17 Likert items on the basis of responses in a scale of 1 (Strongly disagree) to 5 (Strongly agree). The scale has four dimensions; trust in destination authorities, trust in tourism institutions, trust in policy implementation and trust in stakeholder relationships. Cronbach's alpha internal consistency coefficients of the four dimensions and the entire scale were originally determined to be between 0.79 and 0.88 in prior studies (Giannopoulos et al., 2021; Nie and Tang, 2022). The scores indicated on the scale are higher, which implies increased trust in destination governance systems among tourism stakeholders. The current study recalculated the reliability coefficients and found that they were 0.81, 0.84, 0.78, 0.82, and 0.88, respectively, with 0.88 representing the (overall) total scale score (Huang et al., 2026; Pinhal et al., 2025).

3.2.3. Institutional legitimacy perception scale

The scale of Institutional Legitimacy Perception was created in accordance with the institutional theory and the literature on governance legitimacy (Arica et al., 2023; Pinhal et al., 2025). The scale have nine Likert-type questions in three dimensions, namely, procedural legitimacy, normative legitimacy and cognitive legitimacy. The items in the scale are answered with an interval of 1 (Strongly disagree) to 5 (Strongly agree). An increase in the score on the scale is an indication of an increased perceived institutional legitimacy among the stakeholders. The internal consistency coefficients of Cronbach alpha of the three dimensions of the scale

and the scale as a whole were established in previous researches as 0.76 to 0.85 (Suchman, 1995; Giannopoulos et al., 2021). The reliability coefficients were re-calculated, and identified as 0.75 with procedural legitimacy, 0.78 with normative legitimacy, 0.79 with cognitive legitimacy and 0.84 with the overall total score of the scale (Micu et al., 2026; Zhang et al., 2026).

3.3. Control Variables

The current study has factored in individual respondents in terms of gender as well as stakeholder experience as control variables because they were believed that they might influence the stakeholder trust in destinations. The past literature on tourism governance indicated that male stakeholders had been slightly higher in the levels of engagement confidence in the policy environments whereas, other studies have indicated that there was no significant difference between genders (Pearson and Hall, 1993; Nunkoo and Ramkissoon, 2013; Lan et al., 2021). When it comes to stakeholder experience or degree of professional engagement, a few studies have shown that more seasoned tourism professionals will report greater levels of institutional trust and governance knowledge (Christou et al., 2025; Pinhal et al., 2025). Based on the literature at hand, we used both the gender (1 = female, 2 = male) and the level of experience as control variables in the present study, as either of them may have an impact on the trust level of stakeholders in destinations.

3.4. Analytic Techniques

In the analysis of the data collected, we used descriptive statistics (standard deviation and arithmetic mean), correlation analysis and structural equation modelling (SEM). Correlation coefficients have been indicated to show a negligible relationship with $r < 0.10$, weak relationship with $0.10 \leq r < 0.40$, moderate relationship with $0.40 \leq r < 0.70$, strong relationship with $0.70 \leq r < 0.90$ and very strong relationship of $r \geq 0.90$. The AMOS version 23 statistical software was used in IBM to test the hypotheses of the current study. We favored two-stage methodology in carrying out SEM. Measurement model: First, a measurement model of all the variables of the study was created and tested. Second, a structural model was constructed to investigate the impact of latent variables on each other, and to examine mediation. With the help of such a model, we estimated direct effects between the constructs of tourism policy co-creation, perception of institutional legitimacy and trust in destinations by stakeholders, as well as indirect effects of tourism policy co-creation on the stakeholder trust. Before making analyses, the dataset was analyzed with regards to the assumptions of multivariate analysis. In this context, we analyzed the data in terms of outliers, normality and multicollinearity. Eight outliers were purged and a valid dataset of 458 scale forms was obtained to analyze. Regarding normality, the coefficient of kurtosis and skewness of the latent variables of study were in the range of +1 to -1, which meant that data was normally distributed (Kiliç and Özsaçmacı, 2026). To analyze the problem of multicollinearity, we have tested the values of tolerance and a variance inflation factor (VIF), a VIF value exceeding 10 and a tolerance value < 0.10 indicates a multicollinearity problem (Kline, 2015). The tolerance value of 0.84 and VIF value of 1.18 in the present analysis showed that there were no problems of multicollinearity in the data. The acceptability of the structural

model based on the analyses was measured based on goodness of fit indices of 2/df, GFI, RMSEA, CFI and SRMR. In the literature, a χ^2/df value < 3 and a RMSEA value of 0.08 or less are regarded as indicative of a good fit (Hoe, 2008; Kahn, 2006), whilst Hair et al. (2014) stated that a well-fitting model will have CFI and GFI values > 0.90 . Also, the literature shows that SRMR must be 0.08 or less when fitting a structural model to its data is fairly good (Hu and Bentler, 1999).

4. RESULTS

4.1. Descriptive Statistics and Correlations between Variables

Table 1 gives the descriptive statistics and intercorrelations of study variables. As perceived by respondents, co-creation behaviour of tourism policies (M = 3.88, SD = 0.74) and institutional legitimacy (M = 3.84, SD = 0.76) was perceived to be high. The stakeholder trust towards destinations was also very high among the participants (M = 4.01, SD = 0.57). We established moderate, significantly positive relationships between institutional legitimacy perception and tourism policy co-creation ($r = 0.42$, $P < 0.01$), institutional legitimacy perception and tourism policy co-creation ($r = 0.51$, $P < 0.01$), as well as institutional legitimacy perception and stakeholder trust in destinations ($r = 0.53$, $P < 0.01$).

4.2. Measurement Model

Before the hypotheses of the study were tested, a measurement model that considered all of the latent variables in the structural model was created and assessed. The model was determined to give 96.48 χ^2 and the degrees of freedom of the model was 33 ($96.48/33 = 2.92$). The other fit indices were calculated as follows: GPI = 0.95, RMSEA = 0.06, SRMR = 0.05 and CFI = 0.95. Overall, these values suggested a satisfactory fit of the model to the data. Moreover, standardized factor loadings of underlying constructs were all statistically significant ($P < 0.001$). These loadings were between 0.48 and 0.91 in tourism policy co-creation, between 0.50 and 0.80 in institutional legitimacy perception and between 0.57 and 0.84 in stakeholder trust in destinations.

4.3. Structural Model

We came up with a structural model of the study latent variables. In this model, the independent variable was the tourism policy co-creation, the dependent variables were the stakeholder trust in

Table 1: Descriptive results

Variables/values	M	SD	α	1	2	3
1. Tourism policy co-creation	3.88	0.74	0.95	-		
2. Institutional legitimacy perception	3.84	0.76	0.84	0.42**	-	
3. Stakeholder trust in destinations	4.01	0.57	0.88	0.51**	0.53**	-
Skewness	-	-	-	0.74	-0.26	-0.28
Kurtosis	-	-	-	0.79	0.16	-0.31
TI	-	-	-	0.84	0.83	-
VIF	-	-	-	1.18	1.18	-

α : Cronbach's alpha coefficient, M: Mean, SD: Standard deviation, TI: Tolerance index, VIF: Variance inflation factor. $P < 0.01$

destinations and institutional legitimacy perception, the mediating variable was the institutional legitimacy perception. The model proposed had a satisfactory fit to the data, $\chi^2/df = 2.76$ with a value of 0.06 in RMSEA, 0.94 in GFI and 0.05 in SRMR and 0.95 in CFI. The structural model showed that co-creation of tourism policy had a positive and direct relationship with stakeholder trust in destinations ($\beta = 0.39, P < 0.001$) and institutional legitimacy perception ($\beta = 0.52, P < 0.001$). H_1 and H_2 were confirmed by these results. Also, institutional legitimacy perception had a positive and direct relationship with stakeholder trust in destinations ($\beta = 0.47, P = 0.001$) which proved H_3 . In terms of mediation, H_4 posited that institutional legitimacy perception mediates the relationship between tourism policy co-creation and stakeholder trust in destinations. It was shown in the mediation model that the policy co-creation by tourism had an indirect impact on the stakeholder trust in destinations via institutional legitimacy perception ($\beta = 0.25, P = 0.001$); therefore, H_4 was accepted. Other control variables in the mediation model that we investigated were gender and level of experience (years of professional involvement). It was found that gender significantly influenced the perception of stakeholder trust in destinations ($\beta = 0.11, P = 0.01$), with male stakeholders having a marginally higher trust perception as compared to their female colleagues. Experience level, which was the other control variable failed to arise as a significant predictor of stakeholder trust in destinations ($\beta = 0.05, P > 0.01$) (Table 2).

5. DISCUSSION

The results of this paper are robust empirical evidence of the proposed conceptual model that portrays tourism policy co-creation, institutional legitimacy perception, and destination stakeholder trust. On the whole, the findings indicate that participatory governance in tourism, in addition to its direct enhancement of stakeholder trust, has an important psychological-institutional mechanism. The structural model proved that tourism policy co-creation has a positive effect on institutional legitimacy perception as well as stakeholder trust, and the institutional legitimacy perception has a substantial positive impact on the stakeholder trust. Additionally, the mediation effect suggests that the legitimacy perception partly determines how co-creation can result in the formation of trust in destination governance systems.

Table 2: Results for standardized effects, standard errors and confidence intervals

Pathways	β	SE	95% bootstrap CI lower	Upper	P-value
Standardized direct effects					
TC \rightarrow STD	0.392	0.038	0.246	0.512	***
TC \rightarrow ILP	0.521	0.041	0.369	0.642	***
ILP \rightarrow STD	0.471	0.066	0.318	0.598	***
Gender \rightarrow STD	0.113	0.039	0.028	0.205	0.008
Experience \rightarrow STD	0.051	0.003	-0.062	0.141	0.372
Standardized indirect effects					
TC \rightarrow STD	0.252	0.041	0.176	0.338	***
Standardized total effects					
TC \rightarrow STD	0.644	0.052	0.501	0.729	***

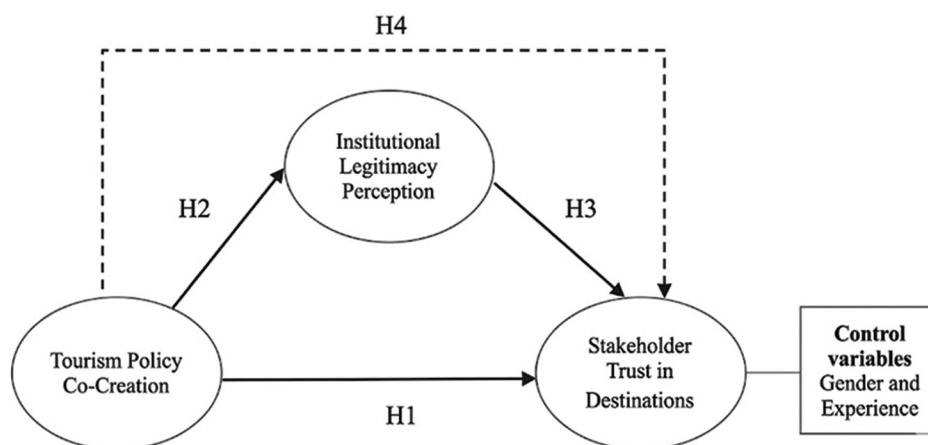
$R^2=0.563$. TC: Tourism policy co-creation, STD: Stakeholder trust in destinations, ILP: Institutional legitimacy perception. *** $P < 0.001$

The initial important discovery is that the co-creation of tourism policy makes a huge positive impact on destination stakeholder trust. This finding can be attributed to Stakeholder Theory, which contends that involving everyone enhances relational trust through less information asymmetry and more mutual ownership of decisions (Aftab et al., 2026; Li et al., 2026). The same has been observed by Tran and Schänzel (2026), who established that the participation of the stakeholders in tourism governance can greatly increase the trust in destination authorities. Huang et al. (2026) also highlighted that networked stakeholders promote stability in the relation of tourism systems.

Moreover, Melis et al. (2023) and Arica et al. (2023) promptly confirm the notion that participatory tourism planning can promote collaboration and decrease conflict among actors. Nonetheless, unlike other previous research that considered participation as a principle of general governance, this research particularly operationalizes the concept of policy co-creation and provides a more rigorous account of how trust is constructed within destination systems. The second significant outcome demonstrates that the co-creation of tourism policies is a strong predictor of perception of institutional legitimacy. This result is consistent with Collaborative Governance Theory, which states that inclusive decision-making leads to a higher perception of fairness, transparency, and institutional credibility (Kumar et al., 2024; Opriş and Hosu, 2025). Zhang et al. (2026) came out with similar findings and emphasized that collaborative processes enhanced the institutional acceptance within the complex governance systems. Font and Genzbigelytè-Venturi (2026) also claimed that the participatory governance creates legitimacy and is not enforced by authority. Melis et al. (2023) and Christou et al. (2025) also concluded that the quality of governance can be enhanced when stakeholders are engaged, in tourism research. Orts-Cardador et al. (2025) and Buhalis et al. (2023) also affirmed that participatory tourism models raise institutional responsiveness and credibility. The present study builds up on these results by empirically validating the fact that policy co-creation is a potent antecedent of legitimacy perception within the tourism setting in Jordan. The third result suggests that institutional legitimacy perception is a strong predictor of stakeholder trust. This finding is a solid argument in favor of the Institutional Theory, which highlights the fact that legitimacy is one of the fundamental premises of trust, compliance, and stability within organizational systems (Johnson and Buhalis, 2025; Pinhal et al., 2025). It was also argued by Zhang et al. (2022) that legitimacy minimizes uncertainty in institutional settings, which enhances the trust-based interactions. Similar empirical tourism research by Aftab et al. (2026) and Micu et al. (2026) confirm the presence of significant impacts of perceptions of institutional fairness and the credibility of governance to the stakeholder attitudes.

Furthermore, Tran and Schanzenel (2026) and Kiliç and Ozsaacmi (2026) note that institutional trust is essential in developing sustainable tourism. Nevertheless, the past research has mostly concentrated on institutional quality and not on the perceived legitimacy as a psychological construct, which is explicitly addressed in this study. The fourth important finding indicates that institutional legitimacy perception moderates the association

Figure 1: Research model



between tourism policy co-creation and stakeholder trust to some extent. This finding is a powerful indication that trust building does not necessarily result directly of the participation but much rather is influenced by the views of legitimacy. This aligns with Tran and Schänzel (2026) who alluded that collaborative governance brings about relational outcomes based on intermediate cognitive processes.

Li et al. (2026) also highlighted that legitimacy is an intermediary process that mediates the relationship between the processes of governance and the outcomes of stakeholders. Johnson and Buhalis (2025) and Wang and Ji (2025) propose that collaborative institutions enhance institutional acceptance, which subsequently affects stakeholder cooperation in a tourism setting. The mediation effect that was identified in this study is a continuation of the previous literature since it empirically supports this sequential mechanism within an emerging destination setting. Lastly, the model fit as a whole and its explanatory power demonstrates that the proposed framework is able to explain a significant percentage of variance in stakeholder trust. This aligns with earlier research on governance by Aftab et al. (2026) and Micu et al. (2026) that integrate governance systems in describing the results of tourism. Nonetheless, this work builds on the earlier works by integrating co-creation, legitimacy and trust into one structural model to resolve the disjuncture in past studies. Overall, the findings are consistent that tourism policy co-creation has direct and indirect positive impacts on stakeholder trust based on institutional legitimacy perception. These results are consistent with and build on previous theoretical and empirical studies, as well as fill some of the gaps in the existing tourism governance literature, especially in the framework of the emerging tourism policy in Jordan.

5.1. Theoretical Contributions

This paper is a great contribution to the theory, since it combines Stakeholder Theory and Collaborative Governance Theory into a single explanatory model on tourism policy co-creation. First, it builds on Stakeholder Theory by going beyond conventional explanations based on participation and showing that stakeholder involvement in tourism policy is not only a structural phenomenon but also a trust-building process. The results indicate that co-

creation has a direct positive impact on the trust of stakeholders, thus improving the relational aspect of the stakeholder relationships in tourism systems. Second, it contributes to the Collaborative Governance Theory by empirically confirming that collaborative processes of policy can result in not just better coordination but also creation of the perception of institutional legitimacy as a psychological result. This highlights legitimacy as a key cognitive bridge between governance processes and relational outcomes. Third, the paper is valuable because it builds and tests a sequential mediation model, providing an insight that the perception of legitimacy partially mediates the relationship between co-creation and trust. It fills a vital void in existing literature in tourism governance that has to date focused on participation, legitimacy and trust individually. Fourth, by anchoring the model to the Jordan tourism setting, the research increases the extraneous validity of both models in the emerging destination setting where institutional arrangements remain dynamic and relationships among stakeholders are extremely delicate to the quality of governance.

5.2. Practical Implications

This research has significant practical values to the tourism policymakers, destination management organizations (DMOs) and the industry stakeholders. First, the results indicate that tourism authorities must strongly adopt organized co-creation platforms, including stakeholder forums, participatory planning workshops, multi-sector policy councils, and so on, to improve the quality of engagement. These mechanisms directly enhance institutional credibility and trust amongst the stakeholders. Second, the research indicates that enhancing participation is not enough without it being coupled with open and responsible governance procedures that enhance the feeling of institutional legitimacy. Policymakers must therefore make sure that policies on tourism are transparently communicated and designed inclusively. Third, DMOs in Jordan and other destinations must focus on building trust development techniques by integrating the stakeholders at the initial phases of policy development and not just implementation phases. Fourth, there should be the introduction of training programs on how collaboration skills can be developed among tourism officials so that they can be able to conduct participatory governance.

Lastly, institutional legitimacy could be enhanced to enhance long-term investment confidence, destination competitiveness, and sustainable tourism growth. These implications are especially applicable in the case of the emerging tourism economies whereby institutional trust is a major factor in the success of the sector in terms of stability and growth.

6. CONCLUSION, LIMITATIONS AND FUTURE RESEARCH DIRECTIONS

The paper an in-depth analysis of the way in which tourism policy co-creation affects stakeholder trust in destinations via the mediating variable of institutional legitimacy perception. Based on the Stakeholder Theory and Collaborative Governance Theory, the results affirm that participatory governance is a key factor that leads to trust in tourism systems. The findings indicate that the more the stakeholders are actively engaged in the policy formulation, the more they have a stronger perception of institutional legitimacy which subsequently lead to an increase in the trust they have in destination governance. Another significant direct correlation favors co-creation with trust, which is also confirmed by the study as a result of inclusive decision-making in tourism development. The suggested model, in general, describes a significant percentage of variation in stakeholder trust, providing a strong conceptual framework to comprehend the dynamics of governance in tourism destinations. This study can be used to further enhance theoretical knowledge and give a solid background to future studies in tourism governance, especially in developing economies like Jordan by combining the structural participation mechanisms with psychological legitimacy processes.

This study has a number of limitations, even with its contributions. To begin with, the cross-sectional design limits the possibility of drawing the causal relationships between tourism policy co-creation, institutional legitimacy perception, and stakeholder trust. Longitudinal designs should be used in future research to better identify the changes with time. Second, geographically the study is confined to Jordan which limits generalization to the other tourism destinations with varying forms of governance. This model is to be replicated in various cultural and economic settings in future studies. Third, the research is based on self-reported survey data, which could bring common method bias. Further research may incorporate qualitative measures or objective governance measures. Fourth, institutional legitimacy perception was the only mediating variable that was tested. Additional mediators that might be used in future studies are perceived transparency, social capital or policy satisfaction. Lastly, moderating variables (political stability, digital governance maturity, or power dynamic of stakeholders) should be addressed in future research to further elaborate on the theoretical framework and enhance the explanatory power.

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