

Sustainable Entrepreneurship in Micro Small and Medium Tourism Enterprises in Alappuzha District, Kerala

By

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Abstract

Purpose

This study is to understand the factors that contribute to creation of sustainable entrepreneurship in tourism industry and to identify sustainable performance of entrepreneurs in tourism industry

Theoretical framework

To conduct this study many related research studies were reviewed. Based on these the research gap has been identified. The researcher has collected data from 114 tourism entrepreneurs and an empirical analysis has been carried out through regression and Structural Equation Modelling. Social factors are major factor towards sustainable entrepreneurship performance.

Design/methodology/approach:

This research study is descriptive cum exploratory study. The primary data were collected from 114 micro small and medium tourism entrepreneurs of Alappuzha district. For evaluating the sustainable entrepreneurs, three variables were recognized i.e. Social, Economic and Environment.

Findings:

By looking at the SEM model, it is found out that Social Factors are the dominant Factors in sustainable entrepreneurship. The study proves that sustainable practices among customers are having the prime importance. Creation of green practices among family members have scored low.

Research, Practical and Social Implications:

This research study will be useful for entrepreneurs to make better decisions related to tourism industry. This research will be useful to society and policy makers to frame or modify policies related to tourism industry.

Originality/Value:

This research study is the original work of the respective authors of this research work. This research work will add more value to the tourism sector.

Keywords: Sustainable Entrepreneurship, Tourism, MSME, Kerala

Introduction

Sustainable Entrepreneurship is focused on business practices to enhance and sustain the value of society and the environment in which the business is operating. It is also referred to as shared value. Tourism industry across the world is slowly picking up post COVID-19 pandemic. Indian tourism industry has a significant place in the world tourism map. Kerala, the state on India's tropical Malabar Coast and also referred as 'God's own Country' has a momentous contribution to Indian Tourism Industry. Tourism industry in Kerala has 10 percent contribution towards Kerala's Gross State Domestic Product. (Economic Review 2017, State Planning Board, Thiruvananthapuram , 2022).

In Kerala, entrepreneurship prospers in different sectors which includes tourism (Economic Review 2016, State Planning Board, Thiruvananthapuram, 2022). Kerala's tourism industry constitutes of mainly Micro Small and Medium enterprises (Directorate of Industries and Commerce, Government of Kerala, 2022).

Alappuzha district in Kerala is known for its back water tourism and related tourism activities. There are many small and medium tourism enterprises operating in the district of Alappuzha (Ministry of MSME, Govt. of India, 2022). Responsible Tourism (RT) in Kerala was started in the year 2007 (Responsible Tourism, 2022) Responsible tourism got successfully implemented at Thekady, Vythiri, Ambalavayal, Bekal and Ambalavayal of Kerala. Kerala tourism ministry has also taken initiatives to implement Responsible Tourism in Alappuzha district. Micro Small and Medium tourism entrepreneurs have a key role to play as Responsible Tourism has a direct link with Sustainable Entrepreneurship. Green Tourism also has a vital role to foster Sustainable Entrepreneurship in tourism industry of Kerala.

This research study is an attempt to explore sustainable entrepreneurial practices followed by tourism entrepreneurs of Kerala. Alappuzha district is taken as the representation of Kerala State. Primary data were collected from 114 tourism entrepreneurs of Alappuzha district.

Review of Literature

Tourism industry heavily rely up on entrepreneurship and it cannot survive in the long run if it is not sustainable. Crnogaj et.al argues that entrepreneurship, sustainability and tourism are hardly linked in research and not echoed in proper policy making measures (Crnogaj, Rebernik, Hojnik, & Gomezelj, 2014). Christos Akrivos et.al in their research study have found out that sustainable resources are not used wisely because of the negative economic condition of tourism business and the crisis because of low-slung profitability and tourism entrepreneurs thinks tourism does not harm the environment and they do not need to be environmental sensitive (Akrivos, Reklitis, & Theodoroyiani, 2014). Jitendra Kokkranikal and Alison Morrison in their research article have mentioned about Entrepreneurship and sustainable tourism: The houseboats of Kerala (Kokkranikal & Morrison, 2002). Christina et.al in their book have stated that Sustainable Entrepreneurship is a business-driven concept of sustainability to increase social and business value (Weidinger, Fischler, & Schmidpeter, 2013). Aswathy et.al in their research article have cited about the importance of Green Entrepreneurship in Kerala for sustainable

development and growth of business (TR & Fred, 2012). Arun Prem et.al in their research study have revealed regarding the necessity of good entrepreneurial leadership skills among tourism enterprises in Kerala (Prem, Kinslin, & Joseph, 2017). Mai Lordikipanidze et.al have also mentioned the importance of entrepreneurship factor in sustainable tourism development. Authors also observe that entrepreneurship in tourism sector is one of the prime source for economic development, growth and crucial in innovation and change. They also believe that tourism industry is one of those sectors in which a superior amount of participation is needed by the entrepreneurial sector. (Lordipanidze, Brezet, & Backman, 2005). Vinay Kumar in his doctoral thesis has also researched up on the determinants of entrepreneurship and its impact on micro small and medium enterprises sector sustainability in Kerala (T., 2018).

Research Gap and Implication

After reviewing different research articles, books, doctoral thesis related to sustainable entrepreneurship, there were only limited research work related to sustainable entrepreneurship in tourism sector of Kerala. The researcher has not come across research work associated with sustainable entrepreneurship in micro small and medium tourism enterprises in Alappuzha district of Kerala. This research study will be beneficial for tourism enterprises, government and policy makers.

Objectives

Based on the research gap, the objectives were framed by the researcher. The objectives of this research paper are the following:

- To find out the factors that contribute to creation of sustainable entrepreneurship in tourism industry
- To analyse the sustainable performance of entrepreneurs in tourism industry

Methodology

This research study is descriptive cum exploratory study. The primary data were collected from 114 micro small and medium tourism entrepreneurs of Alappuzha district. For evaluating the sustainable entrepreneurs, three variables were recognized i.e. Social, Economic and Environment. Sustainable performance of entrepreneurs is also taken into consideration. Items in the questionnaire were measured using five-point Likert scale. Validity of the questionnaire were also tested.

Sampling and Data Collection

The questionnaire was distributed and collected data from 114 entrepreneurs across Alappuzha district. Judgement Sampling method were used for this research study as the researcher have collected the data from tourism entrepreneurs. The expected standard deviation presumed by the researcher is 4.2.

Data Analysis

The three constructs used in the present study are Social, Economic and Environment. Structural Equation Modelling were constructed using SPSS AMOS.

Testing the model

Confirmatory Factor Analysis (CFA) has been run and the below table explains the Constructs, Items and Code.

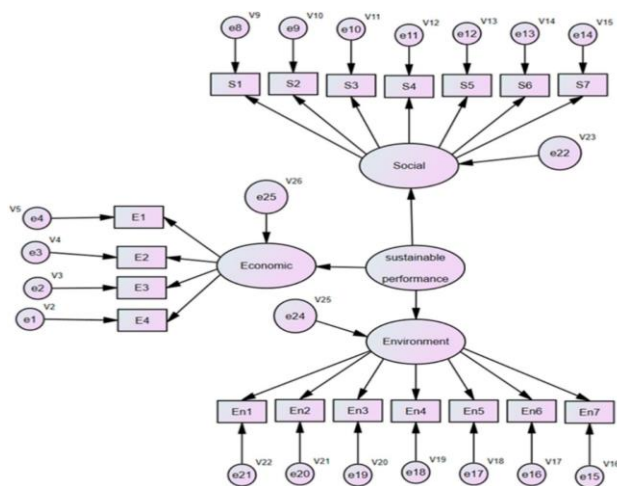
Construct	Factors	Code
Social	Encouraging sustainable practices among employees	S1
	Encouraging sustainable practices among customers	S2
	Creating green practice awareness among public	S3
	Helping government/policy makers to implement green practices	S4
	Creating green practice awareness among family members	S5
	Donation to charitable organisations	S6
	Rendering training programmes to employees	S7
Economic	Capital	E1
	Income level	E2
	Operating cost	E3
	The availability of labour	E4
Environment	Reduced paper usage	En1
	Saving water	En2
	Using LED lights in office	En3
	Practicing recycling activities in business	En4
	Usage of renewable energy sources	En5
	Usage of indoor plants inside office	En6
	Using electrical vehicles	En7

Table 1: Constructs, Items and Code

Model	Regression	CMIN/DF	P-Value	GFI	AGFI	CFI	RMSEA
Model Studied	301.27	1.785	.057	.973	.926	.921	.052
Value recommended		Acceptable fit [1-4]	>.05	>.9	>.9	>.9	<.08

(Table 2: Model Fitness)

By looking at above table, it indicates a good level of fit. This could be used further to build Structural Equation Model (SEM). The Structural Equation Model has been furnished below.



(Fig 1. Structural Equation Model)

Findings and Discussions

By looking at the SEM model, it is found out that Social Factors are the dominant Factors in sustainable entrepreneurship. The study proves that sustainable practices among customers are having the prime importance. Creation of green practices among family members have scored low.

Second is the Economic factors. The last preference is given to Environment Factors. This proves that when it comes to sustainable entrepreneurship in tourism industry, Environment Factors are given least importance.

Another observation from the study is under Economic Factors, the availability of labor is a concern for tourism entrepreneurs. The study has also revealed that high operating cost will lead to reduced sustainable entrepreneurship performance.

Majority of the tourism entrepreneurs are not having electrical vehicles. This need to be improved.

Conclusion

Sustainable Entrepreneurship in tourism sector will flourish with all its stake holder's participation. Sustainable entrepreneurship is only in its nascent stage among tourism entrepreneurs on Alappuzha district. A change can be made with good awareness programs and incentives. It's important that policy makers / government also need to focus on nurturing Sustainable entrepreneurship.

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