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## ENVIRONMENTAL FRIENDLY OPERATIONS OF SMALL TOURISM FIRMS

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**Abstract:** *Climate change is emerging as a major global problem. Environment protection has become a focal area of research in contemporary times. Tourism, being a major economic activity has attracted numerous studies which has development eco-friendly guidelines for firms working in this industry. But environmental considerations for small firms are almost unexplored research area. This paper tries to examine various unique characteristics of small scale firms, discuss the role of managers or owners and investigate some challenges faced by these firms in implementation of eco-friendly practices.*

**Keywords:** *Environment, small, firms, motivation, issues*

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Sustainability in tourism industry has not materialized in small scale business till date (Scott, 2011; Weaver, 2011). These small firms lack in understanding the concept and key factors which influence environment (Morrison, Carlsen & Weber, 2010; Thomas, Shaw, & Page, 2011). The existing literature focus on larger firms only and is normative in nature (Kolk and Pinkse 2005; Linneluecke and Griffiths, 2010). Environment policies of Governments also consider large scale firms (Bradford and Fraser, 2008; Revell and Blackburn, 2007) in their planning. But in term of volume, these small scale firms working in tourism constitute huge business size like in UK; these firms contribute 99% of total business of tourism (BERR, 2007). Environmental implications of these firms have significant values (Gadenne *et al.*, 2009; Revell and Blackburn, 2007; Purvis *et al.*, 2000) and can affect environmental policy framework of a country. There is scarcity of research in field of small firm engagement in environmental issues (Carr, 2003; Spence and Rutherford, 2003). Only a few studies have focused on sustainability of operations in these firms (Revell and Blackburn, 2007). Present study with objective to explore the relationship between small scale firms working in tourism and to examine the sustainability by describing unique characteristics of these firms, motivation of owners or top executives and problems faced while deciding and implementing the environmental policies is based upon secondary data i.e. studies available in literature.

### **SMALL SCALE FIRMS IN TOURISM**

Informalities in business are unique characteristic in small scale firms working in tourism industry. Some firms lack in formulation of business goals (Getz & Carlsen, 2000) and in some cases owner or manager focus only on routinely or every day activities (Beaver, 2002; Hukkinen, 1995; McKercher & Robbins, 1998; Thomas, 1998). Getz & Carlsen, (2005). Peters & Buhalis, (2004) stated that informal approach in these business have both advantages and disadvantages. Informal approach provides them flexibility and capability to react quickly according to contemporary changes in industry but simultaneously disadvantage faced by these firms are problems related to record keeping and performance (Peters & Buhalis, 2004). Motivation to run small firms also indicates variation. For some firms, motivation is to maximize growth and profit while for others it is related to lifestyle (Carlsen, Morrison & Weber, 2008; DiDomenico, 2005). Further literature does not explain much about lifestyle motivation and its relation with profit. Shaw, Williams, and Greenwood, (1987) stated that



owners or managers of these firms made a trade off between lifestyle activities and commercial objectives. A number of other studies (Ateljevic & Doorne, 2000; Carlsen et al., 2008; Mottiar, 2007; Shaw & Williams, 2004) have suggested that some owners or managers have shown a strong commercial orientation and a will to enjoy a certain life style. LOST (lifestyle orientation small tourism) firms given by Morrison, Carlsen, and Weber's (2008) reveals that a variation in influencing factors was in existence because of values attached to business practices and motivation of owners or managers under different settings of socio-economic environments. Further these firms are not homogenous and can be classified in three groups. Based on business motives some can be "gazelles" means high profit or high growth oriented (Birch, 1981; Birch and Medoff, 1994) while others can be "normal" indicating a balance between work and life (Kuratko 2008). The former shows uninterested in ethical values (Hannafey, 2003; Longenecker *et al.*, 1988) whereas, the "normal" shows values and ethics (Hisrich, 1998). The third group of these small firms is called ecopreneurs, which run business with environmental responsibility (Schaper, 2002), tries to create eco-friendly business (Isaak, 2002) and solves the problem of environment by making changes in their planning. Motivation to act environment friendly also includes compliance with legislation (Paulraj 2009; Kehbila *et al.*, 2009; Lawrence and Morell, 1995), economic opportunities arising from pro-environmental behaviour (Cordano, 1993; González-Benito and González-Benito, 2005; Melnyk *et al.*, 2003), stakeholder pressure from customers, local communities, environmental interest groups and others (Kehbila *et al.*, 2009; Berry and Rondinelli, 1998; Lawrence and Morell, 1995) and ethical or ecological motivations (Kehbila *et al.*, 2009; González-Benito and González-Benito, 2005; Melnyk *et al.*, 2003) But literature in this area of research has not explored the level of engagement of these firms in environmental conservation activities for different socio-economic surroundings.

## **MANAGERS AND ENVIRONMENTAL ENGAGEMENT**

Managers or owners play significant role in implementation of environment friendly policies. Unlike large scale firms, they have strength to run their business according to their own philosophy and aspirations. They are found with more operational discretion, capable enough to influence organization culture and values (Hamann *et al.*, 2009; Heugens *et al.*, 2008; Schein, 2004; Dawson *et al.*, 2002). Jenkins, (2004), Spence, (1999); &



Werner, (2008) have stated that business ethics and personal ethics in small firms were found closely aligned. Sarbutts, (2003) concluded that these firms were very comfortable to accommodate socially responsible policies in comparison to large firms. The relationship between liking values and environment friendly activities of small firms have been investigated by numerous studies (Battisti and Perry 2011; Collins *et al.*, 2010; Cordano *et al.*, 2010; Environment Agency, 2007). Lawrence *et al.*, (2006) also found a strong role of personal ethics and values of owners or manager in pro-environmental behavior of small firms operating in travel and tourism industry.

### **ISSUES OF SMALL FIRMS**

Environmental impacts of tourism and tourism related activities are well documented in literature. Growing number of studies related to relevance of environment management system (EMS) are advocating involvement of tourism firms (International Hotels Environment Initiative [IHEI], 2005; Tribe, Font, Griffiths, Vickery, & Yale, 2000) but a very little attention is paid to suitability of EMS in small firms (Gerstenfeld & Roberts, 2000). Lack of eco-literacy in these small firms (Chan, 2011; Tilley, 2000; Vernon *et al.*, 2003) has limited the scope of environmental practices because of shortage of upto-date, accurate and reliable information (Anglada, 2000). Revell and Blackburn, (2007); Ackroyd, (2002); Purvis *et al.*, (2000). Hillary, (2000) indicated the lack of knowledge in reference to conservation of environment is not a negligible problem. Some owners or managers were found to say that their business has no significant negative impact on environment and to implement environmental guidelines can be costly for them. Monetary benefits from these practices are quite small for small firms (Fineman, 2000) Gadenne *et al.*, (2009); Simpson *et al.*, (2004). Lefebvre *et al.*, (2003) found less probability of realization of environmental practices into competitive advantage in market.

### **CONCLUSION**

This article has reviewed literature in detail and found some unique characteristic of small firms like flexibility and quick response ability. Findings also indicate greater degree of discretionary powers of owners or managers to influence the business policies and practices related to environment conservation. Some barriers were also evident in way of eco-friendly practices. Lack of information and perception related to cost have played critical role in these firms. The paper also found a scope of future research in this area.



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