Leading Change for Environmental Management Practices in Tourism: the case of SMEs in South West England

Submitted by

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I certify that all material in this thesis which is not my own work has been identified and that no material has previously been submitted and approved for the award of a degree by this or any other University.

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Abstract

This study investigates the relationship between leadership and knowledge transfer regarding environmental issues in tourism businesses through the lens of small- and medium-sized enterprises (SMEs) in the South West of England. Within the tourism industry, sustainable development is a dominant paradigm and policy makers in the South West strongly encourage the implementation of sustainable management practices within tourism businesses through a wide range of 'best practice' manuals, case-studies and guidelines. As a result of these efforts the South West is leading within and beyond the region with regards to sustainability. However, a lack of understanding exists about the underlying reasons why tourism businesses and in particular SMEs embed sustainable management practices. This has the result that the diffusion of best practice at a local or regional level is often assumed to be present rather than understood. To ensure long-term competitiveness and survival of organisations in tourism – as well as in other sectors – the ability to change and alter one's business practices is vital. In this regard the importance of leadership has been highlighted within the general management literature. However, although leaders within organisations introduce, enact and are accountable for change, research on leadership in tourism is sparse.

Accordingly, an extensive survey (n=193) was conducted with in-depth semi-structured interviews (n=18) of owners and/or managers of serviced accommodation providers in Torbay. The results demonstrate that the leadership style exhibited by owner/managers outside their establishment strongly influences the extent to which sustainable management practices are implemented within their businesses. Moreover, different leadership styles also have a strong influence on promoting behaviour change through knowledge transfer outside their establishment. To a small number of owner/managers, the benefit of sharing knowledge and expertise is clearly understood, but the majority of participants had only started to identify potential benefits for their businesses. Additionally, the results highlighted that a refinement of the Multifactor Leadership Questionnaire (MLQ) was required. The standard three-fold model of the Full Range Leadership Theory (FRLT), consisting of transformational, transactional and laissez-faire, could not be replicated as transactional leadership style dispersed into two strands – leadership through active management-by-exception and contingent reward. Four distinct clusters of leadership behaviour were identified among the owner/managers in Torbay, of which 'Convinced Transformational Leaders' are the most important as they are responsible for driving change through the tourism industry at a local level. Therefore, this study confirms that, instead of a 'one-size-fits-all' policy to encourage widespread sustainable management practices, a more differentiated approach is needed to inspire change and deliver action on the ground.

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CHAPTER ONE

– INTRODUCTION –

1.1. Research background: the knowledge – leadership –sustainable development nexus

Although the term 'sustainable development' entered the tourism lexicon in the 1980s, to date there is no consensus regarding its definition or the most suitable approach to implement sustainable tourism on the ground (Sharpley 2000, Fyall and Garrod 1997, Horobin and Long 1996). This is despite the fact that it has been widely discussed and researched (Bramwell and Lane 1993, Mowforth and Munt 1998). In order to spread the principles and practices of sustainable tourism management, the engagement and involvement of tourism businesses at the local level has been recognised as a priority (Stabler and Goodall 1997, Kirk 1s998, Bohdanowicz 2005). Although the 'greening' of tourism has become increasingly important since the 1980s, the industry has been slow to respond (Kirk 1998, Hunter 1997). Within the accommodation sector, hotels were quickly identified as a major contributor to the environmental impact of the industry and consequently have been the focus of the majority of research (Bohdanowicz 2005, 2006, 2007, Claver-Cortes et al. 2007, Kirk 1998). Small- and medium-sized enterprises (SMEs) are an important part of the tourism industry (Thomas 2000) and their collective impact on the environment is significant (Hillary 1995). To date, only a small number of researchers have investigated SMEs, their environmental behaviour and their business practices within tourism (Tzschentke et al. 2004, 2008, Kasim 2009, Hobson and Essex 2001, Vernon et al. 2003).

SMEs in tourism remain reactive and slow to consider and/or implement environmental management practices, which threatens their competitiveness and long-term survival (Hobson and Essex 2001, Horobin and Long 1996, Vernon et al. 2003). One of the main causes of this is the lack or absence of information, knowledge and expertise about environmental issues. Within management literature generally, the importance of knowledge as a key source of competitive advantage and economic growth in a fast and ever-changing world economy has long been highlighted (Polanyi 1958, Audretsch and Keilbach 2008, Döring and Schnellenbach 2006, Lambooy 2002). The transfer of knowledge within and between organisations not only overcomes the lack of knowledge about environmental issues, but also fosters competitiveness and innovation (Argote and Ingram 2000, Tsai 2001). Although the importance of knowledge transfer for the tourism sector has been recognised, only a relatively small amount of research has focused on the area, especially with respect to SMEs (Hjalager 2002, Cooper 2006, Shaw and Williams 2008). In addition, while knowledge sharing through networks has been found to positively contribute to the innovativeness of SMEs (Tinsely and Lynch 2001, Novelli et al. 2006), few studies have focused on networks in tourism (Nordin 2003, Tinsley and Lynch 2001, Novelli et al. 2006, Morrison et al. 2004, Sørensen 2004). As well as networks, individuals represent a further conduit for information as they can act as 'change agents' (Bennis 2000:46), who are 'challenging the status quo' by creating a powerful vision for the future of organisations and leading on the behavioural transformation within or outside organisational settings (Nemanich and Vera 2009:21). The lack of knowledge, however, about the leaders who are encouraging knowledge transfer within or between individuals and organisations and within networks in the tourism sector has resulted in a limited understanding of the extent to which they contribute to the competitiveness and level of innovation among tourism businesses in relation to environmental management practices (Erkuş-Öztürk 2009, Sørensen 2004).

As the leading domestic and in-bound destination in the United Kingdom after London (Shaw and Williams 1998), policy makers in the South West of England have long recognised the importance of sustainable tourism as a valuable tool in remaining competitive in regards to a other domestic and international destinations, while preserving the natural beauty and quality of the environment on which the region depends (SWT 2005, SWRDA 2010). The regional tourism board – South West Tourism - has been a pioneer in embedding the principles of sustainable development into its most recent tourism policy - 'Towards 2015 – Shaping Tomorrow's Tourism Today' (SWT 2005). Initiatives such as the Green Audit Kit (1996) and the later Green Tourism Business Scheme (GTBS 2000) have been pioneered and enthusiastically adopted by businesses across the South West. The efforts of public and private organisations, charities and accreditation schemes had the result that sustainability became a key part of the tourism development for the region because the 'greatest tourism asset [- the environment -] must be protected' (Devon County Council 2002:25). During the last decade many regional businesses that believe in the principles of sustainable development have altered their practices to include energy/water saving measures and recycling (Vernon et al. 2003, Tzschentke et al. 2008). However, public and private organisations often struggle to convince a large number of tourism businesses to 're-assess their business attitudes and practices' (Agarwal 2002:46) and invest further in sustainable business practices and high quality standards (Coles et al. 2010).

From a practical perspective, then, sustainability is highly important for the South West of England due to the regional reliance on the quality of the natural environment. Nevertheless, while policy superficially supports sustainable tourism in the region, policy documents such as the 'Regional Spatial Strategy for the South West 2006-2026' (SWRA 2005a) and even 'Towards 2015' (SWT 2005) fail to pay attention to the importance of knowledge transfer in order to translate the outlined strategies and visions into practice. Although key champions and advocates for sustainable development in tourism are well-known (e.g. Bedruthan Steps and Tim Smit (Eden Project) etc.) throughout the region, both policy documents fail to acknowledge the importance of leaders in diffusing key ideas. Instead, policy makers assume that change of business practices will automatically occur as intended by the strategy or vision for the region. As a result, to date much has been assumed about who is driving change towards more environmental management practices among regional tourism businesses. The purpose of this research is to generate a more in-depth understanding about businesses' underlying reasons for acting more responsibly with regards to the environment. It will further highlight the extent to which local leaders can influence other owner/managers in the area to consider and/or implement more sustainable management practices in their business.

By using the well-established Full Range Leadership Theory (FRLT), proposed by Avolio and Bass (1991), with respect to the tourism industry, this thesis sets out to investigate different approaches to leadership in tourism and their relationship to the implementation of the principles of sustainable development in tourism businesses. Applying the FRLT to tourism, as well as applying it to so-called 'external leadership', has never been attempted and it represents the most original part of this study. By focusing this research on external leadership – those leadership styles used by owner/managers to influence other businesses in the area – a better understanding can be generated about who leads knowledge transfer through networks or interactions between communities of practice at a local level.

Although businesses in tourism operate in a highly competitive, unpredictable and dynamic environment, little direct attention has been paid to leadership in tourism businesses (Hinkin and Tracey 2000, Tracey and Hinkin 1994, 1996, 1998, Patiar and Mia 2009, Hinkin and Schriesheim 2008). Some researchers recognise the importance of organisational ability to remain competitive and successful in the long-term (Day 2001, Gillet and Morda 2003, Wong and Chan 2010), but existing research on leadership in tourism and hospitality exclusively has focused on leadership inside large organisations, on leader effectiveness and leadership outcomes, and on subordinates' satisfaction with their leader (Tracy and Hinkin 1994, 1996, Patiar and Mia 2009). No research, however, has focused on the leadership style exhibited by the owner/managers of SMEs, even though they comprise 95% of tourism businesses (Getz et al. 2004). By identifying different types of leaders within tourism SMEs at the local level, a more detailed understanding of the underlying reasons for action can be created. Researchers and policy makers will be able, in turn, to develop more suitable approaches for businesses to encourage a more widespread uptake of environmental management practices which would then positively contribute to a more sustainably managed tourism industry in the region.

1.2. Aims and objectives

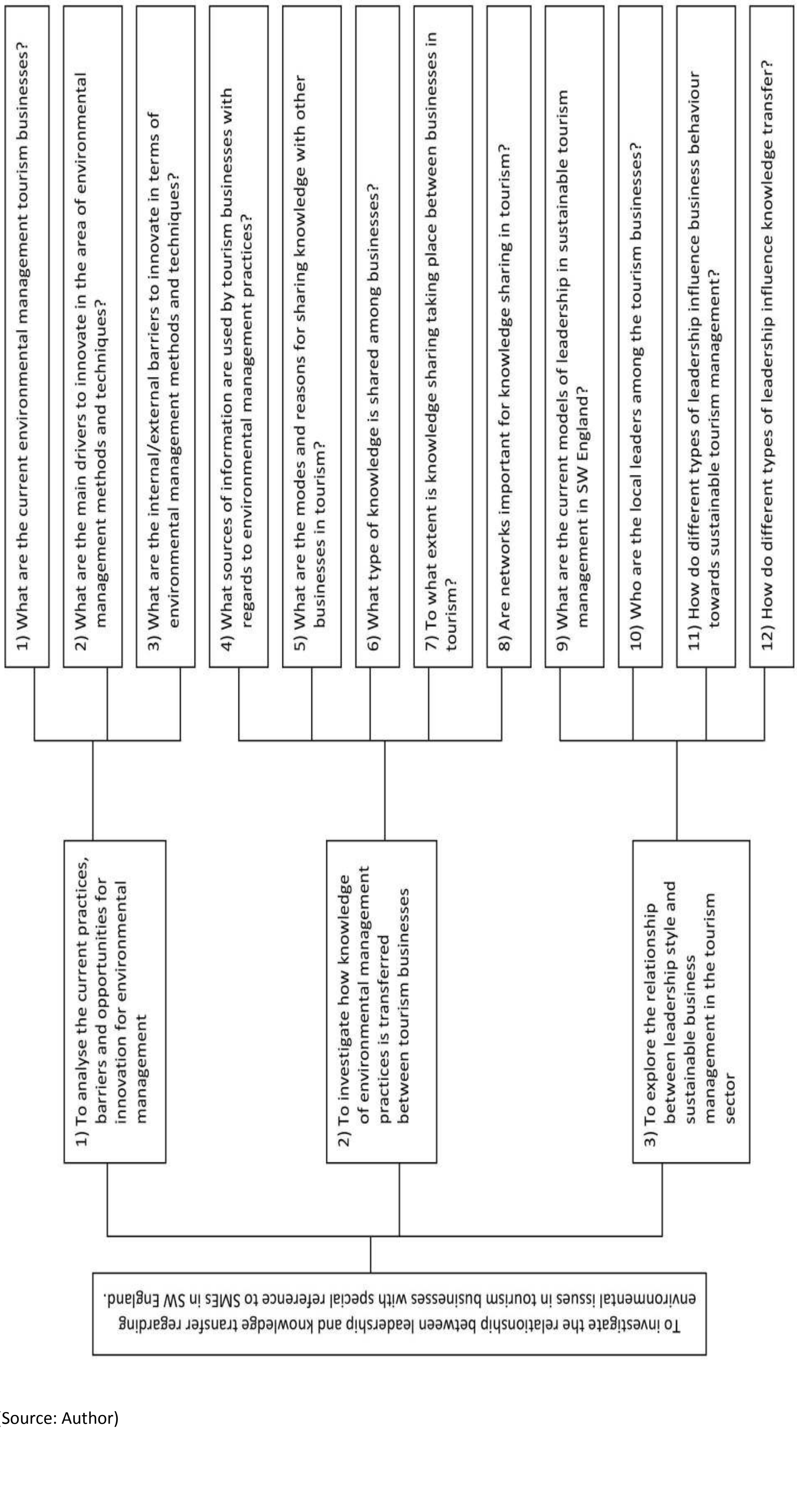
The aim of this study is to investigate the relationship between leadership and knowledge transfer regarding environmental issues in tourism businesses with reference to SMEs in the South West of England. The region of Torbay was chosen as the appropriate case study area as it represents one of the major coldwater seaside resorts in the South West of England. Also known as the 'English Riviera', Torbay's tourism development is well-established, catering for over seven million day and overnight visitors per annum (SWT 2008). Moreover, Torbay wants to 'move to a high-quality tourist destination' (SWRA 2005b:93) to ensure a long-term future for the area. Improving the quality standards of accommodation providers in the area through more sustainable management practices is vital to achieve this aim.

By placing this research at the interface between leadership, knowledge transfer and sustainability, three distinct bodies of knowledge are brought together for the first time. Sustainability is investigated through the lenses of knowledge sharing and, more importantly, of leadership. By doing so, this research tries not only to identify local leaders among tourism SMEs who encourage other owner/managers to alter their business practices, but also to investigate the influence that different leadership styles have on the development of environmental management practices and the extent of knowledge transfer among tourism businesses.

In order to research this aim, three specific but linked objectives are investigated (Figure 1.1). The first is to analyse current practices, barriers and opportunities for change with regard to environmental management. Therefore, the current level of environmental management practices implemented by SMEs in tourism in the South West of England is examined (RQ1, Figure 1.1) before the underlying motivations and barriers for more widespread environmental management practices as a means to improve their uptake across the tourism industry are explored (RQ2/3, Figure 1.1).

The second objective is to investigate how knowledge about environmental management

Figure 1.1. Aims, objectives and research questions of this study



(Source: Author)

practices is transferred between tourism businesses. Consequently, this research first examines the sources of information used by accommodation providers within the tourism industry (RQ4, Figure 1.1) before exploring the extent to which the gathered information is shared with other tourism businesses, as well as the reasons for and the kind of knowledge shared (RQ5/6/7, Figure 1.1). Moreover, the importance of networking for knowledge transfer is also assessed (RQ8, Figure 1.1).

The third and final objective is to explore the relationship between leadership style and sustainable business management in the tourism sector. The purpose of this strand of the research is to examine the current model of leadership in sustainable tourism management in tourism businesses in Torbay (RQ9, Figure 1.1). Furthermore, it tries to establish who are the local leaders among tourism businesses (RQ10, Figure 1.1) and how the different types of leadership influence business behaviour towards sustainable tourism management and knowledge transfer (RQ11/12, Figure 1.1).

1.3. Structure of the thesis

This thesis is divided into eight chapters including this introduction and the conclusion. Chapter Two provides a review of the literature relating to the three distinct bodies of knowledge combined in this research: sustainable tourism management, knowledge transfer, and leadership. As a result, the chapter is divided into three sections, each providing an overview of the main concepts and theories of these topics. The first section of the literature review (Chapter 2.2) gives an overview of the origins of sustainable tourism and how its predominance on the political agenda influences the environmental management practices of small businesses at the local level. The drivers and barriers for more environmental business practices are examined in detail to highlight where previous research identified areas that require further investigation (Tzschentke et al. 2004, 2008, Horobin and Lon 1996, Kasim 2009, Veron et al. 2004, Dewhurst and Thomas 2003). Among other SMEs, the lack or absence of information, knowledge and expertise about environmental issues was highlighted. Therefore, the second section (Section2.3) outlines the key issues relating to knowledge and its importance for competitive advantage and for innovation. The transfer of knowledge as a means to spread more sustainable management practices is discussed, with special reference to networking, as it positively contributes to the innovativeness of SMEs (Cooper 2006, Shaw and Williams 2008, Tinsely and Lynch 2001, Novelli et al. 2006). Within wider management literature the role of leaders in enacting change and encouraging behavioural change has been highlighted. Thus, the third and final section (Section 2.4) discusses the main concepts in leadership, particularly focusing on the Full Range Leadership Theory (FRLT) revealed through the Multifactor Leadership Questionnaire (MLQ) and how it could enhance the current understanding of different leadership styles exhibited by the owner/managers of SMEs within the tourism industry.

Chapter Three sets the context for the case study area of this research – Torbay in the South West of England. After the characteristics of the region and the importance of coldwater seaside resorts are described, the significance of sustainability in the regional policy and the role of the region in promoting sustainable tourism are highlighted. The South West is a leading region championing sustainable tourism within and beyond the region and the UK (SWT 2005) and the regional tourism board, charities and independent organisations actively encourage tourism businesses to implement environmental business practices. However, more widespread action among tourism businesses is required to preserve the quality of the region's natural environment on which tourism heavily relies upon (SWRA 2002, SWRDA 2003b, Coles 2008) and to create a more sustainably managed tourism industry in the area.

Chapter Four describes the methods and procedures employed in this study. Consequently, the selection of the case study area, the research design, data collection methods, sampling strategies and data analysis methods are discussed in detail. In order to address the objectives and answer the research questions of this study, a mixed method approach through triangulation is used to generate reliable and valid results. This approach allows a more in-depth understanding of the underlying reasons for implementing environmental management practices, as well as the influence of leadership on knowledge transfer and sustainable tourism management.

The results of this study are split into three chapters in order to address each objective separately. Both quantitative and qualitative research, through a mixed method approach using triangulation, is used to investigate each objective. These research methods are mutually reinforcing but in this study the verbatims derived from the qualitative research are used generally as supportive material for the predominantly quantitative results, although on occasions the roles are reversed.

Thus the first results chapter - Chapter Five - presents the structure of the serviced accommodation sector in Torbay. It highlights that small enterprises and especially micro-businesses, of which the majority of owner/managers had no previous experience in tourism, predominate (Section 5.2). This is followed by a detailed analysis of the environmental practices currently implemented by, and the importance of environmental issues to, the owner/managers in Torbay. This highlights that many businesses focus on standard household measures rather than extensive environmental measures that require financial investment or a stronger environmental commitment (Section 5.3). The final section (Section 5.4) focuses on the drivers and barriers for change with regards to environmental management practices to provide a more in-depth understanding of existing barriers in order to create stronger and more convincing drivers for widespread action in tourism businesses. A lack of customer demand for sustainably managed tourism businesses has had the result that personal dedication to minimize the impact of one's business is the strongest driver for owner/managers to implement environmental measures. Further action is however postponed or hindered by a lack of financial capital and the need to control costs within their businesses especially in the light of an emerging economic downturn. Limited time, little or no previous experience in tourism, the unproven benefits of environmental management practices and a lack of governmental leadership with regards to sustainable management practices have delayed action further.

Chapter Six covers the results relating to the second objective of this research. Firstly, it looks at the sources used by tourism businesses to inform themselves about their environmental impact. The results demonstrate that easily accessible or general information is frequently used, while specialist trainings, workshops and information on sustainable management practices are often overlooked (Section 6.2). The reasons for knowledge sharing are then explored to create a more comprehensive understanding of its presence, or absence, between business owners. Qualitative research demonstrates that many owner/managers first make tentative steps to share knowledge and information with friends, close colleagues and businesses they trust (Section 6.3). After demonstrating that the type of knowledge shared between businesses varies strongly depending on the sensitivity of the information (Section 6.4), the results highlight that the extent to which knowledge sharing is taking place between businesses is influenced by a variety of circumstances (e.g. proximity, location, seasonality) (Section 6.5). Finally, the importance of networks on a national, regional and local level for knowledge sharing in tourism is examined (Section 6.6). This highlights that the importance of local networks should not be underestimated as a means to drive change within the tourism industry as they can deliver services to local businesses that some national or regional networks cannot.

The third results chapter - Chapter Seven - presents the results related to the third objective and which are derived from multivariate analysis – factor and cluster analysis. The current models of leadership in sustainable tourism management in the South West of England are examined (Section 7.1/7.2), highlighting that the majority of businesses are not interested in leading change towards more sustainable management practices. This is followed by a closer examination of local leaders within the tourism sector (Section 7.3), which emphasises that only a small group of dedicated businesses - the 'Convinced Transformation Leaders' and the 'Motivated Transactional Leaders' - are driving change in Torbay by championing the principles and practices of sustainable business management. The final two sections (Section 7.4/7.5) focus on the influence of different leadership styles exhibited by owner/managers on the decision-making process with regards to sustainable tourism management and knowledge transfer. By doing so the persuasive power of local leaders on both aspects is highlighted, demonstrating the importance of leadership in encouraging widespread action towards environmental management practices. Finally, Chapter Eight summarises the main findings of this study to answer the research questions and objectives, before outlining the limitations of the research and the implications for future research.

CHAPTER TWO

– LITERATURE REVIEW –

2.1. Introduction

Since the 1980s sustainable tourism has been a dominant paradigm within tourism research (Hunter 1997, Liu 2003) and numerous approaches to creating a more sustainably managed tourism industry have been evaluated, discussed and criticised (Hardy et al. 2002, Mowforth and Munt 1998). Furthermore, the wider policy arena at the global, national and regional levels (WTTC et al. 1995, DCMS 2006) has made extensive attempts to encourage a widespread implementation of the principles and practices of sustainable development within tourism businesses (ETC 1990, 1991a/b, SWCCIP 2007a/b, SWT 2005, Sustainable Development Strategy UK 2005). However, the tourism industry has been slow to respond to international and national calls for action (Kirk 1998, Hardy et al. 2002, Liu 2003) and many researchers argue that the low level of awareness of their environmental impact – especially among SMEs – hinder businesses' owner/managers to consider and/or implement more sustainable management practices (Morrison and Teixeira 2004, Hillary 2004, Tzschentke et al. 2004, Vernon et al. 2003). Although policy makers actively support the increase the knowledge and understanding about environmental measures among tourism businesses, the diffusion of best practices on a local or regional level is often assumed rather than understood, as little is known about how ideas are translated from the global, national and regional levels to the local level by tourism businesses. The role of leaders in this process has not been considered previously although such people can act as intermediaries by bridging the gap between the theory expressed in political strategies and the practical requirements of business. Through effective knowledge transfer local leaders or key champions act as one driving force to spread sustainable businesses practices.

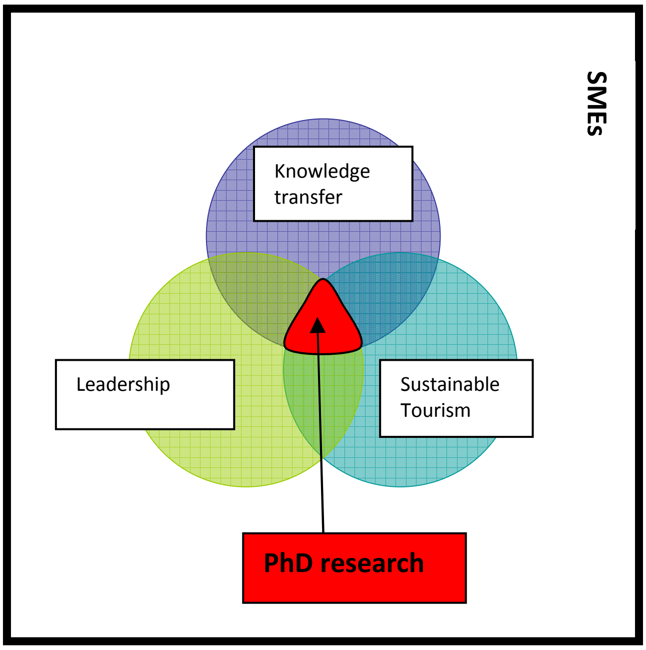
The general management literature suggests that the transfer of knowledge between individuals, within and between organisations, represents an important area that requires intensive research (Argote and Ingram 2000, Tsai 2001) as it ensures that the vision communicated by policy-makers results in change in management practices among businesses in general and in tourism businesses in particular. However, the extent and effectiveness of knowledge transfer vary considerably (Argote and Ingram 2000), which in turn affects the level of innovation and business development (Robertson and Langlois 1995, Cantner et al. 2010). In this regard knowledge transfer through networks plays an important role as businesses are exposed to and come into contact with 'novel information' or new business practices (Granovetter 1993, Kijkuit and van den Ende 2010), boosting competitiveness through the adaptation of innovation (Cooper 2006). In addition, receiving information 'by just being there' within close geographical proximity to other businesses increases the intended and unanticipated learning (Bathelt 2005), which also influences the pace to which good business practices are spread among businesses.

Furthermore, the role of leadership for encouraging innovation and organisational change features strongly within the wider management literature (Nemanich and Vera 2009, Paglis and Green 2002). Although leadership is vital, especially in the turbulent and continuously changing business environment of the 21st century (Bass 1990, 2000, Hinkin and Tracey 2000), research on leadership in tourism is sparse (Gillet and Morda 2003) and has not featured prominently in sustainable tourism. Nevertheless, within the tourism industry entrepreneurs, such as Tim Smit, who is routinely identified as a luminary through his inspirational and groundbreaking work at the Eden Project (Cornwall), and other tourism businesses which believe in the principles of sustainable development act as champions and key advocates for public and private organisations, charities and accreditation schemes to encourage widespread implementation of sustainable management practices. Although these individuals and businesses are often well-known and highly regarded, their style of leadership is not well understood.

To date these apparently interlocking and mutually inclusive ideas have not been examined together in the context of tourism. The purpose of this chapter is to examine the recent development of thinking in three areas – sustainable tourism management, knowledge transfer and leadership – and to demonstrate how ideas from other sectors may assist in deepening our understanding of how to embed the principles of sustainable development in tourism organisations (c.f. Figure 2.1) both now and in the future.

The first section provides an overview of the road to sustainable tourism and how the discussion over time has shifted from theories and concepts to how the principles and practices of sustainable tourism can be operationalised on the local level. Specific attention is paid to SMEs within the tourism industry and the drivers and barriers for implementing environmental management practices. The second section outlines the key concepts and ideas within the literature on knowledge and its importance for innovation in organisations. Then the importance of knowledge sharing is highlighted and particular attention is paid to networks, geographical proximity and communities of practice as means to spread good business practices. The final section of this chapter discusses the importance of leadership for organisational change and innovation and explores existing studies on leadership in tourism and how one of the current leadership theories – the Full Range Leadership Theory - could positively contribute to our understanding of who is driving change in the tourism industry with regards to sustainable management practices on the local level.

Figure 2.1. The conceptual interfaces in this thesis and the location of this research



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2.2. Sustainable tourism management and its importance for SMEs

2.2.1. The road to sustainable tourism: a brief overview

There is a general consensus within the literature that the emergence of the sustainable development concept in the 1980s had a major impact on the way economic growth was perceived (Hunter 1997, Mowforth and Munt 1998, Hall and Lew 1998). Growing realisation of the finite nature of the world's natural resources challenged the traditional assumption of unlimited economic growth. In conjunction with the growing environmentalism of the 1960s and 1970s, this had the effect that the severe impact on the environment of the exploitation of natural resources was increasingly criticised due to its implication for future generations (Bramwell and Lane 1993, Hobson and Essex 2001, Vernon et al. 2003, Liu 2003, Hardy et al. 2002).

While several researchers argue that tourism's impact on the environment had already received attention prior to the 1980s through the concepts of carrying capacity and Butler's life cycle model (Hardy et al. 2002, Saarinen 2006), the most important contribution in this field was made by Krippendorf (1984). While investigating the impact of tourism on mountain regions, he introduced a number of basic ideas that encompass the concept of sustainable development. However, it was 'our common future' of the Brundtland report (WCED 1987) that put sustainable development on the international political agenda and thereby popularised the concept among politicians, practitioners and academics (Kirk 1998, Hunter 1997, Hobson and Essex 2001).

The Brundtland report's (WCED 1987:8) definition of being a 'development that meets the needs of the present without compromising the ability of future generations to meet their own needs' has often been criticised among academics for being vague and not operational (Fyall and Garrod 1997, Hunter 1997, Clarke 1997) and it continues to be the subject of extensive discussion as researchers define and interpret sustainable development in various ways (Hunter 1997, Bramwell et al. 1996, Hall and Lew 1998, Wheeller 1991, 1994, Butler 1999). Although sustainable development has 'achieved worldwide recognition and widespread, if superficial, acceptance' (Butler 1999:8), some researchers argue that it has been reduced to a 'slogan' or 'buzzword' (Liu 2003, Hall and Lew 1998, Wheeler 1993). Nevertheless, sustainable development has received growing international recognition. The United Nations Conference on Environment and Development in Rio de Janeiro in 1992 extended the debate and presented the nations of the world with targets to reduce their environmental impact (Kirk 1998, Biachi 2004, Hardy et al. 2002). Although tourism did not receive much attention during the Earth Summit, the growing optimism about the potential of sustainable management practices entered the tourism industry and has remained a predominant topic since (Saarinen 2006, McNamera and Gibson 2008).

It has been noted that the application of sustainable development to tourism was made 'without any attempt to define it' (Hunter and Green 1995:5) and some critics argue that the vague definition of sustainable development resulted in the fuzzy nature and manifold number of definitions of sustainable tourism (Ayuso 2007, Butler 1999, Wheeller 1991, Bramwell et al. 1996, Shaw and Williams 2002). Building on the Brundtland report, the UNWTO (2001) definition for sustainable tourism is the most widely cited:

> *'development meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social, and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity, and life support systems'.*

The three strands – economic, socio-cultural and environmental – of the 'sustainability triangle' (Farrell 1999, Hall and Lew 1998) should thus be balanced in order to make the tourism industry more sustainable.

Because of the fuzzy nature of sustainability, sustainable development and sustainable tourism, Liu (2003) argues that the terms have consequently been used loosely and interchangeable and that only a few researchers have actually explored the differences (c.f. Butler 1999). To date no widely accepted definition of sustainable tourism has been identified (Sharpley 2000) and continuous discussions over its meaning and operationalisation (Hardy et al. 2002, Saarinen 2006) are fuelled by differing perceptions and interpretation among stakeholders (Liu 2003, Mowforth and Munt 1998, Morrison and Teixeira 2004). Although the terms 'sustainable development' and 'sustainable tourism' are widely supported by practitioners and policy-makers, both concepts have been harshly critiqued by academics due to the problems of implementation on the ground (c.f. Butler 1999).

Nevertheless, since sustainable tourism entered the research agenda in the 1990s, important insights have been made which have advanced the concept of sustainability (Bramwell and Lane 1993, Mowforth and Munt 1998, Schianetz et al. 2007). There is now some consensus about the features of sustainable tourism (Hunter 1997), together with several comprehensive reviews of its historical development (Bramwell and Lane 1993, Berry and Ladkin 1997). A detailed description of further discussions of the way in which sustainable tourism has 'both fascinated and irritated academics and practitioners' (Saarinen 2006:1124) is not presented in this literature review as it only represents the background for this research. Therefore, this study does not want to add or contribute to the ongoing discussion about it. Instead of adding to concepts and theories of sustainable tourism, this study pays more attention to sustainable tourism management with a particular focus on the environmental dimension, which is described in more detail in the sub-section below.

Since the release of the IPCC reports (1990, 1995, 2001, 2007) and the Stern Review (2007), which strongly emphasised the consequences of continuing 'business as usual' with regards to environmental issues, climate change has been on the political agenda and has turned the attention of academic research more towards climate change than sustainability. During the past decade research on tourism and climate change started to focus on their twofold relationship as tourism is simultaneously impacted by, and contributes to, climate change as a carbon-intensive activity (Gössling and Peeters 2007, Debois and Cernon 2006). Therefore, the opportunities and challenges for the tourism industry arising from climate change are subject of a wide range of studies from scholars around the world (Gössling 2002, Becken and Hay 2007). As immediate action to tackle climate change is crucial, several studies have started to explore the potential for mitigation in tourism including the role of carbon offsetting (Gössling et al. 2007), so-called 'slow' or 'low carbon' tourism (Dickinson 2010), and altering holiday-taking choices and travel behaviours (Barr et al. 2010).

Although the environmental management practices discussed in the following sub-sections are often referred to as climate change mitigation activities, this study did not intend to add the growing body of knowledge in this area. Instead of investigating the link between sustainable management practices and climate change mitigation this study examined how widespread implementation of environmental management practices can be encouraged through knowledge transfer and leadership. The consideration of climate change would have exceeded the scope of this study and therefore no connections to climate change are made.

2.2.2. Sustainable tourism management: from the national to the local level

A shift within research and especially in policy took place in the late 1990s to focus more on the implementation and application of the principles and practices of sustainable tourism at the local level (Butler 1999, Bodeanu 2005).

As global political discussions of sustainable development resulted in environmental issues progressing from being the concern of a few to a global one, a call for action grew stronger across the world. As a consequence of the 1992 Earth Summit, the Local Agenda 21 provided a detailed description for the implementation of sustainable development at the local level. Although not legally binding, it presented nine goals for governments and ten for the private sector in order to achieve sustainable development (UN 1992). It recognised that all stakeholders – industry, visitors and local community - must be involved in the process. As a result of Local Agenda 21, sector-specific strategies were designed to translate sustainable development into practice. In 1995 the WTTC, UNWTO and Earth Council developed 'Local Agenda 21 for the Travel & Tourism Industry', which highlighted the priority areas for action to move tourism closer to sustainable development (Hardy et al. 2002).

In order to deliver the sustainable development objectives developed at the Earth summit, the UK government established the Commission for Sustainable Development to embed sustainable principles across all government policies. Separate sectors also had to develop guidelines and strategies to incorporate these sustainable principles. For tourism, the English Tourism Board produced a number of guidelines and manuals covering National Parks (1990) and sustainable tourism practices (1991a/b), elaborating ways in which to balance environmental issues in tourism through a set of guiding principles. Although Morrison and Teixeira (2004) found that these guidelines were not perceived as useful by small businesses in Glasgow, it provided a first step in the right direction. In 2001 the English Tourism Council produced their strategy for sustainable tourism (2001) and national sustainable tourism indicators (2002). These documents illustrate the shift towards implementation of sustainable tourism principles at the local level.

Notwithstanding international and national support and agreement for sustainable development and sustainable tourism, Butler (1999:20) argues that a 'growing interest will not ensure its adoption or success'. As sustainable development should be addressed at all levels, Stabler and Goodall (1997) stress the role of consumers and providers of tourism products and services on the local level in carrying the main responsibility of its application (c.f. Kirk 1998). The UK's commitment to Local Agenda 21 had the result that it had to be implemented by local authorities and regional tourism boards across the country (Leslie and Hughes 1997, Godfrey 1998). Hobson and Essex (2001:134) emphasise however that the translation into practice 'has been problematic as awareness, understanding and interpretation, interest and implementation within the sector have been highly variable'. Several researchers argue that this is the result of a lack of consensus about the definition of sustainable tourism and an absence of accurate and reliable guidelines, tools or strategies for its implementation and monitoring (McNamera and Gibson 2008, Butler 1999, Morrison and Teixeira 2004). As a result, Bohdanowicz (2005) questions whether a greater environmental responsibility among tourism businesses can be encouraged and achieved without them. This becomes increasingly important as the diffusion of best practices through knowledge transfer on a local or regional level remains assumed rather than understood, as little is still known about how political ideas are translated at the local level by tourism businesses.

2.2.3. Voluntary accreditation schemes/initiatives for widespread action

The number of 'green' accreditation schemes, voluntary initiatives, ecolabels, codes of conduct and awards increased as a result of unreliable and inaccurate methods of regulating environmental management practices among individual tourism businesses. These methods were quickly perceived as an effective means to encourage the implementation of sustainable business practices, especially among small and large tourism businesses (Font 2002, El Dief and Font 2010). In relation to hotels, Ayuso (2007) concludes that formal accreditation schemes - ecolabels and environmental management schemes (EMS) – represent the most effective means to improve environmental practices. However, several researchers argue that environmental initiatives are often disregarded by businesses because of the costs involved (McNamera and Gibson 2008). Font (2002) further emphasises that over one hundred tourism and ecotourism labels exist, which not only deflates the importance of each individual scheme, but also hinders new members joining the schemes as the perception of ‘green-washing’ increases.

Although membership of these ‘green’ accreditation schemes should reduce the consumption of natural resources, Warnken et al. (2005) compared the energy and water consumption of accredited eco-resorts with ‘normal’ hotels and found that some ‘green’ establishments failed to achieve the standard level of consumption and even had a higher consumption than ‘normal’ tourism businesses. Thus they argue ‘that green accreditation schemes alone may be insufficient to promote more sustainable environmental practices in the tourism industry’ (Warnken et al. 2005:377). Nevertheless, the UK government continues to rely on the voluntary implementation of environmental initiatives (Rutherfoord et al. 2000), despite the fact that several researchers argue that they are insufficient for improving the extent of environmental management practices among tourism businesses (Kasim 2007, Stabler and Goodall 1997).

While the benefits of EMS and other accreditation schemes are widely documented (Hillary 2004, Warnken et al. 2005, Font and Harris 2004) and are supposed to encourage SMEs to shift to a more proactive environmental behaviour (Halila 2007), Tzschentke et al. (2004) highlight that many small businesses only get accredited with the Green Tourism Business Scheme (GTBS) if extensive investments can be avoided and current practices continued. Therefore, it is not surprising that its ‘uptake by SMEs has been patchy at best and downright miserable at worst’ (Hillary 2004:561). While the benefits of joining are often proclaimed, the drawbacks or problems related to them are often ignored. For example Hillary (2004) points out that SMEs often face poor quality advice and inconsistencies within, as well as high charges for, these schemes. Tzschentke et al. (2004) also emphasise that the proclaimed benefits of increasing trade and profits are often not emerging in reality. Therefore, it is understandable that SMEs only join if there are no or only minor additional expenses, which strongly limits the success of ‘green’ accreditation schemes for encouraging widespread action among SMEs. While accreditation schemes such as the GTBS remain the official leaders within the UK for encouraging widespread action with regards to environmental management practices in tourism, the local leaders who try to convince others within the industry of its merits and change their business practices accordingly are neither recognized by the national and regional government nor by researchers as an effective means to create a more sustainable tourism industry.

Brown (1996) found that hotels with an environmental policy were more environmentally aware than hotel managers ‘without policy’ (Kirk 1998). Tzschentke et al. (2008) highlighted that this differentiation is, however, too simplistic. Their study of SMEs who were part of GTBS demonstrated that not only the existence of an environmental policy determined the level of awareness but also the award level achieved within the scheme. While members with a Bronze GTBS award were more financially motivated, the level of concern for the environment increased when businesses achieved a Silver or Gold GTBS award. Thus the number and extent of environmental measures reflect the degree of environmental awareness and not the presence or absence of an environmental policy. While Warnken et al. (2005) emphasise the importance of green accreditation schemes for raising business owners’ awareness about environmental issues, Tzschentke et al. (2004) highlight that the owner/manager’s environmental consciousness often existed prior to joining any scheme or initiative, which reduces their importance in this respect.

Even though national accreditation schemes have had limited success in gaining new members and increasing awareness among SMEs, the UK government continues to focus its attention on voluntary initiatives despite the fact that many owner/managers remain unconvinced about the business case for improving their environmental management practices (Thomas et al. in press, Revell and Blackburn 2007). Some researchers (Hillary 2004, Tzschentke et al. 2008) point out that the same level of awareness and action can also be achieved without joining any green accreditation scheme, or adapting formal EMS. Especially in tourism, few SMEs implement environmental measures by means of formal environmental policies (Tzschentke et al. 2008). Although the extent of environmental management practices can be measured by the number of tourism businesses who have joined green accreditation schemes and other voluntary initiatives, the degree of environmental measures implemented by businesses outside these formal schemes is more difficult to assess as good business practices are often spread on a local level through knowledge transfer in the form of networks and communities of practice. Therefore, a better understanding is required as to whether green accreditation schemes really contribute to an increased level of environmental awareness and action among tourism businesses and especially SMEs, or whether other forms of knowledge transfer are more appropriate.

2.2.4. Environmental management practices among SMEs in tourism

Although the tourism industry is not a major polluter in comparison with other sectors, it has a responsibility to respond to the increasing pressure and to reduce its environmental impact as a whole (Kirk 1998, Brown 1996). While the 'greening' of tourism has become increasingly important since the 1980s, several researchers argue that the industry has been slow to respond (Kirk 1998, Hunter 1997). Hotel managers and small business owners have tried to avoid change rather than embrace it, as environmental management practices are often perceived as a threat rather than an opportunity (Greenan et al. 1997).

Within the accommodation sector, because of their 'size and visual presence' (El Dief and Font 2010) hotels have been quickly identified as a major contributor to the environmental impact of the industry (Claver-Cortes et al. 2007, Bohdanowicz 2005). Although one hotel as a single entity does not consume a vast amount of resources (Knowles et al. 1999), Gössling (2002) estimates that hotels worldwide consume about 100Twh of Energy and 450 to 700 million litre of water per annum. Therefore, a vast amount of guidance and advice has been produced focusing on the reduction of their resource consumption and impact (Brown 1996, Knowles et al. 1999). Some researchers argue that large hotel chains (e.g. Hilton, Scandic Hotels) are more likely to invest in environmental management practices since it can increase their profits, performance and competitiveness (Bohdanowicz 2005, 2006, 2007, Claver-Cortes et al. 2007, Bodeanu 2000). A study by Knowles et al. (1999) on the London Hotel sector illustrates however that many hotel managers take a pragmatic approach to environmental measures and only consider actions that are in line with their business goals. As a result, environmental issues often take a 'backseat' when compared to other concerns of the organisation (Bohdanowicz 2005, c.f. Brown 1996).

There is a consensus among researchers that SMEs' low awareness about their environmental impact often hinders the implementation of sustainable management practices in their establishments (Morrison and Teixeira 2004, Tilley 2000, Hillary 2004, Friedman and Miles 2002, Halila 2007) and SMEs in tourism are no exceptions (Tzschentke et al. 2004, Vernon et al. 2003, Kasim 2009, Masurel 2007). However, Scharper (2002) estimates that 95% of the firms operating in the private sector are SMEs and that, within the UK, they constitute 99.8% of businesses within all sectors (Small Business Survey 2006). As a result, while individually their impact might be insignificant, collectively it is considerable. Hillary (1995) estimates that SMEs are responsible for 70% of the global environmental pollution.

Because 'leading' tourism businesses have been quick to proclaim their environmental credentials and support (Biachi 2004) for sustainable management practices, much attention has been paid to large (chain) hotels, while little research has focused on SMEs and their environmental practices (Kasim 2009, Vernon et al. 2003, Hobson and Essex 2001, Revell and Blackburn 2007). SMEs play an important role in the tourism industry (Thomas 2000, Vernon et al. 2003), but various factors are used to define them, for example number of employees or rooms (c.f. Table 2.1). This is unproblematic as long as researchers and policymakers consider their unique character of each (Thomas 2000).

As the tools and methods for adopting environmental management practices have been developed for large organisations, researchers have argued that a different approach is required for SMEs, because they are not a 'scaled-down' version of large organisations (Tilley 1999, Lawrence et al. 2006, Masurel 2007). They are fundamentally different from large hotels. Vernon et al. (2003) argue that the adoption of environmental management practices among SMEs in tourism is not straightforward, but rather complex in nature (Sharper and Carlsen 2004). Furthermore, Hillary (2000) points to the difficulties in collecting information from SMEs which is further complicated in a highly fragmented industry such as tourism (c.f. Tzschentke et al. 2004).

In order to encourage a widespread proactive involvement of SMEs in environmental management practices, the complex reasons and motivations behind their adoption have to be better understood (Sharper and Carlsen 2004, Tzschentke et al. 2004, Kollmuss and Agyeman 2002, El Dief and Font 2010). To date, only a few studies have paid attention to the environmental behaviours of SMEs especially in tourism (Kasim 2009, Hobson and Essex 2001, Vernon et al. 2003). A better understanding of the motives driving the implementation of environmental management practices is required in order to overcome existing barriers

Table 2.1. Research definitions of small tourism businesses

Authors(s)	Sector(s)	Definition
Morrison (1998)	Hotels	Directly managed. Financed by an individual or small group. Perceived to be small.
Sungaard et al. (1998)	Hotels	Fewer than 25 rooms
Thomas et al. (1997)	Travel agents, visitor attractions, accommodation, pubs/bars, restaurants, take-away	Fewer than 50 employees
Rowson and Lucas (1998)	Hotels	Fewer than 25 employees
Halcro et al. (1998)	Hotels	Fewer than 15 rooms

(Source: Thomas 2000:346)

through strong incentives for action. Without this knowledge widespread implementation of environmental management practices among SMEs will remain low and sporadic in nature. As a result of the few studies on this topic, the main drivers and barriers for sustainable business practices presented in the following sub-sections are based on questionnaire research in hotels and qualitative research in SMEs in general and in tourism.

2.2.4.1. The gap between environmental awareness and action

Among hotels and especially SMEs, a gap between awareness of environmental issues and pro-environmental behaviour has been recognised (Tilley 1999, Revell et al. 2010). For example, a study on London hotels highlighted that hotel managers might intend to implement environmental measures, but very few businesses 'appear to be socially responsible enough to be proactive' and implement sustainable business practices (Knowles et al. 1999:263). Stabler and Goodall (1997) found that hotels in Guernsey were aware of their businesses' impact on the environment, but they did not act upon it or implemented measures to counteract it. Similar results have been found among SMEs in tourism whereby a 'negligible' impact of their business (Tzschentke et al. 2008) has the result that owner/managers do not 'identify a central role for themselves in [the] implementation of sustainable development' (Horobin and Long 1996:19).

Several researchers note that the gap between awareness and action is the result of employee indifference towards the environmental practices of the hotel (Kasim 2007). Employee motivation is essential in order to bridge the gap, as hotels cannot accomplish their objective and goals without active involvement. In this context Sharma (2009) emphasises the role of strategic leadership in influencing the environmental awareness and attitude of employees in order to motivate them. However, many SMEs cannot rely on general managers and senior executives. Especially in small and micro businesses the owner/managers' personal attitude towards the environment is often reflected in the extent to which environmental management practices are implemented in their establishment (Tzschentke et al. 2004). Therefore, the role of knowledge transfer between tourism businesses needs to be further explored as it could represent an important conduit through which the gap between awareness and action can be bridged.

Several researchers also argue that owner/managers often lack information, knowledge and expertise about environmental issues (Hobson and Essex 2001, Horobin and Long 1996, Vernon et al. 2003). As a result SMEs in tourism often do not exceed 'household' measures (Morrison and Teixeira 2004), such as recycling, and cutting water and energy consumption

(Kasim 2009, Vernon et al. 2003, Hobson and Essex 2001). Only a small number of businesses implement more complex or advanced measures such as solar energy (Vernon et al. 2003). Le et al. (2006) confirm this observation and explain that the level of implementation of environmental measures is influenced by its complexity. While simple measures are frequently implemented, more complex and long-term initiatives are less likely as results are not observable immediately. While González and León (2001) relate lack of information to the level of implementation of new technologies (c.f. Rogers 1995), Sharma (2009) also found that it had a direct influence on practices taken to reduce the environmental impact in Canadian hotels. Kasim (2009) further argues that the information provided to tourism businesses should not only be relevant and easily accessible, but there should also be a simplification of environmental support organisations to ensure that a lack of information could be bridged. This would reduce the confusion among owner/managers about existing information (Hutchinson and Chaston 1994, Tilley 1999). Nevertheless, the described link between a lack of information and environmental management practices is mainly made among large hospitality organisations, or within the wider research on SMEs. Very little is known about its effect on SMEs in tourism.

Nevertheless, Dewhurst and Thomas (2003) provide some indication as they emphasise that the most effective way to encourage tourism SMEs to implement environmental measures is by increasing communication among businesses in the industry, so that owner/managers can learn from each other's experience. Several other researchers also point to networks, collaborations and cooperation in order to advance awareness and implementation of environmental management practices (Greenan et al. 1997, Lawrence et al. 2006, Schianetz et al. 2007, Kernel 2005). As learning – through knowledge sharing – is a central element of fostering the uptake of sustainable business practices (Schianitz et al. 2007), Biachi and Nuci (1998) point out that support organisations should not only provide them with resources and advice, but also encourage them to create relationships with others within the industry. Moreover, Kasim (2009) emphasises the role of mentors in encouraging SMEs in tourism to implement environmental management practices. Although SMEs cannot rely on a general manager to provide them with direction, more experienced owner/managers or other organisations within the industry might represent an equally good alternative, but very little is known about this at present.

The existence of so-called 'intention-behaviour' gap, which deals with the relationship between the expressed intention for action and the reported behaviour related to environmental issues in households, customers and travellers (Barr et al. 2001, Barr and Gilg

2006, Barr et al. 2010), also exists within the hotel sector as the research presented above demonstrated. Although owner-managers understand the necessity to protect the environment but changing business practices as a result is only rarely the case (Knowles et al. 1999, Kasim 2007). Although SMEs do not often exceed 'household' measures (Morrison and Teixeira 2004) this study is unable to pursue this strand of literature further as it would exceed the scope of this research. Instead this study aims to provide insight into innovative ways in which more widespread action with regards to sustainable management practices among SMEs can be encouraged through effective knowledge sharing and, more importantly, through leadership.

2.2.4.2. The role of the national government in fostering voluntary actions

Revell and Blackburn (2007) criticise the overreliance of the UK government on voluntary action to increase environmental management practices among SMEs in all sectors. The government's focus has primarily been the promotion of membership of green accreditation schemes and the implementation of various sustainable management actions (e.g. buy local, visitor payback schemes, etc.). The strong reliance on voluntary actions to increase environmental management practices among SMEs in all sectors is criticised by Revell and Blackburn (2007), as these are likely to be ineffective as long as SMEs are not aware of the benefits of environmental measures (Rutherfoord et al. 2000, Revell et al. 2010). Several other studies also emphasise the role of legislation in promoting environmental management practices among hotels (De Burgos-Jiménez et al. 2002, Rodríguez and del Mar Armas Cruz 2007, Kasim 2007) and SMEs (Kasim 2009, Tzschentke et al. 2008). Kasim (2009) emphasises that governments should be more aggressive and impose laws and regulations in order to increase the level of environmental management practices among SMEs in Malaysia.

Stabler and Goodall (1997) emphasise that the UK government should lead in this context. But current policies do not affect the majority of SMEs as they either fall below or outside the environmental regulations imposed by the government (Tilley 2000, Revel and Rutherford 2003). As previously mentioned, the collective impact of SMEs is significant and needs to be addressed, but Rutherfoord et al. (2000) argue that SMEs are often 'neglected' or 'written off' in the UK as they are hard to reach and mobilise. Nevertheless, Tzschentke et al. (2004) explain that policies that affect tourism businesses, such as the landfill tax, might have had an effect on SMEs' recycling behaviour. At the same time he raises the question whether the reaction of a small number of businesses to legislative pressure really demonstrates effective government policy (Tzschentke et al. 2008). Essex et al. (2004) also focus on public sector intentions to drive the sustainable agenda on the local level of, arguing that these intentions are not yet strong enough to influence significant action by tourism businesses. The mistrust towards government policies and the worry about the cost involved in existing and potential laws and legislation further hinder a widespread implementation of environmental measures among tourism businesses (Berry and Ladkin 1997).

Although the studies presented above provide some indication of how the UK government influences the extent of environmental management practices among SMEs, a better understanding is required in order to investigate whether the government represents a driver or a barrier for action among SMEs in tourism. Moreover, although the UK government encourages widespread implementation of sustainable management practices through strategies and guidelines, a lack of understanding exists about the diffusion of best practices on the local or regional level as well as their translation into practical measures within tourism businesses.

2.2.4.3. The effect of uncertainty and the role of the external environment

The role of government increases in times of economic uncertainty, as the external environment alters and business practices have to be adjusted accordingly (Bohdanowicz 2006, Le et al. 2006). Kasim (2007) argues that economic conditions have to be favourable in order to encourage the implementation of environmental business practices. In uncertain economic climates environmental measures taking a ‘backseat’ (Bohdanowicz 2005) which was highlighted by Kasim (2007) in Malaysian hotels as owner/managers had to deal with more urgent concerns (e.g. financial position, product-specific consumer issues). Hallin and Marnburg (2007) investigated whether hotel directors in Copenhagen (Denmark) would take advantage of uncertainty in order to improve their business practices. Within general management literature the ability to change in an uncertain business environment is perceived as a driver for innovation and competitive advantage (Gillet and Morda 2003, Patiar and Mia 2009), however, the directors in Hallin and Marnburg’s (2007) study felt uncertainty ‘disturbs’ their businesses processes as they could no longer control and predict them. By employing traditional approaches to holding onto routines and procedures, the general managers wanted to reduce the uncertainty and postpone decisions until certainty about the ‘right’ direction was found.

These examples indicate that change and uncertainty are often perceived as barriers among tourism businesses to making business practices more environmentally friendly. However, literature outside sustainable tourism emphasises that uncertainty represents a driver for change that fosters competitiveness and long-term survival among tourism businesses (Jung et al. 2003, Patiar and Mia 2009, Gillet and Morda 2003, Tracey and Hinkin 1996). As little is known about how uncertainty affects SMEs in tourism, a better understanding is required to assess whether it represents a driver or barrier for the implementation of environmental management practices.

2.2.4.4. The importance of customers for widespread action

Besides external pressures such as laws and regulations, customers are widely cited as being a key driver for improving the environmental management practices of tourism businesses (Claver-Cortes et al. 2007, Mahilic 2000, Bohdanowicz 2005, Kasim 2009, De Burgos-Jiménez et al. 2002, Hobson and Essex 2001, Rodríguez and del MarArmas Cruz 2007). Butler (2008) emphasises that environmental measures will soon become the 'norm', but a number of researchers object to his observation. In their opinion, customers at present are neither interested in acting responsibly in relation to the environment while on holiday (Goodwin and Francis 2003) nor do they regularly consider the 'green credentials' of establishments (Brown 1996, Sharper and Carlsen 2004, Kasim 2007, Vernon et al. 2003, Hobson and Essex 2001).

As customer perception represents an important determinant for improving the quality standards of establishments (Hobson and Essex 2001), Greenan et al. (1997) recommend that environmental management practices should be considered in the wider context of providing quality services to customers. However, it raises the question whether owner/managers would improve the quality standards of their establishment without the demand. Whether customers are a driver or barrier for the implementation of environmental measures remains unknown and more research is required to investigate this issue.

2.2.4.5. The question of whether it pays to be green?

The question 'does it pay to be green?' (Carmona-Moreno 2004:123) has often been asked by academics and practitioners and a number of researchers have investigated the effect of environmental management practices on performance and competitive advantage of hotels (Claver-Cortes et al. 2007, Rodríguez and del Mar Armas Cruz 2007, Kirk 1998). While Claver-Cortes et al. (2007) cannot confirm that environmental strategies applied by hotels had a significant negative or positive effect on business results (c.f. Carmona-Moreno 2004), Rodríguez and del MarArmas Cruz (2007) found that a higher level of social and environmental responsibility among hotels improves profit levels. Therefore, no clear results have been generated for hotels, while no attempts to answer this question have been made for SMEs in tourism.

Nevertheless, a number of studies on SMEs in tourism emphasise financial reasons, such as cost control and the need to improve business profits, as one of the key drivers for considering and implementing environmental measures (Tzschentke et al. 2008, Vernon et al. 2003). However, a 'sympathy for the goals of the concept does not translate into acceptance of costs and sacrifices that actual application may entail' (Butler 1998:26). Although the UK government promotes eco-efficiency and environmental measures as a means to reduce costs, Revel and Blackburn (2007) found that many SMEs perceive them as expensive. As financial resources are limited, the benefits of environmental measures need to be clearly demonstrated in order to encourage tourism SMEs to invest in them (Tzschentke et al. 2004). Vernon et al. (2003) in their study in Cornwall found that small establishments catering for the mass market thought that environmental management practices would not significantly improve the profit margins of their businesses. This, in conjunction with strong competition and a lack of customer demand, had the result that environmental measures were often disregarded because they were perceived to require major investment. However, Tzschentke et al. (2008) emphasise that environmental management practices can be incorporated within an establishment in alignment with business plans and strategies, which many owner/managers were not aware of.

Tilley (2000) points out that support of win-win scenarios – environmental management practices that can deliver positive environmental change and save costs – is only going to attract SMEs in the first instance. She correctly raised the question 'what happens once the low hanging fruit has been plucked from the tree of eco-efficiency?' (Tilley 2000:39) and owner/managers are faced with environmental measures that require investment which may or may not provide a financial return in the medium- or long-term. Instead of only appealing to the economic motive, the UK government should also focus on the ethical concerns and personal values of owner/managers as these can drive the implementation of environmental measures to a similar, if not the same, extent (Tzschentke et al. 2004, Vernon et al. 2003). This is especially important for the tourism industry where non-economic factors and personal values are important for many owner/managers of SMEs (Carlson et al. 2001, Lawrence et al. 2006, Vernon et al. 2003, Hobson and Essex 2001). For example, a study on SMEs in Yorkshire Dale highlighted that owner/managers who were concerned about the environment were more likely to implement environmental management practices (Dewhurst and Thomas 2003). Tzschentke et al. (2008) also found that the adoption of environmental measures is often value-driven, based on a growing environmental consciousness of the owner/manager.

The dual nature of environmental measures - cost savings through eco-efficiency and costs created through purchasing 'green' measures - needs to be better explored. Environmental management practices have the potential to ensure long-term survival and competitiveness of businesses. But a better understanding of the reasons for and against their implementation is required to address misperception and create stronger drivers for their operationalisation. As financial capital is limited within SMEs in tourism, particular attention also needs to be paid to their personal values and attitudes as they might provide stronger motives to engage SMEs proactively in environmental business practices than cost savings alone.

Furthermore, a growing number of researchers (c.f. Thomas 2000, Dewhurst and Thomas 2003) criticise the fact that SMEs in tourism research are often viewed as a homogenous group. This perspective is neither helpful nor true as SMEs are a heterogeneous group and only by embracing this fact can all its subgroups be explored and understood (Morrison and Teixeira 2004). As Hillary (2004:568) explains, research on SMEs is like 'comparing not just apples with pears, but the whole fruit bowl'. In order to create a better understanding of tourism SMEs, research should particularly focus on one type or size of business in detail rather than pursue a broad brush solution which is unlikely to generate any new insights into their underlying motivations.

2.3. Knowledge transfer, innovation and tourism

Over the past two decades, a vast amount of research has drawn attention to the importance of knowledge in a fast and ever-changing world economy. Much emphasis has been placed on the different types of knowledge (e.g. Nonaka 1991), as they are the prerequisite for learning and innovation in organisations (Gertler 2001, Hall and Adriani 2002). In this context, the transfer of knowledge between individuals, within and between organisations, was highlighted as an important way to foster competitiveness and innovation (Argote and Ingram 2000, Tsai 2001). Although the importance of knowledge transfer for tourism has been recognised, only a relatively small amount of research has focused on this area to date, especially with respect to small- and medium-sized enterprises (Hjalager 2002, Cooper 2006, Shaw and Williams 2008). By creating a better understanding of knowledge sharing among small businesses at a destination level its role at the heart of change and innovation towards more sustainable business practices can be investigated.

After outlining the importance of knowledge for competitive advantage, as well as the difference between tacit and explicit knowledge, particular attention is paid to the importance of knowledge for innovation, including the drivers and barriers for implementing environmental management practices. This is followed by a more detailed overview of the research agenda of knowledge sharing in tourism and how networks, communities of practice and clusters currently feature within tourism research.

2.3.1. Knowledge and its importance for competitive advantage

The role of knowledge as a key source of competitive advantage and economic growth has long been recognised (Polanyi 1958, Audretsch and Keilbach 2008, Döring and Schnellenbach 2006, Lambooy 2002). The ability to create and exploit knowledge is important as it increases an organisation's effectiveness and therefore its long-term competitiveness (Nonaka 2000). Demarest (1997) emphasises that innovations start with the creation of new knowledge within organisations and that the ability to learn and transfer what is learned across the organisation in order to act on it quickly is the key to generating competitive advantage (Welch 2001).

2.3.1.1. Differentiating between tacit and explicit knowledge

Knowledge is constantly created through interactions between individuals and/or between individuals and their environment (Nonaka et al. 2000), from where it continuously evolves as it is applied consciously and subconsciously (Döring and Schnellenbach 2006). However, knowledge creation occurs in various ways within businesses. According to Argote and Ingram (2000:153), 'knowledge is embedded in three basic elements in organisations – members, tool and tasks'. They stress the existence of 'knowledge reservoirs' in which knowledge is embedded in organisations and kept for future use. Although the mechanisms of retrieval are not discussed, they explain that the knowledge stored in these reservoirs can be drawn on when required through effective knowledge management.

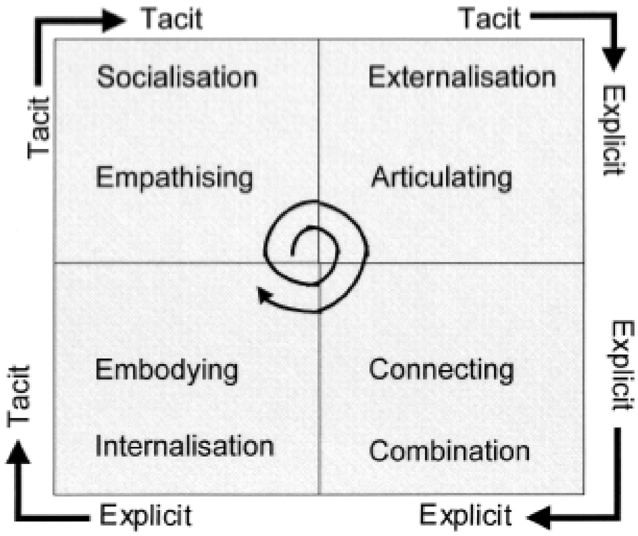
Because many types of knowledge are relevant to organisations (Grant 1996), there is an ongoing debate about the nature of knowledge and how it should be held or stored in organisations (c.f. Davenport and Prusak 1998). The distinction between tacit and explicit knowledge features predominantly within the literature. Introduced by Polanyi in the 1950s, the delineation between tacit and explicit knowledge was later used by Nonaka (1991, 1995) to formulate a theory of organisational learning. Explicit knowledge is often referred to as 'know that' as it is perceived as objective and rational, which can be easily articulated, transferred or disseminated within or across organisations (Söderquist 2006). Due to the distinctive features of explicit knowledge – being a public good – its application can only be safeguarded through patents (Döring and Schnellenbach 2006). Because a firm's competitive advantage depends on its ability to develop and exploit its knowledge – which cannot easily be replicated by competitors (Maskell and Malmberg 1999) – it is not surprising that many researchers focus on tacit knowledge or 'know how' in their research. Tacit knowledge is hard to formalise and non-translatable without an exchange process between individuals or collaborations between units of one or more organisations (Polanyi 1996). Nonaka (1994) states that tacit knowledge is often transformed into habits or routines within organisational processes and therefore context-specific. Because tacit knowledge is difficult to formalise, its transfer is much is harder. Nonaka and Takeuchi (1995) further emphasise that tacit knowledge is critical for the successful adoption of innovation, as it is not equally available to all competitors and cannot be easily imitated (c.f. Shaw and Alexander 2006). Although often praised for its importance, Hall and Adriani (2002) discard an overreliance on tacit knowledge within an organisation. Instead they recommend a balance between tacit and explicit knowledge to enable effective communication and integration. According to Brown and Duguid (2001:209), a common structure should be created to ensure the transfer of experience within organisations. In this regard they stress the role of communities of practice (CoP), which are described in more detail later on in this chapter (Section 2.3.3.3).

2.3.1.2. The conversion of tacit into explicit knowledge and the issue with sourcing knowledge

While past research has often focused on knowledge held within individuals, in an organisational context the mechanism for integrating the knowledge held by employees into the 'stock of knowledge' (Arrow 1962:160) of an organisation is essential to make it available to others within it (c.f. Grant 1996). While knowledge transfer in inter-organisational networks – between organisations – tends to be explicit in nature, the knowledge held by an individual is tacit. Therefore, Nonaka and Takeuchi (1995) introduced the concept of the SECI spiral, which describes the four modes of conversion between tacit and explicit knowledge (c.f. Figure 2.2). The tacit knowledge originally held by one individual in the first stage can only be shared through personal interaction – socialization. Through articulating the knowledge (e.g. manuals, reports), it is converted into explicit knowledge, which is referred to as externalization. Once codified it is then connected with other sources of explicit knowledge in the organisation in stage three – the combination – and finally, it is internalised by other employees of the organisation and becomes tacit knowledge once again. Therefore, knowledge accumulated over time does not reside in one individual, but rather is added to the organisation's stock of knowledge and is thus available to all employees and internalised by those who access it.

In order to gain a competitive advantage from identifying and collecting useful information, the acquired information needs to be interpreted, exploited and applied – knowledge leverage

Figure 2.2. SECI process and its four processes of knowledge conversion



(Source: Nonaka and Takeuchi 1995:12)

– and then shared with the entire organisation (Nonaka and Takeuchi 1995, Andriessen 2006). According to NESTA (2010), successful knowledge sourcing requires investment in close and lasting relationships, which require trust and understanding (c.f. Levin and Cross 2004). As compared to manufacturing, NESTA (2010) argues that service firms often source their knowledge from competitors or businesses within the same industry and within the same region. In this process they highlight that SMEs are disadvantaged among other firms especially in the service industry as they are less likely to use intermediary organisations such as Business Link, a business support and information service organisation in the UK.

Solely relying on their own experience and existing knowledge is, however, counterproductive for SMEs and especially micro firms (Varis and Littunen 2010). Ingram and Baum (1997) highlight that it strongly increases the failure rate among independent hotels as owner/managers merely exploit their routines instead of learning and improving their business practices. Past experience was also troublesome in Yang and Wan's (2004) study on Taiwanese hotels as, if the environment in which the hotel operated altered to any extent, previous experience was inadequate to deal with the new working conditions. Instead, SMEs especially must exchange knowledge, either formally or informally, with others outside their businesses to add to their existing stock of knowledge (Thorpe et al. 2005, Yang 2007). Otherwise they limit their knowledge and ultimately reduce their ability to remain competitive in the long run (Pittaway et al. 2004).

While knowledge within SMEs has received attention within management literature, little is known about SMEs in tourism. Stamboulis and Skayannis (2003) point out that many tourism businesses exploit information from suppliers and a wide variety of other sources in conjunction with information and communication technologies (ICT). However, this is a rare example of existing research as more attention within the tourism and hospitality industry has been paid to the knowledge held by the human workforce and their role for transmitting knowledge because 'innovation need people to make them travel' (Blumberg 2007:168, c.f. Hajalager 2002, Shaw and Williams 2008).

Although this strand of literature will not be further discussed at this point, the study by Yang and Wan (2004) on four international five-star hotels in Taiwan should be mentioned as they address the issue of knowledge acquisition, among other things. They highlight that the employees understood the importance and necessity of acquiring, storing and sharing knowledge, but also mentioned several obstacles for collecting knowledge. Their evidence suggests that employees did not fully understand the extent to which information was required and neither did they know how to collect information or comprehend some of the acquired information. Furthermore, a lack of time and intimacy of friendships in conjunction with an overload of job-related knowledge had the result that the employees had varying levels of skills, expertise and competencies as the acquired knowledge was interpreted in different ways.

This evidence by Yang and Wan (2004) highlights that employees can experience problems gaining knowledge, as well as insight from new knowledge, to improve their job performance. Linking this with NESTA's (2010) point about the disadvantage of SMEs in services with regards to sourcing information makes it clear that a better understanding is required about the sources of information used by SMEs in tourism to investigate how they inform their decision-making and their management processes in order to gain a competitive advantage and remain in business in the long run.

2.3.2. The importance of knowledge for innovation

Several researchers argue that knowledge itself does not deliver growth and competitive advantage, as it has to be applied and incorporated within the organisation through innovation before benefits can be derived (c.f. Cooper and Sheldon 2010). In this context Li and Tang (2010) found that external knowledge sourcing is positively related to a business' innovation performance. Innovation is essential for the competitiveness of individual businesses and tourism destinations and as a result the importance of new knowledge for encouraging innovation has also been recognised within tourism (Hjalager 2002). The continual management of knowledge ensures that the appropriate knowledge, which is acquired from external and internal sources, can be accessed and drawn on whenever required (Cooper 2006). Much attention has been paid to knowledge management in tourism as it supports innovation. However, knowledge sharing has also been proposed to be the most important part of knowledge management, in which the 'ultimate goal is the effective transfer and use of knowledge to contribute to competitiveness' (Cooper 2006:54, c.f. Hu, Horng and Su 2009, Hallin and Marberg 2008). The concept of knowledge management is not reviewed at this point as the focus of this study is on knowledge sharing. The relevance and importance of knowledge transfer especially to SMEs in tourism in order to access external sources of knowledge through networks and other means of knowledge transfer in order to gain competitive advantage has widely been commented on (Tinsley and Lynch 2001, Novelli et al. 2006).

2.3.2.1. Innovation in tourism: a snapshot

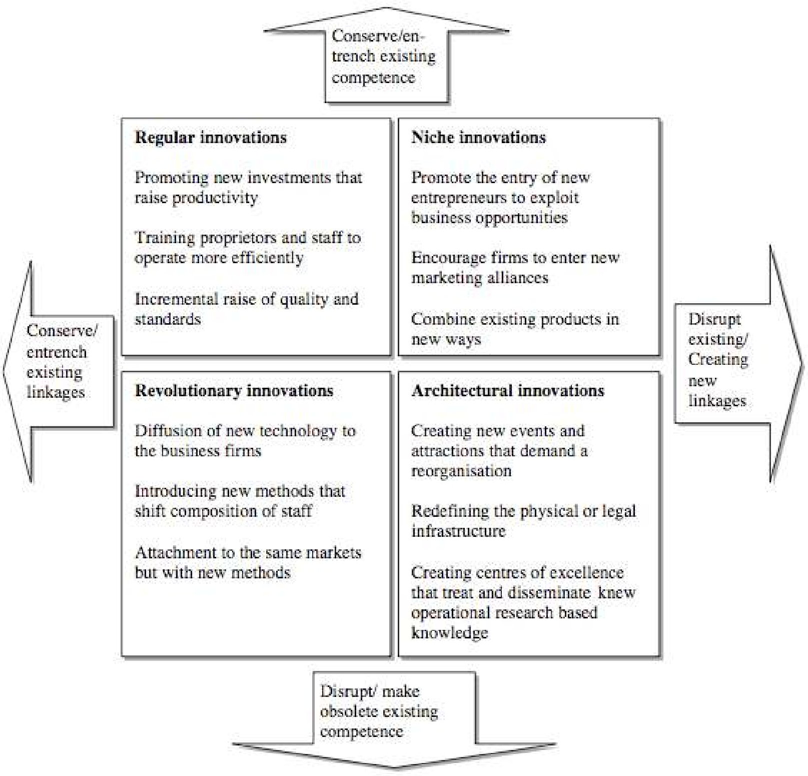
For the purpose of this study, innovation is investigated only as the outcome of knowledge sharing and therefore all incremental changes are also considered innovation. Consequently, only a snapshot of the literature on innovation is presented, as the purpose of this study is not to investigate the types, or measure the number, of innovations. This snapshot is followed by a brief outline of the knowledge required for innovation, including the learning process involved in making sense of the acquired knowledge. This illustrates some of the underlying barriers that can prevent the integration of knowledge into the organisation and thus the implementation of innovation.

Due to the uncertain global environment and increasing competition, tourism and hospitality enterprises of all forms and sizes have to continuously innovate, change and adapt their business practices. Innovations are the key when improving quality standards and efficiency to reduce costs, and review business practices while continuously seeking to attract customers (Marrone 2010, Hu et al. 2009, Ottenbacher and Gnoth 2005, McAdams et al. 2010).

Schumpeter (1939) made the following distinction between inventions and innovations: while inventions are essentially technological breakthroughs that are often the outcome of fundamental and original scientific research; innovations represent the further development and application of inventions. Shaw and Williams (2008) emphasise that the disruptive nature of Schumpeter's original concept was also found within the tourism industry through the development of e-tourism marketing, low cost airlines and the development of all-inclusive tours. In alignment with the concept of disruption, Hjalager (2002) uses Abernathy and Clark's model – originally based on the automobile industry – and applies it to tourism identifying four types of innovation in tourism: regular, niche, architectural and revolutionary (Figure 2.3). While each type of innovation requires a different level of competence (e.g. knowledge) and a varying type of linkage (e.g. informal and formal networks), the extent of disruption increases from regular towards revolutionary innovation.

Shaw and Williams (2008:328) criticise this model as it 'clouds the notion of innovation' in the Schumpeterian way and for its descriptive and static nature, which does not capture the dynamic process of generating innovation through knowledge transfer. However, the broader distinction between radical or disruptive and incremental innovations was utilised by Orfilia-Sintes et al. (2005). They specify that when innovations are introduced for the first time within a business, it represents a radical innovation, while modifications, improvements or extensions of previously implemented changes are seen as incremental. They categorised the innovations of hotels and illustrated that incremental innovations had a five times higher effect on radical innovation than the other way around. Therefore, the power of incremental innovation should not be underestimated.

Figure 2.3. Abernathy and Clark model – a tourism perspective



(Source: Hjalager 2002:467)

Different types of innovation have also been investigated within tourism and much research into innovation and competitiveness in tourism focuses mainly on measuring the number and types of innovation. Hjalager (1997, 2002) divides innovation into five main types: product, process, and management, logistical and institutional. Subsequently, several researchers have found that service innovation predominates, while product innovation is less likely (Orfilia-Sintes et al. 2005, Ottenbacher and Gnoth 2005, Pikkemaat and Peters 2005). Jacob et al. (2003) found that process, delivery and organisational change were among the most frequent innovations, while technological innovation was often related to ICT, if it occurred at all. Hjalager (2002:465) emphasised that 'innovation is a rather pragmatic term that can also include minor adaptations of products and services', which has often been commented on within the service industry as a whole. This has especially been observed in innovations in small tourism businesses, which were often minor 'cosmetic changes' and at times not even incremental in nature (Pikkemaat and Peters 2005).

Although innovations were traditionally seen as radical and disruptive (Schumpeter 1939), more recent studies have focused on incremental innovations (Tidd et al. 1997). The diversity of the hospitality and tourism industry, as well as the service sector as a whole, is reflected in the forms and shapes of its innovations (Gallouj 2002, Gallouj and Weinstein 1997, Sundbo et al. 2001, Miles 2008, Varis and Littunen 2010). Therefore, discussion about whether 'service firms innovate at all' (Sundbo 1997:432) and 'why innovation is rare – or non-existent – in tourism' (Hjalager 2002:470) has resulted in an increased emphasis by researchers on the exploration and investigation of innovation from all sides and angles. However, these studies often disregard 'hidden innovations' that are not reflected in the general classification of innovation as they are often small-scale changes mainly found in SMEs (NESTA 2008). For the purpose of this study, where knowledge sharing is at the heart of innovation, innovations are regarded in the broadest sense as a change, or an alternative way of doing things, with respect to environmental management processes. The definition provided by Beise and Rennings (2005:6) describes this in the best way:

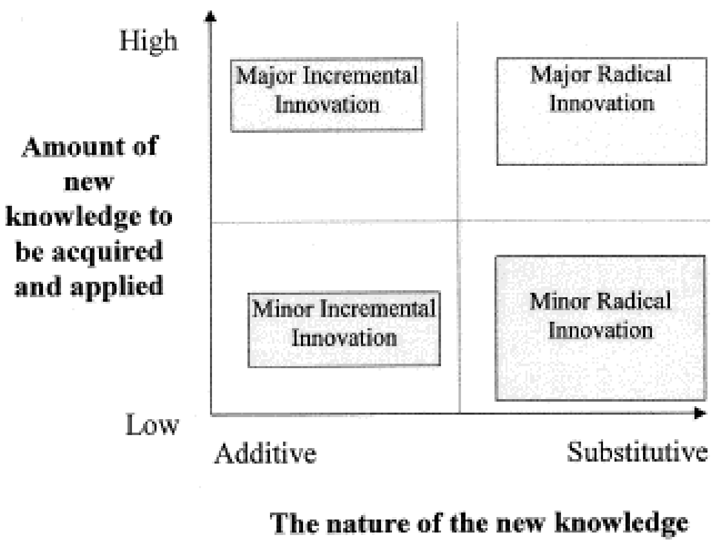
> *'Environmental innovations consist of new or modified processes, techniques, practices, systems and products to avoid or reduce environmental harms. Environmental innovation may be developed with or without the explicit aim of reducing environmental harm. They may also be motivated by typical business objectives such as profitability or enhancement of product quality.'*

Halila (2007) further adds that the effect of the innovation or change – towards more environmentally friendly business practices – is more important than the intention. Therefore, any small change, improvements or modifications that result in a more sustainable outcome are considered to be innovation in this study. As Chapter 6 and 7 will highlight the majority of changes made by businesses that participated in this study were incremental in nature. Although these represent only small changes, collectively they have the greatest potential to deliver widespread implementation of environmental management practices, as behaviour change is not restricted to few how make radical changes in their business.

2.3.2.2. Knowledge as a prerequisite for different types of innovation

The foundation of innovation is the acquisition, development and transfer of knowledge. While this relationship is well established within management literature, research on this area in tourism is only in its early stages (Cooper and Sheldon 2010). Hall and Adriani (2002) illustrate that different types of innovation require different kinds of knowledge and categorise new knowledge as additive, complementary or substitutive (Hall and Adriani 2002). Within tourism, Rodríguez (2002) looked at international expansion capabilities of Spanish hotels in terms of the organisational knowledge and concluded that Spanish hotels, in contrast to the international hotel industry, maintain a strong level of tacit knowledge, while explicit knowledge, which can easily be transferred and replicated, is lacking. Hall and Adriani (2002) point out that a strong reliance on tacit knowledge within an organisation is ensured with a number of advantages – for example the non-reliability by competitor – but also with several disadvantages as Rodríguez's (2002) study demonstrates. In order to implement radical innovation, a large amount of new knowledge is required, which, according to Hall and Adriani (2002), is called 'substitutive knowledge' as it often replaces old or well-established business philosophies within an organisation. So-called 'hot spots' or gaps can occur (c.f. Figure 2.4) when an organisation's stock of knowledge does not match the knowledge necessary to

Figure 2.4. The innovation and knowledge plot

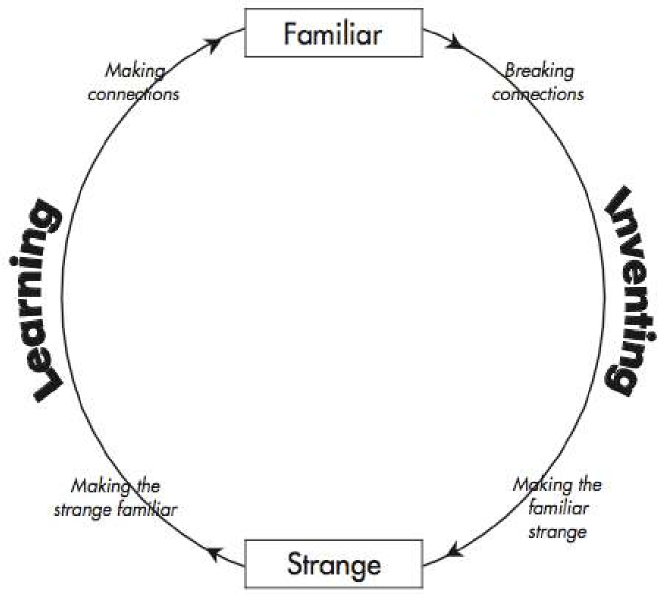


(Source: Hall and Adriani 2003:36)

introduce new processes, especially in relation to radical innovation. In contrast, these knowledge 'hot spots' only add to the existing stock, which results in modifications or improvements of existing business practices. These 'hot spots' have to be bridged in order for innovation to occur within organisations. In the case of the internationalisation of the Spanish hotels, the gaps were not identified beforehand which resulted in varying quality standards within their hotels and the strong dependence on foreign tour agents for the distribution of customers and marketing of the hotels. Furthermore, Varis and Littunen (2010) investigated information sourcing by SMEs and found that a relationship between innovation and knowledge sourcing exists among small businesses. This indicates that knowledge sources among SMEs in tourism could also have an impact on their innovativeness, which has not been investigated in depth to date.

Gallouj and Weinstein (1997) emphasise that radical innovation requires a learning process (c.f. Gertler 2001). Although Hall and Adriani (2002) point out that different innovations require different extent and degree of knowledge, Audretsch and Keilbach (2008) emphasise that high levels of knowledge do not automatically translate into growth through innovation, as not every business can utilise the knowledge acquired due to its compatibility with the existing knowledge (Döring and Schellenbach 2006). Gordon (1956) distinguished between the availability and the utilisation of knowledge, which is described by Basadur and Gelade (2006) through the two halves of learning and inventing (Figure 2.5). In this process, inventing occurs when old connections to well-established knowledge and routines are broken and strange or incompatible knowledge is made familiar through continuous learning.

Figure 2.5. Two halves of a continuous process of learning and inventing



(Source: Basadur and Gelade 2006:48)

Wöber (2003:241) emphasises that ‘uncontrolled growth’ of information can be observed in tourism, but whether the information available is beneficiary to tourism businesses is questionable. Weed (2006:261) adds that ‘it is much easier to make bricks than it is to construct and discover true ‘edifices’’ with the consequence that much existing knowledge is hidden and awaiting rediscovery by businesses. Once found, interpreting and processing this information is, according to Yang (2008), influenced by individual attitudes to learning, sharing and storing, which in turn affects knowledge sharing and innovation of organisations.

2.3.2.3. Barriers and drivers for change

In line with Yang’s (2008) findings presented above, other researchers have identified a number of barriers and drivers for change. Despite the crucial role of innovation, even incremental in nature, Lambooy (2002) argues that many businesses still consider it irrelevant or as something that gets in the way of the ‘real work’. The response of many businesses to the uncertain environment and high competition is to contract their business efforts, cut staff and lower quality at times. Varis and Littunen (2010) add that owner/managers in SMEs tend to be less open to the advice of others and are reluctant to involve others in the decision-making process of their business, which makes the owner/manager ‘the only gatekeeper between the firm and potential innovation sources that matters’ (Varis and Littunen 2010:132). They also found that innovations and other strategic decisions are often restrained by their family or their personal ambitions in life rather than by profit maximisation and growth.

Pikkemaat and Peters (2005) argue that sparse innovation across the tourism industry is due to SMEs’ lack of economies of scale as they are unable to raise their profit margins to invest in market research, product development, skill or creativity enhancement. Nybakk et al. (2008) found a strong relationship between the owner/manager’s attitude and innovation, and emphasised that only more risk-seeking businesses would consider and/or implement changes to their products and services, their marketing and the organisation of their business. While Ingram and Roberts (2000) emphasised that the friendship among competitors in the Sydney hotel industry can improve hotel performance, both studies by Pikkemaat and Peters (2005) and Nybakk et al. (2008) illustrated that the majority of tourism businesses are still reluctant to enter collaborations or strategic alliances with competitors. Only risk-seeking businesses in Norway were considering co-operation (Nybakk et al. 2008). Furthermore, Erkuş-Öztürk (2009) highlights that many SMEs in tourism lack the resources, time, staff and finance to develop inter-firm networks and pursue information exchange that could lead to innovation. Instead, hotel managers continue to 'rely on gut feeling, speculation and their own limited experience about the keys to innovation success' (Ottenbacher and Gnoth 2005:206). Thus, it is not surprising that the failure rate with regards to innovation is rather high making them a rare occasion and incremental in nature.

Despite the crucial importance of being innovative, implementing change and developing new services and products, relatively little is known about how to achieve successful innovation (Ottenbacher and Gnoth 2005) and what the drivers for change especially in the hospitality sector are. Although the barriers for change have been mentioned to a greater extent within the literature, a better understanding is required of the difficulties faced by SMEs in the process of considering and/or implementing innovation in order to improve their long-term competitiveness and survival in a fast and continuously changing environment. For the purpose of this study particular attention is paid to incremental innovation, as radical change in businesses is often absent as later Chapter will demonstrate (c.f. Chapter 6 and 7).

2.3.3. Knowledge sharing: an emerging research agenda in tourism

As already mentioned in the previous sub-section, knowledge management will not be discussed within this study. Cooper and Sheldon (2010) explain that much of the research into knowledge management focuses on single organisations and therefore, since this study focuses on SMEs in tourism, knowledge sharing through networks represents a more appropriate approach (c.f. Cooper 2006). After an overview of how new knowledge is sourced, learned and incorporated in businesses through innovation in the previous sub-section, the discussion presented here focuses on how the acquired knowledge is shared with others, especially through networks and in the form of community of practices, cluster/learning regions.

2.3.3.1. An introduction to knowledge sharing

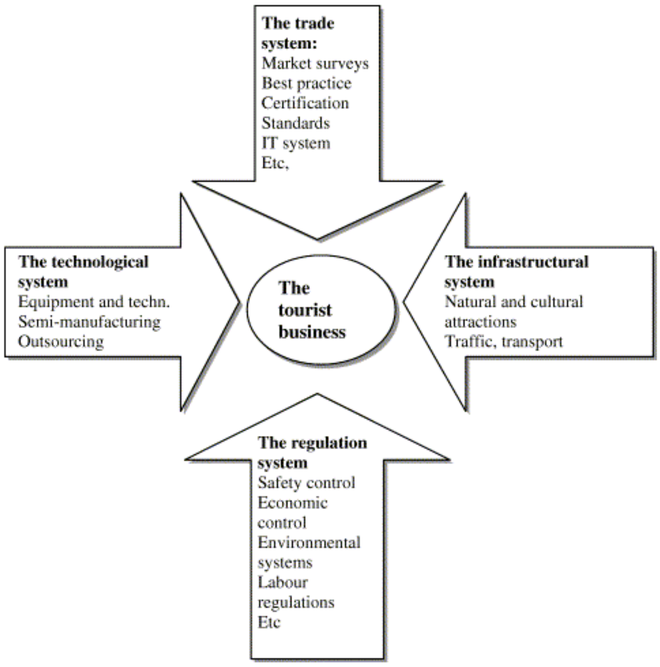
It has widely been acknowledged that knowledge transfer is becoming increasingly important for the long-term competitiveness of businesses, however, the extent and effectiveness of knowledge sharing vary considerably in organisations (Argote and Ingram 2000). Innovation today is often seen as the 'offspring' (Varis and Lituunen 2010) of collaborations and co-operations between individuals or organisations rather than the results of a lone inventor or innovator. Therefore, research into knowledge transfer and its effect on innovation and business development has increased significantly within management literature (Cantner et al. 2010, Zeng et al. 2010, Kijkuit and van den Ende 2010, Robertson and Langlois 1995). While research into the types and numbers of innovations is growing steadily within tourism (Orfilia-

Sintes et al. 2005, Orfilia-Sintes and Mattson 2009, Ottenbacher and Gnoth 2005), a lack of understanding of knowledge transfer in tourism exists (Cooper 2006, Hjalager 2002, Shaw and Williams 2008). This has had the effect that scarcely any attention has been paid to the relationship between knowledge transfer and innovation (Hu et al. 2009, Sørensen 2004).

Although the terms ‘knowledge transfer’ and ‘knowledge sharing’ are used interchangeably by researchers, Söderquist (2006) points out that knowledge transfer is related to the distribution of knowledge, while knowledge sharing is a dynamic process of interpersonal interaction. For the purpose of this study, both terms are used interchangeably to describe the concept of diffusion of information through various channels between employees, within or between businesses (Bathelt et al. 2004; Cooper 2006; Yang 2007). According to Argote and Ingram (2000:151), knowledge sharing refers to the ‘process through which one unit (e.g. group, department, or division) is affected by the experience of another’, which contributes to the performance of organisations (c.f. Tsai 2001). Innovation depends on a business’s ability to add new knowledge to existing knowledge as previously described, and Davenport and Prusak (1998) add that both the transmission of knowledge *and* the absorption of it are required in order for knowledge transfer to be effective. The effect of knowledge sharing can then be observed in the change performance of businesses or individuals (Argote and Ingram 2000).

Several researchers observe the fact that ‘knowledge is power’. The withholding or sharing of information among employees strongly influences businesses survival rate (Yang 2008, Ingram and Baum 1997). Hjalager (2002) describes the four channels of knowledge transfer – the trade system, the infrastructural system, the regulatory system and the technological system – from which tourism businesses receive knowledge (Figure 2.6). Mapping these channels should increase understanding of how knowledge is used and whether innovations are thereby successful or not. However, there has been little subsequent research on whether an overreliance on or disregard of one channel over another actually influences innovation within tourism businesses (c.f. Shaw and Williams 2008). Moreover, Hjalager (2002) fails to consider what role leadership plays in her four channels of knowledge transfer, which is significant considering that effective leadership is vital for the introduction of change and fostering of innovation in businesses (Bass 2000, Greger and Peterson 2000, Yang 2007). Mapping the channels of knowledge transfer without understanding who is driving it can only provide an incomplete picture of drivers that influence the success of innovation. Adding a fifth channel – leadership – could build upon Hjalager’s work and lead to a better understanding of the impact of knowledge transfer in tourism businesses.

Figure 2.6. Knowledge transfer channels to the tourism business



(Source: Hjalager 2002:471)

Yang (2008:352) emphasises that knowledge sharing in tourism requires a 'multi-faceted approach rather than a 'one-size-fits-all' view' in order to be successful within an industry that is diverse and complex. Although much attention has been paid to the workforce and its mobility as a means of knowledge transfer (Blumberg 2007, Hjalager 2002, Shaw and Williams 2008), for the purpose of this study attention is only paid to knowledge transfer through networks. Inter-firm networks – including clusters and communities of practice (CoPs) – are examined in greater detail in the following sub-sections. These networks are especially important for SMEs as a means to exchange knowledge with other businesses in order to remain competitive (Novelli et al. 2006, Cooper 2006, Johns and Mattson 2005).

2.3.3.2. Knowledge sharing through networks in the context of tourism

Research over the past decade has demonstrated that relationships are crucial to knowledge creation and knowledge transfer (Levin and Cross 2004) and in this context the concept of networking is more important today than ever before (Varis and Littunen 2010). Research on networking is well established (Cantner et al. 2010), but the relationship between networks and innovation has only recently received attention (Varis and Littunen 2010, Zeng et al. 2010, Robertson and Langlois 1995). Knowledge sharing through networks can boost competitiveness (Cooper 2006) and new economic activities may emerge. This could result in a

growing market opportunity (Bathelt et al. 2004) and secure the adaptation of innovations, which can ensure long-term survival (Cooper 2006).
In research on tourism, networks have been relatively neglected (Morrison et al. 2004), even though several researchers (Erkuş-Öztürk 2009, Ilbery and Saxena 2009, Bathelt et al. 2004) have recognised the importance of partnerships, collaborations, co-operations and networks of all forms and sizes to decrease the substantial cost related to the identification, assimilation and application of knowledge. Bramwell and Lane (2000) highlight that the combined knowledge and expertise of all people involved in collaborations can create new creative solutions and a greater level of effectiveness than the individuals would have achieved alone. Although some researchers have observed a growing interest in collaborations among tourism businesses (Cooper and Sheldon 2010), only a few studies have focused on networks in tourism (Nordin 2003, Tinsley and Lynch 2001, Novelli et al. 2006, Morrison et al. 2004, Sørensen 2004). Some of the recent studies on networks in tourism use network science to model complex systems of networks where the number of connections represent an indication of collaboration and communication at the destination level (Baggio et al. 2010, Scott et al. 2008). Although network science is a useful tool, current studies fail to take into consideration that networks have different architectural shapes and that the presence or absence of connections between individuals or businesses at a destination level does not adequately assesses the flow of information between the different parties involved in it. As a result, a limited discussion exists on the contribution of the various networks to competitiveness or innovation (Erkuş-Öztürk 2009, Sørensen 2004).

Morrison et al. (2004) draw on the general network literature and summarise that there are different types of networks, which can be classified in a variety of ways: membership, nature of linkage between members, types of exchange or attraction, network function or role and geographical distribution of networks. The importance of these networks to the development and competitiveness of businesses varies (Lechner et al. 2006). Ingram and Roberts (2000) demonstrate that friendship networks among competitors fostered improvements in the performance of Sydney hotels. The shared knowledge proved highly useful as the managers could assess the general market conditions and strategic operations, as their competitors experience and cope with exactly the same market conditions. Therefore, the network size – global vs local – does not determine its importance (Lechner et al. 2006), while the extent to which businesses can gain strategic advantage from these relationships does (Cooper and Sheldon 2010). Because SMEs face greater uncertainties than larger establishments, Zeng et al. (2010) argue that SMEs should join networks in response to their insecurity. Erkuş-Öztürk (2009) examined the role of local and global level networks among tourism businesses in

Antalya (Turkey) and found that the size of the firm affected the level of networking. The larger the business, the greater the extent of networking, especially on a global scale within clusters. On a local scale, SMEs carefully select their counterpart for sharing knowledge on the basis of trust and loyalty (Pesämaa et al. 2007).

According to Döring and Schnellenbach (2006), networks offer two opportunities to SMEs: the formal exchange of knowledge through market relations and the informal exchange of knowledge in social networks. Morrison et al. (2004) comment on the summary in Lynch et al. (2000) of the benefits of networks for building a profitable tourism destination based on an extensive literature review (c.f. Table 2.2). They argue that, instead of simply stating the benefits of networks, a greater understanding of the management and organisational structures of networks is required to provide insight into what contributes to successful networks. In their study on international tourism networks, they identified a number of success factors: objective and purpose, organisational structure, leadership, human, financial and physical resourcing, member engagement and inter-organisational learning. Fadeeva (2004) also emphasises that powerful or central actors in networks influence the selection of information and the development of a network. At the same time the centrality within networks also influences organisational learning, as more desirable and strategic knowledge can be accessed through a combination of strong and weak ties, which fosters innovativeness (Tsai 2001, Cantner et al. 2010).

Table 2.2. Benefits of networks for building a profitable tourism destination

Learning and Exchange	Knowledge transfer Tourism education process Communication Development of new cultural values Accelerating speed of implementation of support agency initiatives Facilitation of development stage of small enterprises
Business activity	Co-operative activities, for example, marketing, purchasing, production Encouraging needs-based approaches, for example, staff development, policies Increased visitor numbers Best use of small enterprise and support agency resources Extension to visitor season Increased entrepreneurial activity Inter-trading within network Enhanced product quality and visitor experience Opportunities for business development interventions More repeat business
Community	Fostering common purpose and focus Community support for destination development Increases or reinvents a sense of community Engagement of small enterprises in destination development More income staying locally

Source: Adapted from Lynch et al. (2000) based on a review of Adam (1994); Buhalis (2004); Buhalis

and Main (1996); Evans (1999); Hankinson (1989); Houghton and Tremblay (1995); Huang and Stewart (1996); Litteljohn et al. (1996); Lowe (1988); Lynch (2000); Morrison (1994, 1996)	

(Source: Morrison et al. 2004:198)

The connectivity of individuals within networks was first explored by Granovetter (1973) and has received much attention since. In his theory of strong and weak ties, he identifies two types of relations. While weak ties – characterised by distant or infrequent interactions – provide businesses with more 'novel information', strong ties often supply information which are closer to the stock of knowledge organisations already possess. Kijkuit and van den Ende (2010) add that weak ties are especially useful for the generation of new ideas, whereas strong ties increase the likelihood of the implementation of these ideas. However, Argote and Ingram (2000) argue that weak ties are more flexible and therefore more diverse knowledge can be accessed from a variety of networks. In contrast strong ties limit the number of ties as more time and effort is required to maintain them, which reduces the extent of knowledge acquisition. Levin and Cross (2004) argue further that more tacit knowledge is shared in strong ties as higher levels of trust have been established. Therefore, strong ties form denser networks, which foster knowledge sharing of more sensitive knowledge (Uzzi 1997). In the case of the Waitomo Caves in New Zealand, Pavlovich (2003) concluded that organisations require a mix of strong and weak ties, as both are important for organisations.

Although Granovetter (1983, 1985) highlights the importance of non-redundant networks – networks with few ties between people in it – to increase the extent to which an organisation is exposed to new knowledge, Burt (1992) highlights that structural holes can emerge in non-redundant networks as outsiders can intercept the relationships more easily, which can erode the value of the network. Ingram and Roberts (2000) argue that minimizing the structural holes faced by customers would prevent tour operators driving down costs considerably, compared to if stronger ties existed between the hotel managers. Although Granovetter's theory has received much attention and provides important insight into networks, his theory falls short of considering informal and interpersonal relationships (Ingram and Roberts 2000).

The architectural structure of networks is often investigated using network analysis, which has gained increasing attention in the last years as knowledge has been seen to be 'magic' (Grabher 2004), because it strongly influences the extent of innovation in businesses (Zeng et al. 2010). In tourism, network analysis has been used to map the connections between businesses especially in the context of tourism destinations (Shih 2006, Pavlovich 2003). By investigating the architectural structure of networks, the centrality and connectivity of businesses, as well as structural holes, can be identified within particular destinations (Shih 2006). The characteristics of each node (i.e. business) can also be investigated to describe how they are linked to the overall network structure. Limited ties between businesses within a destination indicate that information and resources are not shared, which hinders the competitiveness of the destination (Pavlovich 2003).

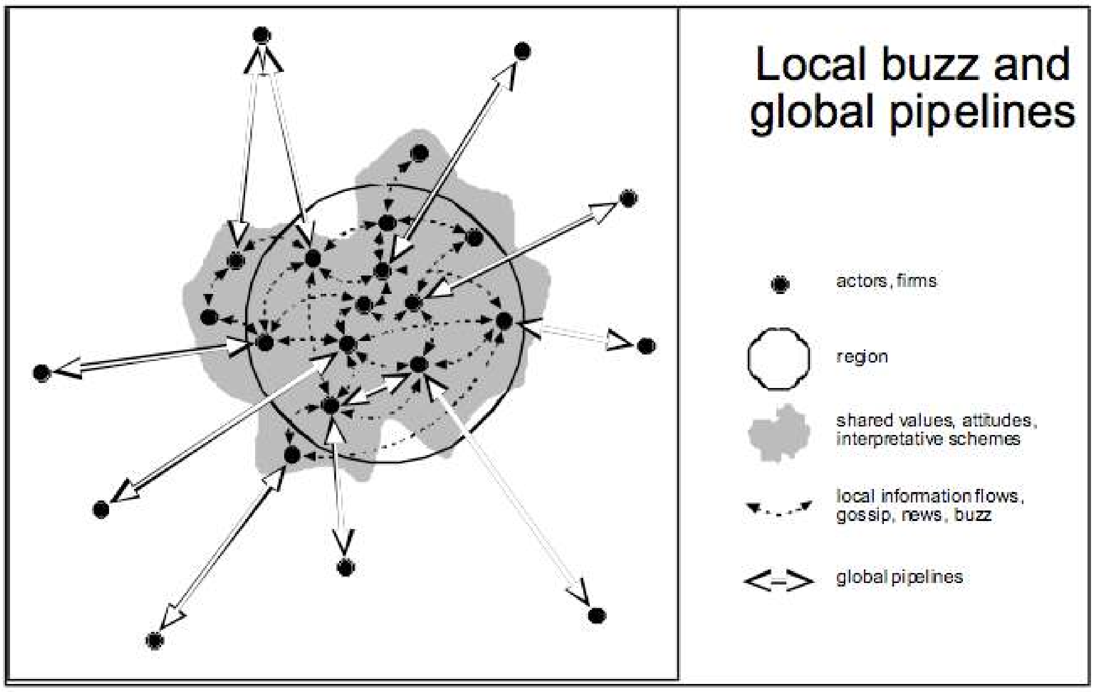
2.3.3.3. Knowledge sharing in CoPs and clusters/learning regions

Bathelt et al. (2004) emphasise that innovation and learning are best explored and understood by investigating the interrelationships between individuals or businesses. Networks are important parts of clusters, especially at the destination level (Erkuş-Öztürk 2009). Döring and Schellenbach (2006:378) explain that the variable mobility of knowledge influences the geographical diffusion of knowledge. They conclude that 'knowledge spills over but not perfectly'. Within clusters the co-location and close proximity of one business to another increase the distribution of knowledge (Bathelt 2005). Porter (2000:254) defines a cluster as a 'geographic proximate group of inter-connected companies and associated institutions in a particular field, linked by commonalities and complementaries'. They are not an outcome of spontaneous business agglomeration, but rather can be developed strategically (Svensson et al. 2005).

Bathelt et al. (2004) explain that explicit knowledge can be communicated without friction over long distances, whereas tacit knowledge is confined within close proximity. Through the close proximity of businesses within a local area, 'noise' (Grabher 2002) or 'buzz' (Bathelt et al. 2004) develops through face-to-face communication and co-presence that create a vibrant atmosphere where norms, routines and general business practices are shared. Businesses do not have to scan their surroundings specifically for a particular piece of information, but rather continuously receive information 'by just being there', which results in (un)intended or unanticipated learning (Bathelt 2005) (Figure 2.7). Bathelt et al. (2004) argue that it is important for businesses within an area to also use global 'pipelines', which are conduits of knowledge over long distances. By tapping into sources of knowledge outside their regional cluster, new and dissimilar knowledge is entered into the local cluster. The local 'buzz' is then used to spread the external knowledge across the area. As a result of the external knowledge inputted through the 'pipelines', the local 'buzz' continuously improves in quality, which thereby benefits all businesses in the local cluster.

Clustering as a method for sustainable destination development (Nordin 2003, Novelli et al. 2006) has received only little attention, even though several researchers have pointed out that a destination level has to become a 'learning community' (Morrison et al. 2004) in order to be competitive, sustainable and profitable in the long-run (c.f. Hall and Williams 2008). Learning

Figure 2.7. Local buzz and global pipelines



(Source: Bathelt et al. 2004:46)

as a result of inter-organisational networks is essential in this process as it increases businesses' knowledge and therefore their ability to become innovative, which together sustain the development of destinations (Morrison et al. 2004, Tinsley and Lynch 2001). Networks within destinations are essential in this process as 'groups of firms can develop knowledge far beyond the reach of any single member of that group' (Bathelt et al. 2004:35). For example, Pavlovich (2003) investigated the development of a tourist destination in New Zealand and highlighted that limited ties or relationships within a destination strongly hinder its development. By mapping the existing knowledge, Pyo (2005:585) was able to 'portray both the codified and the informal, highlight constraints, assumptions, policies, culture, bottlenecks, brokers, repositories and boundary spanners' within a destination. By doing so, the complexity of a tourist destination can be investigated and the knowledge basis assessed, which can then be used as a baseline for future development of the region.

Although much is known about the importance of networks for the development of destinations, SMEs within the process have received only little attention. Nevertheless, some studies indicate that knowledge spillovers due to close proximity within a destination are vital for SMEs. The same is said for knowledge sharing through networks as both positively contribute to the innovativeness of small businesses (Tinsely and Lynch 2001, Novelli et al.

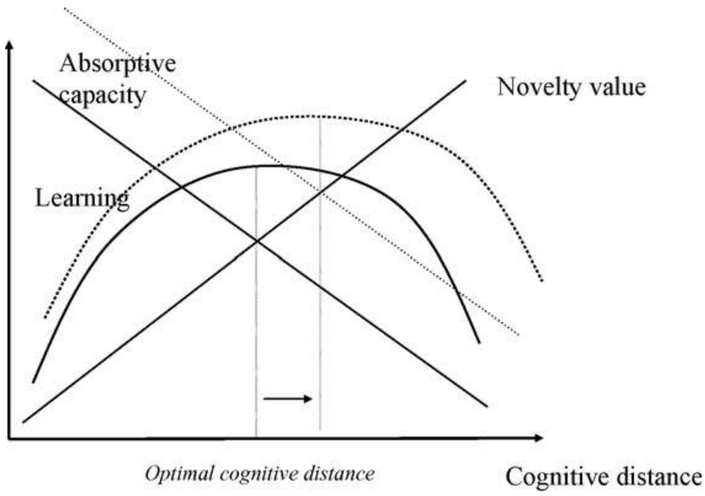
2006). By investigating the contribution of SMEs' networking activities within a destination, a better understanding can be gained about their role in hindering or fostering local growth and development to create a more sustainable tourism destination.

In relation to the development of competitive destinations, the role of networks for sustainable development must also be considered. Only a few studies emphasise the need for knowledge sharing through collaborations and networks in order to foster sustainable development with environmental management practices. For example, Fadeeva (2004) emphasises that greater change occurs when sustainable business practices are considered inside a network as compared to businesses that do not belong to a specific network. Halila (2007) also investigated SMEs and the implementation of environmental management systems (EMS) and demonstrated that involvement in a network played a crucial role in the implementation of EMS within small businesses. In the context of tourism, Halme (2001) stresses that many businesses traditionally worked in isolation and had to 'learn' to collaborate with other businesses in order to comprehend the concept of sustainable development before implementing it in their business. He concludes that the learning process involved and its outcomes are more important than the type or structure of the network. However, members in networks or groups 'should be as diverse as necessary and as similar as possible' (Halme 2001:112).

In this context, Brown and Duguid (1991) highlight the importance of communities of practice (CoPs) as an effective means of knowledge sharing. Although it is a well-established concept within management, little research has been conducted in tourism. In comparison to the 'loose' networks that Granovetter (1983, 1985) perceives as being beneficial to businesses acquiring new knowledge, relationships in CoPs are much closer-knit. Gertler (2001:18) defines CoPs as 'groups of individuals informally bound together by shared experience and a common problem'. Learning within these communities occurs through a shared approach to problem solving, experimentation and trial and error, which leads to the creation of new knowledge, while existing knowledge is maintained and reproduced by others within the group. These communities are often self-organized and can develop within organisations or span across businesses (Bathelt 2005, Gertler 2001, Grabher 2002). Yang (2004) highlights that knowledge is often shared informally and spontaneously among employees rather than as part of a hotel's routines. Yang (2007) further highlights that organisational culture is an important determinant in encouraging collaboration rather than competition. This in turn positively influences the extent of knowledge sharing among employees in large organisations and therefore the creation of CoPs. The creation of an environment where diffusion of best practice occurs also positively contributed to knowledge sharing in Orgaard and Marnburg's (2006) study on Norwegian hotels. Rather than withholding knowledge among employees in the case of Yang's (2004) study in Taiwan, the CoPs in the Norwegian hotels were used to solve problems and help each other out in order to expand employees' knowledge, which, in turn, improved their job performance. Although CoPs can foster knowledge transfer and innovation, they are often ignored in tourism research. Thus a lack of understanding exists about how the formation of CoPs could be encouraged or how the knowledge created within them be transferred throughout the organisation, let alone beyond its boundaries (Shaw and Williams 2009).

Although the development of CoPs within and especially between SMEs is strongly supported (Bathelt 2005, Brown and Duguid 1991, Bethelt et al. 2004), Brown and Duguid (1991) point out that CoP members often hold a similar worldview, which reduces the likelihood of radical innovation to emerge from them. The predominant use of tacit knowledge sharing within a CoP reduces its knowledge base, as fewer resources are available to its members (c.f. Hall and Adriani 2002). In order to increase the impact of these groups, members need to be encouraged to codify their knowledge so that the created knowledge can be shared with a wider audience and inserted into local networks. Furthermore, new members joining these groups should have a dissimilar knowledge base because, as Nooteboom et al. (2007) highlight, collective learning can only occur when the knowledge held by individuals differs (Figure 2.8). In the case of a CoP, the individuals involved hold a very similar worldview and therefore collective learning can be very limited.

Figure 2.8. Cognitive distance and effective learning



(Source: Nooteboom et al. 2007:1018)

In this regard, the role of 'boundary spanners' increases in CoPs, especially among SMEs, as businesses that are members of different communities and/or networks can promote the exchange of knowledge and add new external information to a CoP, which can result in new insights or unusual learning in the various communities (Brown and Duguid 1991, Wenger and Snyder 2000). At the same time many networks are faced with the opposite problem, as there is a strong likelihood that businesses within a network possess a very dissimilar knowledge base. This in turn strongly reduces the extent and effectiveness of communication and knowledge sharing among its members. In some cases businesses might be part of a network, but are unable to comprehend the knowledge presented to them. Nooteboom et al. (2007) explain that only if the optimal cognitive distance – between similar and novel knowledge – of individuals in networks or groups is achieved can the collective learning of its members be most effective, which is illustrated by an upward shift of the line in Figure 2.8. Therefore, informal and formal ways of networking are investigated in this study to explore whether different types of networks are important for knowledge sharing among small businesses in tourism.

2.3.3.4. The extent of knowledge sharing

Although much is known about the structure of networks and their importance for innovation and competitiveness among businesses, there is limited understanding about the extent to which knowledge is transferred, as well as the kind of knowledge shared. This final sub-section briefly outlines the information gathered about these issues from studies based on intra- and inter-organisational networks that exist mainly in tourism.

Intra-firm networks have received some attention, especially from Yang (2004, 2007, 2008) and Yang and Wan (2004), which provide some insight into the extent of knowledge sharing. These studies illustrate that knowledge sharing within an organisation is often informal and spontaneous and not as part of the, in this case, hotel's routine. Therefore, operational knowledge with regards to customers, products, guest complaints, problem solving and situation dealing are often shared through employee 'gossiping'. Employees are reluctant to share knowledge if the acquired information results in changing daily operations, and this can hinder organisational development. Strategic knowledge may also not be shared among employees, as more senior managers are afraid their subordinates will benefit from this knowledge and be promoted before him/her. Furthermore, Tsai (2001) points out that the availability of new information through knowledge sharing does not necessarily result in its application and use. Yang and Wan (2004) found that the capability and attitude of the sharer and sharee influence the extent to which information is shared and this is also affected by the workplaces' environmental and management philosophy.

With regards to inter-organisational networks, several researchers argue that entering alliances, franchises or joint ventures increases the extent of knowledge sharing for independent hotels. Ingram and Baum (1997) clearly demonstrate the benefits of alliances, as the survival rate of independent hotels significantly improves as a result of an increase in knowledge sharing and strategic direction. Businesses are often constrained by relying on their own experience, which means that learning is restricted to exploiting their routines. At the same time, industry experience can be lacking, which reduces an understanding of the interdependencies of competitors. With regards to SMEs, Cooper (2006) argues that their ability to learn from acquired knowledge is important for the competitiveness of a destination and that SMEs can also profit from entering into alliances. However, Erkuş-Öztürk (2009) explains that the extent of knowledge sharing with other businesses can be limited because many owner/managers entering the tourism industry are lifestyle entrepreneurs and as such often do not perceive themselves to be part of any industry. Lynch (2000) highlights that micro-businesses in particular strongly rely on personal and informal networks, while Sørensen (2007) observes that SMEs do not make a significant use of networks. Cooper (2006) emphasises that the extent of knowledge transfer among SMEs strongly depends on the degree of relevance to their business, which limits the extent of knowledge transfer and thus considerably their exposure to new knowledge.

The research presented above illustrates that the extent of knowledge transfer varies strongly. More research is required to investigate this issue further to create a better understanding about its extent and the kind of knowledge shared among SMEs.

2.4. Leadership and its importance for the tourism industry

The ability to change is vital to the long-term competitiveness and survival of organisations in tourism as well as in other sectors (Bass, 1990, 2000, Testa 2001, Hinkin and Tracey 2000, Gillet and Morda 2003, Patiar and Mia 2009). While established views note the importance of managing change, more recent perspectives emphasize the importance of leadership in delivering transition in the turbulent and continuously changing business environment of the 21st century (Paglis and Green 2002, Connell et al. 2002, Bass 1990, Nemanich and Vera 2009). Leaders introduce, enact and are accountable for change within organisations especially in regards to innovation. As a result, effective leadership in organisations has been widely discussed within management studies.

Even though businesses within the tourism industry also have to cope with a continuously changing environment, which is dominated by fierce competition and constantly increasing customer demands, research on leadership in tourism is sparse (Pittaway et al. 1998, Gillet and Morda 2003). However, as the 'days of explosive growth and failure proof management recede into memory' (Peters 1980:14), leadership in hospitality and tourism has been identified as an 'essential ingredient' (Minett et al. 2009) in an organisation's ability to remain competitive and successful (Day 2001, Gillet and Morda 2003, Wong and Chan 2010). In this context, the importance of transformational leaders as 'change agents' (Bennis 2000:46) who are 'challenging the status quo' by creating a powerful vision for the future of organisations has been highlighted in management and hospitality studies (Nemanich and Vera 2009:21). However, the lack of research on leadership in tourism limits the current understanding of the different leadership styles exhibited by owner/managers of tourism businesses. By investigating variations in leadership style, a better understanding can be gained about those businesses responsible for leading change towards more sustainable business practices in a tourism destination.

After a brief overview of the main theoretical concepts in leadership, the Full Range Leadership Theory (FRLT) – one of the new leadership theories – is described. The Multifactor Leadership Questionnaire (MLQ) is also discussed in detail, as it is the most widely used instrument to measure the degree to which leaders exhibit transformational, transactional and *laissez-faire* leadership styles. This is followed by a brief overview of the interface between leadership, management and entrepreneurship, before an outline of the research on leadership in tourism relevant to this study.

2.4.1. Leadership: definitions and its 'fascinating' history

As a result of the growing importance of leadership in a dynamic and rapidly changing world economy a strong interest in leadership among practitioners and academics emerged (c.f. Bass 1990, 2000, Testa 2001), making it one of the most widely discussed and researched topics in business and management studies (Day 2001, George 2000, Antonakis et al. 2003). From its infancy, 'the study of history has been the study of leaders – what they did and why they did it' (Bass 1990:3). Although the word 'leadership' is extensively used, 'a specific and widely accepted definition of leadership does not exist and might never be found' (Antonakis et al. 2004:3, c.f. Greger and Peterson 2000).

Bryman (1999) identifies three elements that are common within many definitions - influence, group and goal. He explains that leadership can be understood as an influential process through which the leader motivates others to alter their behaviour in a certain direction. Taking place in a group context, the leader influences the behaviour of group members towards the goals with which the group is faced. As a result, 'effective leadership – the 'holy grail' of leadership theory and research – will be that which accomplishes the group's goal(s)' (Bryman 1999:26). Storey (2004), however, emphasises that the definition of leadership has changed over time in response to emerging models and theories of leadership in the past. To Brownell (2010:363), the history of leadership is a 'fascinating story' because new leadership theories emerged in every decade of the last century.

Early studies followed the so-called 'trait approach', which controversially postulated that 'leaders were born rather than made' (Bryman 1999:27) and that great leaders inherited leadership traits that differentiated them from non-leaders (Kirkpatrick and Locke 1991). Although a useful theory, several researchers recommend 'cautious reservation' when using it (1999, Yukl 1998) because of the difficulties in defining traits, the inadequate explanation of how character traits influence leadership behaviour and the lack of information on situational factors. It also remains open to discussion whether 'new' characteristics, traits, competencies or behaviours of effective leaders really exist, or if they are just 'new labels on old bottles' (Antonakis et al. 2004). Furthermore, the question also remains as to whether it is really possible to produce a list of personality traits, which, if possessed, define a successful leader. Sorensen and Epps (1996:114) claim that 'realistically, leaders rarely perform more than one or two of those […] [traits] effectively, not least because of the wide range of tasks, skills and personal attributes involved and shortage of time in which to arrive at a decision'. Although widely criticised, the trait approach was rediscovered and reworked over 30 years later. The new trait theories make no assumptions of inheritance, but contend that there are characteristics that distinguish leaders from non-leaders (Kirkpatrick and Locke 1991, House and Aditya 1997, Bass 1990, Bennis and Nanus 1985). One notable example within tourism is Worsfield's (1989) study in which general managers of hotels were interviewed about their leadership style in order to construct a 'personality' profile. It concludes that, in comparison with other industries, hotel managers are more venturesome, uninhibited and imaginative.

As a result of the inconsistency of the trait approach and in contrast to the identification of traits, the behavioural approach to leadership emerged in the 1950s/60s. It argues that leaders and non-leaders may be distinguished by measurable differences in their behaviour and that individuals can learn to become leaders (Fleischmann et al. 1955). Although behavioural approach claimed to be different from the trait approach individual attributes of leaders remain a major component. Moreover, the 'identification of behaviour categories that are relevant and meaningful for all leaders' (Yukl 2010:115) has proved difficult that the predictive value of this approach was rather low (Northhouse 2007). Because of the limitations of both the trait and behavioural approaches, a consensus emerged during the 1960s that there was no single, perfect way of leading an organisation (Fieldler 1971), as leadership is not 'a concrete phenomenon, a thing which could be measured as if it were a natural physical phenomenon' (Storey 2004:14). Thus, Hersey and Blanchard (1974) proposed a situational theory of leadership, recognising that leadership is context-dependent. At different times and depending on circumstances, different styles of leadership are required and the leadership style must respond and adapt to the changing conditions of each situation. Within the hospitality industry, Nebel and Stearn's (1977) research on first line supervisors concluded that task-oriented management style represents the most effective leadership style within hospitality organisations in North America. More recent research confirms situational theory and shows that it is not easy to 'categorize leaders' and that there is a wide range of leadership types (Russell and Murphy 2004).

Because there is still no consensus about 'the essence of leadership, or the means by which it can be identified, achieved or measured' (Bennis and Nanus 1985:259), Connell (2002) argues that researchers cannot rely on old paradigms and theories and must find new approaches (c.f. Baker 1997). Businesses operating in today's rapidly changing environment require a different leadership style than those experiencing stable conditions, and the tourism industry is no exception (Baker 1997, Tracey and Hinkin 1994, 1996, McKercher 1999). As a result, research began to focus on effective leadership that has an adaptive and flexible approach to changes and challenges (Paglis and Green 2002, Bass et al. 2003). New leadership theories emerging in the 1980s were on a 'quest for a model of leadership that "worked"' (Leithwood and Jantzo 2005:36) in a range of scenarios in the competitive and continuously changing globalising world economy.

2.4.2. Transformational and transactional leadership theory

Although other approaches – authentic leadership, cognitive leadership, complexity leadership, servant leadership, new-genre leadership and shared leadership (Avolio et al. 2009) – provide insight into the behaviour of leaders, transformational and transactional leadership have proved to be popular theoretical frameworks since the 1980s (Bass and Avolio 1995, Connell et al. 2002, Ivey and Kline 2008). This key strand of new leadership theory

(Bryman 1992) – and especially transformational leadership – is highly important to hospitality and tourism (Tracey and Hinkin 1994, 1996, Brownell 2010).

Transformational leaders are seen as 'change agents' (Bennis 2000:46), who 'challenge the status quo' by creating a powerful vision of an organisation's future (Nemanich and Vera 2009:21). Like Tim Smit, who has routinely been identified as a luminary through his inspirational and ground-breaking work at the Eden Project (Cornwall), transformational leaders inspire and motivate their followers to perform better than they initially expected and to raise their 'level of awareness about the importance and value of designated outcomes [...] by transforming followers' personal values to support the collective goals/vision for their organisation' (Jung and Avolio 2000:949, c.f. Tracey and Hinkin 1996). As a result, it is argued that they empower followers to become more proactive, creative and innovative. As such, followers are able to make better decisions and to improve the performance of the organisation (Jung et al. 2003, Patiar and Mia 2009), especially in times of uncertainty and crisis. Table 2.3a illustrates that transformational leadership is comprised of three factors. C*harisma and inspirational leadership* are displayed by leaders possessing the ability to provide his/her followers with a clear sense of purpose that is stimulating, while also being a role model for ethical conduct. Therefore followers strongly identify themselves with the leader and his/her articulated vision. *Intellectual stimulation* is exhibited by transformational leaders who encourage his/her followers to question existing ways of solving problems and to improve current methods through innovative and creative approaches. *Individual consideration* is shown by leaders who understand the needs of each of their followers and supports their development in order to reach their full potential (Avolio, Bass and Jung 1999).

In contrast, transactional leadership represents more of an exchange process (c.f. Table 2.3a) as various reasons (e.g. profit maximisation) drive actions as in the case of Sir Richard Branson (Virgin). Based on the fulfilment of their obligations to the leader, followers are rewarded for their performance and organisational change ensues as a result. As a more functional ethos, transactional leaders are reactive; they are not actively involved in subordinates' work unless mistakes or problems attract their attention. According to Avolio, Bass and Jung (1999), transactional leadership consist of two factors. It may take the form of *contingent reward* in which the leaders clarify the level of performance expected from his/her followers in order to be rewarded. The second form is *active management-by-exception* in which the leaders monitor the execution of tasks in order to address any emerging problems and thereby maintain performance levels.

A third key leadership style is *laissez-faire*. Leaders in this group are often referred to as 'non-leaders' in the sense that they 'choose' to avoid interventions, make decisions or take action (Hinkin and Schriesheim 2004). As the most passive and detached form of leaders, they are the most ineffective in inspiring and delivering organisational change (Tejeda 2001, Antonakis et al. 2003). Together, transformational, transactional and laissez-faire leadership form the Full Range Leadership Theory (FRLT), which was first proposed by Avolio and Bass (1991). The FRLT, which is measured through the Multifactor Leadership Questionnaire (MLQ), represents an evaluation of the degree to which a leader displays transformational, transactional and laissez-faire leadership components in his/her behaviour (c.f. Table 2.3a) (Bass 2000). Although each leader may display both transformational and transactional leadership in his/her behaviour, one leadership style tends to dominate his/her behaviour (Bass 1999). For the purpose of this study, only the Full Range Leadership Theory (FRLT) is utilised; other leadership theories are disregarded.

Before Burns (1978) distinguished transformational from transactional leadership, many researchers perceived 'by the book' management of an organisation (Tracey and Hinkin 1994:18) as key to effective leadership (Bass et al. 2003), which is reflected in the transactional leadership style. Although both concepts have since been widely researched, support for the distinction between transformational and transactional leadership is widespread. Today, it is agreed that the key to effective leadership lies with transformational leadership, as its positive effects on the performance, satisfaction (Bass 1990, Bass et al. 2003, Rowold and Heinitz 2007), motivation, commitment and effectiveness of followers (Bycio et al 1995, Jung and Avolio 2000, Bass 2000) have been confirmed in a wide range of settings (Dumdum et al. 2002, Lowe et al. 1996, Ivey and Kline 2008).

Although considerable evidence for the effectiveness of transformational leadership exists, Yukl (1999) argues that it has rarely been described in detail apart from a statistical demonstration of its significant influence. The practical implications of the effect of transformational leadership on an organisation are important in order for organisations to benefit from their leader (Pittaway et al. 1998). Hinkin and Schriesheim (2008) also point out that the focus on transformational leadership has had the effect that little attention has been paid to transactional and laissez-faire leadership. Those studies that do include both concepts (Bass et al. 2003, Den Hartog 1997) pay attention to the factor structure (c.f. Table 2.3) rather than their impact on performance or effectiveness, which limits understanding of the whole range of leadership styles considerably. Therefore, more research is required on this issue.

Table 2.3. Full Range Leadership Theory – the difference between six and nine factors and their operational definition

Leadership type	Table 2.3a) Avolio, Bass and Jung 1999: Factor	Table 2.3a) Avolio, Bass and Jung 1999: Operational description	Table 2.3b) Antonakis et al. 2003: Factor	Table 2.3b) Antonakis et al. 2003: Operational description
Transformational Leadership	Charisma/ Inspirational	Provides followers with a clear sense of purpose that is energizing, is a role model for ethical conduct and builds identification with the leader and his or her articulated vision.	Idealized influence (attributed)	Refers to the socialized charisma of the leader, whether the leader is perceived as being confident and powerful, and whether the leader is viewed as focusing on higher-order ideal and ethics.
			Idealized influence (behaviour)	Refers to charismatic actions of the leader that are centred on values, beliefs, and a sense of mission.
			Inspirational motivation	Refers to the ways leaders energize their followers by viewing the future with optimism, stressing ambitious goals, projecting an idealized vision, and communicating to followers that the vision is achievable.
	Intellectual Stimulation	Gets followers to question the tried and true ways of solving problems, and encourages them to question the methods they use to improve upon them.	Intellectual stimulation	Refers to leader actions that appeal to followers' sense of logic and analysis by challenging followers to think creatively and find solutions to difficult problems.
	Individual Consideration	Focuses on understanding the needs of each follower and works continuously to get them to develop their full potential.	Individualized consideration	Refers to leader behaviour tat contributes to follower satisfaction by advising, supporting, and paying attention to the individual needs of followers, and thus allowing them to develop and self-actualize.
Transactional Leadership	Contingent Reward	Clarifies what is expected from followers and what they will receive if they meet expected level of performance.	Contingent Reward	(i.e. constructive transactions) Refers to leader behaviour focused on clarifying role and task requirements and providing followers with material or psychological rewards contingent on the fulfilment of contractual obligations.
	Active Management-by-Exception	Focuses on monitoring task execution for any problem that might arise and correcting those problems to maintain current performance levels.	Management-by-Exception active	(i.e. active corrective transactions) Refers to the active vigilance of a leader whose goal is to ensure that standards are met.
			Management-by-Exception passive	(i.e. passive corrective transactions) Leaders only intervene after noncompliance has occurred or when mistakes have already happened.
Laissez-faire	Passive-Avoidant Leadership	Tends to react only after problems become serious to take corrective action, and often avoid making decisions at all.	Laissez-faire	Represents the absence of a transaction of sorts with respect to leadership in which the leader avoids making decisions, abdicates responsibilities, and does not use their authority. The leader "chooses" to avoid taking action. It is considered the most passive and ineffective form of leadership.

(Source: adapted from Avolio, Bass and Jung 1999 and Antonakis et al. 2003)

2.4.2.1. The Multifactor Leadership Questionnaire to measure the Full Range Leadership Theory

Antonakis et al. (2003) argues that the Full Range Leadership Theory (FRLT) was developed to create a more comprehensive theory of leadership. The factors – transformational, transactional and laissez-faire – are revealed through the Multifactor Leadership Questionnaire (MLQ), the most widely used instrument to measure transformation and transactional leadership in organisations (Tejeda et al. 2001).

Following the description of Avolio, Bass and Jung (1999), development of the original factor structure of the MLQ started with Burns's (1978) description of transformational leadership. This was derived from interviews with 78 executives who were asked to describe what, in their experience, constitutes a good leader. This, in conjunction with prior research on charismatic leadership, resulted in the creation of 142 traits which were then sorted into transformational and transactional leadership traits by eleven judges. An agreement was found for only 73 items and the remaining items were disregarded. Once the first set of items were chosen, 176 US Army colonels were tasked to evaluate their superior using the first version of the MLQ (Form 1). Based on the collected data, factor analysis extracted three transformational, two transactional and one passive-avoidant (laissez-faire) sub-factors, which comprised Bass's (1985) six-factor model of the MLQ (c.f. Table 2.3a). His first model comprised:

- transformational leadership with the sub-factors charismatic-inspirational leadership, intellectual stimulation, individual consideration;
- transactional leadership encompassed contingent rewards and management-by-exception; and
- laissez-faire leadership was represented by passive-avoidant leadership (Bass 1985).

Based on comprehensive analysis, reviews and critiques (Avolio et al. 1991, Hater and Bass 1988, Bass and Avolio 1990, Bycio et al. 1995, De Hartog et al. 1997, Yammarino and Bass 1990 and Yukl 1994), the six factor model was expanded by Bass to nine broad sets of traits that define the three leadership styles – transformational, transactional and laissez-faire (Bass 1988). Based on Bass's work Antonakis et al. (2003) provide a short summary of the nine sets of traits (c.f. Table 2.3b).

These factors are revealed through the MLQ, which 'is considered to best validate measures of transformational and transactional leadership' (Ozaralli 2003:338). The MLQ is administered to subordinates to rate their superior in the frequency of exhibiting each leadership behaviour (Yukl 1999) and has been applied in a variety of contexts (e.g. military, hospitals, schools, hospitality/retail) (Antonakis et al. 2003). Although leaders exhibit transactional and transformational leadership styles depending on the circumstance and situation at hand (Bass and Avolio 1994), Bass (2000) emphasises that good leaders display more of a transformational leadership style and less of a transactional leadership style to more effectively deal with the continuously changing business environment.

2.4.2.2. Critique of the MLQ

As mentioned above, the content of the MLQ has varied due to several revisions to improve the structure of the factors and address concerns about its psychometric properties (Antonakis et al. 2003, Yukl 1999). After a brief overview of the main criticisms and the causes and consequences of these issues, the most recent MLQ (Form 5X) (Table 4.4) is described.

Although most studies support the distinction between transformational and transactional leadership (Yukl 1999), several studies were unable to replicate the results derived from factor analysis proposed by Bass (1985). One of the major criticisms concerns the unstable factor structure of his original six and later nine factor model (Bycio et al. 1995, Tepper and Percy 1994, Conger and Kanungo 1987, Tejeda et al. 2001). While contingent reward, which is part of transactional leadership, loads with transformational leadership at times (Tepper and Percy 1994, Yammarino et al. 1998, Tejeda et al. 2001), management-by-exception (passive), which is also part of transactional leadership, sometimes forms one factor with laissez-faire leadership (Den Hartog et al. 1997, Yammarino and Bass 1990). The instability of the factor structure has continuously resulted in calls by researchers for a refinement of the MLQ in order to overcome these problems.

Furthermore, several researchers argue that the five transformational leadership factors (c.f. Table 2.3b) should not be distinguished due to the high intercorrelations among the sub-factors (Rowold and Heinitz 2007, Yukl 1999, Tracey and Hinkin 1998, Tepper and Percy 1994, Nemanich and Vera 2009). Bass (1985) argues that the transformational leadership sub-factors – individual consideration, individual stimulation, individual consideration, idealised influence attributed and idealised influence behaviour – have to be highly interrelated as they are part of the same leadership style. However, Bycio et al. (1995) suggests that the scales may not measure different underlying constructs of transformational leadership, which indicates a redundancy among some of the measures, according to Tracey and Hinkin (1996). Because some studies were not able to distinguish some of the factors, researchers continue to argue that the MLQ lacks discriminant validity. For the purpose of this study, the FRLT is used as an 'explanatory constructs good for all situations' (Bass 1997:130) to investigate the extent to which the three broad leadership styles – transformational, transactional and laissez-faire – rather than the presence of absence of their sub-factors – intellectual stimulation, individual consideration, contingent reward etc. (c.f. Table 2.3) - can be identified in the leadership style used by owner/managers of SMEs with regards to sustainable tourism management.

Gillet and Morda (2003) also criticise that the leadership styles are derived as a result of a factor solution rather than a theoretical construct and Yukl (1999) stresses that neither the processes nor the limiting conditions are sufficiently described. For him, the 'heroic concept' of transformational leadership creates a bias as it limits the understanding of one leadership style, while transactional and laissez-faire leadership are neglected (Hinkin and Schriesheim 2008).

2.4.2.3. Some reasons for the criticism of the MLQ

In order to address these concerns and criticisms, the content of the MLQ has been adapted by, for example, the addition or removal of items and rewording (c.f. Avolio and Bass 1997). For the purpose of their studies researchers have modified the MLQ by developing new measures, dropping whole scales and discarding some items of the original scale (Tepper and Percy 1994, Den Hartog et al. 1997, Tejeda et al. 2001, Antonakis and House 2004). For example, Tepper and Percy (1994) reduce the number of items from 72 to 24, by limiting the number of items to three per factor and by disregarding *laissez-faire* leadership. In contrast, however, Antonakis and House (2004) add items on instrumental leadership – work facilitation function, and Ivey and Kline (2008) modified and reworded their MLQ items for its application to the military. These alterations and adjustments, as well as the use of different versions of the MLQ, do not only improve the theoretical framework, but make a comparison of studies increasingly difficult (Tejeda et al. 2001).

Among others (Avolio, Bass and Jung 1999, Yammarino et al. 1998, Muenjohn and Armstrong 2008), Antonakis et al. (2003) support the nine-factor structure (c.f. Table 2.3b) of the most recent MLQ (Form 5X). They explain that the structural validity of the MLQ might be affected by the use of non-homogenous samples. He uses Bycio et al. (1995) as an example in which the MLQ was used to assess leadership at different levels of an organisation while looking at gender differences. Therefore, the factor structure might be affected by the context in which leadership is observed and evaluated (Antonakis et al. 2003). Although the MLQ has been successfully applied in a range of cultures and industries (military, education, hospitality/retail, health services), Bass (1999) emphasises that some behaviours might vary or become inappropriate depending on the skills required from the leaders. Although this alters the importance of the sub-factors, the factor structure itself should remain stable. Furthermore, Bass (1997:130) highlights that 'universal does not imply constancy of means, variances and correlations across all situation but rather explanatory construct good for all situations' and that the MLQ should be used context specifically.

2.4.2.4. The consequences of the criticism – the MLQ (Form 5X)

The theoretical development of the MLQ is discussed extensively (c.f. Antonakis et al. 2003) and much has been done to address the problems and concern expressed (c.f. Hinkin and Schriesheim 2008). The most recent version of the MLQ (Form 5X) was developed as a consequence of the criticisms and recommendations of researchers (Bass and Avolio 1997, Antonakis et al. 2003).

After revising the wording of the individual items and only incorporating behavioural items (previous versions included attitudinal items), recommendations to collapse some of the original factors by Bass and his colleagues (Section 2.4.2.2) had the result that MLQ (Form 5X) included only six factors instead of nine (Avolio, Bass and Jung 1999) (c.f. Table 2.3a). The five sub-factors of transformational leadership are reduced to three – charisma/inspirational, individual consideration and individual stimulation; transactional leadership includes only two sub-factors – contingent reward and active management-by-exception; laissez-faire leadership is defined by a combination of passive management-by-exception and avoidant leadership (Avolio, Bass and Jung 1999, c.f. Bass et al. 2003, Namanich and Vera 2009).

The MLQ (Form 5X) contains 45 items, of which 36 test leadership factors and nine assess leadership outcomes. The majority of studies focus on the 36 items and their factor structure, rather than the outcome (Antonakis et al. 2003). Those studies that have used the MLQ (Form 5X) call it a 'valid and reliable instrument' (Antonakis et al. 2003) and support the factor structure of the shorter version (Tejeda et al. 2001). 'Much has been done but more still needs to be done before we can fully understand and confidently make sense of the full range of transformational and transactional leadership styles' (Bass 1999:10), especially with regards to the remaining problems of the factor structure of transformational leadership (Tejeda et al. 2001, Bass and Riggio 2006). Some issues remain unanswered at present because the FRLT and thus the MLQ are in the evaluation and augmentation stage of their evolution process (Hunt 1999). However, Antonakis et al. (2003) conclude that MLQ (Form 5X) is a valid and reliable instrument to measure the FRLT, which represents the most comprehensive leadership theory investigating the effectiveness of leaders in organisations at present (c.f. Tejeda et al. 2001, Ozaralli 2003). Hunt and Conger (1999:339) add that the use of multiple methods (e.g.

questionnaire, interviews, observation) might prove beneficial in understanding the richness of leadership in general and transformational/charismatic leadership in particular'.

2.4.3. The interface between leadership, management and entrepreneurship

The ability to change is vital to the long-term competitiveness and survival of organisations. Now more than ever, businesses are faced with the challenges of highly dynamic and rapidly-changing markets and the tourism sector is no different (c.f. Bass 1990, 2000, Testa 2001, Hinkin and Tracey 2000, Gillet and Morda 2003, Patiar and Mia 2009). While established views note the importance of managing change, more recent perspectives emphasize the importance of leadership in delivering transition (Paglis and Green 2002, Bass 1990, Nemanich and Vera 2009). Accordingly, the differentiation between leadership and management is highly contested within the literature. Storey (2004) provides a useful summary of the distinctions made between managers and leaders, demonstrating that the behaviour of managers is often related to transactional leadership (c.f. Table 2.4), while leaders exhibit more transformational leadership style as described in sub-section 2.4.2.1.

For instance, Antonakis et al. (2004:5) regard leadership as pursuit-driven, resulting in change based on values, ideals, vision, symbols and emotional exchanges. In contrast, management is objective-driven, resulting in stability based on rationality, bureaucratic means and the fulfilment of contractual obligations; therefore leadership extends beyond management (Bennis and Nanus 1985, Antonakis et al. 2004). Others argue that successful leadership requires successful management, thereby making both approaches inseparable and intertwined (Mintzberg 1973, Bass, 1985, 1998), and thereby the terms are sometimes used interchangeably (Bryman 1986).

Although leaders are often perceived as 'managers of meaning' (Smircich and Morgan 1982), Salaman (2004) emphasises that the nature of management and managers and of leadership and leaders is highly problematic and that there is neither agreement on what

Table 2.4. Leaders versus managers

Managers	**Leaders**
Are transactional	Are transformative
Seek to operate and maintain current systems	Seek to challenge and change systems
Accept given objectives and meanings	Create new visions and new meanings
Control and monitor	Empower
Trade on exchange relationships	Seek to inspire and transcend
Have a short-term focus	Have a long-term focus
Focus on detail and procedure	Focus on the strategic big picture

(Source: Storey 2004:7)

managers/leaders should do, nor on what they need to do. Barker (1997:343) also indicates that there is 'no way to differentiate what makes a good leader from what makes an effective manager or an effective person', and that depending on the circumstances each person can become a leader (Day 2001).

Within an organisational context, management provides the structures and procedures for the implementation of change, but how change proceeds and whether it is effective is the result of the leadership style and approach adopted by the owner/manager. Notwithstanding the debate presented above, there is universal agreement that leadership is 'the most important ingredient for moving organisations forward in a complex and competitive world' (Gillet and Morda 2003:601). As a result leadership has become one of most widely discussed topics in business and management studies (Day 2001, Antonakis et al. 2004).

The increased competition and continuously changing environment in which tourism businesses operate have had the result that the management of organisations is replaced by leadership within tourism and hospitality businesses (Testa 2001). The rulebook of the past cannot be relied upon any longer (Tracey and Hinkin 1994), as effective leadership represents 'the most vital ingredient' in uncertain times (Russell and Murphy 2004:67). According to Gupta et al. (2004), transformational leaders have much in common with entrepreneurial leaders as they both raise the follower's level of performance beyond their expectations by appealing to their creativity and innovativeness through the creation of a collective vision. Although entrepreneurs in leadership positions were considered unsuitable in the stable business environment of the past, the positive effects of entrepreneurial activities of a leader within organisations in today's uncertain and competitive environment has been recognised (Russell and Murphy 2004). Gupta et al. (2004:242) define entrepreneurial leadership as 'leadership that creates visionary scenarios that are used to assemble and mobilize a 'supporting cast' of participants who become committed by the vision to the discovery and exploitation of strategic value creation.' Although entrepreneurship correlates with leadership (Peters 2005), it is difficult to determine and analyse the traits that make an entrepreneur and an effective leader (Murphy and Murphy 2004).

Although leadership in hospitality has been neglected (c.f. Pittaway et al. 1998), researchers (e.g. Hjalager 1997) have commented on the entrepreneurial leadership of individuals in tourism in festival or event management. Although these entrepreneurial leaders can differ from leaders within SMEs, the presence of entrepreneurial leadership indicates that leadership within the tourism industry has been recognised by researchers. For example, Cochrane et al.

(1996) provides an example of an effective entrepreneurial leader – Bob Scott, the 'man who gave Manchester a vision of gold' (*Business Life, February 1994*, cited by Cochrane et al. 1996:1322). Starting off with a dream, Scott demonstrated entrepreneurial skills and passion in pursuit of the Manchester Olympic Games. He played a key role in building Manchester's coalition and became the personification of Manchester's Olympic strategy and, indeed, of the city itself. While Scott was the key leader in this event, the 1994 Commonwealth Games in Victoria (Canada) employed three consecutive leaders according to the leadership required at each stage. The chosen leaders were suitable for a particular stage of the project, but did not possess the necessary skills to perform at a high standard throughout its entirety (Murphy and Murphy 2004).

Among other examples is Sebastian Coe, chairman of the 2012 London Olympics, who must deliver what he himself has described as 'the most ambitious building project in the capital since the Great Fire of 1666' and which he is achieving through inspiring others to believe in a vision. To him, having a vision is the prerequisite for success (*The Telegraph*, April 2009). Wolfgang Tiefensee, the mayor of Leipzig, played a central role in his city's bid for the 2012 Olympics. Although the city was not successful, without his efforts the city would not have won the tender among German cities to hold the games (*FAZ*, November 2003). Moreover, a number of other entrepreneurial leaders within tourism and hospitality can be identified: Tim Smit of the Eden Project (Cornwall); Conrad Hilton, founder of the leading worldwide hospitality company with 3000 hotels in more than 80 countries and Michael O'Leary, chief executive of Ryanair, who, in combination with other low-cost airlines, has revolutionised air-travel in Europe.

The characteristics of entrepreneurial leaders also apply to a small number of SMEs in tourism although the heterogeneity of SMEs has the result that a whole range of motives influences their behaviours (c.f. Lynch 1998). For instance, Shaw and Williams (2004) point to non-economic factors, such as quality of life and local environment that influence owner/managers to start their business. Morrison et al. (2005) highlight that many tourism entrepreneurs run their business in order to receive a reasonable family income without any ambition to expand and grow their business. Ioannides and Petersen (2003:430) found similar results in their study in Bornholm (Denmark) and described that most SMEs were 'non- or (at best) constrained entrepreneurs and display gap-filling characteristics' which strongly limited their entrepreneurial activity (c.f. Shaw and Williams 1998). Therefore, the application of economic models of entrepreneurship to tourism businesses can be problematic (Dewhurst and Horobin 1998), as the reasons for entering the industry are often dominated by non-economic reasons.

However, in the context of New Zealand, Ateljevic and Doorne (2000:381) argue that 'lifestyle entrepreneurs' contribute to the long-term success of the industry because they are 'instrumental in the creation and introduction of innovative products to a wider industry'. Through incorporating their values into a business environment they create and foster niche market products that can stimulate regional development.

At the regional or local level, the importance of leadership for destination development should also not be underestimated. Russell and Faulkner (1999, 2004) argue that each phase of Butler's (1980) destination lifecycle model represents a new period of instability, where new markets and opportunities emerge, competitive relations change and old niches become redundant. McKercher (1999:429) also emphasises that the history of destinations has always been characterised by 'periods of great upheaval followed by periods of relative stability', enabling a destination to re-invent itself. Instead of 'feeling a sense of doom', a time of uncertainty is ideal for 'plunging into chaos with the hope of re-emerging as a stronger destination' (McKercher 1999:429) through innovation and progress. In these times, entrepreneurs are able to identify opportunities or find niches to bring about innovation and use their creativity to transform ideas into reality (Russell and Faulkner 2004). In line with Nonaka et al. (2000), Russell and Murphy (2004) emphasise that uncontrolled chaos is not the desired outcome. Rather, successful leaders should be able to identify the right time, when change is imminent, to bring about change and create order out of chaos.

According to Russell and Faulkner (2004:557), the central role of entrepreneurs in the evolution of destinations is either underestimated or not completely understood. As transformational leaders are seen as 'change agents' (Bennis 2000:46) as they empower their followers and create a powerful vision of the future (Nemanich and Vera 2009:21), more research is required to identify the local leaders among entrepreneurs. Although entrepreneurs in tourism are often found among SMEs, their role in the innovation process has not received much attention (Ioannides and Petersen 2003). The question arises whether some owner/managers of SMEs in tourism exhibit a transformational leadership style which fosters innovativeness and change. Therefore, a better understanding of local leader's role in destination development is required.

2.4.4. Leadership research in tourism and hospitality

Although leadership in tourism through the notion of entrepreneurship has been researched to an extent, as briefly discussed above, little direct attention has been paid to leadership in tourism businesses (Pittaway et al. 1998) despite the critical importance of effective leadership for the performance and success of organisations (Yukl 2008, Waldmann et al. 2001, Bass and Avolio 1994).

Gillett and Morda (2003) argue that the concept of leadership has only been of interest to researchers in tourism and hospitality since the 1980s/1990s. As the 'days of explosive growth and failure proof management [in the tourism and hospitality sector] recede into memory' (Peters 1980:14), the rulebook of the past can no longer be relied upon (Tracey and Hinkin 1994). The stable and predictable working environment was replaced by increasing market competition and an unpredictable and dynamic world economy (Tracey and Hinkin 1994, 1996, Testa 2001, Patiar and Mia 2009, Umbreit 2003). As a result researchers have identified leadership in hospitality and tourism industry as an 'essential ingredient' (Minett et al. 2009) in an organisation's ability to remain competitive and successful long-term (Day 2001, Gillet and Morda 2003, Wong and Chan 2010).

In an industry that is so diverse and complex, Kusluvan et al. (2010) argue that different leadership styles are important for different tourism/hospitality businesses. For example a task-oriented leadership style would be more appropriate in economy lodging properties due to the importance of efficiency and cost control, while a leadership style that focuses on relationship-building is important in luxury hotels, in which customers expect the highest level of quality. Bass (1999) emphasises that different leadership styles are not mutually exclusive, but that the circumstances determine the leadership style used. Thus, a number of researchers within tourism and hospitality have highlighted the importance of transformational leadership for the industry (Hinkin and Tracey 2000, Tracey and Hinkin 1994, 1996, Patiar and Mia 2009).

Although little research on leadership in tourism exists, a small number of studies have been conducted in the hospitality sector (Tracey and Hinkin 1994, 1996, Testa 2001, Patiar and Mia 2009). They suggest that top managers exhibit a 'transactional' style of leadership, where 'work is done "by the book"' (Tracey and Hinkin 1994:18) in times of stable operating conditions. As this has left little room for creativity and innovation among managers and employees, Peters (1980:14) argues that managers 'must shift gears to hold the line against increasing competition' and rising customer demand. Tracey and Hinkin (1994:24) emphasise this further by stating that 'what has worked in the past is almost certainly not appropriate for the current and future challenges of the hospitality industry', as a reactive rather than proactive approach in uncertain times endangers an organisation's long-term survival and competitiveness. In this regard, researchers have failed to link leadership to sustainable development in the tourism industry. To increase competitiveness among tourism businesses, extensive attempts have been made on the global, national and regional levels to encourage a widespread implementation of the principles and practices of sustainable development among tourism businesses (ETC 1990, 1991a/b, SWCCIP 2007a/b, SWT 2005, Sustainable Development Strategy UK 2005). Although transformational leaders are seen as 'change agents' (Bennis 2000:46), their role in encouraging the diffusion of best practices on a local or regional level is not understood at present even though they could act as key champions and spread sustainable businesses practices among tourism businesses, which, in turn, could improve their long-term survival.

The more extreme and dynamic conditions of today's environment demand that top managers become visionary as 'transformational' leaders as they are more proactive. By continuously adjusting the organisation's vision in accordance with current and future challenges facing the industry Greger and Peterson 2000, Tichy and Devanna 1986), transformational leaders recognise that change is unavoidable and guide their organisation through it (Tracey and Hinkin 1994). Thus, they anticipate change and recognise that it is closely linked to opportunities that can have a positive influence on organisational outcomes.

Although change is vital to businesses (Billy Marriott, Greger and Peterson 2000), a strong vision and effective leadership are required to provide them with a sense of direction (Kusluvan et al. 2010). Several studies highlight a clear link between leadership and employee performance, role clarity, open communication, and forming and supporting team efforts (Kusluvan et al. 2010, Brownell 2010, Tracey and Hinkin 1996). A strong and common vision is important for an organisation as it inspires and motivates employees to increase their performance beyond expectations in order to achieve organisational goals. Greger and Peterson (2000), however, argue that a vision does not automatically result in increased organisational effectiveness. Only if a vision is closely linked to reality and subordinates can support and believe in it will it have a positive effect. Because 'you get the best efforts from others not by lighting a fire beneath them, but by building a fire within them (Bob Nelson, Greger and Peterson 2000:18), the role of transformational leaders in this process in essential. They create and maintain an environment that inspires and encourages subordinates to share best practices with others within the organisation. This ensures the long-term survival and competitiveness of tourism organisations (Yang 2007). Although one 'cannot necessarily assume that 'better' leadership leads to 'better' business performance' (Pittaway et al. 1998:408), Patiar and Mia (2009) found that transformational leadership was positively associated with non-financial performance (e.g. customer satisfaction, internal process efficiency, staff development and morale), which in turn positively contributed to the financial performance of 140 four- and five-star hotels in Australia. Thus, they demonstrate that the leadership style used by senior managers has a significant impact on employee satisfaction and motivation. As a result, their improved job commitment positively contributes to the delivery of high quality service to customers, which, in turn, can increase repeat business providing these establishments with a competitive edge over other hotels. This study clearly highlights that transformational leaders have a distinctly positive influence on hospitality organisations.

Based on the discussion presented above, it is clear that the limited research on leadership in tourism and hospitality has exclusively focused on leadership inside large organisations, on leader effectiveness and leadership outcomes, and on subordinates' satisfaction with the leader (Hinkin and Tracy 1994, Tracy and Hinkin 1996, Patiar and Mia 2009). While the general research on transformational and transactional leadership is preoccupied with factor structure and dimensions of the MLQ (Tepper and Percy 1994, Bycio et al. 1995), research on leadership in tourism has mainly focused on transformational leadership and its positive effects for organisations, while the full range of leadership styles has been neglected (Hinkin and Schriesheim 2008). Furthermore, research on leadership in hospitality is often conducted in single hospitality organisations which, according to Pittaway et al. (1998), make it difficult to apply to the entire industry. The predominant use of the MLQ has been criticised and the use instead of multiple methods encouraged creating a better understanding of leadership in organisations (Hunt and Conger 1999, Conger 1998, Bryman 2004b). While Pittaway et al. (1998) argue that the difficulty in conducting leadership research is the cause for limited research in tourism, as the industry itself is complex and highly fragmented, Connell et al. (2002) highlight that the complexity should be appreciated and the different leadership behaviours, styles and actions explored in order to create a better understanding of leadership in the tourism and hospitality industry.

2.5. Conclusion

This literature review has provided an overview of the three bodies of knowledge – sustainable tourism management, knowledge transfer and leadership. Together they comprise the conceptual background of this study and greatly influence the research presented in subsequent chapters.

Sustainable tourism 'both fascinated and irritated academics and practitioners' (Saarinen 2006:1124). A shift from the theoretical discussion to the application of the principles and practices of sustainable tourism in the late 1990s had the result that the engagement and involvement with tourism businesses on the local level became the primary focus.

Consequently, policy-makers, practitioners and consultants have tried to encourage sustainable business practices through 'best practice' manuals, case studies and guidance notes. However, the tourism industry was slow to respond to international pressure, as interest in sustainable management practices often did not translate into its adoption within businesses. SMEs especially remain reactive in their approach to environmental issues, as they do not understand the contribution that their business can make to a more sustainably managed tourism industry and to their collective impact could have on a national or global scale. While the UK government continues to focus their attention on voluntary initiatives (e.g. Green Tourism Business Scheme), only a few SMEs in tourism have changed their business practices as a result. The complexity of the underlying reasons for considering and/or implementing environmental management practices has been widely commented on by researchers emphasising that no easy solution exists for encouraging more widespread action among SMEs. As the role and importance of knowledge transfer in spreading good business practices is not well-understood, there is a limited understanding of how collaborations and co-operations can assist in turning barriers into strong drivers for sustainable management practices. In this context as well, the role of leadership has not been commented upon by researchers, which further restricts knowledge of who is driving change through the tourism industry on the local level and can encourage more widespread action.

Since Polanyi (1958) demonstrated that knowledge is a key source of competitive advantage and economic growth of businesses, a growing body of knowledge has focused on the creation and transfer of knowledge to foster innovation within organisations. Within tourism, the uncertainty in the global environment and the increasing competition has had the result that businesses are required to continuously innovate, change and adapt their business practices in order to remain competitive and survive long-term. While a better understanding exists today about the diversity of innovation in tourism and hospitality, relatively little is still known about how to achieve innovation successfully and what are the drivers and barriers for implementing change especially among SMEs. In this context a lack of understanding prevails about the role of knowledge sharing in encouraging innovation and fostering competitiveness. Although policy makers have designed manuals and guidelines to increase tourism businesses' knowledge and understanding about environmental measures, little is known about how ideas are translated from the national level to the local level and from policy objectives into practice by tourism businesses. As knowledge transfer is essential to create a learning community at a destination level more attention needs to be paid on its role to encourage such development in order to translate policy visions into a widespread change in business practices among SMEs in tourism.

In this regard, researchers have argued that networks, as well as a close proximity to other businesses are important conduits of knowledge transfer for SMEs. Some researchers suggest that not the benefits of networks need to be investigated, but rather the management and organisational structures. Therefore, more attention needs to be paid in particular to the leaders who drive networks. In this context 'boundary spanners' significantly contribute to the exchange of new information and knowledge between networks and communities of practice. However, so far networks and CoPs have been relatively neglected in tourism research, even though collaboration and co-operation are important for SMEs' competitiveness and innovativeness. This lack of knowledge limits current understanding of the role 'boundary spanners', as leaders, play in developing a learning community and spreading good business practices.

The importance of effective leadership as a means to improve performance and ensure the long-term competitiveness and survival of organisations has long been recognised within the general management literature. The dynamic conditions of today's environment demand that top managers become dynamic and visionary as 'transformational' leaders. While various leadership theories exist, the Full Range Leadership Theory (FRLT) has been a popular theoretical framework in leadership research since the 1980s. The FRLT is measured through the Multifactor Leadership Questionnaire (MLQ), which assesses the degree to which a leader displays transformational, transactional and laissez-faire leadership components in his/her behaviour. The MLQ is not only the most widely used instrument to measure these types of leadership, but it is also one of the most contested and critiqued techniques. Despite the importance of leadership for change and innovation, little direct attention has been paid to leadership in tourism businesses. The few studies that have been conducted solely focused on leadership inside large organisations, leader effectiveness and leadership outcomes, and subordinates' satisfaction with the leader. However, no research has focused on SMEs and the leadership style used by their owner/managers to influence others outside their businesses.

In order to create a more sustainably managed tourism industry, the three bodies of knowledge are brought together in this research to provide new insights into how more widespread action can be achieved which would benefit the long-term competitiveness of local tourism destinations such as Torbay. Furthermore, to encourage the consideration and/or implementation of more environmentally friendly management practices among SMEs, the complexity of underlying reasons for the presence or absence of their implementation needs to be explored and better understood among tourism businesses. By creating strong and convincing drivers for innovation, SMEs' long-term competitiveness and survival in today's fast and continuously changing environment can be increased. In this regard the lack of knowledge about the positive contribution of knowledge transfer in fostering innovation in tourism hinders the current understanding about ways in which more widespread action can be achieved among SMEs on the local level. Among other researchers, Yang (2008:352) calls for a 'multi-faceted approach rather than a 'one-size-fits-all' view' for knowledge transfer. Therefore, the importance of networks, communities of practice and even close proximity in a tourism destination needs to be further explored. As a result, more in-depth knowledge can be generated about the extent of knowledge sharing, as well as the kind of knowledge shared or hoarded among tourism businesses, which will improve the existing understanding of the extent to which knowledge sharing can positively contribute to spreading sustainable management practices at the local level. In addition, by applying the FRLT to tourism and measuring external leadership – the leadership style used by owner/managers to influence outside their business – the MLQ can assess the degree to which SME owner/managers display transformational, transactional and laissez-faire leadership components in their behaviour. Thus, the current models of leadership in the context of sustainable tourism in Torbay within the South West of England can be investigated and local leaders among tourism businesses can be identified.

The literature illustrates that a range of complex ideas exists within general management research that can be used to provide new insight into research on sustainable management practice and its application on the local level to tourism. However, the fuzzy nature of the concepts of sustainable tourism management, knowledge transfer, innovation and leadership, impacts upon the translation of key ideas into a manageable research design for this study. Due to a lack of conceptual clarity, operationalising these concepts has been difficult at times as methods and procedures are not well documented or explained. While the traditional approach to researching knowledge transfer, innovation and leadership involves questionnaire surveys, quantitative surveys are not favoured in SME studies. Instead, qualitative research is preferred when small businesses are investigated because it provides a more in-depth understanding and knowledge, which cannot be captured to the same extent in questionnaire surveys. Within leadership research, the MLQ has been widely criticised for lacking discriminant validity and for its factor structure, however, it remains the most valid and reliable instrument to measure the FRLT. This study does not contribute to existing discussion on the construct of the MLQ, but rather uses it as an exploratory tool to investigate the relationship between leadership and knowledge transfer with regards to environmental management practices in tourism SMEs in Torbay.

The next chapter sets the political context for the case study area of this research – Torbay in the South West of England, focusing on the characteristics of the region as well as the importance of sustainability features in regional policy to promote sustainable tourism within and beyond the region. Chapter four then describes how key ideas from the literature have been translated into the methods and procedures employed in this research in order to address the objectives and answer the research questions of this study by generating reliable and valid results using a mixed method approach through triangulation.

CHAPTER THREE

– BACKGROUND: SUSTAINABILITY AND ITS APPLICATION TO THE SOUTH WEST OF ENGLAND –

3.1. Introduction

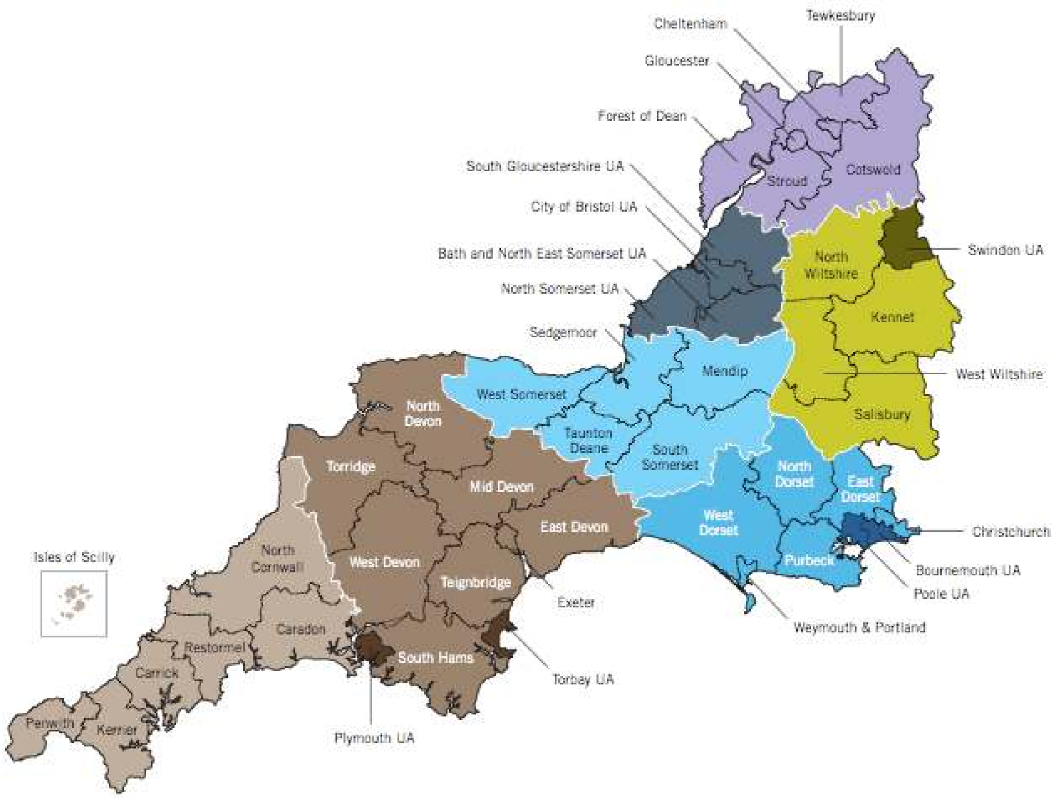
Tourism is one of the largest industries in the UK, accounting for 3.5% of the UK economy (worth more than £80 billion in 2005) and ranking sixth in international tourism earnings after the USA, Spain, France, Italy and China (UKTS 2006). After London, the South West region is one of the major tourism regions in England (Shaw and Williams 1998). Its popularity is based on the quality of its environment, including the enduring appeal of the coldwater resorts that punctuate its coastline (UKTS 2006, Shaw and Williams 1998). The South West continues to be a popular tourism destination in the UK (Williams et al. 1996) as it has for decades, with growth of 80% estimated by 2020 from 1999 figures (LSGSW 2000, SWT 1999). Coldwater seaside resorts have been one of the region's key attractions since Georgian and Victorian times (Morgan and Pritchard 1999, Agarwal and Shaw 2007), but today the tourism industry 'is under threat from all sides' (Devon County Council 2002:5), as many seaside resorts struggle with regeneration and other regions within and beyond the UK are 'aggressively seeking to cut away at the region's market share' (Tourism Company 2003:149). In order to remain competitive and create a sustainable future for the region, the South West must 'change the public perception of […] [the region] from a place to go for a traditional summer beach holiday to that of a great location […] all year around' (Discover Devon 2006:22). Through marketing campaigns and slogans such as 'It's in Our Nature', the South West of England is promoting its pristine environment and high quality of life nationwide (SWRDA 2003b), trying not only to consolidate existing visitor numbers but also to attract an increasing number of new domestic tourists at the same time.

This chapter presents the reasons for selecting the South West of England, and more specifically the distinctive regional area of Torbay, as the case study area for this study. Therefore, the first sub-sections provide an overview of the characteristics of the tourism industry in the South West, highlighting its strengths and weaknesses and how a sustainable approach to tourism is essential for the region to remain competitive long-term. This is followed by a brief overview of the importance of seaside resorts for the region and how they struggle to reposition themselves. Next, the importance of sustainability in regional policy is explored and the fragmented nature of the responsibility for tourism in the UK described. After illustrating the role of the South West in developing and promoting sustainable tourism and emphasising that widespread action among tourism businesses is not easily achievable, the case study area of Torbay is examined in more detail.

3.2. The characteristics of the tourism industry in the South West

There are contested views as to the geographical definition of the South West of England. Some argue that the region encompasses everything that is 'West of Bristol' (including Gloucestershire and Wiltshire) (Regional Trends 2009), while others emphasise that it is 'twice as far from Bristol to Penzance than it is from Bristol to London and it is quicker to get to Scotland from Tewkesbury (northern Gloucestershire) than it is to get […] to Penzance' (RICS 2008). In most cases people agree that 'it starts with the traffic jam at the M4/M5 interchange – if you're in the jam then you're in the South West' (SWT 2008). This research uses the South West Regional Development Agency's (SWRDA) geographical definition of the South West as including the counties of Gloucestershire, Wiltshire, Somerset, Dorset, Devon, Cornwall and the Isles of Scilly (Figure 3.1). These boundaries are also recognised by the South West Regional Assembly (SWRA) and South West Tourism (SWT).

Figure 3.1. Map of the South West of England



(Source: South West Observatory 2007:1)

Within the regional economy, the largest contributing sectors are advanced engineering and aeronautics, financial services, food and drink, information and communication technologies, marine engineering and marine activities, telemarketing, tourism and leisure (Stepping Forward 2005). However, it has been noted that its 'very size and diversity – from the strength of the Bristol area and the M4 corridor to the peripherality of the far south west – makes it hard to build a cohesive and fully effective economy' (SWRDA 2003a:8). Tourism contributes significantly to the regional economy, accounting for nearly ten percent of Gross Domestic Product and providing around 300,000 jobs (SWT 2005); as a result, the region is heavily dependent on it.

The diversity of the region (e.g. its museums/galleries, attractions, castles/historic houses, historical/archaeological sites, environment) encourages 18 million domestic tourists to visit the South West annually, spending over £3.6 billion in 2008 (SWT 2008). Nearly 80% of tourists specifically visit the region for its environment and heritage, making the outstanding natural environment its main attraction (SWRA 2002). Through marketing campaigns and slogans such as 'It's in Our Nature', the environment and high quality of life of the South West is promoted nationwide (SWRDA 2003b), attracting increasing numbers of domestic tourists whereas only 15% overseas tourists visited the region in 2008 (SWT 2008). This highlights the regions' reliance on domestic tourism makes the South West vulnerable to a slow-down in the economy, increases in interest rates or unpredictable events, such as the outbreak of Foot-and-Mouth Disease (FMD) in 2001. This incident had a strong negative effect on the English tourism industry (Miller and Ritchie 2003), resulting in losses of £5 billion in 2001 and £2.5 billion and £1 billion in the following years (English Tourism Council 2001). On a regional level, tourism in the rural areas of the South West was hit hardest by FMD when business contracted immediately (DCMS 2001). Coles (2004) emphasises that other areas, such as Exmoor National Park, were also heavily affected even without any confirmed cases of the disease. During, as well as following, the outbreak, visitors changed their behaviour. Rodway-Dyer and Shaw (2005) point out that many trips were cancelled or postponed and that those visitors that did come to the South West often remained in urban or seaside areas instead of visiting natural areas such as Dartmoor National Park, and this had long-term effects on the rural areas.

Besides the region's reliance on the natural environment, the distribution of tourism activities is unevenly spread across the South West. Cornwall, Devon and Dorset attract the majority of tourists, but other counties receive only marginal benefits from tourism (UKTS 2006). This suggests that tourists strongly associate holidays with an average length-of-stay beyond four days in the South West with Devon and Cornwall, while other counties (e.g. Wiltshire, Gloucestershire) are more frequently visited on day trips or short-stays (SWT 2009b). Therefore, the contribution of tourism to the regional economy is not equally spread across the South West, which raises the question whether current marketing strategies are as successful for all counties in the region as the facts and figures indicate. Collaborations between counties in the South West must reconsider their strategies for the future to ensure a sustainable future for the whole region and its natural environment, by spreading benefits more widely and reducing areas of concentrated pressure.

While much is known about visitors to the region – profile, spending, length of stay, type of accommodation used, size of travelling group, activities and reasons for visiting – only ‘patchy knowledge’ exists about the tourism businesses themselves (Tourism Company 2003). The number of tourism businesses has been estimated at between 16,000 and 20,000 (SWRA 2002, Stepping Forward 2005), but not all businesses are accredited and thus operate outside the knowledge of the regional tourism board – South West Tourism – and the local Destination Management Organisations (DMO). In this context the classification of tourism businesses represents another problem, as neither South West Tourism, nor the DMOs and the Regional Development Authorities (RDAs) have a clear definition for what constitutes a tourism business. Despite the lack of a clear definition Stepping Forward (2005) estimates that 60% of businesses in the region are bed & breakfasts, and therefore often small scale and/or family-run (Devon County Council 2002).

3.3. Seaside resorts and their repositioning in the South West

The popularity of the South West is based on the quality of its environment and the continuing appeal of its coldwater resorts. These coastal resorts have been an important part of the tourism industry for generations and can be traced back to Georgian and Victorian times, when construction of the railway led to major growth in the region (c.f. Morgan and Pritchard 1999, Agarwal and Shaw 2007, Shaw and Williams 2004a).

Seaside resorts were once the ‘jewels’ of the region until the ‘Golden Years’ of the 1950s (Detetriadi 1997), as British resorts faced little or no competition from overseas and the rail network continuously brought tourists into the South West (Shaw and Agarwal 2007). A significant shift in the 1960s and 1970s took place as a result of the ‘globalisation of contemporary tourism’ (Urry 2002:36) and seaside resorts were faced with increasing international competition. This ended the ‘glory days’ (*Guardian* 2007) and traditional seaside resorts such as Torbay, Dawlish and Weymouth have since been ‘affected by the long-term decline of the UK long holiday market’ (Devon County Council 2002:7).

As a result, many seaside resorts have tried to reposition themselves in the tourism market. While some resorts 'thrive and survive' (Tourism Company 2003:113), others have 'failed disastrously' (Shaw and Williams 2004a:221; c.f. Coles and Shaw 2006) when regeneration proves too difficult. The challenge would appear to be 'how to re-position and improve resorts to maintain their attractiveness and appeal' (Tourism Company 2003:113). Clegg and Essex (2000) investigate the restructuring process of the tourism industry in Torbay in an attempt to provide more insight into the characteristics of businesses that failed and those that were able to adapt and survive. They highlight that over 60% of businesses were affected by the restructuring process and although many responded to the change in market, it has 'not become either leaner or fully geared for tourists needs' (Clegg and Essex 2000:93) as many local councils hinder the ability of businesses to change the use of their properties. However, seaside destinations – including larger traditional seaside resorts and adjacent areas in the hinterland – remain an important element of domestic tourism in the South West (UKTS 2009). Among the top 20 towns/cities visited for overnight stay in 2008 were four coastal towns/resorts including Bournemouth, Bristol, Newquay and Weymouth (UKTS 2008). This indicates that seaside towns still have much to offer to today's tourist.

Although the 'response to resort decline has varied' (Shaw and Williams 2004a:239), Agarwal (2002) argues that a strong commitment towards restructuring is essential for its success. She found that restructuring in Minehead is mainly private-led, while the local authorities seem to play an essential role in initiating and coordinating the development in Weymouth. Thus, the degree of commitment among local authorities to rejuvenate the seaside may be important. While RDAs currently collaborate extensively (House of Commons 2007), Agarwal (1997) emphasises that close cooperation between the public and private sectors is a prerequisite for the successful regeneration of seaside resorts. It has been noted, however, that 'the exchange and implementation of ideas [to regenerate the tourism industry] between people, businesses and organisations […] [is rather] unusual' (SWRDA 2005:5).

While seaside resorts across the South West restructure and reposition themselves, the SWRA (2005a) argues rightly that principles and practices of sustainability need to be an integral part of any development. As tourism 'has a significant role to play in the future prosperity' of Devon and the South West (Devon County Council 2002:9), it is essential to address current challenges in order to ensure the long-term competitiveness of the regional tourism industry.

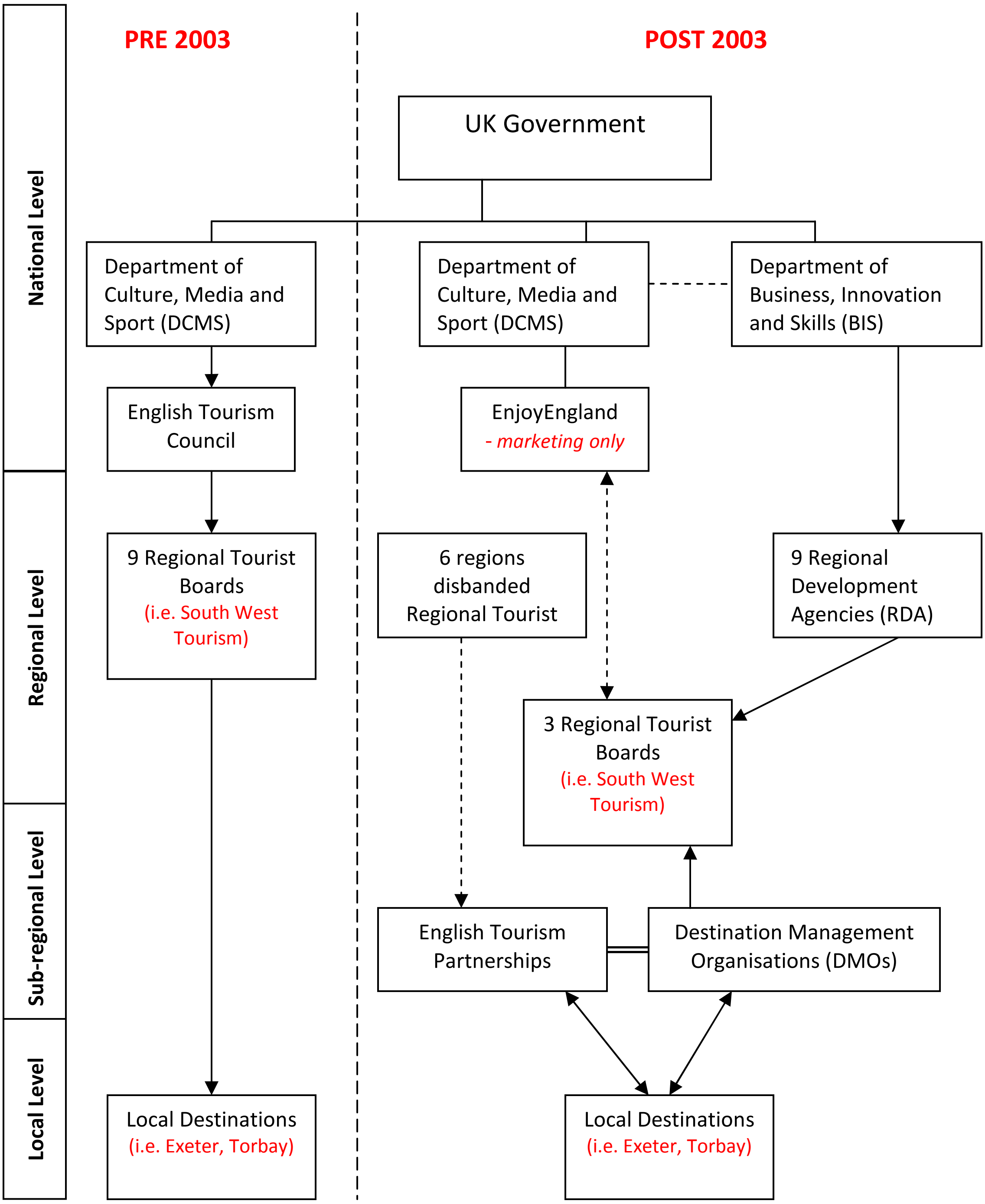
3.4. The importance of sustainability in regional policy

Because the South West has 'plenty of places to discover' with a high-quality environment (British Resort and Destination Association 2008:1), nature is one of the key reasons why tourists visit the region. Therefore, sustainability is on every agenda in the South West. Figure 3.2 displays the hierarchical structure of the English tourism industry that existed prior to the change in government in 2010 highlighting that the 'responsibility for tourism in the UK is […] highly fragmented' (DCMS 2008:2). The following discussion illustrates the complex and confusing policy structures that have influenced the tourism industry in the South West particularly since 2003.

In 1969 the British Tourist Authority (BTA) and the English Tourist Board (ETB) were established under the *Development of Tourism Act*. These bodies were respectively responsible for providing strategic direction and marketing for international and domestic tourism in England. In 1999 the ETB was transformed into the English Tourism Council (ETC) to create an 'effective, strategic, leaner, national body for tourism in England' (DCMS 2000:101). The objectives of promoting and supporting English tourism were retained, but the marketing remit was taken away. As a result, Regional Tourism Boards (RTB) were able to take a more active role in their region's tourism development. The South West of England became the leading region on behalf of the UK Department of Culture, Media and Sport (DCMS) for tourism and its regional tourism board – South West Tourism – became the recognised leader for sustainable tourism management.

In alignment with the movement towards general decentralisation of policy in Britain (Pearce and Ayres 2009), the DCMS merged the ETC with the British Tourist Authority (BTA) on 1st April 2003. Since then ETC has operated under a new name – Visit Britain – but resumed the role of international, and now also domestic, tourism marketing. However, it no longer provides strategic direction for the domestic tourism industry (VB 2008) as the management of tourism has become a regional priority. As a result of the change in policy towards regionalism (c.f. Webb and Collis 2000, Goodwin et al. 2005) nine Regional Development Agencies (RDAs) were created in 1998 and in 2003 took over responsibility for regional tourism strategy (c.f. Figure3.2). Funded by the Department of Business, Innovation and Skills (BIS), RDAs were supposed to reduce regional economic disparities (Pearce and Ayres 2009). Instead, however, 'a multi- layered and confused' (British Resort Association 2005:1) structure was created which resulted in strong regional variations in the tourism industry that still dominates the policy landscape today.

Figure 3.2. Hierarchical structure of English domestic tourism



(Source: Author, adapted from Visit Britain 2010)

On a regional level, each RDA – including the South West Regional Development Agency (SWRDA) – developed a regional tourism strategy alongside a regional economic strategy. Today a variety of strategies exist for the South West including the Regional Economic Strategy (RES) (by SWRDA), Integrated Regional Strategy (by South West Regional Authority [SWRA]), Regional Spatial Strategy (by SWRA), Sustainable Future for the South West (by SWRA), 'Towards 2015' (SWT 2005) and Regional Sustainable Development Framework (by

Sustainability South West [SSW]), to name but a few. While these policies are designed to be mutually compatible and reinforce one another, they are contradictory at times. In the case of 'Towards 2015', for example, sustainable development is one of three strategic pillars, but another is to increase visitor numbers to the region, which, in turn, could be contradictory to a sustainable approach to tourism if not managed properly.

Due to low membership numbers and public sector cuts, six regions across the UK disbanded their regional tourist boards when its role was taken over by the RDA. Instead of regional tourist boards, Destination Management Organisations (DMOs) or Sub-regional Partnerships were established and these work closely with local destinations to promote them. Three regions have, however, retained their tourist boards: the South West, the South East and Cumbria. The SWRDA valued the tourist board's work and did not fully integrate their services into their organisation until 2008.

Because South West Toursim had lead the national tourism agenda, the SWRDA continued to fund it 'to provide leadership on regional tourism matters from marketing to human resources, and planning to destination management' (Coles 2008:209). However, South West Tourism's role within the region changed from being a membership organisation that provides services such as national marketing and promotion and lobbying the government on the industry's behalf, to a strategic organisation that drives quality and sustainable management within the regional tourism development (SWRDA 2010). As a result, it only provides expertise through research and advice to public sector bodies, tourism businesses and other regional and national bodies. Since South West Tourism no longer markets the region as a whole, the nine DMOs across the South West promote their particular area (SWT 2007) – Bath, Bristol, Bournemouth/Poole, Cornwall and Isles of Scilly, The Cotswolds/Forest of Dean, Devon, Dorset, Somerset and Wiltshire (c.f. Figure 3.1) – while also functioning as tourism information centres.

South West Tourism promotes widespread action towards sustainable tourism within and beyond the South West, while also leading the policy debate in Britain on tourism and climate change (Coles 2008), in particular on adaptation modelling (SWCCIP 2010) and ecological footprinting (DCMS 2009). In cooperation with Tourism South East and West Sussex County Council, South West Tourism published 'Sustainable Tourism for Dummies' in 2008, which is widely recommended and used by tourism organisations across the UK and internationally to promote sustainable tourism. South West Tourism has been a pioneer in embedding the principles of sustainable development into its most recent tourism policy, 'Towards 2015 –

Shaping Tomorrow's Tourism Today' (SWT 2005). It sets out the strategic framework for the South West, addressing the main challenges and opportunities for the region. Instead of marketing individual destinations, the region promotes a 'high quality consumer experience' delivered through 'brand clusters' (e.g., 'traditional beach holidays', 'it's adventure', 'close to nature') (SWRA 2005b:2). At the same time as maintaining existing sustainable markets, 'Towards 2015' aspires to attract new markets with high-spending visitors to the shoulder and off-peak season (SWT 2005). Furthermore, the aim of 'Towards 2015' is to make the region 'internationally recognised as a model tourism destination' (SWRA 2005b:5) which will thus decrease its dependency on domestic tourism as the number of overseas tourists increases. However, there is no such thing as a 'model destination' (SWT 2005:3) and transforming the South West from into an 'ideal' tourism destination in ten years is rather unrealistic.

Nevertheless, these strategies do improve current quality standards, reduce seasonality and maintain the sustainable character of the South West. Although growth is anticipated, it is advocated in a more sustainable and sensible way focussing on quality rather than quantity. 'Towards 2015' represents an attempt to improve quality, deliver 'truly sustainable tourism' and move the region into the 21st century by proposing actions that will foster competitiveness on the local, national and global scale.

The SWRA's regional strategic review highlighted that many businesses were concerned about the 'poor quality of existing tourism data particularly at the regional level' (SWRA 2005b:17). Businesses are reluctant to invest in new technology or sustainable business practices, as informed decisions based on reliable data are nearly impossible. Although a large number of strategies and visions for the region exist, without any practical help or guidance, tourism businesses remain reactive. The 'failure to put into place workable policies' (Shaw and Williams, 2004a:272) might be fatal for the region, as considerable action is required to survive in an increasing competitive global economy (Deloitte 2008).

In June 2010, the coalition government has announced to dissolve all the RDAs (BBC June 2010). Consequently, SWRDA – the lead government agency in the South West on economic development and sustainability – will be disbanded in April 2012 and South West Tourism – the regional agency with the lead for tourism – ceased to exist in April 2011. Local Enterprise Partnerships – joint ventures between local authorities and businesses – will replace RDAs, but it is not known whether tourism will be integrated into its responsibilities. If it is not so integrated, a major gap between the national and local approaches to tourism will emerge and local authorities and DMOs will operate without any guidance and strategic direction for the tourism industry in the region This could have disastrous effects on the domestic tourism industry in the UK and in the South West.

Therefore, ‘local authorities and key people from the private sector must pick up the leadership banner’ (Geoff Wilkinson, Chief Executive, SWRDA 2005:10) to achieve the objectives set for the region (i.e. Towards 2015). Taking action and providing guidance will be essential in making the South West competitive for the 21st century. However, it is essential to identify these ‘key people’ who will take leadership roles; currently they have not been identified in any official report.

3.5. The role of the South West in developing and promoting sustainable tourism

Deloitte (2008) argues that neither manufacturing nor financial capital, but rather natural capital – economic benefits arising from the natural environment – will represent the important factor in regional competitiveness and long-term survival. The natural beauty and quality of the environment are already the key reasons for tourists to visit the South West (c.f. SWT 2005, SWRDA 2010). Thus, environmentally sustainable tourism represents a valuable tool to enable the South West to remain competitive, especially if the region continues to be ‘at the forefront of moves towards sustainable tourism’ (SWRA and SSW 2001:2).

For over a decade the South West has actively promoted sustainable tourism. Devon and the South Hams have been leading in ‘green tourism’ since the start of the pilot Green Tourism Initiative in 1993. As a result of this project, the Green Audit Kit was launched in the region in 1996 and run by the English Tourism Council (ETC), now Visit Britain, and the Countryside Agency. It was designed as a practical guide for tourism enterprises on how to run their business in a more environmentally friendly way. Since then its practical ideas have ‘been used by hundreds of small tourism businesses across England’ (Countryside Agency and ETC 2000:4) to become more competitive and environmentally responsible. Since 2000, tourism businesses within the UK have been able to be accredited with another scheme - the Green Tourism Business Scheme (GTBS) - ‘through which tourism businesses operating in a manner that supports the environment and local area, can obtain gold, silver or bronze award’ (Beacon Authority 2005:9). Today over a third of GTBS members are located in the South West (GTBS 2010) and more than 484 businesses in the region are GTBS accredited, have reduced their environmental impact and have improved their resource management (e.g. water, energy, recycling) (SWT 2009a).

The SWRA (2005a) argues that the only long-lasting benefit for businesses participating in the GTBS is marketing and the 'feel good factor knowing that they are doing something for the environment' (Beacon Authority 2005:1). Reasons for joining GTBS may not be as altruistic as they appear. Although businesses in the South West seem to be strongly interested in sustainable issues, the Tourism Company (2003:108) argues that a considerable number of businesses are only interested in those sustainable activities with the potential to positively affect their economic performance (e.g. energy saving, waste reduction). Thus, it could be argued that companies join the GTBS because it provides 'practical measures', which South West Tourism has so far failed to provide. Alternatively, other businesses may 'jump on the bandwagon' because 'sustainability and quality – [is] the only way forward' for the South West (SWRDA 2005:3). Nevertheless, a survey of 146 businesses conducted by SWRDA (Greenwise Staff 2008) highlighted that GTBS-accredited tourism businesses saved 5.3 million kilowatt hours of electricity, 42.3 million litres of water and 2.215 tonnes of rubbish. The SWRDA emphasises that this reduction in resource usage represents 'big savings' to tourism businesses (Greenwise Staff 2008). Although cost saving is one of the main reasons for implementing environmental measures, no further information was provided by the SWRDA about the investments or time required by businesses to achieve this reduction.

Across the South West, charities, independent organisations – including Sustainability South West (SSW) and Sustrans – and county-specific bodies such as the Cornwall Sustainable Tourism Project (CoaST) promote sustainable tourism. While Sustrans promotes smarter travel choices through encouraging travel by foot, bike or public transport (Sustrans 2010), SSW raises the awareness of businesses by providing them with support, information and advice about sustainable approaches to business (SSW 2008). SSW's most important tourism project is the charitable partnership 'Future Footprints' which promoted the idea 'keep the South West Special' to the region's visitors until April 2009. As part of this project they campaign for 'buy local, try local', 'explore what's on your doorstep' and 'look for tourism that cares'. This is meant to encourage visitors to support tourism businesses that care for the environment, while buying local produce and using public transport during their visit to the South West. CoaST encourages best practice for sustainable tourism in all aspects of the tourist industry across Cornwall by providing training and education to tourism businesses. Through a joined up 'One Planet Tourism Network', businesses share their experiences and business practices to encourage other businesses to become as environmentally and socially sustainable as possible.

A number of government-funded organisations, including Devon Environmental Business Initiative (DEBI), Business Link and EnVision, are also important to tourism businesses in the region as they provide valuable support for environmental management practices. DEBI is a networking organisation which informs, supports and motivates businesses of all sizes and from all sectors in Devon to adopt environmentally sound and profitable business policies. While Business Link provides advice, support and information about various business matters including laws and government regulations, it strongly focuses on improving the environmental performance of tourism businesses and provides extensive advice on these matters. EnVision is an environmental business support programme to enable businesses to improve their environmental performance and lower their costs. Through training, support and workshops, these government-funded organisations significantly contribute to encouraging tourism businesses to become more environmentally friendly.

The combined effects from the work of public and private organisations, charities and accreditation schemes emphasise that sustainability is a key part of tourism development in the South West because the 'greatest tourism asset [- the environment -] must be protected' (Devon County Council 2002:25). The Green Audit Kit and the GTBS are welcome examples of how the South West demonstrates initiative and successfully contributes to the development of sustainable tourism measures, actively supporting the 'greening' of the tourism industry on a regional and national scale. Furthermore, the proactive involvement of a number of charitable and independent organisations across the region is vital, as their contribution to widespread action towards a more sustainable future of the tourism industry cannot be underestimated. Through mainstreaming sustainability and making it a central element of the regional policy agenda, the tourism industry in the South West may be able to compete in the long-term and on a global scale.

Nevertheless, 'there is a danger that the South West will rest on its laurels' (Tourism Company 2003:149), an outcome which the region cannot risk as other regions within the UK continuously improve their products and attract growing numbers of tourists. In its study on globalisation and the South West, Deloitte (2008:83f) suggests a reduction of the region's ecological footprint in order to create a more sustainable tourism destination. As more than 80% of domestic tourists travel to the South West by car (UKTS 2009) and the majority of overseas tourists arrive by plane (Stepping Forward 2005), there is much work to do to encourage tourists to use public transport (e.g. bus, train). After their arrival, only 30% spend part of their holiday car-free (SWT 2009b), despite the increased marketing campaigns on travelling by public transport, walking or cycling across the region (Sustrans 2010). If the South West wants to be 'recognised everywhere for responsible tourism development and management' (SWRDA 2005:1), much remains to be done to achieve this goal.

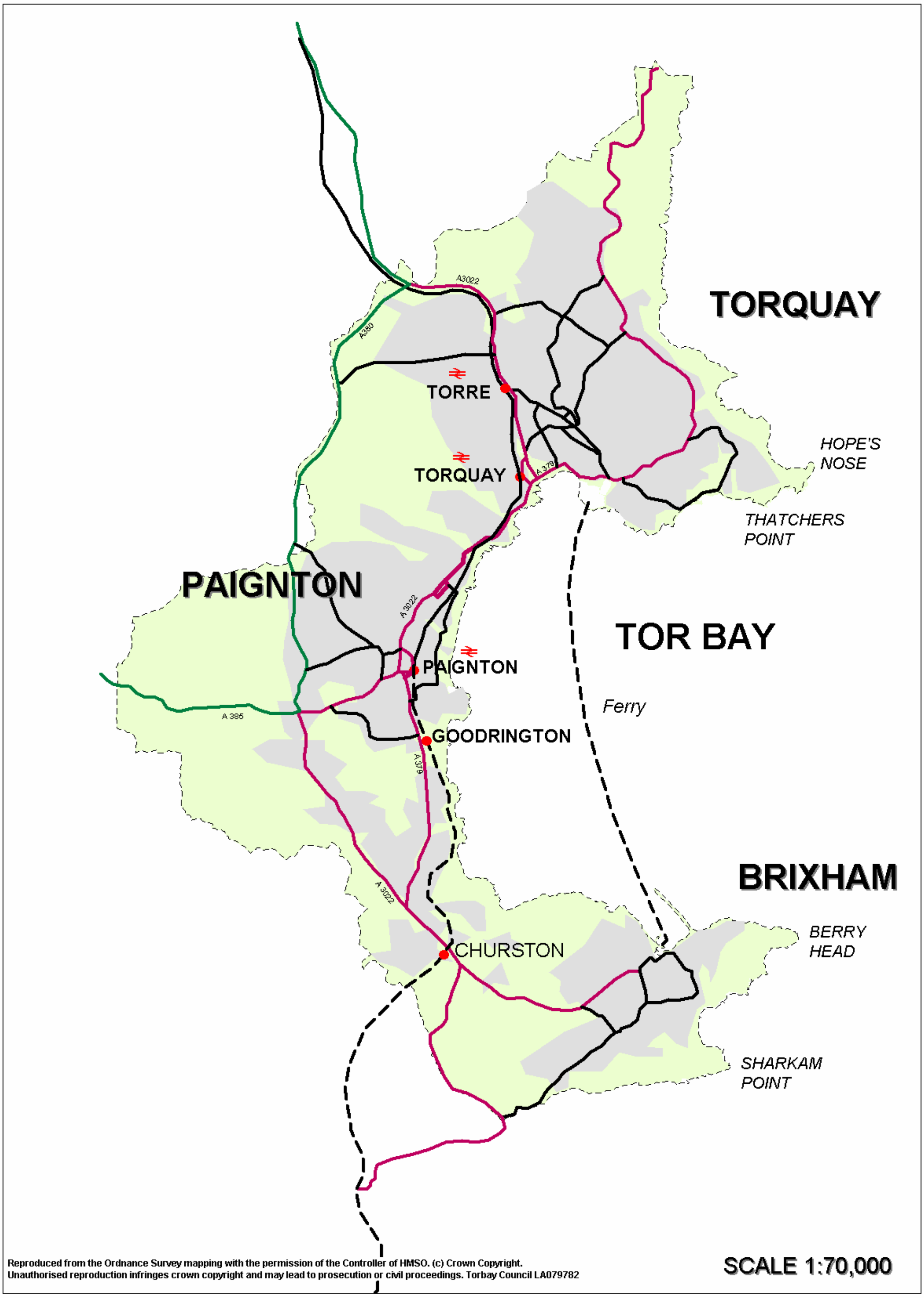
3.6. The case study area of Torbay

Torbay, as a distinctive part of the South West, was chosen as the case study area. It is one of the most well-established seaside resorts in the UK (Agarwal 1997a), located on the south coast of Devon. Also known as the 'English Riviera', it comprises the destinations of Torquay, Paignton and Brixham (c.f. Figure 3.3).

The tourism industry in the area can be traced back to the Georgian era with major growth in Victorian times as the result of the construction of the railway (Morgan and Pritchard 1999). The natural and historic environment continues to be the unique selling point of Torbay. The significance of the coastline was recognised in 2007 through the creation of a Global Geopark, an accreditation endorsed by UNESCO to protect geodiversity and promote the development of geological tourism (English Riviera Geopark 2010). Together with its beaches, the Victorian and Georgian buildings, Paignton Zoo Environmental Park, Living Coast (zoo and conservation charity), other heritage-related museums (e.g. Greenway, Agatha Christie's holiday home) and attractions, and the Riviera International Conference Centre (Torbay Development Agency 2010) draw in seven million day and overnight visitors per annum (SWT 2008). Tourism is estimated to generate £438 million per year through direct and indirect spending, and support 21% of the local residents (Torbay Development Agency 2009). While Torquay remains the main resort within the bay, Paignton caters mainly for the family sector and Brixham continues to be largely unknown to visitors, providing strong potential for future development (Torbay Development Agency 2009).

Although Torbay continues to be a major coldwater seaside resort, since its peak in the 1970s tourist nights have declined gradually and persistently (Torbay Development Strategy 2010). In order to counteract the sharp decline, Torbay Borough Council established the 'Torbay Tourism board in 1982 (now, English Riviera Tourist Board, ERTB) to develop a positive role in the promotion and development of the resort' (Clegg and Essex 2000:82). Although day visitor numbers increased, the overnight market changed from a traditional long-stay holiday destination of one to two weeks to an average of 7.6 nights in 2004. By 2007 the average length of stay had further decreased to four nights, which put Torbay in direct competition with other short-break destinations (Torbay Development Agency 2010). Non-visitor surveys highlighted that Torbay is lacking 'wow factors' to attract new customers and, in particular, younger generations (Torbay Development Agency 2009). Through rejuvenating and strengthening their existing unique selling points – beach, harbour, coast – and developing new products with regards to Agatha Christie, the English Riviera Global Geopark, events,

Figure 3.3. The administrative boundaries of Torbay (Torquay, Paignton, Brixham)



(Source: Torbay Council (2005) Greenspace Strategy 2005-2016)

festivals and business tourism, Torbay is trying to change its perceived image as a traditional holiday destination to attract new visitors (Torbay Development Agency 2009, 2010, SWRA 2005b). In combination with extending the season and generating greater value from existing visitors through increasing the quality of the product it offers, Torbay wants to 'move towards a high-quality tourist destination' (SWRA 2005b:93) in order to ensure a long-term future of the visitor economy in the area.

Increasing the quality level among tourism businesses is a key component of local, regional and national strategies (Torbay Development Agency 2009, SWT 2005, DCMS 2004). Torbay Development Agency (2009) emphasises that a clear link exists between the quality grading of accommodation – four or five star – and repeat visitors as high-quality establishments outperform lower graded enterprises. Of estimated 1500 accommodation providers within the area (Torbay Development Agency 2009), 598 have taken steps to enhance their business practices through accreditation with national standards. Although a growing number of businesses are improving their business practices, for others transition represents a much greater challenge (Torbay Development Agency 2009) as many tourism businesses are operated by lifestyle entrepreneurs who lack the skills, knowledge and capital, as well as the ambition, to improve their businesses (Clegg and Essex 2000, Shaw and Williams 1998). Providing customers with added value through the implementation of sustainable management practices and other services in their business has been acknowledged by the SWRDA (2008) as a way to help Torbay to reposition itself. Currently, 28 tourism businesses are accredited with the green accreditation scheme GTBS, with an additional 15 awarded the David Bellamy Conservation Award (Torbay Development Agency 2010). Thus, a number of businesses have started to manage tourism through the principles of sustainable development (SWT 2005), indicating that tourism businesses in the area are interested in environmental management practices.

3.7. Conclusion

This chapter has set the context and presented the reasons for selecting the South West of England, and specifically Torbay as a distinctive part of the region, as the case study area. As the previous sections have demonstrated, tourism contributes significantly to the region's economic well-being. The remote and rural character of the South West, which is part of its attractiveness, also adds to the challenges its tourism industry is facing. Because the region is heavily reliant on the quality of its natural environment, the unequal distribution of tourism activities in the region has to be addressed. In order to reduce the pressure and demand on the counties of Devon and Cornwall, awareness of the other sub-regions (e.g., Wiltshire, Gloucestershire) needs to be raised among potential tourists. The SWRA and SSW (2001) recommend the promotion of activities, such as sport, heritage and art, in less well-known areas, instead of the traditional 'bucket and spade' holiday. This will help to spread tourism activities across all sub-regions and create a more sustainable region that can accommodate an increase in tourist numbers. Without this approach, the natural environment of some sub-regions will be at risk in the near future, since some areas are already irreversibly modified or damaged. In order to regenerate the important tourism sites of seaside resorts and ensure their long-term competitiveness (Agarwal 1997b), a stronger collaboration between local public and private sector organisations is required to address current challenges.

The tone of the (regional) policy discourse strongly advocates sustainable development (SWRA 2002, 2001, 2005, SWRDA 2010) and South West Tourism has been a pioneer in embedding the principles of sustainable development into its most recent tourism policy – 'Towards 2015. As a result of these efforts, the South West leads on the regional and national level with regards to sustainability. However, to date, there is a lack of understanding about how policy can be translated into action by an individual and/or a change in business practices since little is known about the underlying reasons for embedding sustainable management practices in tourism businesses and in particular among SMEs (c.f. Chapter 2). This has the result that the diffusion of best practices on a local or regional level is often assumed at present rather than understood. However, Devon County Council (2001) acknowledges that the 'principles [of sustainable tourism] need to be more widely adopted by the industry and visitors' (Devon County Council 2001:32) to ensure the region protects its environment: its 'greatest tourism asset' (Devon County Council 2002:25).

Through the active promotion of sustainable tourism for over a decade (SWT 2005) and encouragement of initiatives such as the Green Audit Kit and the Green Tourism Business Scheme, businesses that believe in the principles and practices of sustainable development across the South West have incorporated the region's policy discourse and enthusiastically adopted sustainable management practices. Over a third of GTBS members are located in the South West today (GTBS 2010) and, of these, several businesses lead on the promotion of environmental management practices and their benefits. A number of charities and organisations (e.g. CoaST, the Tourism Skills Network) have also picked up the leadership banner and promote sustainable business practices. However, their number is low in comparison to the overall number of organisations that encourage sustainable development in general throughout the region. Still tourism businesses are often unaware of the support and guidance available to them. This needs to be addressed in order to increase their level of understanding about the benefits of sustainable management practices (SWRA 2005). Widespread action among tourism businesses can significantly contribute to the sustainability and long-term competitiveness of the region. However, more practical support and guidance and greater leadership from organisations and individual businesses are required as policy objectives and visions cannot be translated into practice without action and behaviour change (SWRDA 2003, Agarwal 2002).

As a result of the change in policy towards regionalism (c.f. Webb and Collis 2000, Goodwin et al. 2005), the roles and influence of the tourism boards have declined. Since RDAs took over regional tourism strategy in 2003, confusion has arisen as to which organisation leads the region on the issues of sustainability. More recently, the coalition government's disbanding of the SWRDA and South West Tourism will create an even greater leadership vacuum. Fragmentation of the industry's policy-making framework has therefore increased and confusion has reached a new level. Thus, key ideas and strategies that have been developed by policy makers nationally are less likely to result into a change of business practices by tourism businesses locally as a lack of understanding exists about translation process and how to facilitate it. In this context, Geoff Wilkinson (Chief Executive, SWRDA 2005:10) highlights that 'local authorities and key people from the private sector must pick up the leadership banner' to achieve the objectives set for the region – particularly since it is currently unclear whether tourism will be part of the responsibilities of the new Local Enterprise Partnerships. Therefore, self-regulation and leadership at the micro-level will become more important than ever before. Without a regional strategy for the future of the tourism industry in the South West, localised attempts throughout the region could create disjointed efforts and further duplication of effort which could damage the long-term competitiveness of the region.

CHAPTER FOUR

– RESEARCH METHODS –

4.1. Introduction

Previous chapters have established the conceptual background of this study by providing an overview of the three relevant bodies of knowledge (c.f. Chapter 2), as well as the context in which this research will be undertaken (c.f. Chapter 3), This chapter will now illustrate how the complex ideas from general management literature can be operationalised to create insight into innovative ways in which more widespread action with regards to sustainable management practices among SMEs can be encouraged. Therefore, this chapter discusses the research methods and techniques used in this study to answer the aim and objectives outlined in chapter one (c.f. Figure 1.1). As mentioned previously, the aim of this study is:

> *To investigate the relationship between leadership and knowledge transfer regarding environmental issues in tourism businesses with special reference to SMEs in the South West of England.*

As the choice of research methods dictates the type of information and knowledge produced, it is imperative to describe them in detail and explain how their selection ensures that appropriate data is collected for all objectives and research questions and meaningful and valid results generated. To create in-depth knowledge about the relationship between leadership, knowledge transfer and sustainable management practices both quantitative and qualitative research, using a mixed method approach through triangulation were chosen as the most suitable approach, which will be discussed in depth in the following sections of this chapter.

Therefore, this chapter firstly explains this study's data collection methods (including primary and secondary research) and, in particular, the reasoning behind using a mixed method approach of questionnaire survey and in-depth semi-structured interviews through triangulation (Section 4.2). Attention is then paid to the design of the questionnaire, including its thematic content and the changes made after the piloting stage in Exeter (Chapter 4.3). This is followed by an overview of sampling methods and a justification of the sampling method employed in this study (Section 4.4), before the survey strategy and its execution are explained (Section 4.5). The chapter continues by explaining the qualitative research element of this study, including interviewee selection methods and the content of the semi-structured interviews conducted (Section 4.6). After the validity and reliability of these methods are examined (Section 4.7), an explanation is provided of how the collected data was analysed using a variety of quantitative and qualitative techniques and tests (Section 4.8).

4.2. Selection of data collection methods

In order to investigate the objectives and answer the research questions of this study (c.f. Figure 1.1, Chapter 1.2), both primary and secondary forms of data were utilised. Before the programme of empirical research was designed, various sources of secondary data were consulted. Therefore, this research builds upon data relevant to this study that has been collected by different researchers and institutions as proposed by Bradley (2007). It must be highlighted that such data was originally primary data collected and analysed by other researchers. For the purpose of this research, secondary data includes academic articles, books and policy documents focussing on leadership theory, knowledge transfer, SMEs and sustainable management in general, as well as in the context of tourism. While questionnaires represent the established approach for researching knowledge transfer, innovation and leadership, quantitative surveys are not favoured in SME studies because the underlying reasons for implementing more sustainable management practices are complex and can only be determined through more in-depth investigatory methods which cannot be captured to the same extent through questionnaire surveys (Dewhurst and Thomas 2003, Thomas et al. in press). Within leadership research, questionnaires (e.g. MLQ) have strongly dominated in the research. However, Hunt and Conger (1999:339) argue that leadership theory would benefit from the use of multiple methods (e.g. questionnaires, interviews, observation) so that the complexity of leadership behaviour in general, and transformational/charismatic leadership in particular, can be understood. There is a more in-depth discussion on the findings of the relevant secondary research in Chapter 2. Although secondary research is an important and useful source of information, secondary data may not always be reliable or accurate and must be critically evaluated by the researcher (Martella et al. 1999).

As a result, primary research was conducted specifically to address the objectives of this research and to answer the aim of this study. Primary data collection can be categorised into qualitative and quantitative research. According to Bryman and Bell (2003:25), ‘quantitative research can be construed as a research strategy that emphasises quantification in the collection and analysis of data’, while qualitative research ‘usually emphasizes words’. While both quantitative and qualitative methods are regarded as valuable research techniques, the majority of tourism research is heavily reliant on the quantitative approach (Walle 1997, Riley and Love 2000). Walle (1997:525), for example, favours quantitative data because research ‘must be empirically verifiable and observable’ in order to create a general perspective. Decrop

Table 4.1. Qualitative versus quantitative methods of research

Qualitative research	Quantitative research
Flexible	Produces statistical data
Enables the exploration of the meaning of concepts and events	Where random probability samples are used, survey estimates can be defined within specified bounds of precision
Produces valid data as issues are explored in sufficient depth to provide clear understanding	Can measure the extent, prevalence, size and strength of observed characteristics, differences, relationships and associations
Enables the study of motivations and patterns of association between factors	Can determine the importance of factors influencing outcomes
Provides a detailed understanding of how individuals interact with their environment, cope with change, etc.	Uses standardised procedures and questioning, enabling the reproducibility of results

(Source: Davies 2004:1-2)

(1999:157) further highlights that the predominance of quantitative research in tourism is the result of a 'focus on what is general, average and representative so that statistical generalization and prediction are possible.' Jamal and Hollinshead (2001:69) argue, however, that tourism studies should not have 'banished' qualitative research as 'merely subjective' and 'messy'. Johnson and Onwuegbuzie (2004:14) emphasise that the potential of qualitative research should not be undervalued by tourism researchers, as any research is 'value-bound, [because] it is impossible to differentiate fully causes and effects'. They argue further that in recent years more researchers are challenging the notion of objectivity and value-free research. Although quantitative research is seen as the more rigorous scientific method, qualitative research employs more flexible tools of investigation (Finn et al.2000). Qualitative research enables the researcher to investigate a phenomenon from a perspective other than through the lens of positivism (Denzin and Lincoln 1994), but is often accused of being less scientific due to a lack of rigor and credibility (Decrop 1999). As a result, the appropriateness of both methods is highly debated among researchers. Decrop (1999) argues that qualitative research can generate results as trustworthy as quantitative research. Riley and Love (2000:167) highlight that 'equal amounts of criticism for the qualitative and quantitative rigor' can be found within tourism research and that quantitative research alone cannot generate results that fully capture the meaning or create understanding of any research. Davies (2004) summarizes the main differences between qualitative and quantitative research (c.f. Table 4.1.)

Within the field of leadership there has been a similar discussion since traditionally, quantitative research – and especially self-administered questionnaires – has been the most 'dominant […] kind of data gathering' (Bryman 2004:731). Some researchers also argue that quantitative research alone cannot generate a good understanding of leadership, given 'the extreme and enduring complexity of the leadership phenomenon itself' (Conger 1998:108). Bryman (2004:754) emphasises further that qualitative research 'has brought to the fore several aspects of leadership processes that might otherwise have been relatively unexplored'.

Bryman (2006) recommends the integration of qualitative and quantitative research through the use of multple-method (Brannen 1992) or mixed methods (Creswell 2003). The multiple-methods technique is 'used to examine different perspectives on the same research question', while the mixed methods approach uses two or more methods 'to address the research question at the same time in the research process'. Johnson and Onwuegbuzie (2004) summarize the key strengths and weaknesses of a mixed method approach (Table 4.2.)

Bryman (2006:111) emphasises that 'if the two are conducted in tandem, the potential – and perhaps the likelihood – of unanticipated outcomes is multiplied', enabling the researcher to investigate a phenomenon in more depth and create a better understanding of the problem/issue at hand. For this study, a mixed method approach through triangulation was

Table 4.2. Strengths and weaknesses of a mixed methods approach to research

Strengths	**Weaknesses**
Words, pictures, and narratives can add meaning to numbers	Can be difficult for a single researcher to carry out both qualitative and quantitative research, especially if two or more approaches are expected to be used concurrently; a research team may be required
Numbers can add precision to words, pictures and narratives	More time consuming
Can provide quantitative and qualitative research strengths	Methodological pursuits contend that one should always work within either a qualitative or a quantitative paradigm
Research can generate and test a grounded theory	More expensive
Can answer a broader and more complete range of research questions because the researcher is not confined to a single method or approach	Researcher has to learn about multiple methods and approaches and understand how to mix them appropriately
A researcher can use the strengths of an additional method to overcome the weaknesses in another method by using both in a research study	Some of the details of mixed research remain to be worked out fully by research methodologists (e.g. problems of paradigm mixing, how to qualitatively analyse quantitative data, how to interpret conflicting results)
Can provide stronger evidence for a conclusion through convergence and corroboration of findings	
Can add insights and understanding that might be missed when only a single method is used	
Can increase the generalizability of the results	
Qualitative and quantitative research used together produce more complete knowledge necessary to inform theory and practice	

(Source: Johnson and Onwuegbuzie 2004:21) chosen, because triangulation helps enhance the trustworthiness of qualitative research, as well as the study's generalizability (Decrop 1999). In this context, triangulation involves 'looking at the same phenomenon, or research question, from more than one source of data' (Decrop 1999:158). By combining qualitative and quantitative data, the research problem can be elaborated and illustrated (Bryman 2006). Denzin (1978) distinguishes between four different types of triangulation: data, investigator, theory and methodological. While data triangulation refers to the use of different data sources or data sets derived from both qualitative and quantitative research, investigator triangulation relates to the use of different researchers. Theory triangulation brings together different theoretical viewpoints to compare competing hypotheses and interpret the collected data, whereas methodological triangulation refers to a single problem researched using multiple methods, including the use of different methods at various stages (c.f. Decrop 1999). Davies (2003) highlights that methodological triangulation can be problematic due to the different methodological ontologies and epistemologies. While they may add depth to the generated data, they do not necessarily improve the validity or objectivity of the research. He further argues that problems can arise when mixing paradigms and theories; mixing methods is less problematic as 'the breadth and depth of an issue can be enhanced […] as the strength of both data are heightened' (Davies 2003: 104).

Data triangulation is the method used within this study as it enhances the objectivity of the research. Furthermore, within data triangulation, qualitative and qualitative research can be combined in various ways. Based on Miller and Crabtree's work (1994), Davies (2003) explains that qualitative and quantitative data can be triangulated in a concurrent, sequential and nested manner or in combination (c.f. Table 4.3).

Within this study, concurrent data triangulation is employed with the data generated from quantitative research (c.f. Chapter 4.3, Appendix 1) and qualitative research (c.f. Chapter 4.6, Appendix 2) used in a mutually reinforcing manner. In some instances, qualitative research is

Table 4.3. Design possibilities for triangulation

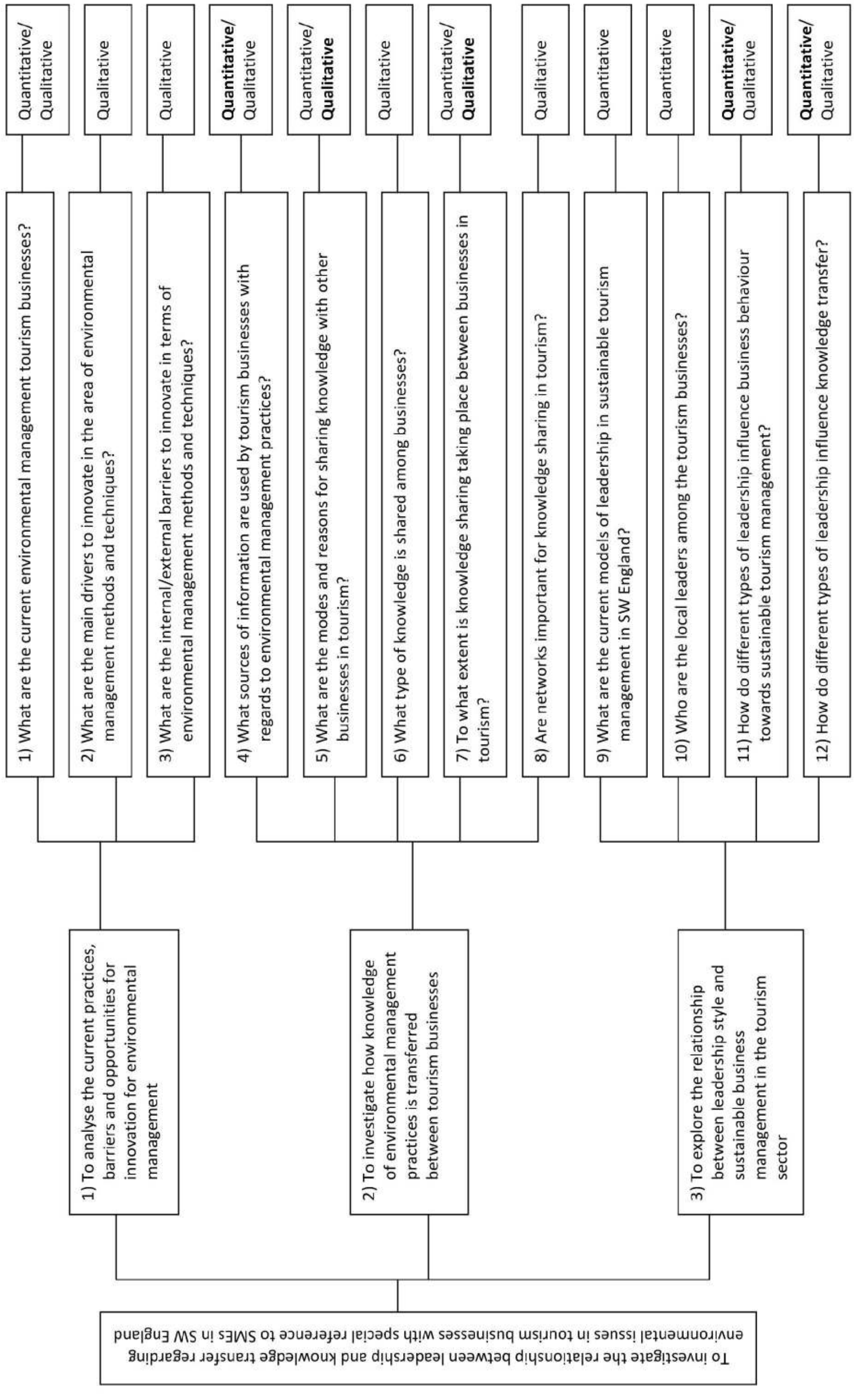
Design possibilities	Explanation
Concurrent	Quantitative and qualitative data are used simultaneously
Sequential	Qualitative data is used first in order to develop quantitative instruments
Nested	Both are used in a conceptual framework to create checks and balances to ensure that the 'wrong problem' is not addressed
Combination	Qualitative data contextualises situation-specific cases

(Source: Davies 2003:104, based on Miller and Crabtree 1994) used in a supportive or explanatory way for the predominant quantitative research, especially in regards to current environmental management practices (Research question [RQ] 1, Figure 4.1), different leadership types and their influence on knowledge transfer and sustainable tourism management (RQs 11 and 12), and socio-economic and demographic characteristics (e.g. age, bedspaces, charge per night, ownership). Qualitative research is also used as an exploratory tool for relationships, causes and reasons, particularly with regards to the importance of networks (RQ 8), the reasons and extent of knowledge sharing (RQs 5 and 7) and the barriers and drivers for innovation (RQs 2 and 3). Figure 4.1 provides a detailed explanation of the objectives and research questions of this study, as well as the methods used to answer them. The methods used for each objective and its research questions were carefully selected as the most appropriate.

As Figure 4.1 highlights, qualitative research methods dominate the first objective, especially for the second and third research questions, while both qualitative and quantitative data were collected for the first research question. For the second objective, a mixed method approach was used as qualitative research in support of the quantitative research represented the most suitable approach to generate valid results on information sources and the reasons for and extent of knowledge sharing (RQs 4, 5 and 7). However, qualitative research alone was appropriate for research questions six and eight, because it allows the collection of in-depth detail about knowledge sharing and networking, which could not be captured by quantitative research. For the third and final objective of this research, quantitative research was predominantly used to investigate the current models of leadership (RQ 9) and to identify the leaders (RQ 10). Quantitative research is also used, primarily to assess the influence of different leadership types on business behaviour in regards to sustainable tourism management (RQ 11) and on knowledge transfer (RQ 12), although qualitative research is used to support the argument wherever appropriate.

Quantitative research was also used primarily to assess the influence of the different leadership types on business behaviour towards sustainable tourism management (RQ11) and on knowledge transfer (RQ12) although qualitative research was used to support the argument wherever appropriate.

Figure 4.1. Approaches applied to this research



(Source: Author)

4.3. Explanation of the questionnaire design and survey execution

4.3.1. Framework of the survey design

The design, structure and presentation of the questionnaire (Appendix 1) were carefully planned and administered in order to generate the required response rate and to collect accurate information from participants (Bryman and Bell 2003). A self-administered questionnaire was chosen over a postal questionnaire. The questionnaire length (six A4 sides) was carefully considered, because of a possible effect on response rate resulting from a lack of time among owner/managers. However, personal contact by the researcher at the time of the questionnaire drop-off and later collection at a time convenient to the respondent encouraged many owner/managers to complete the questionnaire. The questionnaire predominantly included fixed-alternative questions including Likert-type and nominal-dichotomous items (belonging to a category), as well as a small number of open-ended questions relating to personal information (Mitchell and Jolley 2004) (Appendix 1).

4.3.2. Questionnaire design

4.3.2.1. Thematic content

The questionnaire contained 22 questions, divided into three thematic sections to create greater continuity within the questionnaire, making it easier for the respondents to complete it. While the first section collected explanatory variables, section two was designed to inform the first objective and its subsequent research questions. Section three elicited data for the second objective, as well as collecting data to investigate the third and final objective of this research (c.f. Figure 4.1). The details of the questionnaire can be found in Appendix 1.

4.3.2.2. Introduction

The first part of the questionnaire contained an introduction to the survey and instructions for completing the questionnaire. The participant was assured of the ethics of the survey: '*all answers will be reported anonymously and treated with strict confidence*. It was highlighted that only the owner or manager of the business should complete the questionnaire so that it would only be completed by the target group: owner/managers of serviced accommodation businesses.

4.3.2.3. Section one: some questions about you and your business

A series of variables was collected in the first section of the questionnaire relating to the owner/manager's establishment. Questions covered the type of establishment, the business's ownership, the number of generations for which the business has been run by his/her family, the number of bedspaces, the charge per room per night and the number of employees. The owner/manager was also asked to select which associations the establishment was currently a member of. Secondly, a number of questions concerned the personal details of the owner/manager. These included age, gender, his/her previous experience in tourism, his/her previous occupation and its location, and his/her place of birth.

4.3.2.4. Section two: you and the environment

The purpose of this section was to collect data about the owner/manager's environmental behaviour as a manifestation of their commitment to sustainable development. Respondents were therefore asked which of twelve environmental measures had been implemented and undertaken within his/her establishment, such as *'We take water saving measures (i.e. towel agreement, dishwasher)'* and *'We purchase local food and beverage'*. The participants were asked to indicate the frequency on a five-point Likert scale ranging from *Always* to *Never*. The second bank of statements in this section focussed on the perceived importance of environmental issues for the establishment: '*Acting more environmentally sensitive enhances the profitability of our business.*' or '*We market green credentials in our advertising*'. Again a five-point Likert scale was used on which the respondents were able to state how strongly he/she agrees or disagrees with the seven statements presented to them. The selection of the items, as well as the scales of measurement, was informed by an extensive review of the literature (Hobson and Essex 2001, Vernon et al. 2003, Tzschentke et al. 2008, Dolnicar and Leisch 2007, Knowles et al. 1999).

4.3.2.5. Section three: knowledge sharing and networking

In the final section of the questionnaire respondents were asked to indicate the extent to which he/she exchanges knowledge on environmental management practices (Q.17). A number of national and regional associations (e.g. South West Tourism and Green Tourism Business Scheme) were listed, as well as blank spaces where participants could name the businesses in the local area with whom they exchange knowledge. Question 17 was designed in alignment with previous research on social network analysis (Shih 2006, Pavlovich 2003, Baggio et al. 2010, Scott et al. 2008, Granovetter 1983, 1985, c.f. Chapter 2.3) to investigate the extent of knowledge sharing through the strength of ties between tourism businesses. Question 18 then enquired further about the sources of information the owner/manager uses to inform him/herself about the establishment's environmental impact. The options ranged from '*own experience', 'energy companies', 'printed media', 'phone helpline'* to *'word of mouth'*. Respondents were encouraged not only to tick as many sources as applicable, but also to state any additional sources of information and to indicate the three most important for him/herself (Q.19). The participants were then asked to rate their reasons for sharing knowledge with others and using formal/informal networks (Q.20): e.g. *'I share knowledge on environmentally friendly business strategies only with businesses I trust'* and *'I use informal settings to exchange ideas on how to lessen our environmental impact'*. The eleven statements in this block of questions were again rated on a five-point Likert scale where the owner/manager had to indicate their level of agreement or disagreement. All the items included in this section were informed by an extensive literature review (c.f. Chapter 2.3). The final two banks of questions (Q.21 and Q.22) addressed the owner/manager's style of leadership, firstly in relation to other businesses (Q.21) and secondly within his/her own business (Q.22). The scale of measurement used in both questions had the same format: a five-point Likert scales ranging from *frequently, if not always* to *not at all*. Respondents had to rate frequency of exhibiting different leadership styles according to the statements presented in both banks of questions: *'I would like to benefit other businesses in the area by sharing my knowledge and expertise'*; *'I talk to other businesses to raise their awareness about environmental management practices'*; and *'I leave it to other businesses to lead on environmental issues in tourism in the region'*.

4.3.2.6. The development of the leadership items

The design of the items in questions twenty-one (Q.21) and twenty-two (Q.22) was based on previous research on the Full Range Leadership Theory (FRLT) (c.f. Table 2.3). This study does not seek to add to existing discussion about refining the Multifactor Leadership Questionnaire (MLQ) factor structure (c.f. Chapter 2.4), but rather to use the FRLT as an 'explanatory constructs good for all situations' (Bass 1997:130) and therefore as a tool to investigate the existence of different types of leadership among SMEs in tourism (Objective 3). The three leadership styles encompassed by the FRLT – transformational, transactional and *laissez-faire* – were initially adopted in this study based on Avolio, Bass and Jung's (1999) revised six-factor model of the MLQ (Form 5X), which encompasses 36 items. Detailed descriptions of the leadership types, the factors and the operational definitions can be found in Table 2.3.

In line with previous research using the MLQ (Form 5X) (Tejeda et al. 2001, Ivey and Kline 2010), modifications and adjustments were made to tailor the MLQ for use in the tourism sector. In the first instance, all 36 items presented by Avolio, Bass and Jung (1999) were closely examined and each item's importance (Cronbach's α) to the original scheme was assessed in order to reduce the number of items in this study's questionnaire. Secondly, the more abstract factor items were removed (e.g. 'model's ethical standards', 'considers the moral/ethical') (c.f.

Table 4.4) to reduce further the total number of items and the likelihood that subtle differences might be interpreted by respondents as duplication. Subsequently, each item's suitability was judged, firstly in the context of tourism and secondly for their appropriateness for measuring external and internal leadership. For example, Avolio, Bass and Jung's (1999) contingent reward item 'Recognizes your achievement' was translated into 'I always praise other businesses for their environmentally friendly practices.' Table 4.4 provides an overview of the items selected for the questionnaire and how they were translated to reflect external leadership in tourism.

Although Tejeda et al. (2001) propose that it is necessary to include three items per factor to provide reliable and valid results since that number produces a high internal consistency, Tepper and Percy (1994) demonstrate that meaningful results can be achieved with only 24 items. Due to the page restrictions of this study to three pages of A4 this study's questionnaire only allowed 16 items measuring external leadership (Q.21) – the leadership styles used by the owner/manager to influence other businesses in the area – and 12 measuring internal leadership (Q.22) – the leadership style used by the owner/manager within their own establishment. The items were not designed to empirically test the validity of the six- or nine-factor structure of the MLQ (Form 5X) in tourism. Instead the MLQ (Form 5X) is used as a broad diagnostic tool to investigate whether the three leadership styles can be found among the owner/managers of SMEs in tourism (c.f. Table 2.3). Thus, the items 'only' had to reflect the key ideas of each of the three leadership styles. Once the decision was made as to which items to retain, each item was carefully reworded to ensure that the final set captured the core meaning of those in Avolio, Bass and Jung (1999) after their translation into the tourism context and to measure external and internal leadership (c.f. Appendix 1).

Although twelve items were designed to measure internal leadership, later analysis highlighted that the businesses in the survey were predominantly small- and micro-businesses that rarely employ members of staff to assist the owner/manager in running his/her establishment. As a result, the internal leadership items could not be analysed as spurious results would be generated. Instead, this research solely focussed on external leadership: that exhibited by the owner/manager outside his/her own establishment towards other businesses in the area.

4.3.2.7. Request for follow-up

At the end of the questionnaire, the respondent was asked whether he/she would be willing to participate in a follow-up interview and was thanked for completing the questionnaire (Appendix 1).

Table 4.4. Full Range Leadership Theory – Six factors and their operational definition

	Factor	Avolio, Bass and Jung (1999)	α	Translation into external leadership	Labels
Transformational Leadership	**Charisma/ Inspirational Motivation**	'Proud of him/her'	.71		
		'Goes beyond self-interest'	.70	I would like to benefit other businesses in the area by sharing my knowledge and expertise.	**IM1**
		'Has my respect'	.81	Other businesses recognise the environmental management practices of my business.	**IM2**
		'Displays power and confidence'	.63		
		'Talks of values'	.62		
		'Models ethical standards'	.75		
		'Considers the moral/ethical'	.70		
		'Emphasizes the collective vision'	.71	I am confident that that a more environmentally friendly approach is good for the tourism sector	**IM3**
		'Talks optimistically'	.68		
		'Expresses confidence'	.68		
		'Talks enthusiastically'	.78		
		'Arouses awareness about important issues'	.77	I talk to other business to raise their awareness about environmental management practices.	**IM4**
	Intellectual Stimulation	'Re-examines assumptions'	.71		
		'Seeks different views'	.74		
		'Suggests new ways'	.79	I am happy to share our environmental practices with other businesses.	**IS1**
		'Suggests different angles'	.81	My ideas about environmentally friendly methods motivate others to review their business practices.	**IS2**
	Individual Consideration	'individualizes attention'	.59		
		'Focuses your strength'	.82	I recommend environmental strategies to others as a way of improving their businesses.	**IC1**
		'Teaches and coaches'	.78	I participate in training on environmental practices so others can learn from my experience.	**IC2**
		'Differentiates among us'	.73		
Transactional Leadership	**Contingent Reward**	'Clarifies rewards'	.66		
		'Assists based on effort'	.65		
		'Rewards your achievement'	.69	I consider firms' environmental reputation when choosing suppliers.	**CR1**
		'Recognizes your achievement'	.78	I always praise other businesses for their environmentally friendly practices.	**CR2**
	Management By Exception (Active)	'Focuses on your mistakes'	.58	I am prepared to publicly single out examples of bad environmental practice.	**MbE(A)1**
		'Puts out fires'	.58	I only enact environmental measures if because I have to (e.g. by law, soaring utility bills).	**MbE(A)2**
		'Tracks your mistakes'	.60		
		'Concentrates on failure'	.65		
Laissez-faire Leadership	**Passive/ Avoidant**	'Reacts to problems, if serious'	.73		
		'Reacts to failure'	.82	I only help other businesses to enact environmental measures if they are in difficulties.	**P/A1**
		'If not broke, don't fix'	.57		
		'Reacts to problems if chronic'	.86	I only help to deal with the problems of other businesses if they occur repeatedly.	**P/A2**
		'Avoids involvement'	.53	I leave it to others businesses to lead on environmental issues in tourism in the region.	**P/A3**
		'Absent when needed'	.57		
		'Avoids deciding'	.64	There is no clear evidence that I need to improve the environmental management of my business.	**P/A4**
		'Delays responding'	.62		

(Source: adapted from Avolio, Bass and Jung 1999 and Antonakis et al. 2003)

4.3.3. Scales of Measurement

Within the questionnaire various scales of measurement were applied. Bradley (2007:209) describes scales as ‘a type of closed questions. Scaling involves creating a continuum upon which measured objects are located.’ It is the responsibility of the researcher to ensure that the ‘scale descriptors do not bias results in any direction’ (Bradley 2007:209). For this study, a combination of nominal, ordinal and interval scales was used.

According to Hair et al. (2010:5), a nominal scale ‘assigns numbers as a way to label or identify subjects or objects. The numbers assigned to the object have no quantitative meaning beyond indicating the presence or absence of the attribute or characteristic under investigation’. Therefore, nominal data can neither be ordered meaningfully nor ranked. Questions nine and eleven (Q.9, Q.11, c.f. Appendix 1) fall into this category. Questions one, two, seven, eight, eleven, twelve, thirteen, fourteen, eighteen and nineteen (Q.1, Q.2, Q.7, Q.8, Q.11, Q.12, Q.13, Q.14, Q.18. and Q.19, c.f. Appendix 1) also contain nominal scales.

In comparison, interval rating data enables the researcher ‘to sort and rank the observations but also establish the magnitude of differences separating each observation’ (Wheeler et al. 2004:59). Questions three, four, five and six (Q.3, Q.4, Q.5, Q.6) use interval data. Following the completion of the questionnaires, these ratings were re-coded into ordinal data in order to create classifications for cross-tabulation.

The majority of questions in the questionnaire involve ordinal data. According to Field (2009:9), ‘when categories are ordered [then the scales are referred to as ordinal. [They] […] tell us not only those things have occurred, but also the order in which they occurred.’ Thus, ordinal scales allow the researcher to rank one observation against another (Wheeler et al. 2004). Apart from question ten (Q.10), the remaining ordinal scales (Q. 15, 16, 20, 21, 22) are Likert scales, which are ‘summated rating scales’. The Likert scale is ‘a rating scale used to measure the strength of agreement towards one or more clearly worded statements. Likert scales usually contain a five-point or seven-point rating scale, on which the respondent has the opportunity to indicate their level of agreement or disagreement. The wording of the Likert scales can be modified according to the needs of the statements in question (Bradley 2007). Although these scales can be highly useful, it should be noted that, although the answers can be ordered and ranked, the distance between the scale’s measures cannot be measured. For example, Question 15 uses a five-point Likert scale ranging from *always, usually, sometimes, rarely* to *never*. The participants were invited to indicate the frequency of which they apply environmental measures. In this regards *usually* it does not indicate the he/she is exactly in between *always* and *sometimes* and thus the 'interval between the values cannot be assumed [to be] equal' (Jamieson 2004:1217). The five-point Likert scale selected for the statements in Questions 21 and 22 is based on that used in previous research on transformational and transaction leadership (Avolio, Bass and Jung 1999, Tejeda et al. 2001, Ivey and Kline 2010, Antonakis et al. 2003, c.f. Chapter 2.4). Accordingly, the five-point Likert scale used in this questionnaire ranges from *Frequently, if not always, Fairly often, Sometimes, Once in a while* and *Not at all*. A deliberate decision was made to use the same scale of measurement previously employed by other researchers within leadership so that the data generated from this research can be compared with results from other studies.

As a consequence of using ordinal and nominal data in this study, parametric tests, which assume a normal distribution of data, independence and heterogeneity of variance, cannot be performed. Instead, non-parametric statistics, including Kruskal-Wallace tests (c.f. Chapter 4.8.2), are used to analyse the collected data.

4.3.4. Piloting

Before any questionnaire is used, it ought to be piloted. 'The purpose of the pilot test is to refine the questionnaire so that respondents will have no problems in answering the questions […] and ensure that the data collected will enable your investigative questions to be answered' (Saunders et al. 2007:386). As a result, the questionnaire was pilot-tested in August 2008 – one month prior to the main survey. Businesses in Exeter were chosen as the pilot could be conducted without biasing the main survey of businesses in Torbay. The questionnaire could then be amended if issues arose in line with the following questions (Saunders et al. 2007):

(1) How long did the respondents take to complete the questionnaire;
(2) were the instructions formulated in a comprehensive manner;
(3) were any questions unclear;
(4) was the layout easy to comprehend;
(5) would the sampling strategy work?

Following the same procedures that would take place during the survey in Torbay, a self-compiled database of all serviced accommodation businesses in Exeter was created based on existing directories. Twenty-five serviced accommodation businesses were identified and approached through a combination of face-to-face and drop-and-collect strategies. All businesses were approached three times on different dates and at different times. Where required, respondents were offered help in completing the questionnaire. From the 25 accommodation providers approached, twelve completed the questionnaire and an additional three stated that they would post the document to the researcher to the provided address. However, these three questionnaires were not received. As a result, the response rate was 48%. On average, the respondents required 15 to 20 minutes to complete the questionnaire. The length of the questionnaire therefore proved to be appropriate and did not require shortening in order to increase the response rate. The proposed sampling strategy – drop and collect – was confirmed to be appropriate for the primary data collection in Torbay.

As the result of the pilot, a number of changes were made to the questionnaire. Firstly, general changes with regards to wording and the sequence of the questions was undertaken. By grouping the questions thematically – starting with 'Some Questions about You and Your Business', followed by 'You and the Environment' and finally 'Knowledge Sharing and Networking' – a greater continuity within the questionnaire was created, which in turn ensured a higher completion rate (Appendix 1). Secondly, the section on 'Knowledge Sharing and Networking' was reviewed. The block of questions on the sources of information used by the owner/manager to inform himself/herself about their establishment's environmental impact (Q.18) was extended (see Table 4.5 a/b) to capture additional sources of information suggested by participants during the pilot. Furthermore, the number of statements in Question 20 was reduced from thirteen to eight (Table 4.6) due to the overlap of several statements with the leadership items in Question 21. By separating the concepts of knowledge sharing and leadership within the questionnaire, the focus of each block of items became clearer reducing respondents' perception of duplication.

Table 4.5a. The question about sources of information used in the pilot (Q.18)

❑	Own experience	❑	Energy company	❑	Printed media
❑	Regional Tourist Board	❑	Other business owners	❑	Conferences/ workshops
❑	Business Link	❑	Word of mouth	❑	Internet
❑	Phone helpline	❑	Others:		

(Source: Author)

Table 4.5b. The question about sources of information used in main survey (Q.18)

❑	Own experience	❑	Other business owners	❑	Friends
❑	Regional Tourist Board	❑	Energy company	❑	Conferences/ workshops
❑	Business Link	❑	Word of mouth	❑	Internet/www
❑	Envision	❑	Consultants	❑	Printed media
❑	TV/radio	❑	Devon Environmental Business Initiative (DEBI)		
❑	Phone helpline	❑	Others:		

(Source: Author)

Table 4.6. Changes to the question about knowledge sharing (Q.20)

Pilot survey items	Main survey items
I use formal meetings exclusively to stay informed of the latest developments in environmental practices in tourism.	I use formal meetings exclusively to stay informed of the latest developments in environmental practices in tourism.
I share knowledge on environmentally friendly business strategies only with businesses I trust.	I share knowledge on environmentally friendly business strategies only with businesses I trust.
I share knowledge on environmental practices in order to improve my abilities.	I share knowledge on environmental practices in order to improve my business skills.
I prefer to share knowledge on environmental responsible actions informally.	
I would like to lead on the environmental impact of tourism in the region.	
I prefer to rely on my own experience and personal judgement regarding environmentally responsible practices, not external advice.	I prefer to rely on my own experience and personal judgement regarding environmentally responsible practices, not external advice.
I exchange information on environmental business strategies only with friends.	
I use the informal meetings to exchange ideas on how to lessen our environmental impact.	I use informal settings to exchange ideas on how to lessen our environmental impact.
I would like to participate in more local decision making on environmental issues in tourism.	
I would like to support a network on environmental issues between enterprises.	I share knowledge on environmental practices to benefit the community.
I use informal networks if formal networks cannot provide appropriate advice on environmentally beneficial developments.	I use informal networks if formal networks cannot provide appropriate advice on environmentally beneficial developments.
I share knowledge on environmentally friendly business practices to remain competitive.	I share knowledge on environmentally friendly business practices to remain competitive.

(Source: Author)

Although some participants negatively commented on the scales employed for the block of items in Question 21 which ranged from *Frequently, if not always* to *Not at all,* no changes were undertaken. This part of the questionnaire is based on Avolio, Bass and Jung's (1999) study, which uses the same scales to assess transformational and transactional leadership. In order to be able to compare the results from this research with previous studies, it is necessary to use the same scales of measurement.

4.4. Sampling

In the majority of studies it is impossible to collect all cases characterised by similar characteristics. Therefore, sampling can be useful as it encompasses a variety of techniques by which to collect and analyse the cases available within a study's restrictions including time, money and access. Thus, instead of surveying the entire population, a sample (portion) is taken from the population and included in the data collection (Saunders et al. 2007, Bryman and Bell 2003).

As previously explained in chapter 2, SMEs are a heterogeneous group and researchers should focus in more detail on the various sub-groups to be able to draw more valid conclusions from them (e.g. by size or by parts of the sector) (c.f. Thomas 2000, Dewhurst and Thomas 2003, Morrison and Teixeira 2004, Hillary 2004). For the purpose of this study, only serviced accommodation providers are examined. Unfortunately the total number of tourism businesses, and in particular serviced accommodation businesses, within the administrative boundaries of Torbay was difficult to determine because 'no central holiday accommodation master database [was] available to measure exact level of holiday accommodation' (Torbay Development Agency 2010:8) within the bay. Nor did Devon County Council (DCC) or South West Tourism (regional tourist board) grant access to their registries or databases.

As a result, this study followed Clegg and Essex's (2000) approach of using a self-compiled database of serviced accommodation providers based on existing online and printed directories. This extensive database included all tourism businesses that were accessible and it became apparent through personal contact with the businesses that nearly all were small businesses, with a strong tendency towards micro-businesses (c.f. Chapter 2.2). This is in line with the Torbay Development Agency's (2010) recordings that 70% of tourism businesses are in the four to ten bedrooms category and thus fall into the category of small- and medium-sized businesses. Therefore, the skew towards small establishments within the database is acceptable. There are fewer large accommodation providers within the background population of Torbay and therefore they are under-represented in the research sample. Double entries and other sources of error were eliminated from the database and the final version contains addresses of 599 serviced accommodation providers. Clegg and Essex's (2000) study compiled a database of 1233 tourism businesses in the same geographical area in 1995. Their database, however, contained both catered *and* self-catered establishments and therefore included a larger number of businesses. In addition, according to the Torbay Development Agency (2010), the number of operating businesses has since dropped. During the data collection, several establishments were approached that had either closed or been transformed into self-catering operations. This indicates that the number of accommodation providers has indeed dropped significantly since Clegg and Essex (2000) conducted their survey in Torbay (Torbay Development Agency 2009). Therefore, the self-compiled database represented the only way to establish the background population within Torbay and was therefore used in this study.

4.4.1. Overview of sampling methods

According to Bradley (2007), there are two methods by which to sample a population: probability, also known as random or representative sampling, and non-probability or non-random sampling. In the case of probability samples, every case is known and has an equal chance of being selected for the sample using a random selection. As a result, 'a given person has no influence on the selection or exclusion of the other members of the population from the sample' (Mitchell and Jolley 2004). Using this type of approach, a sample is created that should be representative of the population. In contrast, in non-probability samples, the selection of cases heavily relies on human judgement. Thus, the likelihood of one case being selected for the sample is unknown as all cases have an unequal chance (Saunders et al. 2007, Bryman and Bell 2003).

Due to the fact that not all cases of the background population were known, the results presented in chapters five, six and seven were derived from a non-probability sample. There are several types of non-probability samples, but, according to Saunders et al. (2007), the following five types are commonly used by researchers:

- *Quota sampling* is based on the idea that the selected sample 'represents the population as the variability in the sample variables is the same as that in the population' (Saunders et al. 2007:227). In the case of Torbay, this would mean that, if the population comprised 100 guesthouses and 50 hotels and ten percent had to participate, ten guesthouses and five hotels had to be chosen for the data collection. Sampling had to be continued until this quota was achieved.
- *Purposive or judgemental sampling* relies on the researcher's personal judgement to select the respondents appropriate for the survey and those to be excluded in order to answer the objectives and research questions of the study.
- *Snowball sampling* is often used when the desired members of a population (e.g. leaders in environmental management in Torbay) are not easily identifiable from the outside. Initial contact is made with a small group of people who provide the researcher with contact details of other cases that are relevant to the research.
- *Self-selecting sampling* involves advertisements in the media of the research being undertaken in order to attract the attention of potential participants. Individuals interested in participating in the research make themselves known to the researcher.
- *Convenience sampling* is the selection of cases based on the presence or absence of a respondent at the time of the data collection. Participants are easy to obtain for the survey as they were accessible at the given moment in time.

4.4.2. Selected sampling strategy and sample size

A convenience sample for this study was chosen on the basis of three reasons. Firstly, because the background population could only be estimated, it was difficult to categorise the existing cases into meaningful groups from which to collect a representative sample. Secondly, the presence or absence of the owner/manager at the time of the data collection when approaching each establishment could not be influenced. Although every serviced accommodation provider was personally contacted three times on different dates and times, only people that were present at their business could be invited to participate in this study. Thirdly, the use of a convenience sample was also preferable since it is cost and time effective – important factors due to the deadline for the study.

With regards to sample size, it is widely agreed that 'the larger your sample size the lower the likely error in generalising on statistical probability' (Saunders et al. 2007:210). However, the composition of the sample size is also important to ensure a certain degree of representativeness (Ryan, 1995). The survey was conducted from 15 October to 31 November 2008 and 193 serviced accommodation providers in Torbay agreed to participate; this represents a response rate of 33%. The size of the sample was considered adequate for the various statistical analyses to be performed on the data derived from the questionnaires. For example, for a factor analysis the minimum number of cases should not be smaller than 100 and an acceptable ratio of observations and the number of variables is 10:1. With 193 participants, this study exceeds the acceptable ratio as a factor analysis was performed based on 16 items, which represents a ratio of 12:1 (Hair et al. 2010, Field 2009).

4.5. Main survey strategy and execution

The data collection took place within the administrative boundaries of Torbay – the sampling frame for this research (Figure 3.3) – in autumn 2008. A self-administered questionnaire was handed out to each serviced accommodation business in Torbay and later collected. If the participant was not present at his/her business at the time of drop-off or collection, the establishment was approached further three times on different dates and times. Personal delivery and collection (drop-and-collect) of the questionnaire was chosen as the most appropriate method. Although more time-consuming, the researcher's personal contact with the participants would ensure a higher response rate. Furthermore, where required, respondents were offered help in completing the questionnaire by the reading out of the questions. Of the 284 businesses that agreed at first to participate, 193 completed questionnaires were collected. This represents a response rate of 69% and coverage of 33% of serviced accommodation providers in Torbay recorded in the database (n=599).

It must be noted that the total number of responses for some questions was lower than 193 (e.g. Q.17, Q.21, Q.22). Moreover, despite extensive piloting, it was not predicted that

Question 17 would produce low quality data during the main survey. The question was designed to investigate the extent of knowledge sharing through the strength of ties between tourism businesses using social network analysis. Although participants answered the items relating to accreditation schemes and associations, they were not willing to state the names of the businesses with which they were exchanging knowledge. Only 16 out of 193 respondents used the space provided to indicate other local businesses with which they exchanged knowledge on environmental management practices. As a result, only a limited analysis could be performed on this bank of questions. The missing values created in this and other sections were the result of respondents not answering all questions. Only if the provided answers made meaningful sense *and* more than three-quarters of the questionnaire was completed by the respondent would their questionnaire be included for further analysis.

4.6. Explanation of qualitative research

The qualitative research of this study took place after completion of the questionnaires and involved a face-to-face interview with the owner/managers of the relevant businesses. The format of the in-depth interview was determined in conjunction with that of the questionnaire to reinforce, contradict or expand on the findings derived from the questionnaire. The interviews represented a means by which the respondent could elaborate on ideas and information not captured in the questionnaire. Thus, a more in-depth understanding was created that not only enhanced the quantitative results, but also provided valuable and in-depth clarification of answers and follow up on ambiguous or interesting responses. The interviewee was also given the opportunity to answer in depth about their experience, knowledge and understanding regarding the particular issue.

4.6.1. Interviewee selection

The participants of the qualitative research were selected from the questionnaire. At the end of the questionnaire, potential participants could express their interest in taking part in a follow-up interview by providing their name and contact details. Follow-up interviews were conducted with 18 owner/managers of serviced accommodation providers. The characteristics of interviewees are described in Table 4.7. The interviewees mainly owned/managed guesthouses and B&Bs located throughout the three different areas of Torbay – Torquay, Paignton and Brixham. The owner/managers came from a variety of backgrounds, of which hospitality/retail, law and nursing predominated; only four interviewees had any previous experience in tourism. While two participants had been running their establishment for more than ten years, the majority of businesses had only been under the current ownership for two

Table 4.7. Participants in the interview programme

Business	Gender	Location	Previous occupation	Previous experience in tourism	Current ownership	Type of business	Star rating	Number of bedspaces	Employees	GTBS	Other awards
1	Male	Paignton	National charity	No	January 2004	Guesthouse	Three star (VB)	17	-	No	
2	Female	Paignton	Lawyer	No	April 2004	Guesthouse	Four star(VB)	21	-	No	Enjoy England Silver Award Enjoy England Breakfast Award
3	Male	Brixham	Deputy hotel manager	Yes	1993	Hotel	Three Star(VB)	70	40	No	Enjoy England Breakfast Award Taste of the West
4	Male	Torquay	Training Instructor Aerospace	No	April 2003	B&B	Four Star(VB)	20	-	No	Welcome to Excellence
5	Male	Paignton	Unknown	No	2006	B&B	Not accredited	10	-	No	
6	Female	Brixham	Nurse	No	March 2007	Guesthouse	Four Star(VB)	14	-	No	
7	Female	Paignton	Public servant	No	April 2005	B&B	Four Star(VB)	12	-	Green Start	
8	Female	Paignton	Hospitality	Yes	2006	Guesthouse	Four Star(VB)	14	-	Yes (Bronze)	
9	Female	Torquay	Accountant	No	August 2005	Guesthouse	Four Star(VB)	13	-	Yes (Gold)	Enjoy England Silver Award
10	Female	Torquay	Army nurse	No	1996	Guesthouse	Four Star(VB)	32	-	No	
11	Female	Paignton	Accountant	No	2004	Guesthouse	Three Star(VB)	12	-	Yes (Gold)	
12	Male	Torquay	Sales manager	No	Spring 2007	Guesthouse	Not accredited	18	-	No	
13	Male	Paignton	Funeral Trade	No	May 2006	Guesthouse	Four Star (AA)	14	-	No	
14	Male	Brixham	Retail	No	2005	Guesthouse	Three Star (VB)	15	-	No	
15	Male	Paignton	Hotel manager	Yes	December 2006	Hotel	Three star(VB)	24	-	No	
16	Male	Paignton	Lawyer	No	October 2002	Guesthouse	Four Star (VB)	28	-	No	Welcome to Excellence
17	Female	Torquay	Education	No	January 2007	Guesthouse	Four Star (VB)	12	-	Yes (Silver)	Enjoy England Silver Award
18	Male	Torquay	Hospitality	Yes	Spring 2007	Guesthouse	Not accredited	14	-	No	

(Source: Author)

to four years. The establishments they ran were small-scale, with an average number of bedspaces between 15 and 20. Most establishments were accredited with three or four stars by Visit Britain whereas three businesses were not accredited at all. This indicates a skew towards mid- and high-quality businesses because establishments with two stars and one star were not willing to participate in the interviews. As a result, their viewpoints are underrepresented within the citations used in Chapters Five, Six and Seven of this study. Four of the 18 businesses were accredited with the Green Tourism Business Scheme (GTBS), which ensured that both owner/managers leading on sustainable management practices and interviewees with no or little environmental commitment were interviewed. This was important to investigate different perspectives of owner/managers with regards to the attitudes and behaviours towards the research topics of this study. A research diary was kept to document events and be able to reflect on interviewees' comments and behaviour during interviews.

4.6.2. Semi-structured interviews

Semi-structured in-depth interviews were conducted based on the same template (see Appendix 2). It was divided into three sections – leadership, innovation and knowledge sharing and networking – to expand upon the questionnaire and elucidate further perspectives. The interview consisted of seven questions, which each contained a number of probing questions in case the interviewee wanted to elaborate further on the issue discussed. To begin with, the interviewee was asked some 'background' questions regarding his/her business, his/her experience within the tourism industry and the reasons for starting a business in the South West. Section one was designed to investigate objective three of this research study and therefore focussed on leadership. It contained several questions regarding his/her style of leadership within the business and then within the local community. Section two examines objective one by asking more detailed questions regarding innovations, changes or improvements within the establishment, as well as inquiring about the expectations, problems and reasons for implementing environmental measures. The final section explores objective two by asking the interviewees whether or not they share knowledge or participate in a local/regional/national network in order to determine the extent and importance of knowledge sharing between businesses in the local area.

Prior to the interview, all interviewees were informed about the purpose of the interview, the need to record the interview and that the interviews are anonymous and their name and business will not be linked to anything expressed during the interview. Nevertheless, each respondent had the chance to withdraw from the interview at anytime. It was ensured that the interview remained a one-way process to avoid biases introduced by the interviewer. In reducing the role of the researcher to an absolute minimum, the interviewer can avoid leading the respondent in a desired direction and instead is able to investigate interesting and/or unexpected opinions. The interviews lasted between 30 to 90 minutes and were tape-recorded. These were complemented by handwritten notes of main statements and important observations. After finishing the conversation, these notes were complemented by impressions, thoughts, ideas and problems that arose from the interview, which helped to analyse and interpret the obtained information.

4.7. Validity and reliability

For quantitative and qualitative research, the issues of reliability and validity are highly important. While reliability ascertains 'the extent to which your data collection techniques or analysis procedures will yield consistent findings', validity 'is concerned with whether the findings are really about what they appear to be about' (Saunders et al. 2007:149f).

Knowing how the data was collected helps to evaluate the validity and reliability of results, and the conclusions drawn from them. The *subject or participant error* was minimised by approaching each establishment while dropping-off and collecting each questionnaire at different times of the day as well as on subsequent dates to ensure that every owner/manager had an equal chance to participate in the survey. Furthermore, it was clearly stated that results provided in the questionnaire and during the in-depth interviews would be treated anonymously. This ensured that the research was carried out ethically correctly and no barriers to their participation were created. With regards to the *validity*, the careful design of the questionnaire (including pre-testing) and interview guideline ensured that all questions were understood by the respondents in the way the researcher intended and that the answers provided were understood by the researcher. This ensured the *internal validity* – ability of questionnaire to measure what you intend it to measure – of this study. The *content validity* – the extent to which the questionnaire provided adequate coverage of the aim and the objectives of the study – was ensured through the researcher's extensive literature review (c.f. Chapter 2), which informed the design of the questionnaire and interview guideline especially with regards to the design of Q.17 on networking (Shih 2006, Pavlovich 2003, Baggio et al. 2010, Scott et al. 2008, Granovetter 1983, 1985, c.f. Chapter 2.4) and Q.21/Q.22 on leadership (Avolio, Bass and Jung 1999, Tejeda et al. 2001, Antonakis et al. 2003, c.f. Chapter 4.3.2.6). The *construct validity* – the extent to which your questions actually measure the presence of those constructs you intend them to measure – was investigated using Cronbach's Alpha test of reliability for the leadership items in Question 21 to assess whether the items measure the underlying construct they were designed for – transformational, transactional and *laissez-faire* leadership (Avolio, Bass and Jung 1999) (c.f. Chapter 7.3.5). The *observer error* was also eliminated as only the researcher conducted the qualitative and quantitative research, and therefore a high degree of structure was introduced which provided greater continuity during the data collection. As a result, *observer bias* was also minimised as only the researcher interpreted the results.

4.8. Discussion of the methods of analysis

The data derived from the questionnaire and in-depth interviews were analysed in order to generate valuable information and perform qualitative and quantitative analysis in order to answer the objectives and research questions of this study.

4.8.1. Qualitative analysis

With respect to the qualitative research, the in-depth interviews were tape-recorded and later transcribed forming the basis for further analysis. Key points of interest from this research are presented throughout the findings in chapters five, six and seven. After all the interviews were transcribed they were manually coded using axial coding. In this respect the coding of qualitative statements 'refers to an attempt to 'package' data excerpts under broad headings and sub-categories in a way that allows subsequent retrieval for the purpose of comparison' (Barbour 2008:293). Axial coding was used to explore the interrelationships between categories based around core concepts – leadership, sustainable management practices and knowledge transfer (c.f. Appendix 2). To try to make sense of the responses of each interviewee, the statements were first coded and then categorised to generate meaningful and accurate results. For example, within the core concept of implementing change or innovation towards sustainable management practices, the qualitative data was coded according to drivers and barriers for change. Within each sub-category, reoccurring themes were identified such as 'personal dedication', 'cost control', 'recognition and continuing rewards', 'guest expectations', 'pressure to conform as environmental measures become the norm', etc. The interrelationships within and between themes of the qualitative data were then analysed.

4.8.2. Quantitative analysis

With regard to the quantitative research of this study, each of the 193 questionnaires contained 22 questions. In some completed questionnaires, the total number of responses was lower than 22. Missing values resulted from respondents not answering or missing some of the questions. Only if more than three-quarters of the questionnaire was completed and the answers made meaningful sense was the questionnaire included in the data analysis. Prior to the analysis of the questionnaire using the software package SPSS 15 (Statistical Package for the Social Science), each questionnaire was edited and coded. After carefully checking each questionnaire to determine that all answers were accurately completed, suitable and of a high standard for further processing, each question was coded. Coding refers to a 'procedure whereby complex descriptions [or statements] are broken into simpler meanings and are allocated a code, usually a number' (Bradley 2007:329) so that they can be entered into SPSS. Each response from open-ended questions with the category 'Other' (c.f. Q.2, Q.7, Q.18) was treated as a separate response and coded accordingly. Other open-ended questions that elicited metric answers, for example the number of bedspaces or the charge per room per night (Q.3, Q.4, Q.5), did not require coding and were entered into SPSS; although in some instances these were later re-coded.

4.9. Statistical analysis of the collected data

For the statistical analysis of the data derived from the questionnaire survey, non-parametric tests were judged to be the most appropriate. According to Field (2009), the assumptions – normally distributed data, homogeneity of variance, interval data – for a parametric test were violated by the data and thus were discarded. The advantage of non-parametric tests is that 'they make fewer assumptions about the type of data on which they can be used' (Field 2009:540). As non-parametric tests work on the principle of ranking data, they are more appropriate for nominal and ordinal data, which predominated in this study.

For all quantitative analysis, the statistical significance is of high importance. According to Martella et al. (1999:104), the statistical significance 'helps researchers with the decision about whether the observed difference is great enough to reject the null hypothesis (difference occurred due to chance factors alone); it also helps researchers accept the alternative hypothesis (difference occurred due to systematic and chance factors.' Field (2009:51) further elaborates that the 'probability value p [is] an index of the weight of evidence against the null hypothesis'. The significance level lies between 0 and 1.0. The closer the probability value (p) is to zero, the smaller the risk of rejecting the null hypothesis. In order to reject the null hypothesis, the probability level of $p< 0.5$ needs to be reached. Only then can the alternative hypothesis be accepted (Field 2009, Hair et al. 2010).

Univariate and multivariate analysis were used in order to examine the relationship between variables. Univariate analysis refers to the analysis of single-variables (Hair et al. 2010). In this research univariate analysis was done through means and one-way frequency tables with regards to the socio-economic and socio-demographic characteristics of the owner/manager and his/her establishment. The mean scores of the attributes relating to environmental management practices, knowledge transfer, innovation and leadership also derived from univariate analysis. The results from these tests are presented through mean scores and percentages in tables, or are included in the text of chapters five, six and seven. In comparison to univariate analysis, bivariate analysis tests two variables for their relationship (Field 2009). In this study, bivariate analysis using crosstabs was used to establish whether an interdependent relationship existed between the explanatory variables and the other items in the questionnaire (c.f. Appendix 1). Kruskal-Wallis tests were employed to investigate the relationship between leadership and knowledge transfer, as well as sustainable management practices.

Multivariate analysis has an advantage over bivariate analysis as it examines the 'relationships between or among more than two variables' (Hair et al. 2010:4). Not only can it analyse more than two variables, but it is also designed to look for relationships in multiple combinations of variables. Besides other techniques – multiple regression, multivariate analysis of variance – the most frequent techniques used are factor analysis and cluster analysis.

- Factor Analysis: according to Hair et al. (2010:94), 'factor analysis provides the tools for analysis of the structure of the interrelationships (correlations) among a large number of variables (e.g. questionnaire responses) by defining sets of variables that are highly interrelated, known as factors. These groups of variables (factors), which are by definition highly intercorrelated, are assumed to represent dimensions within the data.' Field (2009:628) adds that this technique has three main uses: '(1) to understand the structure of the set of variables […]; (2) to construct a questionnaire to measure an underlying variable […]; and (3) to reduce a data set to a more manageable size while retaining as much of the original information as possible.'
- Cluster Analysis: according to Hair et al. (2010:18), this 'is an analytical technique for developing meaningful subgroups of individuals or objects. Specifically the objective is to classify a sample of entities (individuals or objects) into a small number of mutually exclusive groups based on the similarities among the entities.' The groups created are not predefined, rather cluster analysis is used to identify the number of groups derived from the observations.

With regards to this research, factor analysis and cluster analysis represented the most appropriate multivariate techniques to address the third objective of this study. In particular, factor analysis was used to investigate the current models of leadership in sustainable tourism management in the South West of England (c.f. Figure 3.1 - RQ.9). This is intended to establish whether Avolio, Bass and Jung's (1999) models of leadership can be translated into the context of tourism and to measure external leadership and whether the results still resemble the original factor structure (Table 4.4). On the other hand, cluster analysis was used to look for common patterns among the leadership traits exhibited by respondents in order to classify the owner/managers into groups. By doing so, the local leaders among the tourism businesses in Torbay could be identified and their external leadership behaviour investigated (c.f. Figure 4.1 – RQ.10). Based on the cluster analysis, the influence of different types of leadership on business behaviour with regards to sustainable tourism management (c.f. Figure 4.1 - RQ.11) and towards knowledge transfer can be explored (c.f. Figure 4.1 - RQ.12).

4.10. Summary of research methods and data collection

This chapter illustrated the methods and procedures employed in this research in order to generate reliable and valid results and answer the objectives and research questions of this study. The previous chapters demonstrated that this study is based on, and strongly informed by, an extensive review of secondary data. Based on the literature review, a mixed method approach with concurrent data triangulation represented the most appropriate method for the data collection of this study in order to answer the research questions and objectives. The quantitative (c.f. Chapter 4.3, Appendix 1) and qualitative research methods (c.f. Chapter 4.6, Appendix 2) were designed, and used, to mutually reinforce the generated data. Different research questions prompted the predominance of quantitative data collection with supporting qualitative data, and vice versa. Figure 4.1 explains each objective and its consequent research questions and the type of data required to answer them.

The careful planning, design, and administration of the questionnaire (including pre-testing) (c.f. Appendix 1) and the interview schedule (c.f. Appendix 2) ensured that accurate information was collected from the participants. As the background population – all serviced accommodation providers within the administrative boundaries of Torbay – was unknown, this study followed Clegg and Essex's (2000) approach. Consequently, the quantitative research was based on an extensive self-compiled database of 599 businesses. The questionnaire included 22 open-ended and closed questions regarding the owner/managers' socio-economic characteristics, the operating characteristics of their business, their environmental practices, knowledge management and transfer behaviours and, most importantly here, attitudes towards leadership. It was handed out to the businesses and later collected – drop and collect method – between 15 October and 31 November. A non-probability sample of 193 serviced accommodation providers in Torbay was used which represents a response rate of 33%. For the qualitative research, 18 in-depth interviews with owner/managers that participated in the questionnaire were conducted during the same time frame. The interviews were used to elaborate upon the questionnaire and elucidate further perspectives, as the interview format allows more scope for deeper insights on issues that could not be explored in depth in the questionnaire.

After coding and entering the data generated from the quantitative research into SPSS 15, three types of analysis were employed. Firstly, univariate analysis was used to describe the socio-economic characteristics of the respondents and his/her establishment, as well as to outline the owner/managers attitudes and behaviours with regards to environmental measures, knowledge sharing and leadership. Secondly, bivariate analysis using crosstabs was used to establish whether an interdependent relationship exists between the explanatory variables and the other items in the questionnaire (c.f. Appendix 1), while Kruskal-Wallis tests were employed to investigate the relationship between leadership and knowledge transfer, as well as sustainable management practices. Thirdly, multivariate forms of analysis in the forms of factor and cluster analysis were employed. In particular, factor analysis was used to investigate the current models of leadership in sustainable tourism management in the South West (c.f. Figure 3.1 - RQ.9) and to establish whether Avolio, Bass and Jung's (1999) models of leadership can be translated into the context of tourism measuring external leadership and whether the results still resemble the original factor structure. Cluster analysis was used to look for common patterns among the leadership traits exhibited by the respondents to identify the local leaders among the tourism businesses in Torbay and the external leadership traits exhibited by them (c.f. Figure 4.1 – RQ.10).

The careful selection of the methods and procedures employed in this research ensures that reliable and valid results can be generated which answer the objectives and research questions (c.f. Figure 4.1). The following chapters represent the analysis of the primary data. In particular, Chapter Five focuses on the background of the case study area and the environmental management practices of the serviced accommodation businesses that participated in this study, which refers to the first objective. Chapter Six then pays particular attention to knowledge transfer – objective two – by investigating the sources of information used, the reasons for and extent of knowledge transfer as well as the importance of networks for sharing knowledge and expertise among tourism businesses on a local level. The final results chapter – Chapter Seven – then presents the analysis of the data related to leadership, which is the third objective of this study. Thus, current models of leadership in sustainable tourism management are analysed, the local leaders among tourism businesses investigated and the influence of the different leadership types on sustainable tourism management and knowledge transfer investigated.

CHAPTER FIVE

CHARACTERISTICS OF THE LOCAL TOURISM INDUSTRY IN TORBAY AND ITS ENVIRONMENTAL MANAGEMENT PRACTICES –

5.1. Introduction

As Chapter 2 highlights, a number of gaps exist within the literature that, if researched in more depth, could provide valuable insight into ways in which more widespread action among tourism SMEs towards sustainable management practices could be encouraged. Conducted in the South West of England and specifically Torbay as a distinctive part of the region (c.f. Chapter 3) this research used both quantitative and qualitative research, through a mixed method approach using triangulation, to fill the gaps by investigating the objectives of this study (Chapter 4, Figure 1.1). The aim of this chapter is to present the results of the quantitative and qualitative research with regards to the ***first objective***, which is to analyse the current practices, barriers and drivers for innovation with regards to environmental management practices.

In this context there are a series of research questions (c.f. Figure 1.1) were designed which the following sections examine. Therefore the structure of this chapter reflects back to the research questions of this study. At first the structure of the serviced accommodation sector in Torbay, including the socio-demographic characteristic of the owner/managers, as well as the characteristics of their establishments is illustrated (Section 5.2). This is followed by an examination of the current environmental practices in businesses and the importance of the environment to the owner/managers in the case study area (Section 5.3). To provide a better understanding of the underlying reasons for (not) implementing environmental management practices in SMEs in tourism, the main drivers and barriers for change with regard to environmental management practices are explored (Section 5.4).

In sub-sections 5.2 and 5.3 verbatims from the qualitative research was used to illustrate the predominant quantitative results derived through univariate analysis. In these sections bivariate analysis (c.f. Appendix 3) provides further insight into the effect of the respondents' personal and business characteristics on the extent of environmental management practices implemented in their businesses. The results presented in sub-sections 5.4 and 5.5 derived from qualitative research provide a more in-depth understanding of the drivers and barriers for environmental management practices (c.f. Figure 4.1). Throughout the chapter in each sub-section (5.3, 5.4) the key results are presented and linked to the literature wherever appropriate.

Further information about the questionnaire and the interview guideline can be found in Appendices 1 and 2 and Table 4.7 (Chapter 4) summarizes the information about the interviewees who participated in this study.

5.2. Structure of the serviced accommodation sector in Torbay

In order to present a better picture of the structure of the serviced accommodation sector in Torbay, the case study area of this research, this sub-section presents detailed information concerning the demographics and socio-economic characteristics of the owner/managers that participated in this study, as well as the characteristics of their establishments. Sub-section 5.2 contextualises the background of the case study area and establishes validity and reliability, which is important for further analysis presented in the second half of this chapters as well as the results, covered in chapter six and seven.

5.2.1. Socio-economic characteristics of the owner/manager

From the total number of 193 valid questionnaires, Table 5.1 demonstrates that 49.2% respondents were from Torquay, 41.5% from Paignton and 9.3% from Brixham. Although a skew towards Torquay became evident, the number of serviced accommodation businesses included in the dataset reflected a similar tendency. The spatial bias is the result of the different markets served by these areas. While Torquay remains the main resort within the bay, Paignton mainly caters for the family sector and Brixham continues to be largely unknown to visitors providing a strong potential for future development (Torbay Development Agency 2009) (c.f. Chapter 3). Among these businesses, the ratio between male (49%) and female (51%) respondents was balanced, of which the average age of the owner/manager was 45 years old. While more than half of business owners (53.9%) were more than 50+ years old, the second largest age group (31.1%) of people were between 40 to 49 years old and only 15% of people were in the age group of 20 to 39. Although the questionnaire was dropped-off and collected at different times of the day, as well as on subsequent dates to ensure that every owner/manager had an equal chance to participate in the survey, this study is skewed towards the age group of 50+. Either younger owner/managers are underrepresented in this study or it indicates that the age of the owner/manager continues to be a distinctive characteristic of small tourism businesses as demonstrated in previous research (Morrison and Teixeria 2004, Ionnides and Peterson 2003). Although a skew in this research indentified, the results of this

Table 5.1. Profile of owner/managers

Characteristic		Number (n) of respondents	Percent %
Location			
	Brixham	18	9.3
	Paignton	80	41.5
	Torquay	95	49.2
Gender			
	Male	94	48.7
	Female	99	51.3
Age			
	20-29	10	5.2
	30-39	19	9.8
	40-49	60	31.1
	50-59	65	33.7
	60-69	35	18.1
	>70	4	2.1
Mean	*45*		
Previous experience in tourism			
	Yes	56	29.9
	No	135	69.0

(Source: Author)

study correspond to similar age profiles in other studies on SMEs in tourism. For example in their study on small business performance in Glasgow, Morrison and Teixeria (2004) found that 68 per cent of owner/managers were between 41 and 60 years old. Ionnides and Peterson (2003) also highlighted that the dominant age category of business owners in their research on non-entrepreneurship in Bornholm (Denmark) was 55 and 64 years old, which corresponds with the age profile of previous research studies (Shaw and Williams 1990, Getz and Carlson 2000).

Only 29% of all respondents had any previous experience in tourism, of which 19.7% previously had worked within the accommodation or food service industry. The majority (69%) of respondents with no prior experience in tourism previously worked within the professional, scientific and technical areas (12.0%) or had jobs related to health and social work (11.4%). The facts above stand in close relation to the findings of other studies focussing on SMEs within the tourism industry. For example, Getz and Carlson (2000) found that in Western Australia fairly inexperienced business people operated many small businesses. This was also concluded by Shaw and Williams in a study in Cornwall (England) in 1989. Various interviewees also shared this perception:

> *…Probably 9 out of 10 when they first move into the bay to take on a hotel, a guesthouse or whatever, have no prior experience. [Business 16]*

The owner/managers' inexperience in tourism is often related to the fact that many entered the sector because 'it would be a nice way of life! [Business 9]' or 'a completely new adventure' [Business 11] before retiring in the area, as these respondents explained:

> *…We came for a weekend to get away from work, because we were both looking for new jobs, and it appeared to look very easy, this lifestyle [laughs] - we now know otherwise! [Business 9]*

> *…I needed to change my career and this is something my wife always wanted to do so we are leading up to retirement. It filled in the gap. I had to leave my old job because of ill health and so this has filled in nicely. [Business 13]*

Although 22.3% of business owners/managers were born in the Midlands (UK), nearly as many were from the South West (21.8%). Before owning and/or running their business in Torbay, 65% of the respondents had previously worked in other regions while 35% were employed in the South West, of which 11.4% already worked within the bay and a further 7% within Devon. This indicates that one-fifth of the current business owners/managers that participated in this study chose to stay within Devon and search for their current business. Shaw and Williams' (1998) research on lifestyle entrepreneurship corresponds with these result, as 17% owner/managers of the businesses in their study were local to Cornwall and chose to stay within the area, while the majority (64.8%) of business owners moved there from different regions. Owner/managers who stayed in the South West stated that they 'never wanted to leave [as] there is more to life than this [work]' [Business 7]. The reasons to move to the South West, however, varied among the respondents but the great appreciation of the region's countryside, beautiful nature and coastline and a different, more relaxed way of life appealed to a large number. More importantly however, were practical as well as financial reasons when choosing the right location to start-up their business:

> *…We were in Gloucester near to where [my husbands] parents are and we didn't want to be too far from Gloucester so Cornwall was out as it was too far, Plymouth was too expensive. […] We came here because it's only two hours to get home if we need to. [Business 17]*

> *… We started looking nearer to home, sort of Dorset and that area. For us, it was too expensive. We couldn't afford it, to get the sort of property we wanted so we started looking a bit further. North Coast of Devon, we looked at other areas along here but we didn't want to be too far from our family and friends. […] Once we found Torbay and we found Paignton, we decided that that's where we wanted to be. [Business 11]*

For others however, it was a matter of chance that they chose to start-up a business in Torbay; they 'weren't looking for a business in Brixham, we were looking for a business but the one in Brixham came up' [Business 14].

5.2.2. Business characteristics

During the data collection in October/November 2008 (c.f. see Chapter 4), 193 valid questionnaires were collected of which 44.6% were from owner/managers of guesthouses, 31.1% B&Bs and 19.2% hotels. Although this suggests a skew towards smaller establishments within the sample, it represents the character of the tourism sector of the area (c.f. Chapter 3). Table 5.2 further emphasizes this point as 95.3% of the serviced accommodation businesses

Table 5.2. Socio-economic characteristics of serviced accommodation providers

Characteristic		Number (n) of respondents	%
Type of business			
	B&B	62	32.1
	Hotel	37	19.2
	Inn	2	1.0
	Guesthouse	86	44.6
	Other	6	3.1
Type of establishment			
	Independent	184	95.3
	Part of a chain	5	2.6
	Other	4	2.1
Number of bedspaces			
	Less than 5	4	2.1
	Between 5 and 10	26	13.5
	Between 11 and 15	51	26.4
	Between 16 and 20	42	21.8
	Between 21 and 25	30	15.5
	Between 26 and 50	22	11.4
	Between 51 and 500	16	8.3
Mean	*39.8*		
SD	*112.5*		
Charge per single room			
	£29 or less	92	47.7
	Between £30 and £39	52	26.9
	£40 or more	25	13.0
Mean	*£30.42*		
SD	*£9.40*		
Charge per double room			
	£59 or less	47	24.4
	Between £60 and £69	72	41.6
	£70 or more	54	31.2
Mean	*£56.20*		
SD	*£14.50*		
Number of people employed			
	Owner/manager	148	76.6
	3-5	17	8.8
	6-10	8	3.1
	11-25	8	4.1
	>25	12	6.3
Mean	*8.83*		
SD	*34.4*		

(Source: Author)

were operated as an independent establishment rather than as part of a hotel chain. A great number (64.2%) was also run and owned by a married couple or sole proprietors who did not employ additional staff to support them. Only 22.3% of all businesses employed any staff of which 16.1% employed up to 25 people including the owner/manager and 6.3% employed more than 25 members of staff. This suggests that many micro-businesses participated in this research (c.f. Table 5.2). Other studies also highlighted that the majority of SMEs in tourism only employ few if any employees to operate their businesses (c.f. Vernon et al. 2003, Getz and Petersen 2005, Thomas 2000, Lawrence et al. 2006) which corresponds with the results of this study.

Furthermore, of the average number of bedspaces (39.8), small-scale accommodation establishments with less than 30 bedspaces dominated the serviced accommodation sector (81.9%), whereas only 8.1% are of medium size (31- 60 bedspaces) and 6.5% of large size (over 60 bedspaces). Hobson and Essex (2001) also stated that the tourism industry was predominated by small and micro businesses, which was reflected by the number of bedspaces or letting rooms instead of employees (c.f., Tzschentke et al. 2008). In the 1990s Clegg and Essex (2000) conducted research in Torbay on the restructuring of tourist accommodation. This study followed their approach of determining the size of the businesses according to the number of bedspaces. The results of this study corresponded with Clegg and Essex's (2000) findings as they found that the majority (68%) of serviced accommodation businesses was small-scale and only a very small percentage of large establishments (more than 60 bedspaces) existed in the bay at the time. Despite the inevitable change over time the predominance of small-scale businesses prevailed. At the time of the data collection only 13 serviced accommodation businesses within Torbay, which participated in this study, were of large size (8.6%), including a Premier Inn and a TLH Leisure Resort. Other large-scale hotels were either under construction (e.g. Travel Lodge) at the time of the data collection or in planning. It was perceived that these would have a negatively impacts on small business in the area as this interviewee elaborated:

> *… All that they [Torbay Council] seem to want to do at the moment is to build bigger hotels in the bay and not look after the smaller businesses. In fact, there are enough beds, bed spaces in the bay without building new hotels… [Business 13]*

The small scale of the majority of businesses also manifests itself with regards to the amount charged per night for a single or double room which on average amounted to £30.41 and £56.20 for the latter. Nearly half of the serviced accommodation businesses (47.7%) charge less than £29 for a single room per night and 37% charge £50 to £59 for a double room. The predominance of businesses with low charges was much higher in Paignton (70.2%) than in

Torquay (42.9%) and Brixham (35.3%) which could be the result of the different markets they are catering for (c.f. Chapter 3). These results did not match Clegg and Essex's (2000) findings as they stated that the charge per room per night was slightly higher in Paignton when compared to the other areas within the bay. This suggests that the family market that Paignton is catering for has changed since their study or that an over-supply of accommodation exists today that caters for this market despite the fact that it has contracted over time. Kasim (2007) also found that the over-supply of hotel rooms represented a major obstacle in Malaysia as many hotels have to decrease their room charges in order to compete with the other businesses. Qualitative research also indicated that the differences in price per room might also be related to high level of competition in some areas. One interviewee in Paignton emphasized this point that quality-driven businesses were unable to charge a reasonable price for the standard they offer as a result of the high level of competition:

> *…If we put our prices up too much they will go next door, or next door. You know, one-road 12 properties 10 guesthouses. You know, there is a choice so we have to keep our prices similar. […] We offer much, much more than they do but because, if you like, it's not the expensive end of the holiday market it's the cheap end of the holiday market – it is very price sensitive and people will simply, you know if we were £2 more expensive than next door… [Business 1]*

> *…It does keep the prices down, I think, to an extent. We have to – I think there are two areas really: Belgrave Road area, and Avenue Road. Avenue Road's always been known as the more expensive part of town for guesthouses, so I think they have more problems with the competition because there are so many and they look so alike. [Business 9]*

Furthermore the degree of clustering of accommodation businesses varied throughout the bay. In areas with a lower density of establishments, regular communication existed as people 'help each other out' [Business 14]. Instead of competing against each other on price as expressed by this respondent in Brixham:

> *… Certainly within the guesthouse community there is not a lot of rivalry so we do tend to help each other out. So say we can't put a guest up, then we would give the guest another phone number. We always try and make sure the person stays in Brixham. [Business 14]*

When the respondents were asked about how many generations of their family had run this establishment, 26.9% of the respondents indicated that they had started up the business, while 11.9% of the establishments had been operating for more than one generation. Although the majority of the respondents (59.6%) stated that their parents were the first generation to run the business, this result may not be accurate. It is most likely that not their parents but they themselves started up the business. This would coincide with other studies on SMEs in tourism and especially family-run businesses where the majority of businesses (83%) also started up the business (Getz and Carlson 2000). Clegg and Essex (2000) also found in their study in Torbay that at the time of the data collection in 1995 only 23% of the establishments were operated by the current owner before the mid 1980s, while 77% of the businesses were managed by owners who had taken over the business since 1984. This suggests a high turnover in business ownership within a short amount of time, on which several interviewees commented:

> *… A lot of places don't stay much beyond two or three years because it just gets hard. [Business 10]*

> *… Unfortunately there is a lot of people, there is quite a turnover of hotels in Torbay because a lot of people come down for a weekend or a week, they stay, looks great, they see someone behind the bar having a laugh and think, "Oh, it must be a piece of cake." And next they go and buy a place. But they only see the happy side of it, you know, the front of house. […] But as I said, a lot of people don't appreciate, you know, that there is a lot of work to do behind the scenes. [Business 16]*

Furthermore the respondents were asked about which associations they belonged to which they could give more than one answer. Table 5.3 demonstrates that most respondents (50.3%) stated that they joined South West Tourism whereas one third stated that they were part of Visit Britain (37.7%) and the Local Hotel Association (33.7%). Just 10 businesses (5.2%) were accredited with GTBS and 13 businesses (6.7%) joined the AA. As a result the average business belonged to 1.43 associations. While only three businesses (1.6%) belonged to more than three associations, 27 businesses (14.0%) belonged to three and another 47 businesses (24.4%) belonged to at least two of the associations mentioned in the questionnaire. Nearly one third (30.6%) of all businesses that participated in this study were either not willing to name the associations they joined or they currently did not belong to any association as this interviewee explained:

> *…No we are not [with VisitBritain] and that is only because our building is not graded at the moment and we've been working very hard to get to a position where we can grade and then we will join VisitBritain. [Business 12]*

Table 5.3. Membership of associations of serviced accommodation providers

Characteristic	Number (n) of respondents	%
Membership of Association		
South West Tourism	97	50.3
Local Hotel Association	65	33.7
Green Tourism Business Scheme	10	5.2
VisitBritain	72	37.3
AA	13	6.7
Other	20	10.1

(Source: Author)

The membership of formal networks, such as VisitBritain and South West Tourism were very important for this study. Chapter six focuses on the extent of knowledge transfer among businesses and investigates the role of networks as an important conduit of knowledge transfer among SMEs in tourism.

Although respondents recognise that 'grading is pretty necessary to be able to […] have control over how good or bad places are' [Business 2], they carefully select multiple memberships as money is tight among many small and medium sized businesses and as some organisations can charge up to several hundred pounds to join *one* scheme. Some interviewees commented on this problem and especially on the fact the accreditation with GTBS was often not considered as a result:

> *…But then it becomes a cost, err, to actually have it accredited with VisitBritain you pay an extra £60-£70, £100 or whatever a year to have that accreditation added to your, err, stars and everything. That part is the cost as everything is going up and to pay out another £100 just to say that you are green in a slightly wordier version of that on our website to say that we are green. [Business 10]*

> *…What am I gaining from paying £150 for them to just give me another plaque that people don't even recognise? [Business 17]*

Many interviewees stated that although 'everybody wants a share of our pot. There is only so much you can spend' [Business 1]. Therefore, business owners were simply not able to afford multiple memberships, as these costs often can't be passed on to the guests and the benefits received by joining a scheme were not perceived as an adequate return on investment as the same interviewee remarks on:

> *…The only thing that we get out of South West Tourism is half price on the credit card machine. That's it! We don't get anything out of them. You can pay more to be part of their marketing group but why? You know, we are on their website supposedly. We have zero business through it and if that's all we are getting maybe there is somewhere else where we can get a deal on the credit card machine and spend the money in a better way. [Business 1]*

As a result, the owner/manager of this three star establishment was contemplating cancelling their membership with South West Tourism to reinvest it into another scheme that offers him/her greater marketing exposure. Although trade associations in the UK have the potential to inform small businesses on environmental measures and business practices, Revell and Rutherfoord (2003) point out that the membership levels were low which limited their effectiveness as a government tool for promoting environmental indicatives. Knowles et al. (1999) also found in their study on hotels in London that although hotels were part of an environmental scheme run by the local authority, their membership did not automatically translate into further action such as environmental policy. Although networks and associates are seen as one of the most effective ways to foster knowledge sharing, an over-emphasis on the role of networks for innovation can be observed as the benefits of joining networks and association were not always proven (Coles and Zschiegner forthcoming) as the interviewees of this study explained, which is discussed in more detail in Chapter 6.

5.3. Sustainable business practices

This section presents the current level of environmental measures among serviced accommodation businesses in Torbay, as well as the perceived importance of environmental issues of owners/managers concerning their establishment and the South West of England. In addition this section aims to address the ***first objective***, which is *to analyse the current practices, barriers and opportunities for innovation with regards to environmental management*, and its subsequent research questions (c.f. Figure 1.1).

5.3.1. Environmental management practices among tourism businesses

In order to address the ***first research question*** of this study particular attention in this section focuses on the current environmental measures and sustainable management practices implemented within the accommodation businesses in Torbay (c.f. Figure 1.1).

In the quantitative research the respondents were asked to rate the following attributes related to the implementation of environmental measures within their business using a 5-point Likert scale from 'Never' coded with number 1, 'Rarely' coded with number 2, 'Sometimes' coded with number 3, 'Usually' with number 4 and 'Always' coded with number 5 (c.f. Appendix 1, question 15).

Table 5.4 presents the valid responses for each attribute (n), the mean score of each attribute and the standard deviation to illustrate the results. The present level of environmental measures as well as sustainable practices among serviced accommodation businesses in Torbay is modest. The highest score, in terms of frequency is 4.47 and the lowest score is 2.03. The four most important environmental measures that business owners/managers had implemented in their business were standard measures that are widely implemented in the public domain (c.f. Barr and Gilg 2006). Vernon et al. (2003:58) also stressed that these 'traditional areas' of environmental management demonstrated the highest level of action among tourism businesses in South East Cornwall (c.f. Knowles et al. 1999, Hobson and Essex 2001). However, Spearman's rho correlation suggests that there is a reasonable strong chance that business who employed fewer members of staff implemented energy saving measures to

Table 5.4. Environmental measures and their implementation by businesses in Torbay

Attribute	n	Mean	Std. Deviation
We take energy-saving measures *(e.g. turning off lights, install thermostats).*	192	4.47	0.72
We recycle glass, paper, and cardboard.	192	4.44	0.94
We purchase energy-saving devices (e.*g. A-rated appliances, light bulbs).*	192	4.35	0.73
We take water-saving measures *(i.e. towel agreement, dishwasher).*	192	4.24	1.03
We purchase local food and beverages.	191	3.91	0.88
We encourage our guests to use public transport.	191	3.69	1.14
We purchase water-saving devices *(i.e. toilet devices, water butts).*	192	3.56	1.28
We have taken measures to adapt to climate change.	186	3.39	1.19
We purchase environmentally friendly products *(e.g. ecological detergents).*	190	3.23	1.19
We notify our guests about our environmental initiatives.	191	3.17	1.35
We try to participate in local discussions on environmental issues in tourism.	191	2.77	1.22
We have a dedicated environmental manager.	178	2.03	1.583

(Source: Author)

of a higher extent than businesses with more than five employees (rho=-0.001, p<0.01). This could be explained through the fact that owner/managers personal attitude towards environmental measures – in this case energy saving measures – is reflected in the extent of environmental management practices in their business, which Tzschentke et al. (2004) previously pointed out in his research. In contrast larger establishments employ members of staff to act on their behalf which seems to reduce the extent of implementing energy saving measures in their business. This corresponds with research by Kasim (2007) who found that the indifference among employees towards the environmental practices of the hotel can influence the extent of environmental measures implemented by hotels. It could also indicate that hotel managers take a more pragmatic approach to environmental measures and only consider actions that are in line with their business goals as Knowles et al. (1999) previously found in the London Hotel sector (c.f. Chapter 2.2). Appendix 3 also suggests that water-saving measures may have been more frequently implemented by businesses in Torquay than in Paignton or Brixham (χ^2=10.651, p<0.05) while a slight indication also exists that businesses with more bedspaces were more inclined to apply water-saving measures in their establishments when compared to businesses with fewer bedspaces (rho=0.019, p=0.053).

Hobson and Essex (2001) also found that measures to reduce the energy consumption were widely implemented and that buying from local suppliers and encouraging guests to use public transport were popular sustainable practices among tourism businesses. However, these were less frequently implemented in this study which was demonstrated by the lower values that they received (from 'usually' to 'sometimes'). This was the case for 'purchasing local food and beverages', 'encouraging guests to use public transport', 'taking measures to adopt to climate change' and 'notifying guests about our environmental initiatives' because they went beyond the standard measures most households take nowadays. The positive value of Spearman's rho correlation also indicated that a reasonably strong chance exists that larger establishment ($rho=0.052$, $p<0.05$) and businesses with more employees ($rho=0.048$, $p<0.005$) were more likely to notify their guests about environmental initiatives than smaller businesses which were independently owned and did not employ additional members of staff. Although female respondents were also more likely to notify their guests than male respondents the results presented in section 5.2.2 indicated that the majority of businesses were run by married couples and sole proprietors. Therefore, the result represents a type 1 error as there is no effect in the population of this study and the result is created by chance.

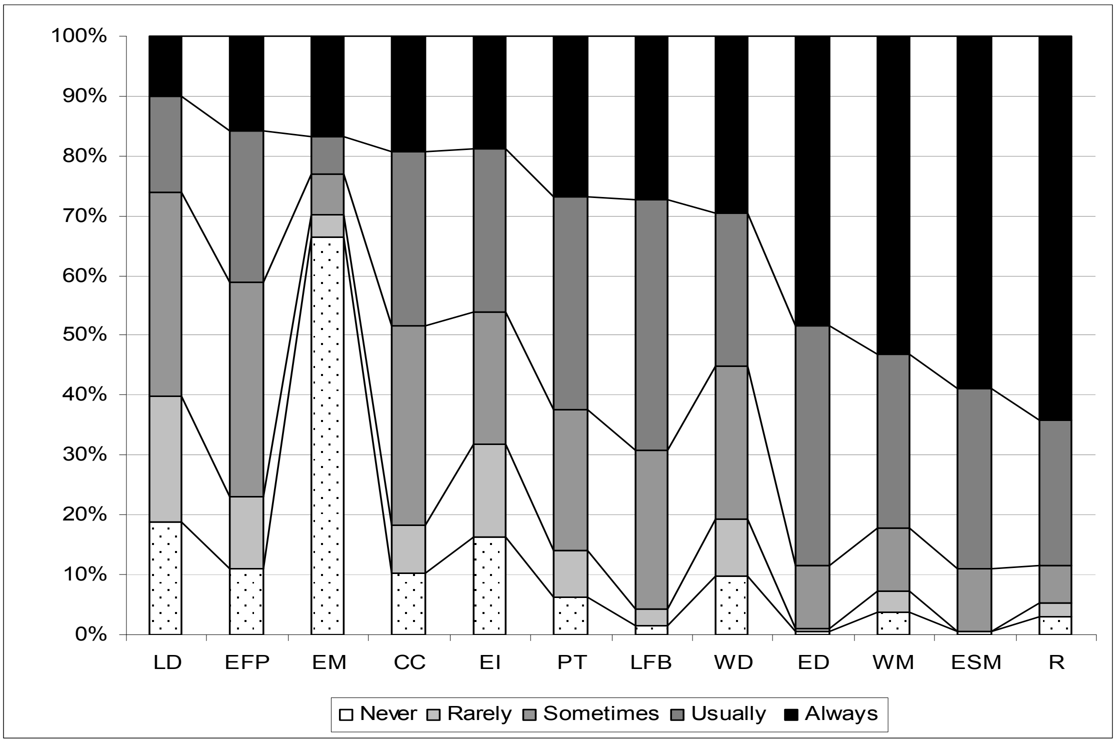
While a number of these items are related to environmental measures that take place outside their business (i.e. public transport, environmental initiatives), the same can be said for some measures that are implemented within their business (i.e. 'water-saving devices (i.e. toilet devices, water butts' and 'environmentally friendly detergents') which was also found by Vernon et al. (2003) in their study. While measures such as water butts are inexpensive, other measures in the same item require new investment (dual flush toilets) and therefore these environmental measures are not frequently implemented in their business. The extent to which water-saving devices were implemented was also influenced by whether the owner/managers previously worked within the South West before running their current establishment. The data presented in Appendix 3 suggests that owner/manager who worked outside the region previously may have been less likely to implement water-saving devices compared to respondents who lived and worked in the South West beforehand ($\chi^2= 23.169$, $p<0.01$). This indicated that respondents who remained in the region were more aware of the cost charged for water within the region and therefore actively tried to reduce these.

Least important to many business owners/managers were the attributes (from 'sometimes' to 'rarely') that referred to a high degree of environmental awareness and values as well as an enthusiasm for a more structured and managed approach to create a sustainable future of the tourism industry within the bay or on their businesses, including the attributes regarding the 'participation in local decisions on environmental issues in tourism' and having 'a dedicated environmental manager'. Figure 5.1 illustrates the responses stated above and highlights the widespread absence of an environmental manager who was neither employed nor its role believed to be a central part of the owner/managers own responsibilities. In their study

Vernon et al. (2003) also found that small establishments catering for the mass market similar to Torbay, thought that environmental management practices would not significantly improve the profit margins of their businesses. As a result only a small number of businesses implemented more complex or advanced environmental measures, which was also observed in this study (c.f. Le et al. 2006).

Some of the points raised above were emphasised by many of the respondents, especially with regards to recycling. One interviewee highlighted that as of October 2007 'businesses had to pre-treat waste before it goes to landfill' [Business 16] which made recycling compulsory to businesses while several other environmentally aware business owners (c.f. Table 4.7) emphasised during the interviews that recycling was embedded into their day-to-day routine, which was also indicated by the mean score of 4.44. The negative value of Spearman's

Figure 5.1. Environmental measures and their implementation by businesses in Torbay



LD We try to participate in local discussions on environmental issues in tourism.
EFP We purchase environmentally friendly products (e.g. ecological detergents).
EM We have a dedicated environmental manager.
CC We have taken measures to adapt to climate change.
EI We notify our guests about our environmental initiatives.
PT We encourage our guests to use public transport.
LFB We purchase local food and beverages.
WD We purchase water-saving devices (i.e. toilet devices, water butts).
ED We purchase energy-saving devices (e.g. A-rated appliances, light bulbs).
WM We take water-saving measures (i.e. towel agreement, dishwasher).
ESM We take energy-saving measures (e.g. turning off lights, install thermostats).
R We recycle glass, paper, and cardboard.

(Source: Author)

correlation suggests however, that a reasonably strong chance exists that independently owned establishments more frequently recycled than establishments that were part of a chain (rho= -0.089, p<0.001). This suggested that recycling represented an easy measure for owner/managers of small businesses to adopt in order to fulfil the obligation. Nevertheless, many respondents were not satisfied with the recycling facilities provided on site by the council as they proved to be insufficient and varied immensely within the area. This aligned with previous research by Vernon's et al. (2003) who stated that recycling facilities represented the single most important obstacle mentioned, which those four star GTBS accredited businesses from Paignton and Torquay highlighted:

> *…Torbay has problems with the Council not being proactive in recycling. I think, if Torbay Council would be more proactive with their recycling, I think, that would get everyone more switched on a bit more. […] I think, lots of stuff still goes to landfill from Paignton and that makes us stop. [Business 8]*

> *…I think the problem possibly in Torquay is that things like the Council don't really push it, don't really make it easy […] [and] after a while you realise that within a two or three mile radius there about four different methods and nobody's got recycling and they all have different things. [Business 17]*

Insufficient provision of recycling facilities limited many business owners and some admitted that they would be willing to recycle more if there were to be collected by the council from the site as this business owner mentioned:

> *… Err, perhaps I'm lazy? If I can recycle on site I would recycle more on site, and I'm quite happy for someone to come and take it away. [Business 2]*

However, the biggest issue for many respondents was not laziness but time constraints as they were often 'tied to' their property for most of the day, especially during the summer, the busiest time for the whole region. This, in combination with the inability to employ additional members of staff, had the effect that only the most dedicated business owners were willing to either find time to drive to the recycling centre or to pay for a contractor to collect all recycling from the site:

> *…We can't just go to one [place] and recycle everything. I have to go to Newton Abbot or Paignton and if you actually think about it, we drive there. […] You know I am trying to make myself feel better by thinking I am doing something towards the recycling but I have to admit it is a pain in the bum. You know, quite often we haven't got the time. We are trying to run a business so we don't really have time for doing it but I always used to do when I was just running a home. So, I wanted to continue it whilst running a business but it hasn't been easy, not in the slightest, not at all. [Business 12]*

> *…So we pay for our recycling to be collected so with the bins. That works because we have a lot of it [recycling] as well. We've always done it for ourselves automatically but with our guests, it's surprising […]. They usually come back with a bottle of wine or two cans so we recycle all of that. [Business 17]*

5.3.2. The importance of the environment for owners/managers

As the first part of this section demonstrated, the environmental measures implemented and sustainable business practices undertaken by serviced accommodation businesses in Torbay were modest. The scope of this also became apparent when the respondents were asked to rate the following attributes covering various aspects regarding the importance of environmental issues for their establishment as well as their perception of a sustainable future for the South West of England (c.f. Appendix 1, question 16). This addresses the ***first research objective*** of this study (c.f. Figure 1.1). To investigate this, a 5-point Likert scale was used (c.f. Chapter 4).

The results are displayed in Table 5.5 and Figure 5.2, which present the number of people that answered each attribute (n), the mean score of each attribute, and the standard deviation. The highest score, in terms of importance was 3.79 while the lowest score was 2.43. The attribute that participants slightly agree with was, that 'Sustainable tourism development should be a central component of regional tourism policy' with a mean score of 3.79.

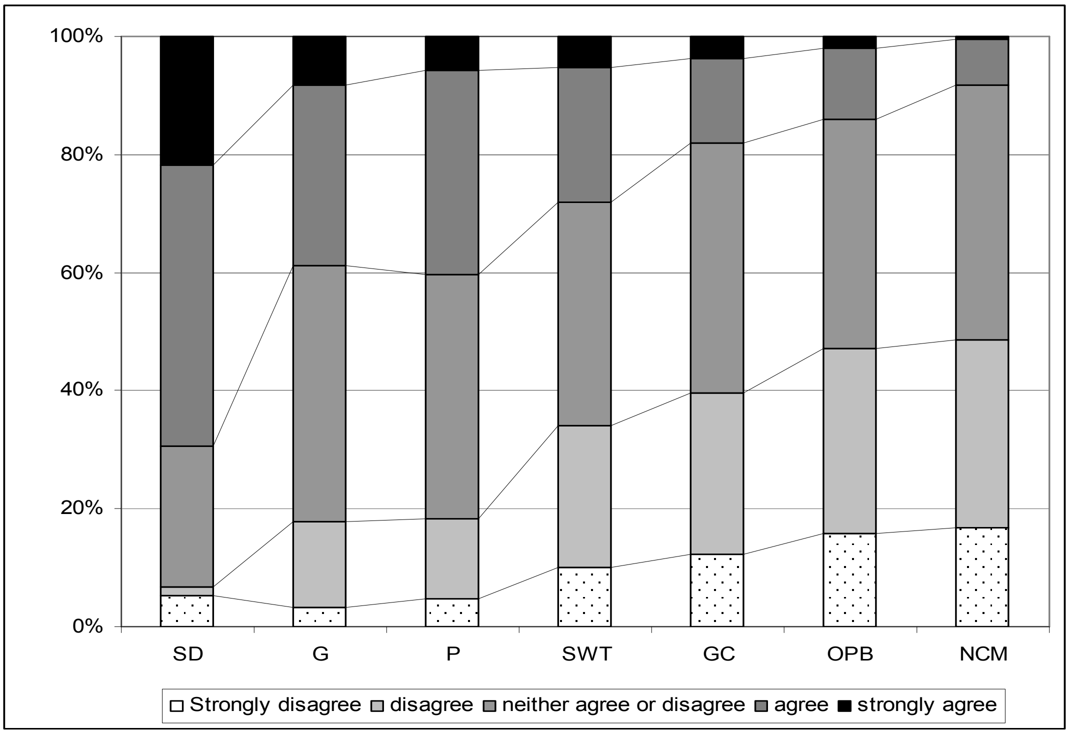
From the attributes' mean scores of both categories (from 'neither agree or disagree' to 'agree'; from 'disagree' to 'neither agree or disagree'), it can be concluded that respondents value a sustainable development for the South West of England as a suitable approach for the regions present and future. While 67.8% of the respondents agreed or strongly agreed with the regional policy messages (c.f. Chapter 3), the regional tourism board - South West Tourism – is not seen as a source of leadership in this regard despite the fact that it is leading the

Table 5.5. Importance of environmental issues to business owners/managers

Attribute	n	Mode	Mean	Std. Deviation
Sustainable tourism development should be a central component of regional tourism policy.	189	4	3.79	0.98
Green accreditation schemes are nothing but window dressing.	191	3	3.26	0.92
Acting more environmentally sensitive enhances the profitability of our business.	191	3	3.23	0.92
We look to South West Tourism for guidance on how to make our business less environmentally damaging.	188	3	2.89	1.04
We market green credentials in our advertising.	189	3	2.70	0.98
Acting more environmentally responsibly increases our off-peak business.	191	3	2.53	0.97
The promotion of the green image in the region has opened up new customer markets for us.	191	3	2.43	0.88

(Source: Author)

Figure 5.2. Importance of environmental issues to business owners/managers



SD	Sustainable tourism development should be a central component of regional tourism policy.
G	Green accreditation schemes are nothing but window dressing.
P	Acting more environmentally sensitive enhances the profitability of our business.
SWT	We look to South West Tourism for guidance on how to make our business less environmentally damaging.
GC	We market green credentials in our advertising.
OPB	Acting more environmentally responsibly increases our off-peak business.
NCM	The promotion of the green image in the region has opened up new customer markets for us.

(Source: Author)

countries policy on sustainability in tourism and that it should have a central position in communicating policies and practices to tourism businesses (c.f. Chapter 6). Figure 5.2 also highlights that respondents perceive voluntary green accreditation schemes as 'window dressing'. The data presented in Appendix 3 further indicates that females agreed more often with this statement than male respondents (χ^2=17.352, p=0.001). Whether this result captured the personal reflection of the respondent or reflects on their business attitude towards green accreditation schemes is unclear. Therefore the result should be considered with caution as it could represent a type I error. Moreover, the owner/managers who have experience within tourism were also more sceptical about green accreditation schemes (χ^2=10.713, p<0.005) which could have resulted from negative experience with these schemes. As a result this strongly limits their role in encouraging widespread action within the tourism industry (c.f. Chapter 2.2, Chapter 6) as the current level of environmental management practices on the local level is insufficient to realise this approach. 'Green' accreditation schemes, voluntary initiatives, ecolables, codes of conduct and awards are often seen as an effective means to encourage the implementation of sustainable business practices especially among tourism businesses (Font 2002, El Dief and Font 2010). However, several researchers argue that they are insufficient for improving the extent of environmental management practices among tourism businesses (Kasim 2007, Stabler and Goodall 1997). This is confirmed by this research as the respondents of this study perceived voluntary green accreditation schemes as 'window dressing' and therefore Rutherfoord et al. (2000) criticism on the reliance of the UK government on voluntary implementation of environmental initiatives might be justified (c.f. Chapter 2.3). Certainly green accreditation schemes alone seem not to be able to translate the degree of environmental awareness into action and other drivers for action need to be investigated (Chapter 5.4).

Tourism businesses also stated sustainable management practices do not enhance their profitability or their off-peak business, let alone open new customer markets for them. Chi-square provides further insight and suggests that a reasonably strong chance exists that establishments that were part of a chain (χ^2=15.957, p<0.001) marketed their green credentials more than independently owned businesses that were less likely to do so. A slight indication also exists that businesses who charged more per single room (rho = 0.104, p=0.57) could be more likely to promote their environmental measures. While the benefits derived through marketing 'green credential' were not strongly perceived by independently owned businesses, establishments that charged more for their services did however market them more extensively. A reasonably strong chance also exists that independently owned businesses believe that acting environmentally responsible does not increase their off-peak business (χ^2=18.181, p<0.05) which could be related to the previous result. If 'green credentials' are not marketed no effect on customer demand and turnover can be observed. Businesses operating in Torquay also less often observed an increase in 'off-peak business' than businesses in Paignton or Brixham (χ^2=-12.213, p<0.05) indicating that the perceived benefits of acting environmentally responsible may not equally spread across the bay.

To enhance the credibility of green accreditation schemes and to encourage widespread action in general the benefits of environmental measures need to be clearly demonstrated and the business case clearly proven in order to convince owner/managers that it pays to be green (c.f. Chapter 2.3, Chapter 5.5.2.2). Figure 5.2 indicates that at present 'neither agree or disagree' features strongly (≈40%) in the respondents' answers in this bank of questions, highlighting the fuzzy nature of sustainable tourism management (c.f. Chapter 2.2). Either the majority of respondents were unable to comprehend the meaning of the questions or they were not willing to or uncertain about answering these questions. Both options emphasise that a large group of tourism businesses in the bay are still uncertain about benefits and importance of environmental business practices which needs to be addressed in order to encourage widespread action towards sustainable management practices throughout the bay.

The reluctance to implement environmental measures voluntary also indicates that the solution might be to pursue environmental management practices in the region through regulations. However, it needs to be clearly demonstrated that regulations were indeed in the best financial interest for their business. At present the money spent and actions taken by Devon County and the region are not sufficiently communicated to the people on the ground, as many doubted that policies were implemented for their benefit as this owner/manager of a four star guesthouse emphasised:

> *…Yeah I think, err, they should be giving us facts and figures to show that they are doing what they say they are doing and that's an incentive to them to put the money back where the mouth is really. [Business 6]*

Although the region actively supports the 'greening' of the tourism industry and promotes the region as 'green' (c.f. Chapter 3), a general consensus among the interviewees was that at present visitors were not interested in green issues while being on holiday, let alone choose their accommodation based on the 'green credential' of the establishment:

> *…I didn't think there are enough of our guests sufficiently deeply interested in green issues. I don't think it's on the highest factors in people making decision [sic]. [Business 2]*

As a result, it was not surprising that the attribute relating to the 'promotion of the green image in the region has opened up new customer markets for us' which received the lowest mean score with 2.43. Nevertheless, this sceptical perspective might be justified considering that Torbay is a well-established 'bucket and spade' destination within the South West of England that caters for the cheaper end of the holiday market (Agarwal 1997). The interviewees had a cohesive opinion about this matter. Consequently, most business owners in the area hardly regard environmental responsible behaviour as an important matter for their own establishment despite the fact that some of the people previously acknowledged that the countryside and landscape was one reason why they stayed in or moved to the area to set up a business. Implementing environmental measures to a greater extent in their *own* establishment was not seen as an option for many business owners at present. Although an environmental awareness existed, many business owners expressed a very sceptical view regarding green measures which went beyond easy to accomplish actions such as energy saving light bulbs, double-glazing and efficient washing machines. Owner/managers were doubtful about the investments required as the benefits were still not obvious to some, as this interviewee highlighted:

> *... You get it from the television, you get it from the general news, everybody is talking about getting green, environment and I found myself thinking, and*

"How much money is this all going to cost? Where is the benefit?" You are asking us to do all this, is there going to be a real benefit? [Business 2]

Some interviewees' short-term strategy prevent them from implementing more specialised environmental measures even though they expressed great interest in green issues:

…We've got a really a sort of five year plan. So, we would hope to be here another three years so anything we did has to be cost effective and, err, I can't see that […], See, replacing all the showerheads, I looked into the how the showers heads that make smaller droplets of water. I have looked into the cost of it and I don't think it would save us, cost effective to us. [Business 7]

The qualitative research of this study further revealed that extensive environmental measures such as solar, grey-water systems or even investments into double-glazing or roof replacements were discarded by the majority of owner/managers. Despite the strongly expressed interest among the businesses that were accredited with the Green Tourism Business Scheme (GTBS) (c.f. Table 4.7) the initial capital outlay of £5000 or more and long payback periods in conjunction with short-term planning represented a major barrier even for them to implement more sustainable business practices. These and other barriers for further actions will be described in more detail in sub-section 5.6, which focuses on the internal and external barriers of innovation with regards to environmental management practices.

5.4. Drivers and barriers for change

After establishing the current environmental management practices of the services accommodation providers that participated in the survey, qualitative research was used to investigate the main drivers for and barriers against implementing change – towards more sustainable business practices - in their establishments (c.f. Appendix 2, section 2). As explained previously in chapter 2.3 any small changes, improvements or modifications that result in a more sustainable outcome were considered incremental innovation in this study (c.f. Halila 2007). Therefore this section will investigate the ***second and third research question*** of this study (c.f. Figure 1.1). By exploring the causes and reasons for the modest level of sustainable management practices in the area (c.f. sub-section 5.3) the drivers and barriers of implementing environmental management practices are investigated together. Therefore this section is able to highlight the complexity of the reasons for pursuing sustainable business practices and how equally powerful barriers can counteract them at times. As a result a better understanding can be generated about what will be necessary to encourage owner/managers to implement environmental measures to a greater extent in the future.

Due to the design of the quantitative research the businesses that participated in the qualitative research could not be linked to their quantitative responses. However, throughout the following sections the characteristics of the interviewees captured in the qualitative research were used where appropriate to indicate whether certain drivers and later barriers (Chapter 5.5) are influenced by or can be linked to the business characteristics of the interviewees (c.f. Table 4.7).

5.4.1. Personal dedication and cost control against an economic downturn

The qualitative research highlights that the drivers and barriers for implementing environmental management are complex (c.f. Chapter 2.3). One of the main internal 'battles' that owner/managers were faced with was between the personal dedication to environmental management practices and the need to control costs. At the same time an emerging economic crisis and the restrains of the building their businesses operate in further impact upon the extent to which environmental measures were implemented by the businesses in Torbay.

In line with Tzschentke et al. (2008:132) who found that 'personal values and beliefs were a powerful motivating force', the 'personal dedication' of the interviewees of this study also represented the most important factor for embedding green measures into the day-to-day routines of their businesses. Especially for GTBS accredited businesses (c.f. Table 4.7) they represented a routine measure that were previously made in their homes and then transferred into their business to benefit their operations as well as the wider community:

> *…I feel that I am doing my part and, if I feel like am doing my part, at least that is something and if everybody was to do that then it would be a much better world. At least I feel good about the fact that we try to do as much as we can. [Business 8]*

While sustainable management represented 'the only way I see it work' [Business 17] for a small group of environmentally aware businesses, the majority of interviewees were extremely cost conscious because of their already high utility bills which have 'gone through the roof' [Business 1] during the previous season in 2008:

> *…About 21- 22% of my costs are through utilities like gas, electricity, water. So any way that I can reduce them and if it means by an A rated appliance than I will do [Business 12]*

> *…we check the water meter and it said £200 normal on water that we use during the summer. The bill has gone from just under £400 to just under £600. That's a lot of water, err, 91 cubic meters and its 240-something thousand litres. [Business 2]*

This aligns with Vernon et al. (2003) study in Cornwall in which only few businesses acted out of personal concern or altruistic reasons. Instead the main motive was financial gain through cost reduction. Kirk (1998) also found that although hotels in Edinburgh considered environmental measures because of personal dedication (c.f. Lawrence et al. 2006) the financial benefits from sustainable business, practices remained the main reason for their implementation (c.f. Chapter 2.3). A three star guesthouse in Brixham also illustrated this point:

> *… it's mainly because of cost to be honest. I mean I am fairly green thinking but [!] it's mainly for financial purposes first and foremost. [Business 14]*

Previous research however also highlights that appealing to the commercial and monetary side alone won't convince owner/managers sufficiently to implement environmental measures (Tzschentke et al. 2004). Instead, the ethical concerns and personal values of owner/managers should also be addressed as they represent important drivers. Several interviewees of this study shared this view and expressed that a small group of businesses 'try to do their little bit to make a difference' [Business 17] and implement environmental measures not only because of monetary saving first and foremost. This was a notable exception as the majority of the other respondents focussed on cost control rather than ethical concerns as the benefits of environmental measures (especially financially) were not clearly enough proven. Notwithstanding many GTBS accredited businesses (c.f. Table 4.7) were committed to minimizing the impact of one's business even though it 'doesn't show in the books' [Business 17]. However, they remain optimistic that it will become profitable in the future:

> *…I suppose I was always aware of business and aware of the fact that it has to be profitable at some stage, hopefully will be, but we're not doing it as a charity, we chose to do the GTBS because it furthers our business [Business 9]*

Although cost control was important to all businesses a general consensus among the interviewees was observed, this was that the quality standards of the establishment should not be compromising during the process. After all 'the quality is the thing that we are selling.' [Business 2]

Businesses 'know it will save money but you still got to have the money to be able to do it, to be able to save it.' [Business 13] Therefore the initial investments required to implement more advanced environmental measures (i.e. solar panels, grey water systems) discouraged even the most environmentally committed owner/managers as they would 'cost an arm and a leg' [Business 12]. As a result of the long-term return of investment and the initial cost involved many respondents disregard environmental measures (c.f. Vernon et al. 2003) as it was not 'financially worthwhile for us to be more green' [Business 12]. Without tax advantages or other benefits businesses postponed actions into the unforeseeable future as it was perceived as a 'change for sake of change' [Business 2]. However, incremental innovation predominated as continuous changes and improvements required smaller capital outlay which corresponds with previous research (Friedman and Miles 2002, Vernon et al. 2003, Hobson and Essex 2001) (c.f. Chapter 2.2).

Despite strong personal dedication and the belief that 'the more environmentally friendly you get, the better off it is for everybody' [Business 15] the limited financial means – often derived from savings – and the scope for investment strongly impacted upon the implemented changes with regards to environmental measures:

> *…Err, would have liked to gone further than I did with the changes because, you know, you come to the end of your finances and you have to stop. [Business 6]*

Extensive cost control measures and limited financial means had the result that the majority of businesses were unable to employ additional members of staff (c.f. Chapter 5.2). As a result owner/managers had to do 'everything' [Business 1] from being the handy man, cook, cleaner, book keeper and front of house staff. Thus they were 'busy all the time with the business [laugh]' [Business 6] leaving little or no time to investigate the benefits of potential investments or measures already implemented in their business:

> *…The first season we didn't look at it because "Oh we got to keep going. We got to keep working." But last winter he was, "Right, now we can sit back and start seeing how much is that costing. How much does it cost to run our washing machine against sending it out" and things like that, so we are and we are still learning on it. There are still things we are doing that are sort of trial and error. Err, we weren't monitoring our consumption last year because we just didn't have the time. This year we started to do it but the hardest bit is whilst we've put measures in place like a new boiler, double glazed windows, loft insulation we can't tell whether we've saved money because all the prices have gone up. So it's difficult for us to tell because we weren't doing sort of regular monitoring. Now we can do that a bit more. [Business 17]*

As this owner/manager of a three star guesthouse in Torquay highlighted above many owner/managers did not realise the benefits of the environmental measured they had taken to date as well as the monetary savings made. Instead they kept investing into additional measures without capitalising from existing ones strongly limiting their understanding of the benefits derived from environmental management measures.

Furthermore, at the time of the data collection the economic crisis was only starting to emerge. In some instances businesses started to realise 'that things are much tougher for us [now], and money is tighter' [Business 6]. As a result businesses started to contract in order to save money and remain in business as they 'barely scrape a living' [Business 13] during stable economic conditions. The few businesses that employed additional members of staff in the area (c.f. Chapter 5.2.2) started to 'cut the wages and staff, especially with the credit crunch'. [Business 3] One of the non-accredited businesses commented that 'only if businesses were convinced about the positive effect of environmental measures before the economic downturn' [Business 12] would they actually undertake any changes, whereas now sustainable management practices will now take a 'backseat' (Bohdanowicz 2005) as the owner/managers have to deal with more pressing issues. While the change that emerges from uncertainty has been recognized as a driver for innovation (Marrone 2010, Russell and Faulkner 2004, Russell and Murphy 2004, Nonaka et al. 2000, Gillet and Morda 2003, Patiar and Mia 2009), several studies highlighted that only a favourable economic environment encourages the implementation of environmental management practices (Kasim 2007, 2009, Bohdanowicz 2006). This study confirmed previous research as businesses contracted, reducing the extent of environmental measures rather than further improve their business practices to exist the economic crisis as a more competitive business.

Hallin and Marnburg (2007) pointed out in their study that hotel directors in Copenhagen (Denmark) did not alter their businesses to embrace the change and instead relied on traditional approaches, routines and procedures to reduce the uncertainty and postpone decisions until certainty about the 'right' direction was found. Similar results were found in this study as the 'dinosaurs' [Business 13] (c.f. Chapter 5.4.3) among the establishments in Torbay were unable to deal with the changing circumstances as they were accustomed to the times when the market continuously grew:

> *….They don't seem to realise that we are in a recession or a bit of a credit crunch and they still are like the price is fixed and that's it! […] They persist that "I don't want to sell it cheaper I don't want to do this. I don't want to do that." [Business 18]*

This indicated that for these businesses adapting to a changing economy was more than challenging and could only be achieved through cost control and contraction of expenditures. However, more innovative approaches on how to deal with the changing economic situation were also not mentioned among the interviewees, indicating that thinking outside the box was not a common business approach. It has to be noted that at the time of the data collection the downturn of the economy had only just about started and the true extent of the problem was not visible at the time. As a result the economy only represented a secondary barrier to the interviewees but one that already affected the financial constraints businesses were facing.

Moreover, many establishments in the area were Grade I or II Listed buildings, which are buildings of exceptional or special interest that need to be preserved, which further limited the extent of environmental measures that could be implemented in their establishment - 'We have solid walls. So we can't cavity wall insulate' [Business 8]. Simultaneously these establishments required substantial investments initially to bring the business 'up to scratch' [Business 16], which, in turn, had the result that later changes were only considered if the return on investment was sufficient and the payback period co-insisted with the short-term planning of the owner/manager:

> *…We looked at, err, possibly having some sort of, err, scheme for heating hot water on the roof, err with the tubes but that was too expensive in capital outlay. Savings would be made over about eight years, which is too long at the moment. If the price would be a lot less, then maybe we would have it done but we just can't afford it. [Business 1]*

The majority of establishments were also situated in a conservation area which requires planning permission in order to improve the exterior of the business, which includes double-glazing and solar thermal on the roof of the establishment. This did not only involve additional costs for acquiring planning permission but it also created additional cost of 30-40% in order to fulfil the requirements of the council when carrying out the renovation (i.e. double-glazing) [Business 8]. Therefore the level of environmental management practices implemented decreased which confirms earlier research by McNamera and Gibson (2008) who also found that old buildings presented the owner/manager with more difficulties to innovate.

Although 'there are lots of things we would like to change' [Business 1] uncertainty prevailed as to when these improvements will be financially viable. Nevertheless, the owner/managers continuously reinvested their profits into their businesses and in some instance they did not retain any personal savings because they are continuously improving the quality of the establishment:

> *…Err, so over the last few years all the profit that we've made had gone back into the business, err, and that is a continuing process for another couple of years at least. [Business 14]*
>
> *…We actually, we don't take a wage out for ourselves. Everything is put back into the hotel. All the money we make after we paid all the bills is spent on the hotel. So we don't actually take any wages for ourselves. [Business 15]*

Despite continuous reinvestment into their business one owner/manager of a GTBS accredited business in Torquay commented that 'I think we are environmentally friendly but not as much as we could be' [Business 17] demonstrating that more leeway existed as to what they could implement in their establishment which section 5.3.1 confirms. Thus, personal dedication might be a strong driving force for the consideration of environmental management practices but the lack of financial capital considerably limits the extent of investment. Moreover the impediments that lie in the macro-business environment (Hall and Coles 2008) further impacted upon the extent to which sustainable business practices were incorporated. Not only were the buildings in which the businesses operated limited but the owner/managers were also faced with an emerging economic downturn which made businesses contract rather than change their business practices as the amount of investment available to them declined. As a result sustainable business practices were often postponed as other investments to control costs took priority.

5.4.2. Guests as a double edged sword

Hobson and Essex (2001) further argue that non-economic factors such as improving the perception of customers, improving the businesses image and prospects as well as attracting new clientele and markets, these represent strong drivers as to why owner/managers implement environmental measures. Section 5.3.2 previously demonstrated that the respondents of this study stated that sustainable management practices did not enhance the profitability, off-peak business or new customer markets for them. Qualitative research provided further insights highlighting that guests can both encourage and hinder tourism businesses to consider and/or implement environmental management practices.

A consensus among the interviewees existed that the majority of 'customers don't want to pay any more' [Business 16]. As a result, the rising utility costs and investments into more sustainable business practices could not be passed on to them. While they 'might care about saving the planet, saving energy and things like that at home' [Business 13] the same behaviour was not noticed while they were on holiday as 'they've paid for the service provided' [Business 10]. This confirms previous research which noted that customers were not interested in acting environmentally responsibly while being on holiday (Goodwin and Francis 2003) and that they did not consider 'green credentials' (Sharper and Carlson 2004, Kasim 2007, Hobson and Essex 2001) or demand sustainable businesses practices from tourism businesses (Biachi and Nuci 1998, McNamera and Gibson 2008, Greenan et al. 1997) (c.f. Chapter 2.3).

While many owner/managers highlighted that the majority of guests only 'care about the cost, the friendliness and the parking, that sort of thing' [Business 7] a different perspective was expressed by some GTBS accredited businesses in Torbay. They stated that a niche market of guests had emerged who had started to look for environmental friendly businesses as they expected more from their holiday than just a 'bucket and spade' holiday:

> *… I think people now discerning, they are not just looking for a bucket and spade to be there. They are influenced by the green tourism award and you know these efforts to be kind to the environment. So I think it is good from a marketing point of view and evitable I want to run a business that tries to do its bit [Business 7]*

...We felt that it would be a bit of a niche market that we would maybe get our visitors that way and I think it's starting to pay off slowly but it is very slow. [Business 11]

Although still an exception at present, it highlighted a very positive trend that requires careful nurturing in order to convince more businesses to consider environmental measures in the future. While GTBS accredited businesses (c.f. Table 4.7) believed in the principles and practices of sustainable management and implemented environmental measures as a result, the majority of businesses required guests to actively look for the 'green credentials' in order to change their business practices. Hobson and Essex (2001) also revealed that few guests recognised or looked for environmental practices of tourism businesses which influenced the extent to which businesses considered and/or implemented environmental measures in their business. In this respect guests represented a significant external barrier, which slowed down the implementation of environmental measures among service accommodation businesses. At the same time they were also strong drivers for change mainly because their expectations kept rising when going on holiday during the past years. As a result the quality standard among standard businesses could be improved significantly because what was once acceptable was now unsustainable and what was once luxury was now standard (c.f. Greenan et al. 1997), providing a slight indication that one day sustainable management practices could become the 'norm':

...I mean people's expectations when they go away... When we first started here they wanted en-suite facilities. We've not got all en-suite facilities and now they want wifi. Their expectations are higher and yet we want to up our game a little bit. [Business 10]

If guests' attitudes change they hold the potential to positively influence the extent to which environmental practices will be implemented considerably in the future.

5.4.3. Pressure to conform as environmental measures become the 'norm' and the reluctance to change

Although a three star hotel in Brixham observed that 'ten years ago most hotels wouldn't really give a monkey [i.e. care less] about environmental issues but it's more and more the thing one has to do these days so [Business 3] the previous sub-section 5.3 demonstrated the level of environmental measures remained modest in Torbay.

Even though environmental management practices were not perceived to be a 'great selling point' [Business 14] at present some interviewee expected that it will feature more dominantly in the decision-making of guests in the future. At present 'it's a question of getting to the point where if you are not in it, then you stand out for the wrong reasons' [Business 14] as environmental management practices are not the primary driver in visitors choice but a secondary differentiating factor. Tourism businesses will continue to respond to the perceived market preferences and to what their competition is doing until the point is reached when sustainable business practices become one of the 'standards' that guests won't perceive as 'unusual' or 'luxurious' but as a standard measure they expect to see in all establishments:

> *…The green issues are becoming more and more common and I think businesses have got to do it irrespective, err, and at the end of the day we are a business and we've got to show that we are taking things seriously. We are doing… they may only be little bits but if everyone does little bits than all the little bits soon add up. You still got to do… you can't sit back and say, "Well there is no point because they [other businesses] are not doing it." It doesn't help. We all got to play our part and you know even if it's just a small bit but at the end of the day one has to get round and do it. [Business 16]*

However, the pressure to conform was not strong enough at present. Only a small number of dedicated people had increased their action as a result of the policies and practices promoted by the regional or national government bodies. Tzschentke et al. (2008) doubted in their research whether the response of a few indicated effective (government) policy. The leaders in the South West of England on sustainable management have to increase their efforts in order to convince more sceptical owner/managers by presenting them with a compelling business case and by clearly highlighting the benefits of environmental measures. Only then will the owner/managers transform their intentions into actions and react to the growing pressure.

In particular this was an important driver for businesses that did not consider and/or implement environmental management practices as a result of their reluctance to change. Some of the 'dinosaurs' [Business 13] in the bay were 'routine-bound and uncomfortable with changes' [Business 6]. These owner/managers who entered the tourism industry as a lifestyle choice before their retirement were 'not as keen or as interested in green issues' [Business 14] as owner/managers in their 30s or 40s (c.f. Chapter 5.2). Although they operated in the area 'for sort of 10 years, [they] have not upgraded anything, nothing has changed and they won't do it because they won't spend that money.' [Business 17] The inability or unwillingness to change could in some cases be counteracted by help and advice from external organisation. One interviewee who found change difficult stated that 'we just need someone who feeds us the ideas, I think. Once we've been fed the ideas, I mean, you know, we can come up with some of them ourselves but I think, I do think we need help' [Business 13]. The prevailing reluctance to change raises the question of the usefulness of the services provided by support organisations and the leadership exhibited by South West Tourism which should lead on the translation of ideas from the national to the regional and local level (c.f. Chapter 6.2, 6.6).

Furthermore, an owner/manager of a four star guesthouse who had operated in the area for 12 years emphasised that change will occur in the future with 'new people coming into the business [because] they are coming in with these ideas […] and that's what you need really'. [Business 10] Although this could prove advantageous for the area the new people 'don't stay much beyond two or three years because it just gets hard' [Business 10] limiting the extent to which new business models and approaches could enter the area. As a result of the high turnover the knowledge stock of businesses remains small, which increases the likelihood that owner/managers are reluctant to change as they fall back on their own experience to deal with changing circumstances instead of altering their daily business practices (c.f. Chapter 6.2, Yang 2004, Kollmuss and Agyeman 2002). According to Nybakk et al. (2008) only the most risk-seeking businesses would change their products and services while others would remain routine bound. As a result the return on investment for many businesses with short-term planning was too long and extensive environmental measures less attractive hampering widespread action within the bay towards more environmentally friendly business practices. Simultaneously, the businesses that had been in the area long-term did not invest into sustainable business practices either because they are not sufficiently interested or only think about their retirement as this interviewee explained:

> *…we are here until we retire and as long as we make enough money to just feed ourselves and keep the place looking good, err, that's what we hope for of our stay [Business 13].*

Therefore, the reluctance to change of many 'dinosaurs' among the tourism businesses could be counteracted by environmental management practices becoming the 'norm' and by more help and advice from external organisations (c.f. Chapter 6.2). The high-turnover of businesses could also be addressed by them to ensure that all new businesses are informed about general business management practices as well as environmental measures to ensure their long-term competitiveness and survival which could improve the likelihood of sustainable management practices being considered and/or implemented.

5.4.4. 'Stumbling' into the unknown

The point raised above is further illustrated in this sub-section as a lack of previous experience influences the high-turnover of tourism businesses in the area. This in turn increases the short-sightedness of businesses reducing the likelihood of implementing environmental management practices due to the initial financial investments involved. The quantitative research in sub-section 5.2.1 highlighted that only 29% of the owner/managers in the area had any previous experience within the tourism industry. For many respondents it was a lifestyle choice - ‘a dream’ [Business 6] - to enter the tourism industry as it represented an attractive alternative to their previous job:

> *…Err, then I was made redundant and went to work at the town hall and it was the worst job in my life. I hated it there. It was boring, it was awful and I thought, I hit 50 and I thought, “there is more to live than this” and my sister in law has after the kids left home, she did a little B&B in Chester. I thought, ‘I could do this’. I looked around and then found this [guesthouse] and I thought, yeah, that is where I want to be. [Business 7]*

Little or no previous knowledge about the tourism industry had the effect that many owner/managers underestimated the organisational skills and the financial investments required to run a serviced accommodation business. Jonathan Tisch (Loews Hotels in Greger and Peterson 2000:23) pointed out that previous experience is essential for managing change. In times of uncertainty the owner/managers ‘pull up your sleeves and figure out how to get through it’. But the owner/managers of this study were unable to rely on their past experience (c.f. Chapter 5.2). For many the ‘adventure’ [Business 11] turned into a huge ‘learning curve’ [Business 6], as skills of a ‘good cook and a good bottle washer’ [Business 13] were not sufficient to run the business:

> *…Yes a huge change and also I don’t think, I think a lot of people will say the same, you know there is going to be a certain amount of work but you don’t realise how much. On the paperwork side, I was certain but it’s huge, there is marketing and this all the time on the go. So that was a big ‘learning curve’ and learning how to get people in and things like that and really we’ve just been lucky because when you think how little knowledge we had and we bought a business that wasn’t trading [laugh], it could have gone completely the other way… [Business 17]*
>
> *… We didn't know how hard the work would be. Running the hotel we didn't find a problem. But all the paperwork and everything else that was involved. There is a lot of legislation […] There is so much more and nobody tells you. Nobody tells you until you are here. [*Business 4*]*

Because many owner/managers ‘stumbled’ into the tourism industry, the reality often did not align with their idea of running a business before entering the industry:

> *…It wasn’t what we thought it was going to be. You know, guests come down to breakfast, you go and do their rooms and we got the rest of the day to go down to the beach! But it doesn’t work that way [laugh]! [*Business 10*]*

The overlap between commercial and residential spaces as homes providing guest accommodation (Coles and Shaw 2006) proved problematic in several cases as owners/managers weren’t accustomed to running a business inside their home. One interviewee pointed out that ‘a lot of B&Bs fall down because they think it’s their home first and business second whereas personally it’s business first and then your home second’ [Business 14].

At the same time businesses tended to underestimate the market conditions they operate their businesses in. Because the tourism industry in Torbay is a 'very constant business, it doesn't grow very, very much because there is a core season and it's very, very difficult to change that core season' [Business 14] businesses struggle to increase their profit margins by trying to attract more tourists. The problem they were faced with was that 'if you can't fill your guesthouse in July and August you may as well pack up and go home, go and do something else'. [Business 1] Therefore, seasonality affects the extent of environmental measures implemented so far as businesses believe that 'the only way to make more money is by spending less money' [Business 14]. If the core season could be expanded than the businesses were able to increase their profits making additional funds available that could be invested into environmental measures. If businesses continue to cut costs further then the likelihood of environmental management practices being implemented declines respectively.

The lack of experience and knowledge not only resulted in an under estimation of the skills required but also into a miscalculation of the financial side of the business – the investment required as well as the reward received:

> *…I think people underestimate how hard the work will be because it is 24 hours 7 days a week and, err, the financial rewards aren't as good as one would have expected. It's difficult to generate enough business to make it pay for itself, to pay for the overhead because the overhead is massive. [Business 12]*

The respondent's approach of 'you go along and you learn' [Business 2], especially during the start-up phase of the business, illustrated that financial resources were not invested in response to the changes that the industry was experiencing (i.e. economic downturn, short-break holidays). Instead a trial-and-error approach was widespread as the owner/manager lacked the knowledge and skills to make an informed decision (c.f. Lawrence et al. 2003) resulting in unwise investment of the already limited financial means, particularly when it came to marketing:

> *…we've ditched the advertising with the webhost people because nothing came through and that was £360 a year for the advertising and this other online directory was another £300 a year and we got nothing from that. So we are saving £650 [Business 18].*

Therefore, 'stumbling' into the tourism industry with no previous experience represented one of the major internal barriers for implementing environmental measures because other concerns were being more paramount especially during the start-up of their businesses. Prior knowledge or understanding of the market condition could have ensured that their capital would have been used to invest into environmental measures from the beginning instead of along the line once the learning curve was tackled and the operational side of the business was understood. Instead, high turnover among tourism businesses in Torbay continued to limit the extent to which widespread action towards more sustainable management practices could be achieved.

5.4.5. The struggle between accreditation schemes, rewards and the unproven benefits of environmental measures

Another line of argument emerged in the qualitative research. Receiving recognition through accreditation schemes were driving quality improvements to the owner/managers establishment. However, the unproven benefits of environmental measures discouraged the majority of interviewees to pursue sustainable business practices for their establishments.

Sub-section 5.2.2 previously illustrated that the businesses of this study were part of at least one association or grading scheme such as VisitBritain, GTBS or the AA because 'grading is pretty necessary to be able to market your property [and] to have control over it how good or bad places are' [Business 2]. Although the argument presented below was mainly commented upon by GTBS accredited businesses (c.f. Table 4.7) important implications can be derived for ways in which more widespread action towards sustainable management practices could be encouraged.

Among environmentally conscious owner/managers the formal recognition by the voluntary green accreditation scheme, GTBS, was a major motivational factor that encouraged them to implement additional environmental measures as they felt rewarded for the actions they had taken to date:

> *…Oh yes, yes. We were assessed in July 2007 and it's every two years the assessment and we got silver but we were quite high silver. We needed to do a couple of big things to enable us to get gold. One of which is to replace our heating boiler and […] a new roof. So last October we had the new roof and the insulation is now done. But we still haven't quite got the budget to replace the boiler yet but we are hoping to do that soon. [Business 11]*

A difficulty for businesses emerged when they wanted to be accredited with VisitBritain as well as GTBS. A four star guesthouse in Torquay stated that 'you've got your hotel assessor, and you've got your Green Tourism assessor, and they both want separate things' [Business 9]. As a result, assessments were problematic for many interviewees that wanted to be quality assured by VisitBritain but also run their business according to the principles and practices of sustainable business management:

> *…Our first assessment didn't go down very well, err, because we were using things like recycling bags in the bins and they did not want any of that! They wanted proper white soaps and we used pump dispensers and they really didn't like that. Nice and new, we fill them up and they are all clean and all*

done but they didn't, they wanted little bottles and wrapped soaps and they really don't like that. [Business 17]

Although not mutually incompatible VisitBritain concentrates more on visitor satisfaction and the standard of facilities among tourism business, while GTBS focuses on environmental management practices of establishments. 'There has always been a big battle there' [Business 9] until they slowly started to co-operate. Beforehand the questions for environmentally friendly businesses arose as to where do you draw the line between going green and sacrificing customer satisfaction? Vernon et al. (2003) also highlighted this point as environmental measures that jeopardized the customer experience and thus their accreditation were rejected by the businesses in their study. This suggests that accreditation schemes influence the extent of environmental management practices in tourism businesses. Moreover, the prospect of an additional assessment also put people off:

…It's more, it's hard work, and it has to do another inspection. You know a lot have said to me, "It's bad enough me waiting for my Visit Britain inspection and being on tenterhooks until it happens, to have another one…!" They don't want that. They don't want that pressure. [Business 17]

Consequently, several owner/managers emphasised that they would have appreciated it if environmental measures were embedded within the catalogue of VisitBritain's assessment criteria – the higher the grading the more environmental measures each business should comply with. However, once the initial 'hurdle' of the first assessment was taken people continued to follow the green route through self-reinforcement and gradually improved their business through sustainable business practices:

…'I think if people are putting in enough work to get the grading on the GTBS they'll carry on. I know we question how much it's worth but I certainly wouldn't want to leave it. [Business 9]

Businesses [Business 7, 16] that considered joining GTBS also commented on the fact that they received recognition – Bronze, Silver or Gold award – would highlight the benefits of their actions and increase the unique selling point of their business:

…Oh yes, yeah and I hope to [join] and I'd like to go with the GTBS and get an award for two reasons. One to recognize what I've done in any event and to see what else I can reasonably do but also it will then give us another avenue for advertising. Again, I suppose that sounds a bit selfish but you want to be recognized for whatever steps you've taken.

This was in line with the findings of Tzschentke et al. (2008) who explained that the accreditation with GTBS represented an incentive for further action. Friedman and Miles (2002) also highlighted this point in their research on the Better Business Pack, a toolkit designed to encourage SMEs to consider and/or implement environmental practices. In their case, award schemes maintained the enthusiasm of the owner/managers as it demonstrated to them what they had achieved within each year. In order to ensure future action and convince more sceptical owner/managers of benefits of sustainable tourism practices receiving any form of recognition is important.

Although recognition was important, the GTBS accredited businesses of this study were mainly driven by their personal values and dedication as their current actions were not ‘getting us any more business [indeed] what we are doing doesn’t show in the books’ [Business 17]. While these businesses wanted to highlight the benefits to other owner/managers they were unable to do so as they themselves could not provide a clear indication as to the benefits of joining a green accreditation scheme. At a time of an emerging economic downturn it was not surprising that people asked ‘what am I gaining from paying £150 for them to just give me another plaque that people don’t even recognise?’ [Business 17] Moreover the same businesses expressed great levels of disappointment about the lack of help and support provided by GTBS. ‘All they do is come down, take your money, they do that bit and than they are gone.’ [Business 17] This interviewee explained that they will carry on with their environmental management but was likely to leave the scheme within the following year. In the light of this it is not surprising that informality still prevails within the tourism industry instead of the implementation of formal environmental policies (Tzschentke et al. 2008).

As long as GTBS - the official leader of encouraging environmental management practices among tourism businesses fail to provide reassurance and highlight their benefits of sustainable business practices widespread action among tourism businesses will remain limited (c.f. Chapter 2.2). This result confirms Revell and Blackburn 2007 critique of the UK government overreliance on voluntary initiatives to increase awareness and encourage widespread action among tourism businesses. Until the business case is clearly proven the general perception among the owner/managers prevails that ‘green means it costs money’ [Business 9] prevails:

> *…‘I think a lot of people have the wrong picture of what it is. People think it involves a lot of cost initially, which is a bit more but you also get the benefits from it, which people often don’t see. [Business 11]*

Representative for the general consensus among ‘green’ businesses in this study a four star guesthouse in Paignton stated that ‘it’s just showing people that at the end of the day if you can save money whilst you do it than why not?’ [Business 16] Providing a clear business case and especially highlighting the financial benefits of environmental measures is key in convincing more owner/managers to implement environmental measures. This is particularly important in the light of the previous sub-section 5.4.2 which emphasised that finance and investment represent a predominant constraint for the implementation of environmental management practices. While examples of the benefits of environmental measures were elaborated by this three star guesthouse in Paignton, these were not communicated by others at present:

> *…We calculated because they are on 24 hours, seven days a week. Before the energy prices went up this summer they were costing £80 a year for two lights being left on, 24 hours a day. They are now energy saving ones so they are now 11 Watt instead of 60Watt or something like that so they are a fifth of the energy cost. So instead of £80 a year it's £16, well, now it's probably £120 a year or something like that, £100 a year plus for two ordinary light bulbs that are left on. So you can see how money is so easily spent. [Business 1]*

If the benefits of joining GTBS let alone the benefits of environmental measures, were clearly articulated than the more sceptical owner/managers would not be able to ignore the financial savings that could result from implementing sustainable business practises. Although the option of having 'to dangle a carrot to get people to do it' [Business 12] is not perfect, the majority of businesses require an incentive in order to get them into the right 'mindset' [Business 12], that environmental measures can have a benefit to ones business.

The compliance with VisitBritain to ensure quality standards and customer recognition, and receiving awards for environmental measures represented important drivers for implementing change in tourism businesses and in the case of GTBS improve the environmental performance of businesses (Ayuso 2007). However, the results of this study also demonstrate that GTBS not only faces problems of attracting new members but also in providing an unsatisfactory service to already committed businesses, limiting their scope to be the main driver for sustainable management practices. The added value and the benefits of sustainable management practices need to be clearly demonstrated, otherwise even the most modest cost involved in environmental measures becomes a barrier (Vernon et al. 2003) and actions will be postponed into the unforeseeable future.

5.4.6. Government and local council

The qualitative research further revealed that the UK governmental and local councils represent another important influencing factor that hinders tourism businesses to become more environmentally friendly.

As previously emphasised the UK government itself should lead on the increase of environmental management practices among SMEs (Stabler and Goodall 1997) (Chapter 2.2). However it continues to over rely on voluntary action (Revell and Blackburn 2007). In times of continuously changing business environment the majority of interviewees felt that the government did not support the "greening" of the industry as the surrounding circumstances – policies, regulation, help and support- were not in place to support such development. As a result the government represented another important external barrier for implementing change. Because money was tight among owner/managers (c.f. Chapter 5.4.1) several interviewees commented on the necessity of more government initiatives in the form of grants available to small businesses and not just households:

> *…If the government would give me a grant [laugh] that would help me immensely [then] I can get on with the things I want to do to save money. [Business 15]*

> *…I think the government grant scheme from a green aspect is pathetic, absolutely pathetic and it's over the last few years I think it's dimpled. We looked into solar, solar energy and, err, and we had the people coming around and they said that the grants have actually been taken away, err, and, you know, I don't think there is a serious enough push form the government. [Business 14]*

Although some grants were available to businesses they were 'tied up in so much red tape that people think "I'm not going to waste my time because I know I am not going to get any help anyway. It's all got to be made accessible.' [Business 12] If incentives were in place and help was available then interviewees were certain that they would have continued to pursue sustainable business practices for their establishment to a larger extent.

Not only the government but also the local councils lack leadership with regards to sustainable management practices. A GTBS accredited business from Paignton mentioned that if the council 'would be more proactive, I think, then the whole attitudes would change throughout the bay'. [Business 8] Several researchers argue that regulation and legislation are strong drivers for change (c.f. Kasim 2007, 2009, Masurel 2007), but Zeng et al. (2010) emphasise that the support services provided by intermediary institutions need to be in place to support businesses as businesses will otherwise struggle to comply with existing or potential laws and regulations. The results in sub-section 5.3.2 indicated that regulations might represent an effective means to pursue environmental management practices in the area. However, the respondents also stated that the benefits of environmental measures needed to be emphasised more and the business case clearly proven in order to convince owner/managers that regulations were indeed in the best financial interest for their business (Chapter 5.4.5). Hutchinson and Chaston (1994) also point out that regulations would increase the extent of environmental management practices, but the underlying attitude of the owner/manager would not change. Therefore regulations can stimulate change, but change beyond the line of requirement won't be achieved through it and other drivers for change need to be emphasised to alter business practices extensively.

5.4.7. Drivers for innovation changed over time

Within research a discussion exists as to whether 'service firms innovate at all' (Sundbo 1997:432) and 'why innovation is rare or non-existent in tourism' (Hjalager 2002:470). This has resulted in an increased emphasis by researchers to explore and investigate innovation from all sides and angles (c.f. Chapter 2.4). While these studies mainly capture the level of innovation at one point in time, which the quantitative research of this study did as well, qualitative research highlighted that type and drivers for innovation change over time – from the start-up of the business, maintaining the standard to selling the property before leaving the market.

Although nearly all owner/managers reported during the interviews that they have implemented environmental measures at all stages of their businesses' development, different forms of innovations prevail at different times which is discussed in more details below.

After the decision to enter the tourism industry and to run a serviced accommodation, many were faced with a 'blank canvas' [Business 9]. The amount of renovation necessary often required large investments during the start-up phase in order to bring the establishment 'up to scratch' [Business 10]. At this stage product innovation in the form of double-glazed windows, loft insulation, bathrooms and bedrooms predominated. While some invested a 'fortune' [Business 2] in the areas of 'just under sixty thousand, technically, in two years, doing the place up' [Business 9] a general consensus among owner/managers was that the work required was so extensive that they kept renovating for one or two winters in order to achieve the quality standard they sought after for their establishment:

> *…we've decorated, in one year we decorate all the bedrooms. That was the first. Then last year we've decorated all the stairs and the landing throughout. So this winter we decorate every bedroom and we've got the house painted this year and, err, we'll get a lot of electrical work done this winter. [Business 7]*
>
> *…we shut for four month and we did a huge amount of work, not all of it but a huge amount to get it ready to open. We had to take everything out it was so bad and start all over again and then we opened in May. The following winter we did another lot of refurbishment had the front windows put in. This is now our second season and now again we do another lot of refurbishment. So we sort of every winter are refurbishing it.' [Business 17]*

During the start-up phase environmental measures were often related to the requirements of the establishment during the refurbishment (i.e. insulation, double-glazing, dual-flush in new bathrooms). Environmental measures were often postponed to the future in order to complete the compulsory changes first with the purpose of acquiring or improving their VisitBritain grading:

> *...Another thing that came up on the VisitBritain assessment was that we needed to up the quality of our food. We knew we'd got to do it, but again it was price. Until we'd got our rooms updated we couldn't put our prices up, because as much as we could provide all these really nice thing**s...**they wouldn't pay the price for the room. So we did it that way round – we upgraded the rooms then we started on the service [Business 9]*

Advanced sustainable measures such as green suppliers are rare at this stage because of financial constraints of employing them in their business. Thus, the predominance in product innovation slowly gives way to service innovations as the product itself [i.e. the guesthouse, B&B, hotel] was established and major investments had been taken. Some interviewees only considered environmental measures at the later stage when improvements were made to upgrade the quality of the business as they were unable to do so earlier because 'money is sort of tight when you first get in and now [few years later] we are getting slowly to the better quality beds and better quality linens.' [Business 10] The innovations implemented over time were also perceived as beneficial when considering the 'sell-ability' [Business 17] of their property in case of exiting the industry due to a higher value of the property especially among businesses who heavily invested in environmentally measures:

> *...I think it will help our saleability afterwards because than if we decide to and somebody comes in and all these things have been done so then we hope to be able to sell it because, "This means heating bills will be less and this will be, it has got loft insulation..." You know again that side of it. [Business 17]*

Even though the type of innovation changed over time many owner/managers commented that they did consider change constantly in order to stay competitive as this non accredited business in Torquay explained:

> *...Constantly, constantly. I believe that no business ever stands still, you know, you constantly have to strive to improve it, you know be it consumer service, quality of food, quality of the rooms, environment, whatever. You cannot especially not in today's marketplace afford to sit still and say, "Actually I've done that now it's ok" because soon you'll be behind everyone else and I think you got to keep going, got to keep constantly upgrading. [Business 12]*

5.5. Summary of main results

The aim of this chapter was to provide an overview of the background of the case study area and to analyse the current practises, barriers and drivers for implementing environmental management practices (Objective one, c.f. Figure 1.1). This chapter highlighted that Torbay was predominated by small and especially micro-businesses that were independently run and managed by elderly owner/managers who often had no previous experience in tourism and employed few if any people to assist them in their establishments (Section 5.2).

The current level of sustainable business practices and environmental management in the area was modest, which mainly focussed on standard household measures (e.g. recycling, energy-saving measures). Significantly fewer environmental measures were taken that involved financial investment or a stronger environmental commitment (e.g. dedicated environmental manager). Overall, respondents value a sustainable development for the South West as a suitable approach for the regions present and future. But the regional tourism board – South West Tourism – is not seen as a source of leadership in this regard despite the fact that it is leading the country's policy on sustainability in tourism and that South West Tourism should have a central position in communicating policies and practices to tourism businesses. The results also revealed that respondents perceive voluntary green accreditation schemes to be 'window dressing' and sustainable management practices did not enhance their profitability or their off-peak business and did not open new customer markets for them (Section 5.3).

Section 5.4 provided further insight into the underlying causes for the modest level of sustainable management practices that were presented earlier in this chapter. The personal dedication of the owner/managers to minimize the impact of their business represented a strong driver for innovation with regards to environmental management practices. However, cost control was more important to the majority of interviewees especially in the light of an emerging economic crisis. The continuously shifting expectations of guests were an important motivating factor for many owner/managers to improve the quality of their product and the service they provided. But the insufficient demand from guests for environmental friendly management practices represented a strong barrier for action, as the majority of businesses were not willing to change their business practices otherwise. While environmental measures could become the 'norm' in the future the pressure to conform was currently not strong enough to trigger a change. Instead, especially among well-established businesses they remain reluctant to alter their business practices. At the same time the high-turnover among new owner/managers, which was the result of little or no prior knowledge about the industry they were operating in represented a strong barrier that limited the extent to which environmental management practices were implemented in Torbay.

Although compliance with accreditation schemes (i.e. VisitBritain) and the received recognition in the form of Bronze, Silver or Gold GTBS awards reward positively influenced tourism businesses to change their business practices, the unarticulated benefits of environmental measures strongly limit a widespread implementation of environmental measures. Moreover, the lack of government leadership on sustainable management practices, as well as a lack of grants and incentives in conjunction with the passive behaviour of the local council, represented further barriers for encouraging widespread action.

CHAPTER SIX

– KNOWLEDGE SHARING AMONG TOURISM BUSINESSES –

6.1. Introduction

As previously explained policy strategies need to be translated into action in order to encourage a widespread implementation of sustainable management practices (Section 2.3). At present the diffusion of best practices on a local or regional level is often assumed rather than understood, as little is known about how ideas are translated from global, national and regional level at the local level by tourism businesses. Earlier chapters further illustrated that the government did not support the greening of the tourism industry sufficiently (Section 5.4.6) and that South West Tourism was also not recognised as a leader on sustainability in tourism although it is nationally and internally recognised for its efforts (Section 5.3). Therefore, the aim of this chapter is to investigate how knowledge about environmental management measures is transferred between tourism businesses on a local level, which represents the ***second objective*** of this research (Figure 1.1).

A number of research questions were designed to investigate the various aspects of objective two (Figure 1.1). Therefore, this chapter set out to analyse the kind of sources of information used by tourism businesses (Section 6.2) before the reasons for and modes of sharing knowledge with other businesses in tourism are examined (Section 6.3). To assess the diffusion of knowledge on a local level, the type of knowledge shared among businesses (Section 6.4) and the extent of knowledge shared between businesses (Section 6.5) are investigated. As relationships are crucial to knowledge creation and knowledge transfer the importance of networks for knowledge sharing is investigated (Section 6.6).

While quantitative research dominates sections 6.2 and 6.3, verbatims from the qualitative research were used to illustrate the predominant quantitative results derived through univariate analysis. Bivariate analysis (Appendix 3) also provides an indication as to whether respondents' personal and business characteristics have an influence on the sources of information used to inform themselves about the environmental impact of their business and the modes of and reasons for knowledge sharing. The results presented in sections 6.4, 6.5 and 6.6 were mainly derived from qualitative research to provide a more in-depth understanding about the extent of knowledge sharing and the importance of various national and regional networks.

However, due to the design of the quantitative research, the businesses that participated in the qualitative research could not be linked to their quantitative responses. However, throughout the following sections the characteristics of the interviewees captured in the qualitative research were used where appropriate to indicate whether certain drivers, and later barriers (Section 5.5), are influenced by or can be linked to the business characteristics of the interviewees (Table 4.7).

6.2. Sources of information for tourism businesses in Torbay

In this section specific attention is paid to the sources of information used regarding environmental issues. Collecting and identifying useful information is essential for the exploitation and development of these knowledge assets in order to create competitive advantage for businesses and to ensure that businesses adapt and survive in a constantly changing environment. This is done to investigate the ***fourth research question*** of this study, namely *to investigate what sources of information were used by tourism businesses* to inform themselves about environmental measures suitable for their business (c.f. Figure 1.1). Although a discussion within the literature exists whether explicit or tacit knowledge should be separated (c.f. Chapter 2.3), a distinction between both types of knowledge was not made as this study wanted to investigate all sources of information.

6.2.1. The number of sources of information for tourism businesses

In the quantitative survey, the respondents were asked what sources of information they used to inform themselves about the environmental impact or management of their business (c.f. Appendix 1, question 18). The results of this multiple-response question are presented in Table 6.1.

The average number of information sources per respondent was 4.7 out of 15, suggesting that most business owners use various resources to gather information regarding environmental issues of which informal sources seem to be more important than formal sources as indicated in Table 6.1. The respondents ‘own experience’ through ‘learning by doing’ emerged to be the most important ‘source’ of information for business owners as 141 respondents indicated. To some, ‘it’s like instinct to run it. It’s just second nature to me’ [Business 18] and therefore owner/managers perceived that their own experience was sufficient. This phenomenon is well documented in the literature on SMEs within the tourism industry (c.f. Ingram and Baum 1997, Yang and Wan 2004, Morrison and Teixeira 2004, Ottenbacher and Gnoth 2005).

Table 6.1. Sources of information used by tourism businesses

Characteristic	Number (n) of respondents	%	Percent of cases
Informal methods			
Own experience	141	16.5	78.3
TV/Radio	122	14.3	67.8
Word of Mouth	88	10.3	48.9
Internet/www	85	10.0	47.2
Other business owners	73	8.5	40.6
Friends	62	7.3	34.4
Formal methods			
Energy company	64	7.5	35.6
Print Media	61	7.1	33.9
Regional Tourist Board	58	6.8	32.2
Conference/Workshops	41	4.8	22.8
Business Link	25	2.9	13.9
Devon Environmental Business Initiative (DEBI)	12	1.4	6.7
Phone Helpline	8	0.9	4.4
Envision	6	0.7	3.3
Consultants	5	0.6	2.8
Total	854	100.0	474.6

(Source: Author)

Besides owner/managers' 'own experience', 'TV and radio' also played a significant role for business owners as a medium of information gathering. Some interviewees mentioned that they felt 'very tied to the business' [Business 6] and not able to leave their establishment to attend formal meetings or conferences, as they had to attend to their guests. Thus, many businesses were rather reactive rather than proactive in their search for information. Morrison and Teixeira (2004) also point out that the respondents of their study were heavily reliant on the general media. Therefore it is not surprising that 'TV and radio', as well as the 'Internet' and 'print media', were popular sources of information for many business owners in Torbay:

> *…I think as much information as comes through the door. I am always quite pleased to get [some] because then if I've got [time]…then I can read it when I can rather than going out for meetings because that takes much longer. [Business 6]*

The results presented in Appendix 3 also show that a slight tendency exists that the internet was more important to businesses with fewer employees than larger establishments (rho=0.017, p=0.058), which further supports the argument presented above. A small indication was also revealed by Spearman's rho with regards to age and the use of TV/radio as a source of information. The older the owner/manager the more likely they were to use TV/radio to gather information (rho=0.071, p=0.051).

Respondents further stated that 'word of mouth', 'other business owners' and 'friends' were important informal sources of information on environmental issues. Chi square revealed that businesses in Torbay were more likely to state that friends were an important source of information to them than businesses in Paignton and Brixham (χ^2=6.435, p<0.05). This suggests that the level of communication may vary within the bay, which will be discussed in more detail in section 6.5. However, these sources of information were not as important as their own experiences or information derived from easily accessible sources (e.g. TV/radio, Internet), which could be accessed without leaving the property, as this interviewee illustrated:

> *…Internet mainly, to 90% the Internet it's probably the best source of information I can find quickly but I don't have to. From my point of view if I can be here in the business and do that research, it's better for me being here than wondering around. [Business 12]*

The lack of communication between businesses is a well-known phenomenon within the tourism industry. Often people preferred to keep information instead of sharing their knowledge and experience with others in order to remain competitive. As a result, 'a lack of trust between the knowledge creators and those who might use it' (Cooper, 2006:59) is a day-to-day phenomenon and stressed by this interviewee:

> *…You mind that a lot of businesses won't share. There are certain ones that will not share anything because it's competition. Err, there are certain things that isn't discussed. [Business 17]*

While 41 respondents stated that they attended 'conferences and workshops' to collect information, the number was much lower in comparison to relying on one's 'own experience' or 'TV/radio'. This again was related to a tight daily schedule and the costs involved for attending workshops within the area:

> *…I try to but it depends on what the cost is. If there is something that at the end of the day is near or nearby or fits in with routine, I will go to it. I have done a couple but the problem is that I have to be here at a certain time and back at a certain time and that limits. [Business 17]*

Nevertheless, many respondents valued the training offered by the various local and regional organisations. Valuable information received in a short amount of time enabled many owner/managers to counterbalance their lack of knowledge and expertise on food safety, fire risk assessment, ladders, asbestos and other 'things like that that I haven't realised before' [Business 6]:

> *…The council has actually got a very good training program once a year […]. It's this month where they have an afternoon of training and, err, handing on advice. It's all about food hygiene this one. […] These short burst training is 15-20 minutes so, you know, nobody is bored and you move straight on to the next one and you are collecting information and pamphlets and things like that as you are going along. That is, that is far better than, I think that's a good way to spend an afternoon. [Business 13]*

…I was surprised how much free training is available in the industry. I think it's good because, well my background is in education and I think it's really important that people are properly qualified to do a job. [Business 7]

The businesses that regularly attended these and other training sessions, workshops and conferences emphasised their importance to their own business. It often permitted them to reflect and focus on their own business practices and change those aspects in need of improvement. Although 'there is plenty of [formal] advice out there, whether it be for business advice or for training and, you know, mentors that can guide you through it' [Business 16], a great deal of business owners seemed to be unaware of Business Link, Devon Environmental Business Initiative (DEBI) or EnVision (c.f. Chapter 3). This was also reflected a number of times as respondents stated that these represented a source of information for them (c.f. Table 6.1). Chi-square provides further insight indicating that a reasonably strong chance exists that those owner/managers who had previously worked outside England (χ^2=10.221, $p<0.05$) more actively searched for specialist advice than other businesses. Businesses in Torquay also seem to be more aware of and make use of the services provided by DEBI than respondents with businesses in Paignton and Brixham (χ^2=6.508, $p<0.05$) (Appendix 3).

A general trend emerged from the responses that general training and workshops were in high demand, while the majority of owner/manager missed out on workshops or guidance towards sustainable management practices provided by DEBI or Business Link as a result of their unawareness of the services they offered. One four star guesthouse in Paignton commented on Business Link stating that:

'It wasn't well known […] [but] when I started to look at their website I realised that it is quite a good thing […] because it's publically funded and they give free advice and point you in the right direction.' [Business 16]

While these organisations were set-up by the government to encourage businesses to implement more environmentally friendly business practices, their services were not sufficiently promoted among businesses in Torbay limiting the impact they could have had. This confirms Tzschentke et al. (2008) who also stated that the awareness of funding schemes and support provided by government funded organisations was rather limited to business owners. At the same time this also confirms earlier results presented in section 5.4 as the reluctance to change among tourism businesses could have been counteracted by these organisations. However, due to a lack of knowledge about environmental management practices (Kasim 2009), Morrison and Teixeira (2004) argue that SMEs do not exceed 'household' measures which confirm earlier results (Chapter 5.3).

Appendix 3 further indicates that the services provided by consultants, although not accessed by the majority of businesses, were used by businesses that employed more members of staff (rho=0.230, $p<0.01$), those with more bedspaces (rho=0.179, $p<0.05$), those that charge more per single room per night (rho=0.204, $p<0.05$) and those which are part of a chain rather than independently owned (χ^2=19.433, $p<0.000$) (Appendix 3). This suggests that especially larger chain hotels with employees are accessing the specialist knowledge of consultants. Instead these services were not required or were unaffordable for smaller establishments with fewer employees, as the return on investment might not justify the knowledge or information received through consultants.

6.2.2. Importance attached to the sources of information used

When respondents were then asked which were the three sources of information they used most (Table 6.2) the owner's 'own experience' as well as 'TV/radio' were of high importance once again, confirming the results presented above. The 'Internet/www' was chosen by 17.6% of the respondents as their third most import medium of gathering information. This suggested that the Internet had a higher priority to many business owners than Table 6.1 originally implied, as it scored similarly to 'word of mouth' and 'other business owner'.

If a priority was attached to all the sources of information that owner/managers used to gather facts and ideas about environmental impacts on their establishments (c.f. Appendix 1, question 19) than 'other business owners', 'word of mouth', 'printed media' and the 'Regional Tourism Board – South West Tourism' as well as 'energy company' rank much lower when compared to the results presented in Table 6.1. This indicated that informal and easily accessible sources of information from the establishment (e.g. Internet, TV/radio) were more important for many owner/managers. The respondent's ability to tap into these informal sources whenever required without restrictions of both day of the week or time or the dependence on other people, associations or organisation proved to be the main issue when selecting sources of information for environmental impact on the establishment. However, the participants of this study might lose out on valuable insights, knowledge and expertise as friendships between owner/managers were important (Ingram and Roberts 2000, c.f. Chapter 2.3). In their study on hotels in Sydney close ties with other owner/managers in the same industry significantly improved the performance of the hotel and therefore the information provided by other businesses should not be underestimated.

Table 6.2. Respondents' important sources of information regarding environmental issues

Characteristic		Number (n) of respondents	%	Percent of cases
Important of sources of information				
(1)	Own experience	105	54.4	55.6
(2)	TV/Radio	77	39.9	40.7
(3)	Internet/www	34	17.6	18.0
(4)	Energy company	28	14.5	14.8
(5)	Internet/www	27	14.0	14.3
(6)	Other business owners	25	13.0	13.2
(7)	Word of Mouth	24	12.4	12.7
(8)	Regional Tourist Board	18	9.3	9.5
(9)	Printed media	16	8.3	8.5

(Source: Author)

As Table 6.1 previously illustrated, the 'Regional Tourism Board', as well as the 'energy company', was frequently used as a formal source of information for respondents to gather information on environmental issues (c.f. Table 6.2). However, significantly fewer respondents stated that they were one of the three most importance sources for the owner/manager. Many interviewees mentioned that they received regular bulletins with updates on events and news from these organisations on a monthly or quarterly basis. While this kept their members up-to-date with the development of tourism in the region, the impact of these newsletters on the owner/manager was rather limited as 'it's so much information. I sort of open it, flick and think, "Oh, that's a load of rubbish" and delete it' [Business 7].

There was a consensus among interviewees was observed that they were disappointed by the support and bookings that they received from South West Tourism (c.f. Shaw and Williams 1987), as this business owner expressed:

> *…The only thing that we get out of South West Tourism! We don't get anything out of them. You can pay more to be part of their marketing group but why? You know, we are on their website supposedly. We have zero business through. [Business 1]*

Notable exceptions to this viewpoint were businesses that were part of the GTBS. They perceived South West Tourism's 'green website' as an important source for the promotion of their own business, as well as keeping track of the latest developments towards sustainable development within the region:

> *…South West Tourism always had its own website that you could go in as a member, advertise and were very good on the green. You always had a green link, err, it used to work quite well where they would give a good price to put a green advert on and things like that. And that's always been very good. […] They were very good. They would send information through, different events… [Business 17]*

Therefore, the importance of the regional tourism board – South West Tourism – as a source of information varied widely among businesses depending on their personal expectations, needs and requirements.

The purpose of the information search also influenced the degree to which some sources were more relevant to some participants, but less important to others. Many owner/managers looked 'everywhere' [Business 1] for information and, in general, 'a lot of people are very aware about environmental issues because we are getting it all the time through various sources. […] You get it from the television, you get it from the general news, everybody is talking about getting green, environment, environment' [Business 2]. The existing amount of information is problematic and growing uncontrolled exponentially (Wöber 2003), and therefore extensive browsing through the Internet did not guarantee that owner/managers would implement environmental measures that they investigated or were informed about. While general information was widely accessible, one owner/manager explained that 'maybe a little bit more information [would have been useful] because sometimes they are saying, that you can do this, but they don't expand on how you can do it.' [Business 10] Thus, businesses were informed about environmental measures, but were at times no closer to solving the question as to how to implement them in their own establishment, as 'nobody actually tells you' [Business 15].

A smaller group of businesses targeted their searches because they wanted to become familiar with specific products. These owner/managers commented more frequently that they had accessed more 'specific' sources of information such as energy companies for green tariffs or GTBS for their environmental policy. Through continuous information gathering, businesses established what improvements were feasible within their establishment and were able to make more informed decisions when implementing environmental measures.

6.3. The modes of and reasons for knowledge sharing with other businesses

As the previous section illustrated, businesses used on average five different sources to gather information about environmental measures and business practices. This sub-section now examines whether the information gathered by each business owner was then shared with others. The modes – formal and informal – as well as the reasons for knowledge sharing, need to be better understood to convince businesses that traditionally worked in isolation to 'learn' to collaborate with other owner/managers in order to comprehend the concept of sustainable development (Halme 2001) to create a learning community at the destination level (Morrison et al. 2004) which can foster the development of a more sustainable and competitive local tourism industry (c.f. Chapter 2.3).

In order to investigate the ***fifth research question*** of this study (c.f. Figure 1.1), respondents were asked about their motives for exchanging information (e.g. benefitting the community, improving business skills and remaining competitive) and whether they preferred informal or formal meetings (c.f. Appendix 1, question 20). Exploring the reasons, or the absence thereof, for sharing one's knowledge and expertise with other business owners generated a more comprehensive understanding of the degree to which knowledge transfer was taking place among businesses. A five-point Likert scale was used to investigate this (c.f. Chapter 4).

The results are displayed in Table 6.3, which presents the number of people that answered each attribute (n), the mean score of each attribute and the standard deviation. The results are also illustrated in Figure 6.1. The highest score, in terms of importance is 3.31 while the lowest is 2.63. The mean scores of all attributes are fairly concentrated around 'neither agree or disagree', which was coded with number 3. This highlights the difficulty of understanding the concept of knowledge sharing (c.f. Chapter 2.2) and that the majority of owner/managers were undecided about the reasons for and modes of exchanging information. It could also mean that their communication with other businesses is sometimes not recognised as informal networking which could explain the grouping of the quantitative results around +/- 3.

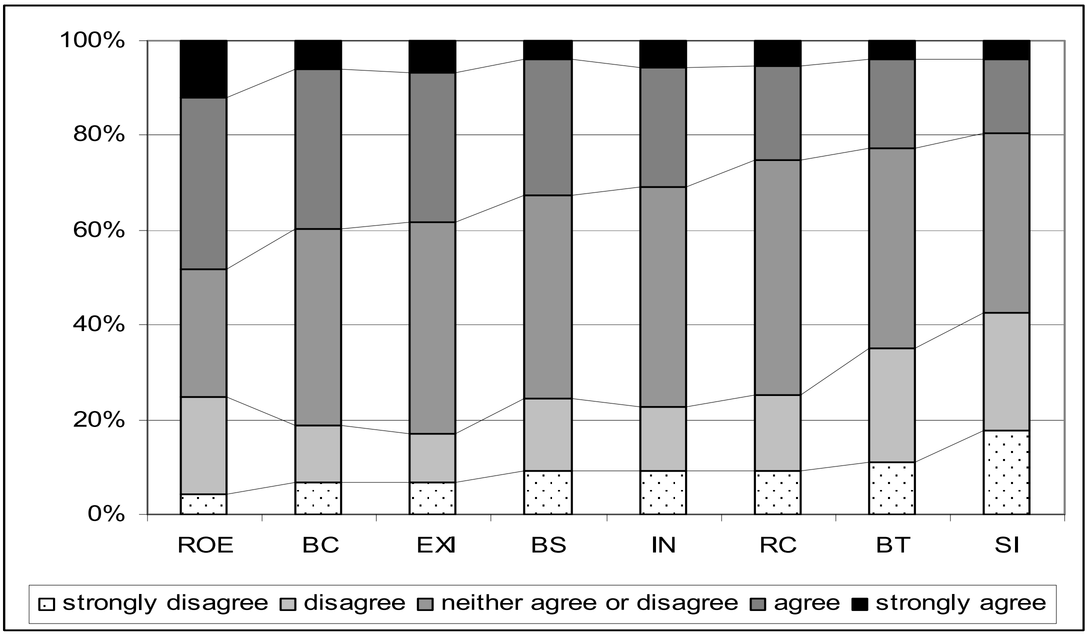
Table 6.3. Modes of and reasons for knowledge sharing among tourism businesses

Attribute	n	Mean	Mode	Std. Deviation
I prefer to rely on my own experience and personal judgement regarding environmentally responsible practices, not external advice.	184	3.31	4	1.06
I use informal settings to exchange ideas on how to lessen our environmental impact.	182	3.21	3	0.95
I share knowledge on environmental practices to benefit the community.	181	3.20	3	0.96
I use informal networks if formal networks cannot provide appropriate advice on environmentally beneficial developments.	181	3.04	3	0.99
I share knowledge on environmental practices in order to improve my business skills.	181	3.03	3	0.99
I share knowledge on environmentally friendly business practices to remain competitive.	182	2.96	3	0.98
I share knowledge on environmentally friendly business strategies only with businesses I trust.	182	2.80	3	0.99
I use formal meetings exclusively to stay informed of the latest developments in environmental practices in tourism.	181	2.63	3	1.07

(Source: Author)

Most respondents agreed with ‘I prefer to rely on my own experience and personal judgement regarding environmentally responsible practices, not external advice’ with a mean score of 3.31 confirming previous results presented in sub-section 6.2. However, the previous sub-section illustrated that the reliance on the owner/managers personal experience can have significant drawbacks which can hinder their businesses long-term competitiveness (c.f. Ingram and Baum 1997, Yang and Wan 2004, Morrison and Teixeira 2004, Varis and Littunen 2010). Correlation further revealed that a strong relationship exists between all items ($p<0.000$) in this block of question apart from ‘relying on my own experience’. This suggests that similar attitudes towards knowledge sharing seem to underlie the responses to the various items. Furthermore additional investigation provided further insight as the data presented in Appendix 3 suggests that owner/managers with former experience in the tourism industry ($\chi^2=9.035$, $p<0.05$) used ‘formal meetings exclusively to stay informed of the latest developments in environmental practices in tourism’ indicating that the owner/managers who have worked within the industry recognise the importance of keeping abreast of the latest developments in order to remain competitive. Establishments that charge more per night per double room ($rho=0.034$, $p<0.01$) used formal meetings exclusively suggesting that higher

Figure 6.1. Reasons for knowledge sharing among tourism businesses



ROE I prefer to rely on my own experience and personal judgement regarding environmentally responsible practices, not external advice.

BC I share knowledge on environmental practices to benefit the community

EXI I use informal settings to exchange ideas on how to lessen our environmental impact.

BS I share knowledge on environmental practices in order to improve my business skills.

IN I use informal networks if formal networks cannot provide appropriate advice on environmentally beneficial developments.

RC I share knowledge on environmentally friendly Business practices to remain competitive.

BT I share knowledge on environmentally friendly Business strategies only with businesses I trust.

SI I use formal meetings exclusively to stay informed of the latest developments in environmental practices in tourism.

(Source: Author)

graded establishments might consider environmental practices to a larger extent which requires professional advice and information that cannot be gained through informal knowledge sharing. This result also confirms the results in section 5.4.

Data analysis also revealed that male respondents agreed more strongly to the item than female respondents (χ^2=6.547, p<0.01) (Appendix 3) although this result should be looked at with caution, as it could represent a type I error as the majority of businesses are run by married couples (c.f. 5.2.2). In this instance it could also reflect on the personal preferences of the respondent. The same possibilities also exist for another item where female respondents were more likely to 'use informal settings to exchange ideas on how to lessen our environmental impact' (EXI, Table 6.3, Figure 6.1) than male respondents (χ^2=12.642, p<0.05). In both cases it was concluded that the personal preference of the respondent himself/herself was captured in the quantitative research which may or may not be representative of their business. As a result type I error was rejected and the results accepted as legitimate. A slight indication also exists that these informal settings are also preferred by businesses that charged more for their double room per night due to the quality and service they offer (rho=0.097, p=0.055). This in conjunction with the results presented above indicates that the owner/managers of more expensive establishments have recognised that both informal and formal networks are important. Both can complement each other, which, in turn, increases the benefits derived from networking (informally or formally), providing a further competitive advantage to their business. Spearman's rho also highlighted that a reasonably strong chance exists that 'informal networks [are used] if formal networks cannot provide appropriate advice on environmental beneficiary developments' (IN, Table 6.3, Figure 6.1) by businesses which have more employees (χ^2=12.642, p<0.05) and which charge more per double room per night (rho=0.119, p<0.05). This suggests that smaller or cheaper establishments tend to use informal networks (i.e. word of mouth, other businesses) while larger organisations with more employees tend to use formal networks (i.e. South West Tourism, energy companies). Thus suggesting larger businesses seem to prefer trustworthy information received through formal networks rather than an informal exchange of information. In contrast smaller and cheaper businesses seem to prefer an informal exchange of information as it addresses their needs and requirements which formal networks could not assist them with.

The general grouping around the mean score of +/- 3 suggested that no strong views existed among the participants of this study about their reasons for knowledge sharing. Although a difference between the study of owner/managers and employees exists, Yang and Wan's (2004) results in their study on four international five-star hotels in Taiwan provides valuable insight and confirms previous results (Chapter 5.3). They also found that reluctance among employees to knowledge sharing, especially when the acquired knowledge could result into a change in their daily operations and business practices. They identified that a lack of time and intimacy of friendships in conjunction with an overload of job-related knowledge had the result that the employees had varying levels of skills, expertise and competencies which affected the hotels operations. Similar to Yang and Wan's (2004) research, the owner/managers of this study also preferred to rely on their own experience because they did not quite trust, or know about what the benefits of sharing knowledge could bring to their business.

From the results presented above it was unclear whether the exchange of knowledge was of low priority or whether it represented a sign of initial steps towards a wider communication among businesses. Nevertheless, it seemed that many tourism businesses in the area were making their first tentative steps in developing links with other businesses through exploiting their informal networks and connections to other owner/managers. These attempts might be uncoordinated and highly informal but they stood for a fist attempt.

Qualitative research emphasised a general level of agreement about the reasons for and modes of knowledge sharing. Several interviewees pointed out that they 'can't see the benefits in not sharing information'. [Business 15] A consensus among many owner/managers was that they 'talk to people because you get very isolated otherwise' [Business 12] and to keep informed as to what has been happening in the area. In some instances, interviewees stated that 'everybody has been very friendly' [Business 11] as some businesses actively encouraged a relationship among owner/managers within the area:

> *…So every time someone new comes into the road, we try to make that effort to actually go down there and introduce ourselves, say 'we're up there, if you need us', for any information or whatever. […] I think newbie's are more self-contained within their own business to worry about what everyone else is doing. [Business 9]*

Informal networks of close friends or neighbours were often mentioned by interviewees as these often represented the first point of contact when asking for help or advice. One owner/manager explained that their ability to share their knowledge and expertise with others also demonstrated the extent of their own learning within a short timeframe as to how to operate their establishment:

> *…Yeah because they haven't done it before either so […] being friends with them, they sort of came to us and we were able to help. It was quite nice really because it showed us how much we'd learnt [laugh]. When you think about it we've learnt so much and it's not really unless someone asks you like that, that you realise that there is so much you have learnt. Because we've been through*

our first summer at that time and we've been a fountain of knowledge by then. [Business 12]

For some, sharing information had already reached the next level as they could not only 'pick up some sort of hint or idea' [Business 11] but it also proved beneficial for their business. By knowing what type of guests – old couples, family, stag and hen parties – their friends or colleagues preferred, owner/managers started to 'swap bookings and share guests' [Business 9] ensuring that their own establishments was fully booked and that guests stayed with their friends and close colleagues in case they could not accommodate them themselves. As a result informal communities of practice seemed to have been created among businesses in Torbay which also encompass environmental management practices as section 6.6.4.3 will demonstrate.

In contrast several owner/managers had made an effort to contact other businesses in their road but their attempts failed as often as it succeeded. Some interviewees thought their neighbours were 'nosy sods [c.f.]' [Business 15] as they always seemed to know what they had done in their establishment regardless of whether they wanted to share this information with others or not. The owner/managers who preferred to rely on their own experiences were often also the 'ones that will not share anything because it's competition' [Business 17]. A four star guesthouse in Paignton commented that he/she was very much aware that they lived in a 'little cocoon' [Business 13] and, although the interviewee might have exchanged pleasantries with the neighbours in general, 'we bury our heads in the sand and we just carry on and, err, hope that it all works out' [Business 13].

For these notable exceptions local networks and national organisations were highly important as they represented the primary source of information, which is discussed in more detail in sub-section 6.6. For them their own experience and personal judgement was not only the principal 'source' of information but they also would rather keep their information, knowledge and expertise to themselves instead of sharing it with other business owners within the bay. This imperfect flow of information among some of the businesses was often emphasised within the literature as 'people who already hold a particular piece of knowledge [think that they] are better off keeping it to themselves than selling it on' (Field 2003:64). A four star guesthouse from Paignton elaborated this point as his/her reasons for sharing knowledge changed since they opened their business in the area. From once having openly shared their experience the owner/manager now restricted the communication to only people that his/her trusted. This change in attitude was derived from an exploitation of confidential information provided to 'friends' as the interviewee explained below:

> *…We had somebody who took a lot of information from us and subsequently it's being quite difficult to shall we say. Err I am a little bit bitter about it. There was information because we thought they were friends, that was information I would not have given them knowing they would behave the way they did. [Business 2]*

Qualitative research provided some explanation for the results presented in Table 6.3 as well as Figure 6.1. A level of agreement was observed during the interviews that the exchange of knowledge was not of low priority among tourism businesses but rather that many owner/managers made the first tentative steps in developing links with other businesses through exploiting their informal networks and connections to other owner/managers. For a small group of businesses in the area knowledge sharing, especially with friends and close colleagues was important as it provided a mutual benefit and presented a point of contact for help and advice if required. Few in contrast preferred not to share information with other businesses. Although the benefits of sharing information was clearly proven to a few interviewees the majority of owner/managers only made their first attempts in sharing information until the benefit of doing it was better understood by them.

6.4. Type of knowledge sharing among tourism businesses

As reasons for and modes of knowledge sharing in the previous sub-section already implied owner/managers did not communicate all their information to other businesses which is in alignment with previous research on the diffusion of knowledge (c.f. Chapter 2.3). As 'knowledge spills over but not perfectly' (Döring and Schellenbach 2006:378) it influences the extent to which a learning community can be created on a local level. Therefore, closer attention was paid in this sub-section to the type of *knowledge that was shared among tourism business*, which represented the ***sixth research question*** of this study (c.f. Table 1.1, Appendix 2, section 3).

6.4.1. Details about suppliers and trades people

Even though the owner/managers had different reasons for sharing knowledge a general consensus among the interviewees was observed that 'ideas are gratefully received. Whether we implement it or not is a different matter.' [Business 2] At times only general pleasantries were exchanged but many owner/managers tended to talk more about their businesses than other things as 'that's what you've got in common with people' [Business 9]. Because information about trades people and suppliers were no 'secret' [business 6] all owner/manager frequently exchanged details about it because 'recommendations are usually better than anything I found [Business 12]. In some instances interviewees asked other businesses whom they were close with for their second opinion about decoration and other interior designs matters because sometimes 'you can't see the wood for of trees, you know, you are so close into it that you can't see. [Business 2]

Ingram and Roberts (2000) also point out that the managers of hotels in Sydney share general information among hotels that operate in the same market conditions as these represented the most reliable source of information to assess the general trends and the current situation within the industry. While Pesämaa et al. (2007) also highlight that SMEs in tourism share information without hesitation, Tsai (2001) emphasises that the availability of new information through knowledge sharing does not necessarily result in its application and use which was highlighted by Business 2 in the comment above.

6.4.2. Information about guests

A level of agreement was found among interviewees that information about guests was shared, in the sense that if guests enquired about availability and their establishment was already fully booked or they didn't take that type of customer – families, hen and stag parties, couples, contractors – than they referred these guests to businesses that they knew:

> *…If somebody rings us up and we can't out them up than we give the numbers of them. This time of the year we tend to give them the number of [our neighbours] and in the summer there are a few more businesses we can give the number to. [Business 10]*
>
> *…If we are busy or someone needs to find a room we give them their [neighbours] telephone number. We have got telephone number for everybody. [Business 18]*

The same took place when businesses had a spare room due to cancellations or otherwise, especially during the busy summer month:

> *…Like last August bank holiday we had a family room become vacant at the last minute. The guys next door knew. They by chance booked somebody at the tourist information centre, and within half an hour that room was booked [Business 9]*

Morrison and Teixeira (2004) also found that SMEs in Glasgow share guests when their business reached 100% occupancy confirming that it is a widespread business practice. However, the owner/managers of this study only shared customers with closely acquainted businesses. This ensured that customers stayed among friends or in business that provide an equal standard to their business. One four star guesthouse from Torquay commented that they would not send guests to places without the minimum health and safety requirements while a three star guesthouse from Paignton would only recommend other businesses that provided the same standard as their establishment:

… Next door they don't want to show us what their guesthouses is like so we won't send people to them […] because three stars means that we are a certain level of service and provision within the rooms. There is only one other three star guesthouse at the back of us who we if we are full we refer people to and he would refer people to us. [Business 1]

Furthermore, if someone had a problem with the guests than they would also contact their friends by phone or email saying 'look out for this person' [Business 9] especially if they didn't pay their bill as this four star guesthouse from Torquay illustrated:

…Guests also – if we've had bad guests, if guests have done a runner and not paid, people will. So it's swapping information about guests, or potential problems.' [Business 9]

The same interviewee also emphasised that an unwritten rule existed that in case regular customers cannot be accommodated and had to be sent elsewhere than the other businesses wouldn't 'actively poach that customer' [Business 9]. This ensured that the guest would stay in their regular establishment again next time they visited. However, this approach represented a single instance and therefore it is difficult to assess whether it represents a common business practice among tourism businesses in Torbay.

6.4.3. Environmental measures

Environmental measures featured less prominent than the previous two. Interviewees who were accredited with GTBS (c.f. Chapter 4, Table 4.7) or who belonged to a local network called the 'Green Forum' (c.f. Chapter 6.6) actively and regularly shared environmental measures. This three star guesthouse that is accredited with GTBS points out that:

…'although you are in competition with each other it's [environmental business practices] almost one of those areas that isn't a threat. You know if you are doing something that might get you more business then that's a different thing.' [Business 17]

As a result, within a small circle of businesses environmental measures and sustainable business practices were shared openly in order to learn from each other's experience. Although freely shared these businesses mainly exchanged information or experience with fellow colleagues that were also interested in sustainable business practices. Many other businesses tended to think that it was 'a waste of time' [Business 17] limiting the knowledge exchange to a small number of committed owner/managers rather than a wide range of businesses. Besides one all the GTBS accredited businesses were part of the 'Green Forum' which will be further explored in sub-section 6.6.

6.4.4. Information that wasn't shared

While Pesämaa et al. (2007) highlight that SMEs in tourism share information without hesitation, Yang and Wan (2004) emphasise that the shared knowledge was only operational or customer related, as senior managers kept strategic knowledge to themselves in fear that their subordinates would benefit from this knowledge and receive a promotion. All interviewees explained that there were areas where knowledge sharing was very limited or restricted. Owner/manager might share 'ideas and improvements to the town, [or how to] attract visitors to the town' [Business 14] to improve the overall standards of tourism businesses but when it came to their own establishment owner/managers became less open and forthcoming. 'In this climate you've got to protect your business' [Business 1], this was a common statement and reason for not sharing information with others. This three star hotel in Brixham explained that 'hotels are competing against each other and a lot of hotels quite like to keep their information and their policies and practices and so on private' [Business 3]. More importantly that their policies was the protection of the 'unique selling point' [Business 14] among smaller businesses to ensure that businesses can differentiate their establishment from other businesses especially in an advancing economic downturn as this three star guesthouse from Paignton stated:

> *…'If we tell them what we are doing and they start doing it than some of the guest we've might go elsewhere.' [Business 1]*

Besides financial information such as 'our statistics – our cash books, cash flows, all that sort of stuff' [Business 9] six businesses were very protective of their approaches for advertising. Owner/managers advertised at building sites, funeral homes, coach stations, taxi companies, Devon School of English and many other online websites that they did not like to share with their colleagues as 'we are still in competition with them so we are not going to give them all our business' [Business 12]:

> *…Err, we have one, err, the Devon School of English, which is a language school and they use about six B&Bs in the area for their mature students. I do try to keep them. That's the only business we are protective of. [Business 7]*

6.5. The extent of knowledge transfer among tourism businesses

Having explored the modes for and the types of information owner/managers shared with other businesses, the following sub-section examines the *extent of knowledge transfer among tourism businesses*, which represented the ***seventh research question*** of this study (c.f. Figure 1.1; Appendix 2, section 3). By creating a broader understanding about the conditions that influenced the frequency of exchanging information this sub-section illustrates the circumstances in which knowledge transfer increased or decreased.

Table 6.4. Exchanging knowledge on environmental management practices with others

Attribute	N	Mean	Std. Deviation
South West Tourism	180	1.64	0.80
Local Hotel Association	178	1.64	0.87
Local Authority	173	1.64	0.68
Visit Britain	178	1.49	0.73
Green Tourism Business Scheme	172	1.36	0.62

(Source: Author)

In the quantitative survey the respondents were asked with whom and how frequently they exchange knowledge on environmental management practices (Chapter 4; Appendix 1, question 17). The results were presented in Table 6.4. Most respondents indicated that they 'never to rarely' received information on environmental management practices from, or communicate with South West Tourism, the Local Hotel Association and Local Authority with mean scores of 1.64 (from 'never' to rarely'). Despite the fact that these organisations should be in charge of the formal regional and local leadership with regards to sustainable tourism and enhancing the quality standards in the area (c.f. Chapter 3), the knowledge transfer between them and local businesses seems to be limited or absent. Therefore, the translation of regional strategies and visions for the tourism industry cannot be translated into change among businesses. The quantitative results indicated that businesses were turning to other sources of information – TV/radio, word of mouth, Internet- as previously explained in sub-section 6.2. In relation to VisitBritain or the Green Tourism Business Scheme (GTBS) the mean scores were even lower with 1.49 for the former and 1.36 for the latter. These organisations represented the main organisations responsible for enhancing the quality as well as the sustainable management practices among tourism businesses. However, their efforts to keep owner/managers informed about sustainable business practices through newsletters wasn't perceived as regular enough or relevant to their establishment.

The results presented above described that business owners had a very limited degree of communication with or received information from official authorities and associations with regards to environmental measures. Nevertheless, these results have to be put into context. Sub-section 5.2.2 illustrated that only 50.3% of all businesses stated that they were members of South West Tourism, 37.7% were accredited with VisitBritain, 33.7% belonged to the local Hotel Association and just ten businesses (5.2%) were accredited with GTBS. Therefore, the 'lack' of communication partly originated from the fact that the businesses had to pay a membership fee to join 'South West Tourism' or the 'Local Hotel Association'. In the case of 'Visit Britain' or 'GTBS' on top of the membership fee all businesses had to fulfil certain criteria to join. For some not just the financial side put them off but also the 'hard work' of going through a second inspection. Business 17 highlighted this point especially and expressed that many of his/her friends did not consider joining the GTBS, even though they were interested in the scheme, because they couldn't tolerate another inspection.

Besides the provided examples of tourism organisations and the local authority, the respondents were invited to state additional businesses that owner/managers frequently communicated. This was designed for the purpose to attempt to use social network analysis using UCINET (Scott et al. 2010, Chapter 4). Although four additional spaces for answers were provided in question 17 (Appendix 1) only 16 owner/managers (7.7% of the sample) stated one other business that they exchanged information with on a regular basis. Among them the local networks – Green Forum and Torbay Accommodation Providers (discussed in sub-section 6.6.4.1 and 6.6.4.3) – were mentioned as well as the named 10 individual businesses. Nevertheless, the data provided was insufficient for further social network analysis to examine the leadership characteristics of businesses at different locations in networks using UCINET (Chapter 4). The absence of additional business mentioned in the quantitative survey could have been caused by two reasons. Firstly, it would suggest that a number of respondents either ignored the space provided as they were not willing to state the names of the businesses they were exchanging knowledge with and secondly the explanation could have been that participants relied on their own experience rather than sharing information and expertise with other owner/managers. From the quantitative results it was not clear which of the two possibilities was most likely and thus both had to be considered.

Although only 16 out of 193 respondents noted down the names of businesses that they talked to about environmental management practices, their presence highlighted that a little cohort of owner/managers exchanged information frequently with others. The importance of these specific businesses to the owner/manager of each establishment became apparent when considering the frequency of interaction. All 16 respondents stated that they communicated with them at least on a monthly or weekly basis, which represented a much higher regularity compared with the frequency of communication they had with the associations they belonged to. However, when considering the 18 in-depth interviews it became apparent that more communication was taking place among the businesses in the area as well as with associations as one would have suspected from the results derived from the questionnaire. Therefore, the following sub-sections explored the extent of knowledge transfer based on the qualitative research.

6.5.1. The importance of close proximity

One of the main themes derived from the interviews was 'living in the same road'. Nearly all interviewees commented that other businesses in the same road as their own establishment were highly important to the owner/manager (c.f. Chapter 2.3). The owner/managers communicated with them daily at times, but more often on a weekly basis as this interviewee explained:

> *…We have contact nearly every day with one or another one and if I have any problems or they have any problems then we talk about it. [Business 15]*

As Bathelt (2005) states, co-location and close proximity of one business to another increase the distribution of knowledge. This was the case for many interviewees of this study, as businesses in the same road often represented the first point of contact for enquiring about information and asking for help or assistance, as 'people trust each other' [Business 4]. Several interviewees commented that they help each other with their fire assessments or if help is required with maintenance, which creates a sense of community among the businesses:

> *…I mean, well like the fire risk assessment, I did Miriam's because she wasn't sure what she was supposed to do so. I have done mine, gave it to her and she copied it and the access statement and that sort of thing. [Business 7]*
>
> *…Generally the neighbours across the road we asked them things like fire regulations or anything we don't understand we ask them. [Business 18]*
>
> *…We do timeshare, so for instance Tom next door, he's been over here helping me put the ceiling up in here and this that and the other… and in return I'll go over there and give him a hand with whatever he needs. So we do a lot of timesharing [Business 9]*

As owner/managers were often 'tied' [Business 6] to their establishment, the businesses on the same road 'work very closely together' [Business 7] to compensate for the inability to leave their premises, particularly, during the high season. During the summer months, the closer the proximity to the owner/manager's own establishment, the higher the degree of importance, as fewer chances presented themselves to exchange information with businesses further afield.

Table 6.5 illustrates the importance of close proximity among the interviewees. During the follow-up interviews the participants were asked with who they were in regular contact with about general and environmental matters (Section 3, Appendix 2). As a result their networks/interactions could be mapped geographically and the distances between businesses determined. While the businesses three, five and thirteen did not state any businesses they communicated with, the majority of interviewees talked to four and up to ten businesses on a regular basis. The distance between the establishments further indicates that on average the interviewees exchange information with businesses that are closer than one mile to their establishment. This is further emphasised by the minimum distance which indicates that at least one business is located in very close proximity – neighbouring businesses. Regular communication with businesses in other parts of Torbay was often mentioned by interviewees that were part of, or interested in, GTBS and environmental measures. The links between these businesses were spread across the local area as an exchange of information about sustainable management practices was not always possible within direct proximity as few businesses were interested in the matter.

The results highlight that the predominant use of quantitative methods to map the connections between businesses especially in the context of tourism destinations (c.f. Shih

Table 6.5. The importance of proximity for interviewees

Interviewee	Distance (in miles)			Number of businesses	Street name(s)	GTBS
	Minimum	Maximum	Average			
1	0.056	0.056	0.056	1	**Beach Road**	No
2	0.050	1.0	0.406	8	Manor Road, Leighon Road **Roundham Road, St. Andrews Road**	No
3	-	-	-	-	-	No
4	0.016	3.4	1.056	9	Morgan Avenue, Cary Avenue, Falkland Road, St. Andrews Road, **Avenue Road**	No
5	-	-	-	-	-	No
6	0.056	0.076	0.066	2	**New Road**	No
7	0.011	2.6	0.85	7	**Colin Road,** Avenue Road, Roundham Road, St. Andrews Road	Green Start
8	0.038	0.038	0.038	1	**Colin Road**	Yes
9	0.019	3.4	0.87	9	**Avenue Road,** Roundham Road, Colin Road	Yes
10	0.0087	0.3	0.126	6	**Falkland Road,** Belgrave Road	No
11	0.3	3.5	1.08	5	**St Andrews Road,** Roundham Road, Avenue Road	Yes
12	0.002	0.019	0.011	4	**Belgrave Road**	No
13	-	-	-	-	-	No
14	0.017	1.1		4	**Kings Street,** Berry Head Road	No
15	1.138	3.8	0.075	4	**Colin Road,** New Road, Marine Drive	No
16	0.029	4.4	1.168	10	**St Andrews Road,** Roundham Road, Colin Road, Avenue Road	No
17	0.019	3.4	1.71	2	**Avenue Road**	Yes
18	0.002	0.006	0.005	3	**Belgrave Road**	No

(Source: distance based on Google maps) (Note: Street of main importance marked in bold)

2006, Pavlovich 2003) (Chapter 2.3) may not be sufficient. A mixed method approach including in-depth interviews could provide valuable in-depth information underlying cause for the presence, or absence of the frequency of ties between businesses than cannot be captured by quantitative research using social network analysis (Scott et al. 2010)

6.5.2. Relationship between knowledge transfer and location

As the results in Chapter 5 illustrated, several interviewees' identified competition as an external barrier when considering the implementation of environmental management practices. The price elasticity was often insufficient in some areas to allow the existence of low-budget and high quality establishments within close proximity. The area in which the establishments were located also influenced the extent of knowledge sharing.

However, in some areas of Torbay where fewer businesses operated within close proximity, businesses were 'trying to help each other out' [Business 11] by communicating with owner/managers further afield on a regular basis. Several interviewees from Torquay described the presence of a high degree of socialising among owner/managers (i.e. ladies at lunch, gents at lunch), as well as informal gatherings around a cup of tea or an evening meal. Instead of exchanging only 'pleasantries' [Business 10], owner/managers were able to 'get down to the next layer' [Business 9] and exchange knowledge and expertise on (environmental) management practices, online booking systems or guests to a greater extent.

In contrast the communication between businesses in other parts of the bay (e.g. Paignton) was more limited due to competition, as 'there is a lot more beds to fill.' [Business 14] As a result, owner/managers might exchange pleasantries with other businesses in their road, but 'they are trying to get the same people through their front door as we are trying to get through our front door. At the moment because there is not that many visitors it can get a little bit fractious so you have to be careful about what you say to whom.' [Business 1] Therefore, the owner/managers statements presented above highlight that the extent of knowledge sharing was influenced by the area in which the establishment was situated.

6.5.3. The effect of seasonality

The extent of knowledge sharing also fluctuated strongly during the year as a result of strong seasonality in the area. During the busy summer months, several interviewees explained that the extent of communication was often reduced to talking 'on the phone or once a month in person.' [Business 9] Throughout the peak season form April/May to September/October –

depending on the weather and bank holidays – 'everybody has their heads down as you don't have time to do it really' [Business 11]:

> *…'May comes and you don't [see anyone] because you start work at seven and you won't finish before nine at night. All you want to do is sit down and go to sleep.' [Business 1]*

As a result of the 'hard work in the summer' [Business 7] when many establishments were fully occupied for 90% of the time, owner/managers were exhausted and 'don't want to go out at this time of the year' [Business 4]. Once the shoulder season started and the traffic of guests slowed down then 'it's time where we will start talking to each other again' [Business 11]. Although businesses renovate and improve their establishments during the winter, many interviewees explained that regular meetings of local networks were resumed and social gatherings organised, increasing the extent of knowledge sharing considerably.

6.5.4. Extent of knowledge transfer has altered over the years

A small number of interviewees commented that the extent of knowledge sharing had changed over time. In the 1980s, the interaction among businesses was much higher than today and 'nobody would turn their signs round to say 'no vacancies' until everybody was full.' [Business 9] The same interviewee provided two possible explanations for the development. Firstly, the use of online booking systems today limited the degree of communication among owner/managers, as they do not rely on each other to the same extent to attract customers. As a result of online booking systems, 'one minute we can be empty, one minute we can be full' [Business 9], which strongly decreases the dependency on other businesses in the road or area for recommendation or assistance. The second reasons provided by the interviewee was that owner/managers did not want other businesses to know about their establishment in order to protect their unique selling point and ensure their survival. The interviewee pointed out that 'in the eighties there was a lot more business to go around and everybody knew they would be full regardless of the quality, people would still stay. Whereas now, people are price conscious, and they want certain facilities.' [Business 9]

Although the decrease in knowledge sharing was observed another interviewee commented that the degree of communication had improved since their arrival in the area a decade ago:

> *…These days' people are willing to give advice and help. When we first got here none of the hotels seemed to be talking [laugh]. Well, we weren't in any groups or anything so we didn't know anybody and if you just kind of ring up you got sort of everybody was busy and abrupt. [Business 10]*

As the previous sub-section 6.4.2 demonstrated, owner/managers shared their guests again to an extent, but only with businesses that they personally know and that have similar facilities or grading to themselves. Therefore, although the extent of knowledge sharing might have changed over the decades, it was still present and had adapted to the requirements of a new generation of serviced accommodation providers. It also illustrated that the extent of knowledge sharing had contracted over time, but that this trend had slowed down or even reversed during the previous years. At the time of the data collection, several interviewees stated that sharing knowledge and expertise with one another was important. This was the case especially if they had a problem and needed to 'turn to someone and say, "What the hell do I do?"' [Business 16] Because the majority of owner/managers had been in the same situation themselves in the past, they understood the significance of sharing knowledge and expertise with less experienced businesses.

6.6. The importance of networking for sharing knowledge among businesses

The first five sections of this chapter illustrated that knowledge sharing in the area was a complex phenomenon and that a variety of reasons existed as to why some information was shared and not others, influencing the kind of knowledge shared as well as the extent to which owner/managers communicated with one another. At the end of sub-section 6.5.4 one interview already hinted that the extent of knowledge sharing might also be influenced by the networks the business belonged to. Halila (2007) also highlighted that the involvement in networks played a crucial role for the implementation of environmental management systems in small businesses and therefore, the final section of this chapter *investigated the importance of networks for knowledge sharing*, which represented the ***eighth research question*** of this study.

As previously stated, some owner/managers were very protective of their own business and the extent to which other owner/managers should be aware of the product they were offering (Chapter 6.4). Nevertheless, several businesses recognised the need for 'more cooperation between the businesses in the bay' [Business 16]. Through increased cooperation and communication among the businesses achieved through networks, owner/managers should be able to help each other by exchanging ideas and experience in order to work towards a collective aim as this interviewee explained:

> *…The main aim of us all is to improve the tourism in the area and, err, you know, help to keep people coming back to the area and that means, you know, it's far all of our benefit to keep a good, sort of a good standard really. [Business 6]*

By improving the 'greater thing' [Torbay as a whole] [Business 14] based on joint efforts of sharing best business practices, individual business will hopefully benefit as a result and make Torbay more competitive in the future.

…'At the end of the day that's what we all are trying to do is to work for a better bay. Have a better bay, have a better product to sell; we get more visitors down here, which means we earn more money. That's what we are all about. In a nutshell that's it. But you can't, I don't think you can achieve that working in isolation. You got to work as a unit. [Business 6]

6.6.1. The importance of formal and informal settings for knowledge sharing

The results presented in sub-section 6.3 illustrated that many tourism businesses in the area were making their first tentative steps in developing links with other businesses through exploiting their informal networks and connections to other owner/managers. Several participants of the qualitative research pointed out that some formal networking in the area exists but it is restricted to functional training (i.e. food safety, ladder training, hygiene, fire risk assessment) and not environmental management. On these occasions the objective was to 'expand existing knowledge bases' [Business 17] by receiving new information about issues that they were previously unaware off. However, the scope of opportunities for knowledge sharing among participants of workshops and training sessions was limited. Thus, several interviewees explained that they favoured a combination of formal and informal settings as 'people are more guarded' [Business 14] on formal occasions and that 'you can learn as much at the bar in the evening talking to other people.' [Business 12] as you can from a formal meeting.

Both informal and formal setting played an important role when sharing information and/or expertise with other businesses in this study. Networks have been recommended to foster the knowledge available to businesses to improve their innovativeness (Tinsley and Lynch 2001) and therefore in the sub-section below different forms of informal and formal networks on a national, regional and local level are discussed.

6.6.2. The importance of national networks for knowledge sharing

The importance of partnerships, collaborations, co-operations and networks of all forms and sizes have been widely recognised as a way to decrease the substantial cost related to the identification and acquisition of knowledge and information (Erkuş-Öztürk 2009, Ilbery and Saxena 2009, Bathelt et al. 2004) (Chapter 2.3). As various sections previously highlighted the participants of this study were all part of at least one network (Chapter 5.2.2). While section 5.4.5 shows that the compliance with the assessment criteria of VisitBritain or other accreditation schemes or the recognition received for the actions they had taken by GTBS were drivers for change, their importance for knowledge sharing differed.

Qualitative research revealed that besides Visit Britain and GTBS the interviewees were a member of a variety of organisations, ranging from the Considerate Hoteliers, the Federation of Small Businesses (FSB), Netreg, British Hospitality Association, Business Link to name but a few. All the named organisations tried to keep their members informed about the latest developments, regulations, environmental measures etcetera. Although owner/managers were often overwhelmed by the large amount of information that arrived at the email inbox on a monthly basis as a whole, when asked about the extent of receiving information from Visit Britain or GTBS the general consensus was that little advise or guidance was received. Some interviewees resented the fact that they only heard from VisitBritain at the 'time when their fees are due [laugh] so at least ones a year.' [Business 11] Having spent 'thousands and thousands' [Business 12] to be accredited with VisitBritain and in some case GTBS the return on their investments was more than restricted (c.f. Chapter 5.4.5). Newsletters may have provided owner/managers with ideas for their own establishment and created an interest in them to investigate certain measures further, but the money spent often did not convince many interviewees of its value, especially if similar services were offered on the regional or local level which involved considerably less financial contribution. A three star guesthouse from Paignton commented that an additional fee was charged by VisitBritain in order to receive something 'what they call the pink booklet, which is a lot about legislation and we had to pay to get onto that website and we get monthly updates' [Business 1]. Although this information was essential to all owner/managers and should have been provided to all tourism businesses to ensure and foster an improving quality within the sector they were not provided automatically.

Although VisitBritain and GTBS should have provided the tourism businesses of this study with new ideas and 'novel' information (Kijkuit and van den Ende 2010) as they were supposedly the leaders in encouraging interest in and the implementation of more sustainable business practices among tourism businesses. At present these national networks did not considerably add to the stock of knowledge or encourage such a development. The extremely one-sided and irregular knowledge exchange from VisitBritain and GTBS to its members meant that the role of these extremely formal networks was reduced to an 'unavoidable necessity' in the case of Visit Britain in order to be recognised by customers, and an 'unaffordable luxury' in the case of GTBS.

6.6.3. The Importance on regional networks for knowledge sharing

A variety of regional networks existed that owner/manager could join; however, South West Tourism – the regional tourist board – was named as the most important network the participants of the qualitative research in this study. Although these weak ties – characterised by distant or infrequent interactions – should provide businesses with more 'novel' diverse information (Granovetter 1973) the information provided by South West Tourism was not a very important source of information to the majority of businesses (Chapter 6.2) whereas 'green' businesses valued their information and emphasised that 'they were very good [because] they would send information through; hold different events and […] they always had a green link' [Business 17] where they advertised their business and promoted special deals to potential customers. Other 'normal' businesses were not always convinced about the usefulness of the services provided, which was previously commented on in Chapter 5 and also remarked on earlier in sub-section 6.2.

At the time of the data collection in autumn 2008, the importance of South West Tourism had considerably changed. The re-structuring of the organisation and the emergence of so-called 'Destination Management Organisations' (DMOs) (c.f. Chapter 3) had confused a considerable number of interviewees:

> *…Nobody knows where it's going to settle down to. We got English Rivera Tourist Board, you got South West Tourism, and you've got Destination Devon. Who is doing what? We don't know! [Business 1]*

Owner/managers were unaware that South West Tourism's role had changed from being a membership organisation focussing on the region's marketing and promotion and lobbying on the industry's behalf to government, to a strategic organisation that drives quality and sustainable management within the tourism development of the South West (SWRDA 2010) (c.f. Chapter 3). The newly established DMOs across the South West now promote only their own particular area (SWT 2007) - Bath, Bristol, Bournemouth/Poole, Cornwall and Isles of Scilly, The Cotswolds/Forest of Dean, Devon, Dorset, Somerset and Wiltshire - while also functioning as tourism information centres. Thus, Destination Devon, now VisitDevon, is the local DMO for Devon, whereas the English Riviera Tourism Board represents the Tourism Partnership for Torbay, which only promotes tourism activities in the bay. As a result of the restructuring on the regional level and the subsequent confusion (c.f. Chapter 3), owner/managers observed that a gap had emerged as the known leader with regards to sustainability – South West Tourism – contracted their efforts considerably within a very short timeframe. However, no apparent new leader for sustainability has emerged on the regional level as this interviewee pointed out:

> *…'People who were very for the Green Tourism, they have been seconded to other things. So somebody really needs to take responsibility for it but I don't know whom it will be. So our little link there that was quite strong, isn't there at the moment. [Business 9]*

As a result of this development, interviewees stated that the importance of the formal regional network through South West Tourism for sharing knowledge and expertise strongly decreased. Although South West Tourism created a new website, the actions on the ground (e.g. workshops, training on sustainable business practices) were withdrawn. Therefore, environmentally friendly businesses no longer had access to information, assistance or guidance to improve their own business practices. At the same time, an interest in sustainable business practices could not be created in other new businesses through introductory courses and events such as a 'Green Training Day' as they had been abolished. This not only limited the extent to which the benefits of environmental measures were made known to other tourism businesses in the area but also made existing 'green' businesses feel as though they were left hanging in mid-air as nobody appeared to be responsible for sustainability anymore [Business 17].

6.6.4. The importance of local networks for knowledge sharing

Based on the previous two sub-sections, one can assume that the importance of local networks for knowledge sharing is high; however, on further analysis some difficulties and problems became apparent from the qualitative research, which is discussed in the following sub-sections.

6.6.4.1. An overview of the local networks in Torbay

Some owner/managers stated the degree of communication among tourism businesses 'is taking shape, err, there is still a long way to go; there always will be a long way to go because the thing is, it is never ending' [Business 16] as the high turn-over of businesses require constant efforts to keep people informed about rules, regulations and requirements. The respondents in Vernon et al.'s (2003) study in South East Cornwall were frustrated about the number of associations with varying responsibilities and geographical coverage. The participants of this study recognised the need to inform businesses but the extensive number of networks and associations within Torbay not only confused people as to their roles, but also raised the question of the need for multiple networks:

> *…You have to buy a membership and of course with them all being separate offering you different things you have to buy three, four, five memberships to different groups and it would be easier if it would be all under one banner. [Business 12]*

Within the area four local networks were identified by the interviewees. The *Bridge Club* represents a buying group, which tourism businesses can join for a membership fee of £100. Its members received goods and services – trades people, lawyers, accountants, and suppliers–

at discounted prices, but there is a very limited exchange of knowledge within this network. Accordingly, this network is not described in more detail.

The *Torbay Hospitality Association* (THA) is the official tourism association within Torbay and supports tourism businesses and promotes the area to the region and its visitors. Although it encompasses around 240 members, many interviewees felt that it was disorganised and dominated by a high degree of internal politics as the chairman had 'great political ambitions to take over the bay' [Business 2]. As a result, a number of interviewees stated that they were disappointed with the service provided and had left the network. Due to a lack of information about the THA from the interviewees, apart from their general disappointment, this network was also not further investigated in the context of this study.

The other two local networks were *Torbay Accommodation Providers* (TAP) and the *Green Forum.* These are explored in more depth in the following sub-sections due to their importance for the sharing of knowledge and expertise in the area.

6.6.4.2. Torbay Accommodation Providers (TAP)

As the result of internal disagreements about the focus of THA -- it 'was getting more into marketing rather than helping other businesses' [Business 11] -- 'TAP was set up as a cheap alternative' [Business 7] in spring 2008 by a number of owner/managers within the bay. TAP represented a local network, established as a non-profit organisation, to provide tourism businesses with information. The chairman of the group was part of numerous associations and networks on a local, regional and national level in order to 'get as much information as I can and to pass it on to the members so that people are kept informed as to what's happening in the bay' [Business 16]. He/she 'attends meetings and reports back so that the information is passed down because this it is one thing that we all need is information especially with new rules and regulations coming in that we've missed.' [Business 2]

By autumn 2008 51 businesses had joined the network. For a membership fee of £25 its members were not only informed 'about things that hopefully can save them money, open up other avenues for networking, other avenues for advertising, income etc' [Business 16] but the view of the members was represented by the local authority. The chairman of this local network 'wanted to get the message across that you are not on your own and there is plenty of advice out there' [Business 16] by pointing its members into the right direction. As a result, many interviewees commented that they contacted TAP for information, help and/or guidance by emailing the chair or the committee in the lines of 'you got a problem, has anybody experienced it. Can anybody help?' [Business 13]. More experienced business owner/managers than provided suggestions and recommendations in order to help each other out when difficulties or problems arose. For this reasons a number of owner/managers had joined this network who previously stated that their exchange of knowledge with other businesses was strongly limited due to personal preference or their inability to leave their establishment. To them the importance that this local platform of knowledge exchange provided, was even higher as it often presented one of the only ways in which to gather information and keep informed to a certain extent. Through a combination of formal and informal meetings and channels of communications, the impact TAP had on owner/managers in the area was much higher.

Although they would like the network to grow in order to increase the basic level of knowledge among owner/managers its development was 'limited in the sense that the whole purpose of it is really to be an information service to make sure the members understand their obligations.' [Business 16] As a result, the way TAP was set up it could only increase its membership numbers but was unable to provide more extensive services besides a platform for information exchange. However, issues such as environmentally friendly business practices were not promoted to its members by this means.

As an example of a local network the brief outline of TAP highlighted how important a local network can be for knowledge sharing in an area. However it also illustrated that many owner/managers felt that several existing networks on a national, regional and local level fell short of providing a service that was truly required by tourism businesses. This confirms that the network size – global vs local – does not determine its importance (Lechner et al. 2006) while the extent to which businesses can gain strategic advantage from these relationships does (Cooper and Sheldon 2010). It appears that networks, like TAP, that were established on the backs of owner/managers, who ran a tourism business themselves, recognized the needs of the industry better and could provide a service that had been in demand. It further demonstrates that these networks filled important gaps of existing national and regional networks that had not been addressed so far. In order to drive change through the tourism industry the role of local networks should not be underestimated. More help and support would be needed however in order to expand their influence in the area through increasing membership numbers. This can only be achieved if financial help was provided so that the owner/managers who were running these networks were able to buy time out of running their own businesses and increase their impact. By informing 'the troops as it were' [Business 16] the local network encouraged the communication within the local area. In order to 'work for a better bay', they believed that a network approach was the most suitable way that this development could be achieved. Individual efforts in isolation were not sufficient but as a unit the quality of the tourism industry could be improved, benefitting every owner/manager in the long-run. On the other hand, the clear-cut division in responsibilities – green vs not green – among the local networks also highlighted the limitations of TAP and of the existence of multiple networks within an area. In order to promote environmental business practices in the area the chairman and committee are important 'gate-keepers' that have to be convinced about the benefits of environmental management practices to ensure that they will inform their members about these issues. By doing so, a large number of owner/managers will begin to comprehend the advantages of managing one's own business according to the principles and practices of sustainable management.

6.6.4.3. The Green Forum

Despite the existence of a number of local networks, the Green Forum was the only organisation that took environmental matters seriously. It was established in 2007 and comprised a small group of 'like-minded people coming together' [Business 17] who were interested in environmental business practices and in GTBS accreditation. A variety of businesses including hotels, guesthouses, self-catering businesses and attractions started to learn together about the system of applying for the green accreditation scheme. Several interviewees commented that 'you get this book and you think, where do I start?' [Business 9] As a result of the help and assurance, the owner/managers in the group were able to work their way through the assessment criteria, as this interviewee illustrated:

> *…It was fantastic because they haven't had their grading and they were really able to have a look at every element of it and, "Well, how do we get a duty of care?" because nobody had and other people said, "Oh, I've done this." And that was excellent! We shared an awful lot. In those early months I would say, in the first six month of it, it was very, very good. People were learning where we can buy light bulbs from, where can we do this or that; "Oh I managed to find a man at the Council and this is the man, ring him!" "This is the company I am using." That was excellent. [Business 17]*

Friedman and Miles (2002:336) also pointed out that this kind of 'networking is an essential aspect of handholding' as information was freely shared among like-minded people, whom owner/managers were more likely to trust than consultants. For the seventeen businesses that belonged to the Green Forum it represented an important network as it often was the only place to talk to other tourism businesses about green measures as many of their 'normal' colleagues thought 'it's a waste of time' [Business 17]. All interviewees that were part of the Green Forum clearly expressed that they 'learn things from it. Obviously you might take an idea or something along but you always come back with two more that you can do.' [Business

11] While the previous sub-section 6.4.4 explained that not everything was shared among owner/managers in general, the members of this group discussed everything among each other. ‘It’s [environmental measures] almost one of those areas that isn’t a threat’ [Business 17] as a mutual benefit derived from the regular meetings for all members and not a competitive advantage, as guests were currently not looking for environmentally friendly businesses (c.f. Chapter 5.4.5).

After an intensive initial phase of monthly meetings to share ideas and resolve problems their meetings were reduced to quarterly get-togethers as less data gathering was required once they had received their Bronze, Silver or Gold GTBS award. As a result, the group started to invite speakers (e.g. Torbay council, EnVision) to increase the members’ knowledge base on recycling, fair trade and other matters in order to advance existing environmental measures. As every member hosted these meetings in turn, the members were able to observe the measures implemented in each business and provide ideas or recommendations to further improve existing business practices:

> *…We take it in turns to host the meeting then you are there at the business and it’s, “Oh yes, look I’ve done this.” If somebody has found a new supplier or a particular item that is good than they will take it along to the meeting and say, “Look this is…” Yeah we are all trying to help each other out [laugh]. [Business 11]*

At the time of the data collection in autumn 2008 the group felt a need to redefine its purpose. One of the problems they had to deal with was that, while a core group of ten businesses attended the quarterly meetings, attracting ‘new people who are thinking about getting their grading with GTBS’ [Business 9] proved difficult. The economic climate and the unproven benefits of environmental measures (c.f. Sub-section 5.5.2) made it difficult for the group to get other owner/managers interested. One interviewee commented that ‘the only time they will come on board is when they see [that] it will get them more business because they don’t, they see the money involved!’ [Business 17] In order to ‘promote the green issues and to get as many people as possible to take up environmental policies’ [Business 16], the group was confronted with a second problem. The owner/manager leading the Green Forum was limited in the time he/she could spare to promote environmental business practices in addition to running an establishment. To facilitate a widespread interest in sustainable management practices, the group felt that they required an organisation (e.g. GTBS, South West Tourism etc) to support their efforts. The restructuring of South West Tourism and the disinterest of GTBS made them ‘feel like we’re trying to do somebody else’s job [laughs]’ [Business 9] which another interviewee also expressed:

…My feeling is […] that we've almost like been left a little bit and there isn't that, you know, South West Tourism are too busy now, GTBS have done their bit and South Devon can't now. [Business 17]

Compared to TAP, the Green Forum represented a very different approach of a local cooperation. Although the group perceived the Green Forum as a network, based on the interviews it was concluded that the Green Forum exhibited all characteristics of a community of practice (CoP). According to Gertler (2001:18), CoPs are 'groups of individuals informally bound together by shared experiences and a common problem.' While a wider audience who were informed about general matters by TAP and the Green Forum supported and encouraged a small number of businesses. Through the active exchange of information, knowledge and expertise with each other, new approaches to managing their establishments according to the principles and practices of sustainable tourism were encouraged. The members of this group confirmed Bathelt et al.'s (2004:35) argument that a strong collaboration between businesses can 'develop knowledge far beyond the reach of any single member of that group'.

This community of practice however also demonstrated the importance of local hubs in sharing knowledge. In a different way, this group stepped in and filled an existing gap in promoting the implementation of environmental business practices. The provision of assessment criteria of GTBS was not sufficient to ensure that owner/managers would follow their guidelines and become accredited with the scheme. Without the help and support of other like-minded people, some respondents might not have continued with the assessment, as it would have proved too complicated or time-consuming, which highlights the importance of strong ties to increase the likelihood of implementing ideas and concepts into practice (Kijkuit and van den Ende 2010). Furthermore, the results also verify Halme's (2001) argument that the learning process involved and the outcomes generated are more important than the type or structure of the network. To ensure that more businesses become interested in and accredited with GTBS, the national accreditation scheme has to exhibit a more proactive style of leadership that encourages and supports local hubs of knowledge exchange. The businesses that took part in the qualitative research of this study were personally dedicated to a more sustainable approach of operating their establishment. More sceptical owner/managers however will require more assistance and guidance to be convinced about the benefits of joining a green accreditation scheme.

6.7. Summary of main results

This chapter investigated how knowledge about environmental management practices is transferred between tourism businesses. This represents the *second objective* of this study

(Figure 1.1). The results highlighted that the owner/manager's own experience and easily accessible information (TV/radio, Internet) represented the most important sources for tourism businesses to inform themselves about the environmental impact of their business. While general workshops and training were also important, the information provided by South West Tourism and the services offered by organisations such as DEBI, Business Link and EnVision on sustainable management practices were often overlooked.

The results further reveal that many owner/managers made the first tentative steps in developing links with other businesses through exploiting their informal networks and connections to other owner/managers. For some businesses in the area, knowledge sharing with friends and close colleagues was important as it provided a mutual benefit and presented their first point of contact for help and advice. Yet other owner/managers preferred not to share information with other businesses as a result of personal preference or lack of trust. Although the benefits of sharing information were clearly proven to be beneficial to some interviewees, the majority only made their first attempts to share information once the benefit of doing it was clearly understood.

Moreover, the type of knowledge shared among tourism businesses varied strongly. While general information about trades people and suppliers was shared on a regular basis, guests were only shared with close acquaintances or businesses of the same standard, whereas more sensitive business issues especially with regards to financial information and business approaches to advertising were not shared with other owner/managers. Knowledge or expertise on environmental measures was shared openly among GTBS-accredited businesses (c.f. Table 4.7), but it was not the subject of regular information exchange among the majority. The results further demonstrated that the extent of knowledge sharing was dependent on a variety of circumstances and that no easy conclusion could be drawn about the degree of its extent. While knowledge sharing was extensive among businesses on the same road and especially between those in close proximity, the extent of knowledge sharing strongly varied within the different areas of Torbay and throughout the year as a result of the strong seasonality in the area.

This chapter further highlighted that the importance of networks for knowledge sharing in tourism varied strongly. Therefore, the importance of networks for knowledge transfer emphasise that broad brush statements about the positive contribution of knowledge sharing through networks and to the innovativeness of SMEs (c.f. Tinsely and Lynch 2001, Novelli et al. 2006) should be re-evaluated. While the formal *national networks* – Visit Britain and GTBS –are the official leaders in encouraging interest in and the implementation of more sustainable business practices among tourism businesses, they did not considerably add to the stock of knowledge to encourage such a development at present. The *regional network* – South West Tourism – represented an important network especially for 'green' businesses. As a result of the restructuring and consequentconfusion, owner/managers observed the emergence of a gap as the leader with regards to sustainability on a regional level was not apparent and a new leader for sustainability had not emerged. The decrease in their efforts to inform and encourage tourism businesses about environmental business practices through workshops and trainings had the result that the benefits of environmental measures remained unknown and interested businesses were not encouraged to pursue their interest further. It also made existing 'green' businesses feel as though they had been left hanging in mid air as nobody appeared to be responsible for sustainability anymore [Business 17].

The *local networks* Torbay Accommodation Providers (TAP) and the Green Forum illustrated that existing networks on a national, regional and local level fell short of providing a service that was required by tourism businesses. In order to drive change in the tourism industry, the role of local networks should not be underestimated. While TAP encourages an increase in the level of communication within the local area through a network approach of filtering down information in order to 'work for a better bay', in contrast, the Green Forum fosters the exchange of best business practices through a CoP approach where a group of like-minded people informally exchange information, knowledge and expertise. The network approach of TAP reaches a wider audience informing them about general matters, whereas the Green Forum only manages to reach a small number of businesses; but the businesses involved changed their business practices as a result of the extensive knowledge shared.

CHAPTER SEVEN

– THE IMPORTANCE OF EXTERNAL LEADERSHIP TO TOURISM –

7.1. Introduction

Although researchers have recognized the importance of leadership especially in the turbulent and continuously changing business environment of the 21st century (Bass 1990, 2000, Hinkin and Tracey 2000), research on leadership in tourism is sparse (Gillet and Morda 2003) and has not featured prominently in sustainable tourism (c.f. Chapter 2.4). The limited research on leadership in tourism has exclusively focused on leadership inside large organisations (Hinkin and Tracy 1994, Tracy and Hinkin 1996, Patiar and Mia 2009), whereas the leadership style of owner/managers has been disregarded, despite the fact that they represent 95% of the tourism industry (Getz et al. 2004). Not only researchers but also national and regional policy makers have failed to recognise the potential of local leaders to drive change through the tourism industry. Instead the UK government continues to rely on the voluntary implementation of environmental initiatives (Rutherfoord et al. 2000) despite the fact that several researchers argue that they are insufficient for improving the extent of environmental management practices among tourism businesses (Kasim 2007, Stabler and Goodall 1997) (Chapter 2.2, Chapater 5.3). Therefore, little is known about how local leaders convince other businesses within tourism of the merits of environmental measures and ways in which to change their business practices accordingly. Therefore, the aim of this chapter is to explore the relationship between leadership style and sustainable tourism management in the tourism industry, this represents the ***third and final objective*** of this study (Figure 1.1).

To investigate the third objective, this chapter looks first at the leadership styles of all participants in this study (Section 7.2). In addition the current models of leadership in sustainable tourism management in the South West of England are analysed (Section 7.3) and an investigation conducted into who are the local leaders in the tourism industry (7.4). After different groups of leaders have been identified, the influence of the different types of leadership on sustainable tourism management (Section 7.5) and knowledge transfer is further examined (Section 7.6).

The predominant quantitative research is supported at times with some verbatims derived from the qualitative research. Multivariate analysis was employed in sub-sections 7.3 and 7.4. While factor analysis was used to explore the current models of leadership in sustainable tourism management (Section 7.3), cluster analysis identified the local leaders among businesses with regards to environmental management practices (Section 7.4). In sub-sections 7.5 and 7.6, Kruskal-Wallis was used to investigate how the different types of leadership influences the owner/managers decision-making process with regards to sustainable tourism management (7.5) and the propensity to transfer knowledge (7.6). Throughout the chapter in each sub-section the key results are presented (7.3, 7.4, 7.5) before they are discussed in more detail (7.6).

7.2. The leadership styles of serviced accommodation sector in Torbay

As previously explained, the Full Range Leadership Theory (FRLT) was applied to tourism to measure 'external leadership' (Chapter 4). The factors – transformational, transactional and laissez-faire – are revealed through the Multifactor Leadership Questionnaire (MLQ), the most widely used instruments to measure transformation and transactional leadership in organisations (Tejeda et al. 2001) (c.f. Chapter 2.4). For this study, 16 items measuring external leadership (Table 4.4) – the leadership styles used an owner/manager to influence other businesses in the area – were included in the questionnaire (Appendix 1, Q.21). The selected items were not designed to empirically test the existence of the 6- or 9-factor structure of the MLQ (Form 5X) in tourism. Instead they were used to investigate whether the three leadership styles – transformational, transactional and laissez-faire – can be found among the owner/managers of SMEs in tourism (c.f. Table 2.3).

Before investigating the external leadership styles exhibited by owner/managers in Torbay (sub-section 7.3/7.4), this sub-section presents detailed information about the general external leadership characteristics exhibited by the respondents of this study. Therefore, this sub-section (7.2) provides an overview of the case study area.

In order to investigate the respondents' external leadership styles (e.g. to raise awareness, to motivate others, to leave it to others to lead), a 5-point Likert scale was used (c.f. Chapter 4). The results are presented in Table 7.1 including the number of people that answered each attribute (n), the MLQ item each attribute refers to (c.f. Table 4.4), the mean score of each attribute and the standard deviation.

Based on the results in sub-section 5.3.2, it is not surprising that the transformational leadership trait, 'I am confident that an environmentally friendly approach is good for the tourism sector', which was related to individual motivation (IM3) (Table 4.4), represented the most frequent leadership trait, with a mean score of 3.29. However, IC2, which was also part

Table7.1. External leadership traits of tourism businesses in Torbay (n=193)

Attribute	Type	MLQ item	n	Mean	Std. Deviation
I am confident that an environmentally friendly approach is good for the tourism sector	TF	IM3	178	3.29	1.21
I am happy to share our environmental practices with other businesses.	TF	IS1	178	2.72	1.25
I only enact environmental measures because I have to (e.g. by law, soaring utility bills).	TA	MbE(A)2	171	2.54	1.42
I leave it to others businesses to lead on environmental issues in tourism in the region.	LF	P/A3	170	2.54	1.38
I always praise other businesses for their environmentally friendly practices.	TA	CR2	175	2.42	1.23
I would like to benefit other businesses in the area by sharing my knowledge and expertise.	TF	IM1	179	2.41	1.16
I consider firms' environmental reputation when choosing suppliers.	TA	CR1	175	2.40	1.17
There is no clear evidence that I need to improve the environmental management of my business.	LF	P/A4	167	2.37	1.23
I am prepared to publicly single out examples of bad environmental practices.	TA	MbE(A)1	173	1.98	1.23
I recommend environmental strategies to others as a way of improving their businesses.	TF	IC1	174	1.91	1.09
I talk to other business to raise their awareness about environmental management practices.	TF	IM4	176	1.85	1.06
My ideas about environmentally friendly methods motivate others to review their business practices.	TF	IS2	175	1.79	0.96
Other businesses recognise the environmental management practices of my business.	TF	IM2	173	1.79	1.02
I only help other businesses to enact environmental measures if they are in difficulties.	LF	P/A1	171	1.62	0.96
I only help to deal with the problems of other businesses if they occur repeatedly.	LF	P/A2	168	1.57	0.84
I participate in training on environmental practices so others can learn from my experience.	TF	IC2	174	1.50	0.95

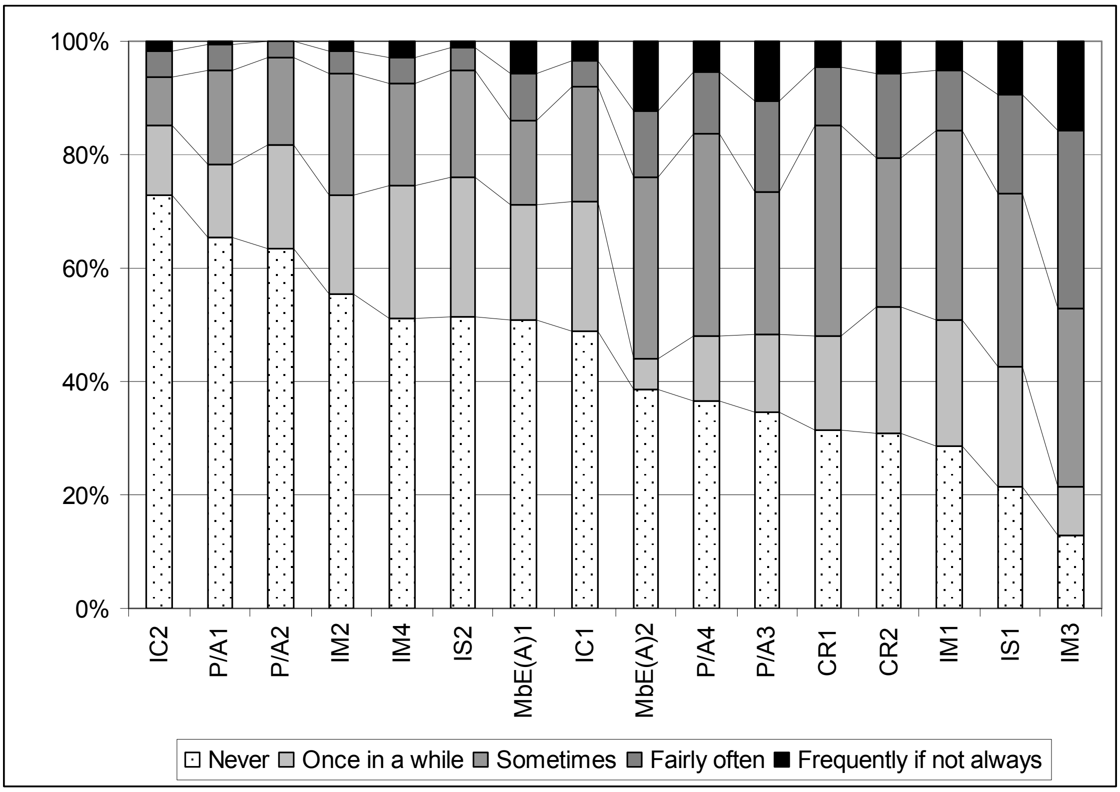
(Source: Author) (Note1: 5-point Likert scale from 'Frequently, if not always' to 'Not at all', c.f. Chapter 4.3.3); (Note 2: TF= Transformational Leadership, TA= Transactional Leadership' LF= Laissez Faire)

of the transformation leadership and referred to individual consideration, had the lowest score (Table 7.1). Overall the frequency with which owner/managers exhibit external leadership was fairly concentrated around 'once in a while' and intermittent at best. Although Table 7.1 indicates that the two most frequent types of leadership traits were related to transformational leadership (IM3/IS1), the majority of leadership traits that were regularly used were transactional (CR1, CR2, MbE(A)2) and laissez-faire leadership (P/A3, P/A4). At the same time, the most frequent leadership traits also had a high variability, as the standard deviation in Table 7.1 illustrates. This indicates that although these traits are frequently exhibited, the participants of this study had varying opinions about them. The leadership traits where owner/managers were actively recommending (IC1) or motivating (IS2) as well as raising the level of awareness of other businesses about environmental practices (IM4), which are part of transformational leadership, were the least frequent leadership traits used by the participants in this study.

Figure 7.1 emphasises that, although half of the participants regularly thought environmentally friendly approaches were good for the tourism industry (IM3), nearly 40% thought the existing evidence was insufficient to compel them to improve the environmental management practices of their establishment (P/A4). As a result, owner/managers disregarded their individual contribution ensuring the future sustainability of the tourism industry and making Torbay more competitive in the long run. Because owner/managers did not believe in the positive contribution their incremental improvements could have or ignored their impact entirely, nearly 40% of the respondents stated that it was the responsibility of others to lead on environmental issues (P/A3). Therefore, many owner/managers took a risk adverse stand to the idea, rather than utilising the first mover advantage which would have made their business stand out from others in the area. In order to benefit from the first mover advantage large investments would have been required. However, as the results in chapter five (sub-section 5.5.1) demonstrate, large financial investments represented a major barrier for owner/managers to implement more sustainable business practices. This in conjunction with the perception of a low return on investment due to an insufficient demand by guests (Chapter 5), explains why 40% of respondents took a risk adverse stand.

Furthermore, less than a quarter of respondents were happy to regularly share their knowledge on environmental business practices with others (IS1). Over half of all businesses neither spoke to other businesses to raise their awareness (IM4) nor motivated others to review their business practices (IS2). Instead of recommending environmental measures as a way to improve their business (IC1), owner/managers kept their knowledge and expertise to themselves even if other establishments were in difficulty (P/A1) or problems occurred continuously (P/A2). This confirms the results in Chapter 6 which demonstrate that less than a quarter of the respondents perceived their knowledge and expertise to be comprehensive enough to participate in training, not only as a recipient of information but also as a speaker. Therefore, only a few owner/managers stepped up to enable others to learn from their experience (IC2). This confirms results presented in Chapter six which highlighted that owner/managers made their first tentative steps in developing links with other businesses through exploiting their *informal* networks and connections with other owner/managers. The results further indicate that the majority of participants implemented only incremental environmental measures rather than extensive measures, with the result that others did not recognise their efforts (IM2). Thus, owner/managers were often not prepared to point out

Figure 7.1. External leadership traits of tourism businesses in Torbay (n=193)



IC2 I participate in training on environmental practices So others can learn from my experience.

P/A1 I only help other businesses to enact environmental measures if they are in difficulties.

P/A2 I only help to deal with the problems of other businesses if they occur repeatedly.

IM2 Other businesses recognise the environmental management practices of my business.

IM4 I talk to other business to raise their awareness about environmental management practices.

IS2 My ideas about environmentally friendly methods motivate others to review their business practices.

MbE(A)1 I am prepared to publicly single out examples of bad environmental practices.

IC1 I recommend environmental strategies to others as a way of improving their businesses.

MbE(A)2 I only enact environmental measures because I have to (e.g. by law, soaring utility bills).

P/A3 I leave it to others businesses to lead on environmental issues in tourism in the region.

P/A4 There is no clear evidence that I need to improve the environmental management of my business.

CR1 I consider firms' environmental reputation when choosing suppliers.

CR2 I always praise other businesses for their environmentally friendly practices.

IM1 I would like to benefit other businesses in the area by sharing my knowledge and expertise.

IS1 I am happy to share our environmental practices with other businesses.

IM3 I am confident that an environmentally friendly approach is good for the tourism sector.

(Source: Author) (Note: Label IM1, IM2 etc. refer to the MLQ items they represent, c.f. Table 4.4)

examples of bad environmental practices (MbE(A)1) as they themselves were not at the forefront of implementing sustainable business practices. Instead, measures were often implemented as a result of soaring utility bills or law (MbE(A)2), rather than the product of voluntary actions.

The results presented above (c.f. Table 7.1, Figure 7.1) indicate that the majority of businesses were not interested in taking an active role to encourage the widespread implementation of environmentally friendly business practices. At the same time, the way in which some of the external leadership items broadly grouped together was an indication that exploratory factor analysis should be used to investigate the underlying structure of the MLQ items included in the questionnaire, on which the next section focuses upon.

7.3. Application of the MLQ to external leadership in tourism

As previously explained in chapter four (sub-section 4.3.2.6), 16 external leadership items in the questionnaire were based on Avolio, Bass and Jung's (1999) Full Range Leadership Theory (FRLT) - transformational, transactional and laissez-faire (c.f. Chapter 2.4, Table 2.3, Chapter 4). Factor analysis was conducted in order to investigate the current models of leadership in sustainable tourist management in the South West, which represents the ***ninth research question*** of this study.

According to Hair et al. (2010:94), 'factor analysis provides the tools for analysis of the structure of the interrelationships (correlations) among a large number of variables (e.g. questionnaire responses) by defining sets of variables that are highly interrelated, known as factors.' Although different types of factor analysis exist, exploratory factor analysis was selected as the most appropriate for this study to assess the extent to which the modifications to measure external leadership and the reduction in the number of items to 16 generated meaningful results. Firstly, factor analysis was used to test whether the same broad factors exists and whether the same constitution of the MLQ, developed in the literature in a more general context, resonate with the tourism industry, especially in its application to sustainable tourism. Secondly, factor analysis also explored whether any refinement of the scales might be required as a result of its application to sustainable tourism.

The following sub-sections describe in five steps how the suitability was assessed and the type of factor analysis selected, before the description of the analysis itself is presented and the reliability of the results discussed.

7.3.1. Step one: assessment of suitability for factor analysis

Before conducting a factor analysis, the data set was examined to establish whether it was suitable by looking at the sample size and strength of the relationship among the items selected for it. Although factors obtained from smaller data sets (<300) do not generalise as well as larger samples, Tabachnick and Fidell (2001) state that a smaller sample size (e.g. 150 cases) should be sufficient if several high loading variables exist within each factor. However, a sample should not be smaller than 100 cases as this will have an impact on the reliability of results derived from such small samples (Gorsuch 1983). As the sample size of this study was 193, it exceeded the minimum number of cases required, and thus the first prerequisite for a factor analysis was fulfilled. Hair et al (2010) also emphasise that a ratio of observations to variables of 10:1 would be acceptable. This study exceeded this criterion as well, since 193 observations and 16 variables (12:1) were loaded into SPSS for factor analysis (Appendix 1, Q.21).

The second issue that needed to be addressed was the strength of the inter-correlation matrix. Factor analysis should be reconsidered 'when all of the correlations are low, or [when] all the correlations are equal (denoting that no structure exists to group variables)' (Hair et al. 2010:103). The correlation matrix was examined and it showed that a sufficient number of positive and negative correlations above 0.3 were found between the selected 16 items, indicating that the selected variables were appropriate for factor analysis (Tabachnick and Fidell 2001). Measures that were highly correlated (either positively or negatively) were likely to be influenced by the same factor while those that were relatively uncorrelated were influenced by a different factor (Hair et al. 2010). Thus, it was expected from the correlation matrix that one or more factors should be formed. If no significant correlations between these items had been found, however, then, according to Bryman and Cramer (2000), it could not have been expected that the selected items form one or more factors and as a result is not worthwhile conducting a factor analysis.

The appropriateness of factor analysis was further confirmed by the Bartlett Test of Sphericity which assesses the overall significance of all correlations within the matrix, as the test was highly significant ($p < 0.001$) in this study. However, Hair et al. (2010:132) emphasize the test only 'indicates the presence of non-zero correlations, not the pattern of the correlations.' Thus, the Kaiser-Meyer-Olkin (KMO), which measures the sampling adequacy, was also used as it not only explores the correlations but also at the patterns between the variables to examine the appropriateness of factor analysis. The sampling adequacy was measured on a scale from 0 to 1. Values of below 0.5 point to a diffusion of correlations, which indicates that factor analysis would be inappropriate. The closer the value is to 1, the stronger the patterns of correlation in the factor analysis (Field 2005). For this study, the KMO value was 0.859 ($p=0.00$), giving a strong indication that factor analysis can be used for the selected 16 external leadership items.

7.3.2. Step two: selecting the type of factor analysis

After the suitability for a factor analysis was assessed, a decision had to be made about which type of factor analysis was appropriate for this study. As previously mentioned I chapter three, the two main approaches to factor analysis are exploratory or confirmatory. While exploratory factor analysis is widely used in research in tourism to explore the interrelationships among variables, confirmatory factor analysis is generally used in leadership theory to test and confirm specific theories concerning the structure underlying a set of variables. Although this section is based upon the Full Range Leadership Theory, which would require the use of a confirmatory factor analysis to confirm the structural validity of the latest version of the MLQ (Form 5X), due to the changes made to Avolio, Bass and Jung's (1999) MLQ (Form 5X) to apply the MLQ to tourism as well as to measure external leadership, it seemed appropriate to rather *explore* the existing data and compare it to the leadership literature than *confirm* an underlying structure, which may no longer exist.

Thus, exploratory factor analysis was selected for this study. Furthermore, two forms of exploratory factor analysis were possible – either principal component or principal axis factoring. While principal axis factoring only analyses the shared variance, all the variance in the variables was being used by principal component analysis (Pallant 2001). Thus, principal component factor analysis was chosen for the current study to explore the underlying constructs of the variables (Wheeler et al. 2004) and because it summarised the original variables into a minimum set of factors (Hair et al. 2010).

7.3.3. Step three: factor analysis - selecting the number of factors

A principal component factor analysis (see Table 7.2) was conducted with all 16 items of the MLQ (Form 5X). The external leadership items were included in question 21 in section three of the questionnaire (see Appendix 1). From the initial factor analysis four factors automatically emerged, which explained 64.83% of the total variance. The factor selection was based on Kaiser's criterion which only selects factors with an eigenvalue higher than one (c.f., Hair et al. 2010). Besides the Kaiser's criterion, the Scree plot method is a standard way to assess the appropriate number of factors to be extracted.

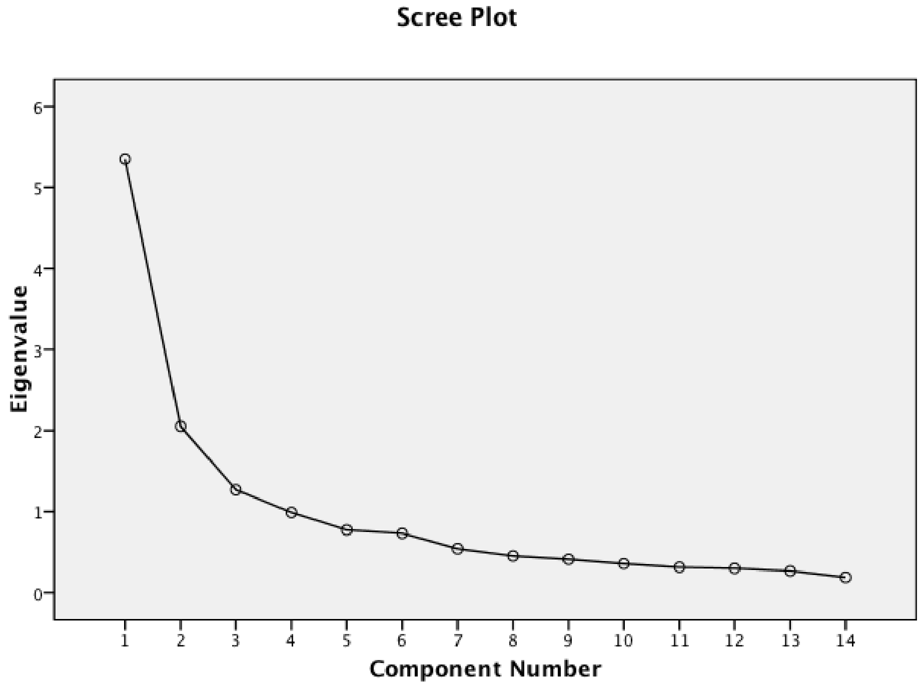
A scree plot was drawn of the factors, which initially extracted their descending variance. According to Wheeler et al. (2004: 250) only factors above the point indicating 'a significant change in Eigenvalue levels' should be retained for further analysis. The scree plot (see Figure 7.2) illustrated that four factors, which were located at the left side of the graph, indeed had an eigenvalue above 1.0. In this study four factors qualified for this criterion (5.983, 2.068, 1.297, 1.024), which accounted for 64.831% of the total variance. Factor 1 explained 37.397 % and factor 2 for 12.929% of the total variance. Factor 3 only accounted for 8.107% of the variance, which was not much more important than factor 4, which accounted for further 6.402%. Moreover, Avolio, Bass and Jung (1999) concluded that the six-factor model produced the best fit over all alternative models (c.f. Table 7.2, Chapter 2.4) and therefore a decision could only be made based on further careful analysis. For that reason three, four, five, six factor solutions were extracted and closely examined in order to make an informed decision about the adequate number of factors to retain for further analysis. After careful consideration

Table 7.2. Factor loadings of the *initial* set of all 16 external leadership items

Label	External Leadership item	Factor 1	Factor 2	Factor 3	Factor 4
IM1	I would like to benefit other businesses in the area by sharing my knowledge and expertise.	**0.723**	0.284	-0.037	0.089
IM2	Other businesses recognise the environmental management practices of my business.	**0.778**	0.209	-0.051	0.030
IM3	I am confident that an environmentally friendly approach is good for the tourism sector.	**0.435**	**0.527**	0.107	0.074
IM4	I talk to other businesses to raise their awareness about environmental management practices.	**0.842**	0.186	-0.135	0.105
IS1	I am happy to share our environmental practices with other businesses.	**0.706**	0.318	0.143	-0.003
IS2	My ideas about environmentally friendly methods motivate others to review their business practices.	**0.791**	0.195	-0.210	0.065
IC1	I recommend environmental strategies to others as a way of improving their business.	**0.719**	0.303	-0.151	0.012
IC2	I participate in training on environmental practices so others can learn from my experience.	**0.631**	0.076	-0.116	0.070
CR1	I consider firms' environmental reputation when choosing suppliers.	0.319	**0.808**	-0.159	0.004
CR2	I always praise other businesses for their environmental friendly practices.	0.286	**0.772**	-0.261	0.002
MbE(A)1	I am prepared to publically single out examples of bad environmental practices.	**0.414**	**0.470**	-0.044	-0.029
MbE(A)2	I only enact environmental measures because I have to (law, soaring utility bills).	-0.039	0.278	0.168	**0.722**
P/A1	I only help other businesses to enact environmental measures if they are in difficulties.	-0.091	-0.109	**0.899**	0.060
P/A2	I only help to deal with the problems of other businesses if they occur repeatedly.	-0.153	-0.123	**0.875**	0.153
P/A3	I leave it to other businesses to lead on environmental issues in tourism in the region.	0.240	-0.124	-0.106	**0.808**
P/A4	There is no clear evidence that I need to improve the environmental management of my business.	0.024	-0.063	0.134	**0.704**

(Source: Author) (Note: items marked in red are cross loading in more than one factor)

Figure 7.2. Scree plot of the factor analysis



(Source: Author)

and analysis, the initial decision of retaining four factors was confirmed as variables grouped to factors, which could be explained and named - 'Transformational', 'First-aid', 'Laissez-faire' and 'Contingent Reward'. These are described in more detail in the following section.

Due to the sample size (n=193) factor loadings of 0.40 were considered in this analysis (Hair et al. 2010:117). As Table 7.2 highlighted in the initial factor analysis of two variables - IM3 and MbE(A)1 – that there was cross-loading in two factors. The following sub-section addressed this issue before describing the final factor solution and their reliability.

7.3.4. Step four: factor analysis – finalizing item selection and description of the four factor solution

Having ascertained that a four factor solution was appropriate for this data set, the cross-loading of the items IM3 and MbE(A)1 had to be addressed, which were marked in red within Table 7.2. To improve the results and to make each variable associate with only one factor, different rotation methods were tried as well as a deletion of all variables with cross-loadings as suggested by Hair et al. (2010). Different rotation methods did not improve the structure of the factors significantly and, thus, a principal component factor analysis with Varimax rotation was carried out. Four factors were retained without two variables IM3 (*I am confident that an* *environmentally friendly approach is good for the tourism sector*) and MbE(A)1 (*I am prepared to publically single out examples of bad environmental practices*) (Table 7.2/7.3) to investigate whether better results could be achieved. By doing so, firstly, the newly obtained four factors explained 69.0% of the total variance, which represents a 4% increase from the original factor analysis. Secondly, the factor loading for the majority of items was improved and thirdly, by eliminating IM3 and MbE(A)1 no high cross-loadings remained among the factors. Thus, the reduced set of 14 items, grouping into 4 factors, was used for further analysis instead of the original set of 16 items.

After finalizing the item selection process, a principal component factor analysis with a Varimax rotation (see Table 7.3) was carried out 'to increase the interpretability of factors

Table 7.3. Factor loadings ***final*** and initial set of 14 external leadership items (with Varimax rotation)

Label	External Leadership items	Factor 1	Factor 2	Factor 3	Factor 4
IM1	I would like to benefit other businesses in the area by sharing my knowledge and expertise.	**.765** (.723)			
IM2	Other businesses recognise the environmental management practices of my business.	**.794** (.778)			
IM4	I talk to other businesses to raise their awareness about environmental management practices.	**.851** (.842)			
IS1	I am happy to share our environmental practices with other businesses.	**.758** (.706)			
IS2	My ideas about environmentally friendly methods motivate others to review their business practices.	**.804** (.791)			
IC1	I recommend environmental strategies to others as a way of improving their business.	**.749** (.719)			
IC2	I participate in training on environmental practices so others can learn from my experience.	**.602** (.631)			
P/A1	I only help other businesses to enact environmental measures if they are in difficulties.		**.911** (.899)		
P/A2	I only help to deal with the problems of other businesses if they occur repeatedly.		**.882** (.875)		
MbE(A)2	I only enact environmental measures because I have to (law, soaring utility bills).			**.713** (.722)	
P/A3	I leave it to other businesses to lead on environmental issues in tourism in the region.			**.818** (.808)	
P/A4	There is no clear evidence that I need to improve the environmental management of my business.			**.701** (.704)	
CR1	I consider firms' environmental reputation when choosing suppliers.				**.809** (.808)
CR2	I always praise other businesses for their environmental friendly practices.				**.780** (.772)
Eigen Value		**4.470**	**1.847**	**1.724**	**1.619**
% of common variance		**31.928**	**13.195**	**12.313**	**11.567**
% of cumulative variance		**31.928**	**45.123**	**57.436**	**69.003**

(Source: Author)

[through] […] maximizing the loadings of some of the items' (Bryman and Cramer, 2000: 332) and to create a better explanation for each factor. Varimax rotation (orthogonal rotation) was chosen because it created factors that were unrelated to one another.

The four factors derived from the factor analysis with Varimax rotation explained 69.0% of the total variance (amount of variance in the observed variables accounted by each component or factor). According to Hair et al. (2010:109), factorial solutions in social sciences that account for 60% of the total variance would be satisfactory as the factors with an eigenvalue below 1 – although not considered for further analysis – still accounts for some of the total variance. Therefore, the results achieved in this study - 69% of the total variance – were satisfactory. The variance explained by each factor was also improved through reducing the final set of items from 16 to 14, especially in relation to factor 3, accounting now for 12.31% of the variance, and also to factor 4, which is more important now as it accounts for further 11.57%.

Table 7.3 presented the four retained factors with Varimax Rotation and the external leadership items that belong to each factor with their loading in the factor. The higher the loading value, the more one item contributed to the factor. Moreover, the variance of each factor accounts for (their eigenvalue) and the percentage of the common and cumulative variance are also presented in Table 7.3. The total variance was explained by the 14 factors through the sum of their eigenvalues (Bryman and Cramer, 2000). Although Avolio, Bass and Jung (1999) concluded that the six-factor model produced the best fit over all alternative models, this study only found four factors with an eigenvalue above 1. The four factors that were extracted were named according to the items they encompassed and presented in accordance with their variance explained:

- Factor 1 consisted of seven items of which three were charisma/inspirational motivation, two were intellectual stimulation and two were individual consideration. Since these seven items reflected Avolio, Bass and Jung's (1999) transformational leadership dimension - factor 1 was termed *'transformational leadership'*.
- Factor 2 contained two of the four passive-avoidant leadership items, which focused on trouble-shooting as intervention only occurred after mistakes had already occurred and problems and difficulties arose. Therefore, factor 2 was labelled '*first-aid leadership'*.
- Factor 3 encompassed two passive-avoidant, as well as one management-by-exception (active), item. Because the items focused on refusing to take a stand by leaving the lead to others and also enacted environmental measures only because of soaring utility bills while avoiding the clear evidence presented to them, it was concluded that factor 3 should be termed *'laissez faire leadership'*.

- Factor 4 consisted of two factors which reflected Avolio, Bass and Jung's (1999) contingent reward, which was one of the two factors that comprised transactional leadership. This, factor 4 was labelled *'contingent reward leadership'.*

7.3.5. Step five: reliability of the factor structure

As the previous section illustrated, a principal component factor analysis with Varimax rotation was performed on the selected 14 external leadership items, which resulted in a four-factor solution. According to Field (2005:666), 'principal component factor analysis is purely exploratory', which should be used to guide and inform research. However, it is important to look into the reliability of the scales used in a study to examine whether scales or items measure 'the same construct and thus [are] highly inter-correlated' (Hair et al. 2010). One of the most commonly used methods to assess the internal consistency of all items belonging to one underlying factor or construct is Cronbach's alpha. If several factors exist, then Cronbach's alpha should be applied separately to items relating to different factors. Thus, the reliability of the factor structure for this study was carried out separately for each factor of the four-factor solution. Using Cronbach's alpha the variance within each item and the covariance between a particular item and any other item of the same factor can be calculated. Field (2009) further explains that Cronbach's alpha depends on the number of items in each factor. If the number of items increases, Cronbach's alpha will increase. As a result alpha can be high due to the large number of items rather than as a result of reliable factor structure. Cronbach's alpha with 'a value above 0.7 to 0.8 is an acceptable value […]; values substantially lower indicate an unreliable scale' (Field 2009:675). Although high internal constancy is preferable as it demonstrates that all items contribute strongly to one factor and thus measure the same underlying construct, slightly lower alpha values, less than 0.7, can be considered because of the complexity of the constructs that are measured (Kline 1999).

For this study, internal consistency (Cronbach's alpha) was conducted for the four-factor solution obtained from the factor analysis. Table 7.4 reports the internal consistency reliabilities for each of the four factors – transformational leadership, first-aid leadership, laissez-faire leadership and contingent reward leadership.

The reliabilities of three factors (Transformational, First-aid and Continent Reward) were above the acceptable minimum of 0.7 (Pallant 2001) but Laissez-Faire factor was just below the acceptable value (0.627). Table 7.4 also highlighted that, if the item were deleted within the Laissez-Faire factor than no improvement to the internal consistency of factor would be achieved. Instead for the internal consistency would decrease highlighting the significance of

Table 7.4. Reliability (Cronbach's alpha) of the final four factor solution

Factor 1: Transformational	**Factor 2: First-aid**
Alpha = .896	**Alpha = .833**
If item Deleted	Corrected Item-Total Correlation
IM1 = 0.881	P/A1 = 0.718
IM2 = 0.878	P/A2 = 0.718
IM4 = 0.866	
IS2 = 0.872	
IC1 = 0.878	
IC2 = 0.897	
Factor 3: Laissez-Faire	**Factor 4: Contingent Reward**
Alpha = .627	**Alpha = .823**
If item Deleted	Corrected Item-Total Correlation
MbE(A)2 = 0.589	CR1 = 0.700
P/A3 = 0.430	CR2 = 0.700
P/A4 = 0.551	

(Source: Author)

all items within the factor. Therefore, the decision was made that no further item should be dropped from the Laissez-faire factor. Table 7.4 also illustrated that in all four factors no value of below or around 0.3 were found among the external leadership items indicating that all items correlate well with the factor they belong to. Although the four-factor solution generated in this study varied from the six-factor solution recommended by Bass, Avolio and Jung (1999) the results obtained were internally consistent.

7.3.6. Discussion of the application of the MLQ to external leadership in tourism

The results presented above explained the current models of leadership in sustainable tourism management. They were based on 16 external leadership items, which were devised to reflect the original scales of Avolio, Bass and Jung's (1999) Multifactor Leadership Questionnaire (Form 5X) (MLQ) (c.f. Chapter 4, Appendix 1, Q.21). This was further reduced to 14 as a result of factor analysis (Table 7.3). The main results of the sub-section 7.3 are discussed below.

Although Tejeda et al. (2001) proposed that three items per factor were appropriate to provide reliable and valid results, Tepper and Percy (1994) demonstrated that good results can be achieved with only 24 items. For this study only 16 items could be included for further analysis (Chapter 4.3.2.6). The 16 items however were not designed to empirical test the existence of the 6 or 9 factor structure of the MLQ (Form 5X) in the context of tourism (Chapter 2.4). They 'only' had to reflect the key idea of each of the three leadership styles – transformational, transactional and laissez-faire (Chapter 4). As the MLQ has changed over the years, modifications including the development of new measures, dropping whole scales and discarding some items of the original scale were frequent among studies (Tepper and Percy

1994, Tejeda et al. 2001, Antonakis and House 2004). Moreover, the limited research on leadership in tourism exclusively focused on leadership within large organisations, leader effectiveness and leadership outcomes, and subordinates' satisfaction with the leader (Hinkin and Tracy 1994, Tracy and Hinkin 1996, Patiar and Mia 2009) while the leadership style of SMEs in tourism has been disregarded.

Although the FRLT assessed through the MLQ, was designed to investigate leadership behaviour within organisations, modifications also involved their translation into external leadership to test its appropriateness of application to SMTEs. The reliability test of the four factor solution of this study demonstrated that each of the four factors was internally consistent. Bass and Avolio (1989) also explain that Cronbach's alpha is higher for transformational and transactional leadership in comparison to management-by-exception due to the active and passive strands of it. Similar results were found in this study (Table 7.4). Although MbE(A) was not included in this survey (Table 7.2/7.3), the fact that MbE(A)2 loaded with the other laissez-faire items (Table 7.3) explains why values of the reliability test was lower in comparison to the other factors, which is consistent with Bass and Avolio's (1989) results. Therefore, the modifications and adjustments to the original MLQ items based on Avolio, Bass and Jung (1999) to measure external leadership and the reduction in the number of items still generated valid and internally consistent results (Table 7.4) and thus can be taken as strong evidence to suggest that the MLQ (Form 5X) can be used to investigate the full range of leadership theories among SMEs in tourism.

Previously the MLQ was tested successfully across a variety of individual and cultural settings, as well as with different levels of leadership. Although there has even been some limited application of FRLT in the hospitality sector (Hinkin and Tracy 1994, Tracy and Hinkin 1996, Yang 2007, Patiar and Mia 2009) still no comprehensive understanding of transformational leadership in tourism exists (Tracey and Hinkin 1996) and less still with respect to sustainable tourism management. In line with previous research using the MLQ (Form 5X) (c.f. Howell and Avolio 2001, Tejeda et al 2001, Ivey and Kline 2010) modifications and adjustments were made for the use in tourism (Chapter 4.3.2.6).

Bass (1999) explained that importance of some factors might vary or even becoming inappropriate depending on the context (Chapter 2.4). Therefore, Avolio, Bass and Jung's (1999) original items were carefully inspected to ensure that appropriate items for this study were selected (Chapter 4.3.2.6). As a result of several rounds of careful re-wording the final items captured the core meaning of each of Avolio, Bass and Jung's (1999) items after their translation into tourism (Table 4.4). Factor analysis also revealed that only 14 out of the 16 items generated good results, which indicates that some behaviours IM3 and MbE(A)1 (Table 7.3) were indeed less appropriate for the context of tourism as Bass (1999) had previously indicated. The application of FRLT, assessed through the MLQ items, in the context of tourism and especially in relation to sustainable tourism was satisfactory as the four factor solution provided meaningful and internally consistent results. This demonstrates that the MLQ (Form 5X) can be applied to tourism and measure external leadership and that the full range of leadership styles can be found among the owner/managers of SMEs in tourism. The main focus on transformational leadership in previous research in tourism (Hinkin and Tracey 1996) did not capture the whole range of leadership styles exhibited by tourism businesses. Instead of focussing on only the positive effects of transformational leadership, both the positive as well as negative impacts of the four leadership styles need to be recognised and understood.

The factor analysis of this study also highlighted that a refinement of the scales was necessary after the MLQ items was applied to the context of tourism and for measuring external leadership. Previous research indicated that although the distinction between transformational and transactional leadership has been supported (Bass 1999), several studies revealed inconsistent research findings due to psychometric properties of the MLQ. Researchers expressed concern about the framework structure (Bycio et al 1995, Tepper and Percy 1994), construct validity (Conger and Kagnungo 1990, Yukl 1989, Tepper and Percy 1994) and high correlations among some factors (Yukl 1999, Hinkin and Tracey 1998, Bycio et al. 1995). Antonakis et al. (2003) also stated that the context could affect the results obtained from applying the MLQ, which could explain the four factor solution generated in this study. Factor analysis also revealed that only 14 out of the 16 items generated good results. The items IM3 and MbE(A)1 had to be deleted due to cross-loadings between factors. The results highlighted that Avolio, Bass and Jung's (1999) transactional leadership style could not be replicated. Instead the two sub-categories – active management-by-exception and contingent reward - of transactional leadership dispersed. The two contingent reward items grouped to one separate factor, while MbE(A)2 became part of factor three – 'laissez-faire leadership'. Furthermore, Tracey and Hinkin (1996) stated that the high correlations among the transformational leadership styles (c.f. Table 7.2) resulted in a large overlap among the sub-factors which could indicate the redundancy of some measures and that fewer sub-factors might be sufficient. Bass (1999) also pointed out that one single transformational leadership factor might be sufficient as the underlying constructs are highly related to each other (Chapter 2.4). The fact that seven out of the eight transformational leadership items (c.f. Table 7.3) congregated as one factor in this study was therefore legitimate suggesting that the sub-factors of transformational leadership – individual consideration, individual motivation, individual stimulation (Table 2.3) should not be distinguished which was also commented on by other researchers (Rowold and Heinitz 2007, Yukl 1999, Tracey ad Hinkin 1998, Tepper and Percy 1994, Nemanich and Vera 2009).

Previous research recognised the importance of transformational leaders as 'change agents' (Bennis 2000:46) who create a powerful vision for the future of organisations, as highly important to hospitality and tourism (Tracey and Hinkin 1994, 1996, Brownell 2010). However, the predominant focus on transformational leadership had the effect that little attention has been paid on transactional and laissez-faire leadership (Hinkin and Schriesheim 2008). This study successfully applied the MLQ to sustainable tourism and to measure external leadership. Although the factor structure slightly differs from Avolio, Bass and Jung's (1999), the results demonstrate that the leadership styles exhibited by the owner/managers of SMEs in tourism in Torbay vary from those in other industries. Further research is required to investigate the different leadership styles in more depth to expand on the limited understanding that currently exists.

7.4. Identification of different leadership types among tourism businesses

As sub-section 7.2 illustrates the serviced accommodation providers in general were not interested in leading towards more environmental business practices in Torbay. This section now focuses on the identification of the local leaders among businesses in the area who were driving change within their local community, which represents the ***tenth research question*** of this study. Thus, the owner/managers of serviced accommodation businesses were clustered on the basis of their approach to external leadership. Distinguishing between different external leadership styles of owner/managers improves the understanding of how the different types of leadership can influence business behaviour, their decision making towards sustainable tourism management and their behaviour towards knowledge transfer, which is the subject of discussion in section 7.5 and 7.6 of this chapter.

7.4.1. Cluster analysis

Cluster Analysis was used to define groups of homogeneous owner/managers who exhibited similar external leadership styles. According to Hair et al. (2010:505) 'cluster analysis groups individuals or objects into clusters so that objects in the same cluster are more similar to one another than they are to objects in other clusters.' Although used extensively in marketing, cluster analysis is increasingly used to inform public policy on sustainable behaviours (Giddens

2009) while others have identified distinctive groups of consumers based on their sustainable behaviours both at home and on holiday (Barr et al. 2010). Because it represents an exploratory tool, cluster analysis searches for patterns among complex samples which enable the identification of homogenous and meaningful clusters.

7.4.1.1. Stage one: conceptual considerations for conducting cluster analysis

Before conducting a cluster analysis it is necessary to understand the techniques in order to avoid a misuse of cluster analysis. Firstly, the conceptual issues need to be considered. According to Hair et al. (2010), the three main criticisms of cluster analysis are related to conceptual rather than empirical support. Firstly, that 'cluster analysis is descriptive, atheoretical, and noninferential' (Hair et al. 2010:509) as no conclusion can be drawn from a sample of the population as no single unique solution can be obtained as it represents exploration in nature. Secondly, cluster analysis always produces a number of clusters regardless of whether a structure among the data exists or not. As a result, the existence of clusters does not guarantee relevant or meaningful results. Lastly, the results of a cluster analysis are strongly influenced by the items that the clusters are based upon. Therefore, the results are found not to be generalised in the population.

Cluster analysis is used in this study to explore whether different groups of local leaders among businesses exist in a case study area. Thus a generalisation was not intended as this has never been attempted before.

7.4.1.2. Stage two: different techniques for conducting a cluster analysis

Having ensured the conceptual support before considering the use of cluster analysis for this study, the different procedures for conducting a cluster analysis were examined (Hierarchical clustering, K-means clustering, Two-Step clustering). After a careful examination of the various techniques (cf. Hair et al 2010) hierarchical cluster analysis was selected especially in consideration for the sample size of this study (n=193). Besides the smaller sample size of less than 250 participants, the similarity or distance between cases, the decision which clusters are merged and the number of cluster that are appropriate for the data set have to be explained. A within-group linkage was chosen because it generates clusters with a small within-cluster variation which makes this method less affected by outliers.

7.4.1.3. Stage three: determining the number of clusters

In order to investigate whether different groups of businesses exist with respect to their external leadership behaviours, a segmentation of 159 tourism businesses in Torbay was undertaken using a hierarchical cluster. The basis of the cluster analysis were the 16 individual Likert scales designed for external leadership (Q.21, Appendix 1). In order to determine the number of clusters to retain for further analysis the dendogramm for all of the cluster solutions was inspected. According to Hair et al. (2010), in the initial step all observations belong to their own separate clusters and heterogeneity exists as similar observations have not been grouped together. Through continuous combination of observations clusters are formed, which increases the homogeneity within the formed clusters. The dendogramm was examined in order to indentify large increases in heterogeneity as this indicated that two dissimilar clusters were grouped together. Because this process is based on personal judgement, a three, four and five cluster solution was examined in more detail to explore the differences between the clusters, which enabled the researcher to make an informed decision. After a close examination and several rounds of cross-checking a four cluster solution provided the most meaningful results as each of the clusters could be interpreted.

7.4.2. Comparing the differences between the four leadership clusters

The four clusters and their characteristic with regards to external leadership are illustrated in Table 7.5. In alignment with Avolio, Bass and Jung's (1999) FRLT concept, the four clusters were named according to their predominant leadership characteristics – namely the 'Avoidant Leaders', 'Passive Transactional Leaders', 'Motivated Transactional Leaders' and the 'Convinced Transformational Leaders'. Kruskal-Wallis tests revealed statistically significant differences between all of the external leadership items and the four clusters which are illustrated in Figure 7.3.

Although the 'Avoidant Leaders' thought that generally 'a more environmentally friendly approach is good for the tourism sector' (IM3), their 'leave me alone' attitude distinguished this group significantly from the other cluster as they clearly wanted other owner/managers to deal with environmental issues, while continuously disregarding their own responsibility. Their attitude to 'fire prevention' – these fight fires as and/or when something happens - clearly set apart the 'Motivated Transactional Leaders' from the 'Passive Transactional Leaders'. According to Avolio, Bass and Jung (1999) transactional leadership is based on the fulfilment of the follower's obligations to the leader, who are rewarded for their performance and organisational change to ensure the wanted result. Therefore transactional leaders are

Table 7.5. The external leadership characteristics of the four leadership clusters – their leadership characteristics (Kruskal-Wallis test statistic)

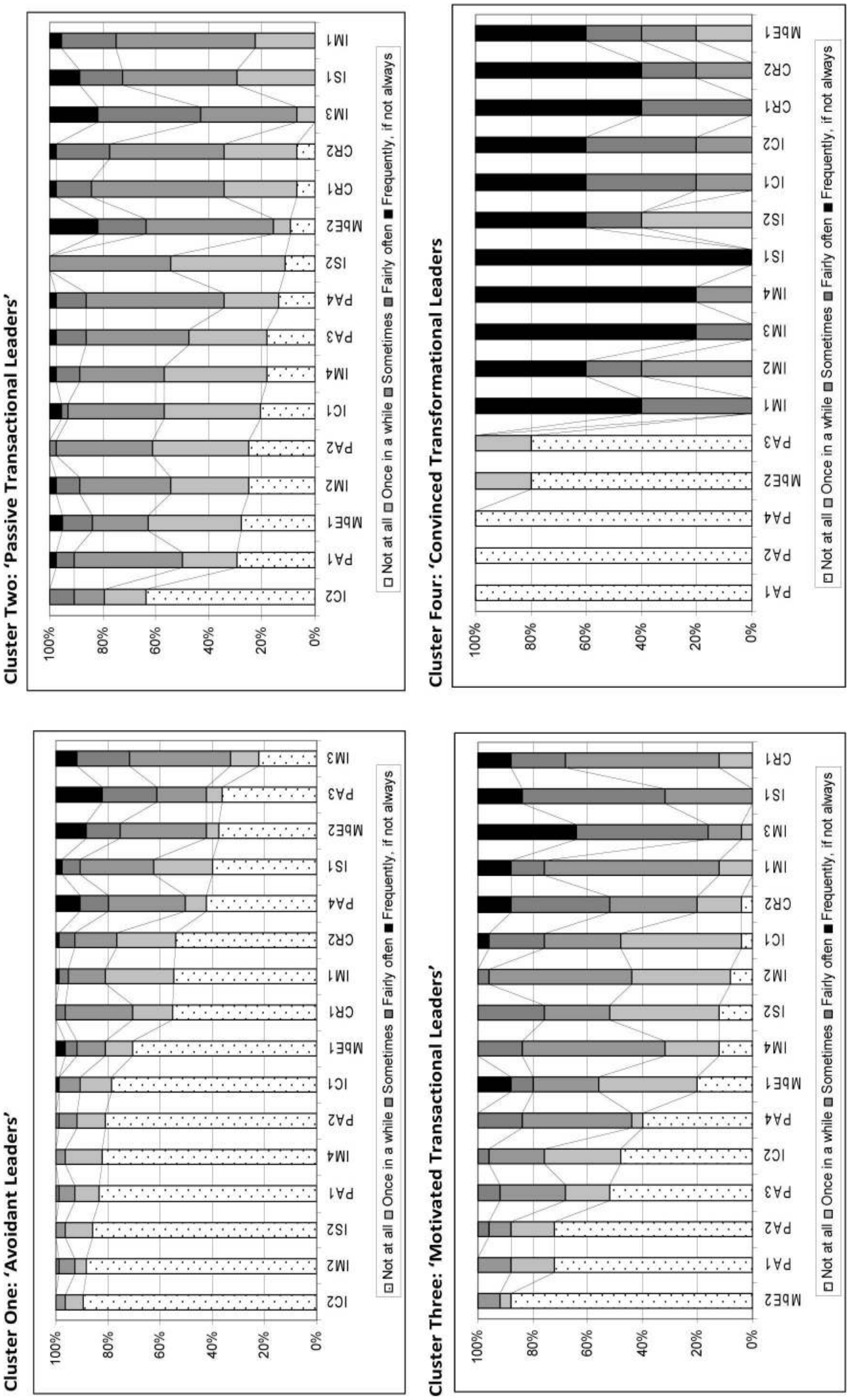
Label	External Leadership items	Avoidant Leader	Passive Transactional Leader	Motivated Transactional Leader	Convinced Transformational Leader	Kruskal-Wallis test statistic
IM1	I would like to benefit other businesses in the area by sharing my knowledge and expertise.	52.5	106.8	112.1	149.8	74.1**
IM2	Other businesses recognise the environmental management practices of my business.	53.6	103.6	114.9	146.6	78.9**
IM3	I am confident that an environmentally friendly approach is good for the tourism sector.	61.3	91.2	112.3	138.0	39.6**
IM4	I talk to other business to raise their awareness about environmental management practices.	52.3	104.4	116.8	151.8	83.7**
IS1	I am happy to share our environmental practices with other businesses.	57.0	92.6	121.5	151.5	60.2**
IS2	My ideas about environmentally friendly methods motivate others to review their business practices.	50.8	110.3	115.1	134.8	88.6**
IC1	I recommend environmental strategies to others as a way of improving their businesses.	54.6	100.7	116.4	148.4	70.9**
IC2	I participate in training on environmental practices so others can learn from my experience.	66.3	87.7	98.4	153.7	41.9**
CR1	I consider firms' environmental reputation when choosing suppliers.	56.9	96.3	115.6	151.4	59.0**
CR2	I always praise other businesses for their environmentally friendly practices.	56.6	98.3	114.9	142.5	56.1**
MbE(A)1	I am prepared to publicly single out examples of bad environmental practices.	62.8	93.5	101.4	133.6	32.3**
MbE(A)2	I only enact environmental measures because I have to (e.g. by law, soaring utility bills).	81.8	105.1	38.2	38.6	41.9**
P/A1	I only help other businesses to enact environmental measures if they are in difficulties.	66.4	112.3	74.7	54.0	45.0**
P/A2	I only help to deal with the problems of other businesses if they occur repeatedly.	66.8	112.1	74.2	52.0	42.6**
P/A3	I leave it to others businesses to lead on environmental issues in tourism in the region.	87.4	81.5	59.7	42.5	11.1*
P/A4	There is no clear evidence that I need to improve the environmental management of my business.	77.7	91.2	78.3	29.0	9.9*

(Source: Author) ** Significant at the 0.01 level; * Significant at the 0.05 level

Footnote1: Labels (IM1, IM2 etc. represent the same labels as in Figure 7.3)
Footnote2: Data presented in Table are mean rank scores derived from Kruskal-Wallace test.

(Source: Author)

Figure 7.3. Difference in external leadership behaviour among tourism businesses in Torbay



(Source: Author)

reactive as they are not actively involved in subordinates' work unless mistakes or problems attract their attention. These traits were also observed in this study as the 'Motivated Transactional Leaders' and the 'Passive Transactional Leaders' are both groups are 'fighting fires' and only enacted environmental measures because they had to and not because of their efforts to reduce their environmental impact as the 'Motivated Transactional Leaders' did (c.f. Table 7.5, Figure 7.3).

While the 'Passive Transactional Leaders' understood that an 'environmentally friendly approach is good for the tourism industry' (IM3) they didn't act upon it as much as the 'Motivated Transactional Leaders' who did not only see a need for sustainable business practices but also influenced their own business practices accordingly (IC1, CR2). The 'Convinced Transformational Leaders' clearly differentiated themselves from the other three clusters. They strongly believed in the principles of sustainable development and they helped other businesses at all times, not only when they were in difficulty, or when they experienced problems (Table 7.5). The 'Convinced Transformational Leaders' grasped the bigger picture and

Table 7.6. Business characteristics of the four external leadership clusters

Characteristic	Avoidant Leaders	Passive Transactional Leaders	Motivated Transactional Leaders	Convinced Transformational Leaders
Number	85 (53.5%)	44 (27.7%)	25 (15.7%)	5 (3.1%)
Profile	Mixed age group	Middle aged, closer to retirement age	Middle aged	Tend to be older, close to retirement
Place of birth	Midlands, throughout UK	South West, Midlands	East England, South West	Throughout UK, outside England
Previous Job	Accommodation and food service, professional, scientific/technical, wholesale/retail	Accommodation and food service activities, health and social work	Professional, scientific/technical, accommodation/ food service activities	Transportation and storage, professional, scientific/technical, wholesale/retail
Place of previous Job	South West, East England	South West, Midlands	Midlands, East England, South West	East England
Type of business	Independently owned B&B's	Independently owned guesthouses	Independently owned B&B's and hotels	Independently owned B&B's and hotels
Number of employees	Mainly no or few employees (< 25 employees)	Mainly no or few employees (< 25 employees)	Mainly no employees	Mainly no employees
Number of bedspaces	19	28	21	16
Charge per room	£30 (single) £54 (double	£29 (single) £54 (double)	£31 (single) £58 (double)	£35 (single) £69 (double)

(Source: Author) (Note: no statistical differences found among variables) recognized the potential of a collective quality improvement through environmental business practices of tourism businesses in the area. Thus, they wanted to be actively part of shaping the agenda for environmental issues in tourism in Torbay (P/A3).

Table 7.6 provides a brief summary of the business characteristics of each of the four clusters. When comparing them it becomes apparent that the socio-demographic and business characteristics did not differ significantly among these four clusters. Although these characteristics provided no indication of further differences between the clusters, the owner/managers attitudes to the environment (Figure 7.4/7.5) and to knowledge transfer (Figure 7.6) they did highlight important distinctions between the groups of businesses, which are discussed in more detail in sub-section 7.5 and 7.6 in this chapter.

7.4.3. Cluster descriptions

The four leadership clusters were described below based on their external leadership characteristics as illustrated Figure 7.3.

7.4.3.1. Avoidant Leaders

The first cluster the 'Avoidant Leaders' were found in over a half of the sample (n=85, 53.5%) indicating that the majority of owner/managers in Torbay were 'non-leaders' in the sense that they 'choose' to avoid interventions, making decisions or taking action (Hinkin and Schriesheim 2004) as they wanted others to deal with environmental issues rather than themselves (c.f. Chapter 2.4). In essence, they exhibited many of the stereotypical characteristics and attributes of 'laissez-faire' leadership as noted above. What limited knowledge resided among these respondents about environmental practices, was not shared with other businesses (c.f. Figure 7.3), not even when other businesses were in difficulty (P/A1) or problems occurred repeatedly (91% of Avoidant Leaders) (P/A2). It has been widely advocated that a series of small-scale changed to ones business practice can combined make a significant difference to reducing the environmental impact of their establishments (Stern 2007). However, many of the 'Avoidant Leaders' in this research did not understand the contribution that their businesses can make to incremental change because they had a low awareness about their environmental impact which was previously commented on by other researchers (Morrison and Teixeira 2004, Tilley 2000, Hillary 2004, Friedman and Miles 2002, Halila 2007) (c.f. Chapter 2.2). This confirms Revell and Blackburn's (2007) criticisms of the UK governments overreliance on voluntary action. As the majority of businesses took an avoidant stance with regards to sustainable management practices the government won't be able to increase environmental management practices among SMEs as these businesses choose to avoid taking action. As Chapter 5 illustrated the adoption of environmental management practices among SMEs in tourism is not straight forward but rather complex in nature (Vernon et al. 2003, Sharper and Carlsen 2004, c.f. Chapter 2.2) which has not been addressed by policy makers with regards to the best possible ways in which to implement these strategies.

'Avoidant Leaders' were also not willing to consider or implement environmental management practices as existing evidence did not clearly demonstrate the benefits of environmental management practices to them. As a result they postponed changing their business practices as they 'can function quite normally without people being bothered with these things' [Business 3]. As this interviewee illustrated:

> *…You get it from the television, you get it from the general news, everybody is talking about getting green, environment, environment and I found myself thinking, and "How much money is this all going to cost? Where is the benefit?" You are asking us to do all this, is there going to be a real benefit? [Business 2]*

58% of the 'Avoidant Leaders' begrudgingly implemented those environmental measures that they were obliged to by law or because of rising utility bills (MbE(A)2, Figure 7.3). Instead, 58% of this cluster demonstrated an inclination to leave it to others to deal with environmental matters (P/A3) and continued to disregard the impact of their own business. The respondents in this cluster continued to cherish the "old times" where change was unnecessary to remain competitive. Their belief in 'I've done it for 40 years why should I change?' [Business 3] hindered their development considerably. No matter how many messages South West Tourism or other regional and local organisations (c.f. Chapter 3) would have presented to them about the potential benefits of sustainable business practices, their aversion to change stood in the way as this interviewee highlighted 'Well, if, if, it's operating successfully why change it?' [Business 3]

7.4.3.2. Passive Transactional Leaders

There are two types of 'transactional' leaders in this study. The 'Passive Transactional Leaders' (n= 44, 27.5%) correspond closer with standard definitions of 'transactional leaders' from FRLT (Avolio, Bass and Jung 1999) (c.f. Table 2.3, Chapter 2.4) because they exhibited more passive responsive and reactive attitudes to the challenges of sustainable business practices. Respondents in this cluster were characterised by the propensity to 'fire fight' as the circumstances of the business dictated. They were focused on their own problems and largely (84%) implemented environmental measures because 'at the end of the day it's going to be cost saving' [Business 8] (MbE(A)2, Figure 7.3). Although 71% were at least sometimes happy to share their environmental practices with other business owners (IS1), 55% of the members in this cluster didn't usually talk to other businesses to raise their awareness (IM4) or motivated them to consider environmental measures (57%) (IS2). They saw environmental measures as a way to control costs rather than an appropriate approach for ones business. In only 40% of all cases did the 'Passive Transactional Leaders' recommend environmental management practices as an option to other businesses if difficulties arose (P/A1) or problems occurred (36%) (P/A2). As this interviewee explained

> *…nobody would ever ask you [and if they did] […] we have to decide whether we tell because if we tell them what we are doing and they start doing it than some of the guest we have might go elsewhere [Business 1].*

Saving money and ensuring their businesses survival was most important to the 'Passive Transactional Leaders'. Unlike the 'Avoidant Leaders', 86% of this cluster were convinced about the need to improve environmental management in businesses based on the existing evidence (P/A4). However, they remained sceptical about the merits of adopting environmentally friendly business practices in their establishments and did not act upon the existing evidence.

7.4.3.3. Motivated Transactional Leaders

While nearly two thirds of the owner/managers in Torbay exhibited passive or avoidant leadership traits, the 'Motivated Transactional Leaders' were part of the notable minority who are more considerate and recommended environmental management practices to other businesses in the area. They were the third-largest cluster (n=25, 15.7%) and the second type of 'transactional' leaders. Respondents in this group were characterised by an overall predominance to react rather than promote. Although the balance was in favour of post-hoc actions, all members of this cluster were exchanging knowledge and experience with other businesses, not only when difficulties arose (P/A2) but also when problems occurred repeatedly (P/A1) as the 'Passive Transactional Leaders' did (c.f. Figure 7.3). 56% of the respondents were in general sceptical of the extent to which a change of practices was necessary because the evidence was not always compelling or convincing to them (P/A4). Nevertheless, a slight majority (52%) recommended environmental strategies as a way to improve one's businesses (IC1) to other businesses which was marginally more often than the 'Passive Transactional Leaders' (48%).

Moreover, 'Motivated Transactional Leaders' were more willing to regularly share their knowledge and expertise with other businesses (68%) (IS1, Figure 7.3). This was mainly for two reasons: first, to raise awareness and to motivate others to start to considering implementing environmental measures (68% of all cases) (IS2); and second, to encourage those who had taken the first steps to accelerate their implementation (52% of all cases) (IC2). Interestingly, among the members of this group, there was some limited evidence of altruistic motives in the follow-up interviews. One interviewee noted that 'I feel like I am doing my part. At least that's something and if everybody was to do that then it would be a much better world' [Business 8]. Although 56% of the other businesses recognised their environmental business practices (IM2) 'other hoteliers would come in here and wouldn't know why we've got a green award because they don't realise it's only little measures' [Business 17]. Thus, the 'Motivated Transactional Leaders' were not, interested in taking the lead in promoting environmental issues but were motivated to encourage others to consider and/or implement sustainable management practices. They lacked the confidence to participate in workshops or training as a mentor or example of best practice; rather, they preferred to take on the role of the interested but committed student. Instead, 80% of the owner/managers in this cluster preferred to praise other businesses for their environmental practices (CR2) more informally.

7.4.3.4. Convinced Transformational Leaders

The final cluster the 'Convinced Transformational Leaders', were the smallest group and represented a very small niche among the respondents (n=5, 3.1%). Respondents in this group exhibited many of the standard attributes of transformational leaders from FRLT (Avolio, Bass and Jung, 1999) (c.f. Table 2.3, Chapter 2.4). They strongly believed in the principles of sustainable development and chose 'green suppliers' very carefully. The only other cluster that did that to an extent was the 'Motivated Transactional Leaders'. Not only did respondents in this cluster raise awareness and actively motivate others to consider and/or implement environmental measures, but they also championed the principles and praised others whose work they recognised and judged to be best or good practice. 'We try to be as proactive as we can and I think most people, by the time they leave, are aware of what we're doing.' [Business 9] Through leading and attending workshops and meetings or casual conversations, the 'Convinced Transformational Leaders' openly shared their views and experiences, enabling others to learn from their knowledge and expertise. Nevertheless, the participants in this cluster clearly recognised that 'more people need to get active. At the moment there is only a small circle of people who are committed' [Business 16] and actively encouraged others to step up and take a leading role within the area.

7.4.3.5. Discussion of the local leaders in Torbay

Sub-section 7.4 illustrated that four distinct groups of leaders exists among the tourism businesses in Torbay with regards to their external leadership styles. The four cluster solution obtained from the hierarchical cluster analysis using a within-group linkage were named in alignment with Avolio, Bass and Jung's (1999) FRLT concept (Chapter 2.4) and according to their leadership characteristics – namely the 'Avoidant Leaders', 'Passive Transactional Leaders', 'Motivated Transactional Leaders' and the 'Convinced Transformational Leaders'. Cluster analysis revealed that two groups of leaders with transactional leadership traits existed. Thus, the results suggest that the three meta-categories from FRLT – transformational, transactional and laissez-faire leadership - may obscure a degree of heterogeneity and the presence of sub-groups of leadership. Testa (2001) also pointed out that different leadership styles were important for different hospitality and tourism businesses (luxury hotel vs. economy lodging property). This study also highlighted that among the small-scale serviced accommodation businesses, which represented one business type, different leadership types were found as well. Thus, the results highlighted the heterogeneity of the tourism industry and that a one-size-fits-all approach to leadership in tourism would be ineffective.

Furthermore, Kruskal-Wallis tests revealed statistically significant differences between all of the external leadership items (c.f. Table 7.5). These clusters varied strongly in size which under closer examination highlighted that the majority of owner/managers in Torbay either avoided any involvement or exhibited a very passive stance with regards to leading change on environmentally friendly management practices in the area. Similar behaviour was identified by Hinkin and Tracey (1994) on transformational leaders in the hospitality industry. Many managers in their study also held the view 'that if they wait long enough, times will calm down and business as usual can be resumed' (Hinkin and Tracey 1994:24) (Chapter 2.4). They further commented that only the transformational leaders realised that change was unavoidable and that their organisation had to be guided through that process of change and development as the 'good old days' wont' return. This was also the case in this study but with a slight modification as the 'Convinced Transformational Leaders' (n=5) and the 'Motivated Transactional Leaders' (n=25) were interested to an extent in driving change through the local community and encouraged other businesses to consider and/or implement environmental measures as a way to improve their business practices. However, only the 'Convinced Transformational Leaders' proactively championed the principles and practices of sustainable business management to other businesses in the area. The 'Motivated Transactional Leaders' preferred their role as interested but committed students, instead of leading others on formal occasions.

Past research emphasised that 'continuous and dynamic change have replaced predictable and stable organisational environment' (Tracey and Hinkin 1996:165), which reduced 'the days of explosive growth and failure proof management […] into memory' (Peters 1980:14) (Chapter 2.4). Therefore, the 'Avoidant Leaders' of this study 'must shift gears' (Peters: 1980:14) in order to ensure their survival. The increased competition and complexity of the industry require owner/managers to 'adopt new methods of achieving organisational goals' (Testa 2001). If the 'Avoidant Leaders' do not wake up soon, their establishments will continue to degrade and they will be forced out of business, as they will not longer be able to meet the expectations and requirements of potential guests. By avoiding any involvement or exhibiting a very passive stance in the case of the 'Passive Transactional Leaders', both groups strongly hold back the 'move towards a high-quality tourist destination' (SWRA 2005b:93) in order to assure a long-term future of the visitor economy in Torbay (c.f. Chapter 3).

The large number of owner/managers in both the 'Avoidant Leaders' and the 'Passive Transactional Leaders', categories indicated that many owner/managers might have been previously employed by larger organisations where a sense of direction and clearly defined goals were provided by the company. After entering the tourism industry owner/managers were unable to operate their establishment 'by the book' (Hinkin and Tracey 19994) (Chapter 2.4) as they had no previous experience in the industry, which hindered their development even further. Instead of perceiving sustainable management practices as an opportunity, the 'Avoidant Leaders' and the 'Passive Transactional Leaders' only reluctantly considered it to be an option as a way to at least control costs. The uncertainty derived from the dynamic and continuously changing environment in which they operate their establishment has paralysed some owner/managers, while others continuously manage crisis. However, Greger and Perterson (2000:22) highlighted that businesses 'need not only to manage change, but to be change agents' in order to remain competitive in the long run. The 'Convinced Transformational Leaders' are truly encompassing this approach. Although small in number they are highly important for the tourism industry in the area as they comprehend and communicate the benefits of sustainable management practices effectively to other owner/managers. Therefore, they play a central role for driving change through the area. Minett et al (2009) provided one reason why so few SMEs in their study were 'Convinced Transformational Leaders'. They pointed out that leadership styles in large organizations varied with regards to the age of managers as younger directors might not have the confidence in their decision-making compared to more experienced managers. Therefore, when external leadership is considered than maybe the age of business and the lack of previous experience in tourism might provide an explanation why this cluster included so few owner/managers.

7.5. The influence of different types of leadership on business behaviour towards sustainable tourism management

After the previous sub-section illustrated that four types of leaders existed within Torbay regarding their external leadership behaviour (Table 5.7), this section investigates how the different types of leadership influenced the owner/managers business behaviour and their decision making towards sustainable management practices. This addresses the ***eleventh research question*** of this study, namely to investigate how different types of leadership influence business behaviour towards sustainable tourism management (c.f. Figure 1.1).

Previously sub-section 7.4.2 explained that no significant differences were found between the socio-demographic and business characteristics of the four clusters (c.f. Table 7.6). However, the groups of businesses did significantly differ in the extent to which sustainable business practices were implemented in their own businesses and with respect to the owner/managers perceived importance of environmental issues for their establishment and for the South West of England, which is explained in the following sub-sections.

7.5.1. The influence of different types of leadership on the implementation of environmental measures

Regarding the difference between the leadership clusters concerning the extent to which environmental measures were implemented in their business, Kruskal-Wallis test indicated a significant difference between the fours clusters (Chi-square value 42.0 and p=0.00). Based on the data presented in Table 7.7 it became apparent that the external leadership style exhibited outside their business was linked to their environmental practices incorporated in their establishment. Significant differences between the four leadership clusters were found for ten of the attributes (Table 7.7). All clusters had middling scores for 'encouraging guests to use public transport' due to the extensive network of transportation within the area and therefore no significant difference was found between the clusters. The same became apparent for 'purchase of energy saving devices (A-rated applications, light bulbs)', which are after all a standard household measure nowadays and thus a similar level implemented across all four clusters was not surprising. From a sustainable development perspective this non-result was interesting as it demonstrated that some environmental measures were truly incorporated into the day-to-day activities of businesses and were regarded as standard practices.

Kruskal-Wallis tests also revealed a statistically significant difference between the four clusters for all the other items, which are also displayed in Table 7.7. As illustrated in Figure 7.4

Table 7.7. Comparison of leadership clusters and environmental measures

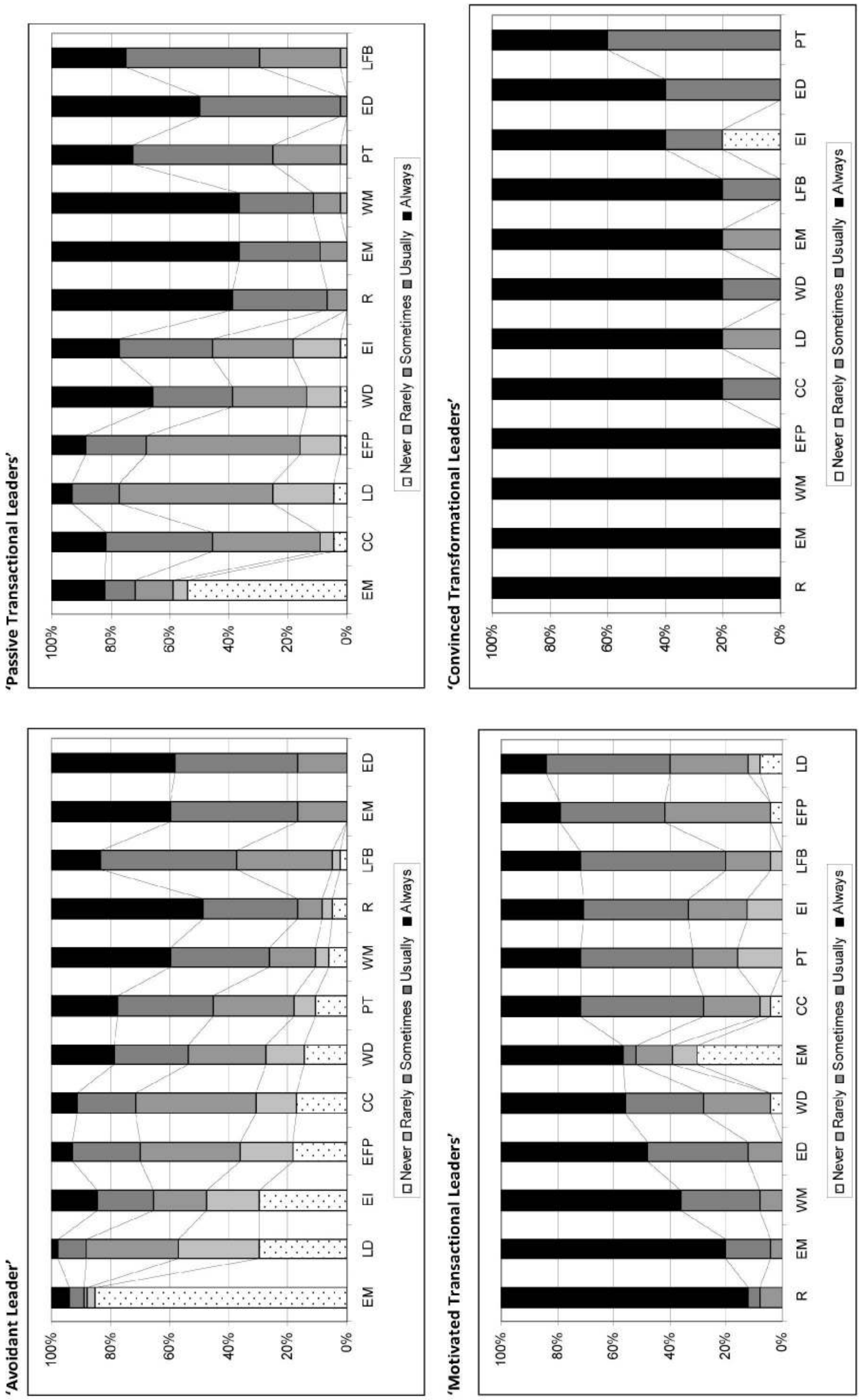
Label	Environmental measures	Avoidant Leader	Passive Transactional Leader	Motivated Transactional Leader	Convinced Transformational Leader	Kruskal-Wallis test statistic
R	We recycle glass, paper, and cardboard.	70.8	81.3	99.5	110.0	13.5**
EM	We take energy-saving measures *(e.g. turning off lights, install thermostats).*	67.7	86.5	99.7	115.0	18.2**
CC	We have taken measures to adapt to climate change.	62.3	86.8	100.2	135.5	28.4**
LD	We try to participate in local discussions on environmental issues in tourism.	61.5	89.1	111.1	139.8	38.2**
WM	We take water-saving measures *(i.e. towel agreement, dishwasher).*	68.8	89.3	90.9	116.5	13.7**
EFP	We purchase environmentally friendly products *(e.g. ecological detergents).*	67.1	80.3	100.4	146.0	23.9**
PT	We encourage our guests to use public transport.	71.9	88.9	82.6	108.2	6.9
ED	We purchase energy-saving devices *(e.g. A-rated appliances, light bulbs).*	74.1	86.0	83.3	94.0	3.3
WD	We purchase water-saving devices *(i.e. toilet devices, water butts).*	68.4	85.6	96.7	125.6	15.3**
EI	We notify our guests about our environmental initiatives.	65.3	90.7	99.6	109.3	18.3**
EM	We have a dedicated environmental manager.	59.8	81.9	101.9	130.1	40.0**
LFB	We purchase local food and beverages.	71.9	81.5	88.2	128.7	10.5*

** Significant at the 0.01 level; * Significant at the 0.05 level   Footnote$_1$: Labels (IM1, IM2 etc) represent the same labels as in Figure 7.4

Footnote$_2$: Data presented in Table are mean rank scores derived from Kruskal-Wallace test.

(Source: Author)

Figure 7.4. External leadership clusters and their environmental management practices



(Source: Author)

standard household measures such as recycling, purchasing local food and beverages, environmentally friendly products, water and energy saving devices/measures were part of the management practices of all businesses regardless of which cluster they belong to. However, the extent to which these are regularly purchased, implemented and considered, varies significantly. While the 'Avoidant Leaders' were situated at the bottom of the slope, the 'Convinced Transformation Leaders' were at the top, followed by the 'Motivated Transactional Leaders' and the 'Passive Transactional Leaders'. Consequently, the stronger the respondents were committed towards environmental management practices and implemented these in their establishments, the higher the likelihood that they had made a conscious decision to believe in the principles of sustainable development and lead on environmental issues in tourism outside their establishment.

This was also emphasized when examining the degree to which 'Passive Leaders' implemented environmental measures when compared with the 'Motivated Transactional Leaders'. While the 'Avoidant Leaders' only began to pay attention to environmental measures (R, ED, Table 7.7), the 'Passive Transactional Leaders' started to realise the merits of environmental friendly business practices as a way to save money (WM, EM, WD, Table 7.7). Therefore, the 'Passive Transactional Leaders' implemented a wider range of environmental measures and all of them to a greater extent compared to the 'Avoidant Leaders' (Figure 7.4). The high mean scores for the 'Motivated Transactional Leaders' suggested that this group was not only implementing 'green' measures to reduce their costs but also because it made good business sense (c.f. Table 7.7). In comparison to the other clusters the 'Convinced Transformational Leaders' were the most dedicated group. Their commitment towards more sustainable business practices was reflected in the exceptionally high mean scores for nearly all the attributes (Table 7.7).

The absence of a dedicated environmental manager prevailed for all clusters besides the 'Convinced Transformational Leaders' (Table 7.7). The owner/managers of this cluster almost always employed an environmental manager or believe it to be a central part of his/her own responsibilities. Figure 7.4 illustrates that measures to tackle climate change were only sporadically implemented by 27% of the 'Avoidant Leaders', while 55% of the 'Passive Transactional leaders' and 72% of the 'Motivated Transactional Leaders' considered these measures more regularly. Only the 'Convinced Transformational Leaders' thought about climate change proactively and tried to reduce their environmental impacts continuously (100%). While the businesses in this cluster also regularly 'participate in local decisions on environmental issues in tourism', the 'Motivated Transactional Leaders' just started to make some initial attempts into the same direction. The other clusters tended to leave these decisions to other businesses in the area and focussed on their own business instead.

7.5.2. The influence of different types of leadership on the perceived importance of environmental issues for their establishment and the region

The external leadership style that owner/managers exhibited outside their business was not only linked to the environmental practices incorporated in their establishment, but also to the perceived importance of environmental issues for their establishment and for the South West of England. Kruskal-Wallis test indicated a significant difference between the fours leadership clusters (Chi-square value 47.9 and p=0.00) which is displayed in Table 7.8. The 'Convinced Transformational Leaders' was not the only group that increased the profitability of their businesses through being environmentally sensitive (P, Table 7.8). They also marketed their green credentials (GC) which resulted in an increased off-peak business (OPB) (Figure 7.5). Compared to the other clusters, the respondents in this group additionally strongly believed that sustainable tourism should be a central component of the regional tourism policy (SD). The promotion of the region's green image had also opened up new customer markets for some members of this group (NCM). As Figure 7.5 illustrated some owner/managers attracted more environmentally aware customers as this interviewee explained:

> *…We thought that [environmental business practices] would be a good way to go, to move our business on and hopefully grow the business and have those sort of people that are concerned about the environment and interested in that sort of thing. [Business 11]*

Other participants were not as convinced because the 'fact that I am green doesn't actually make that much difference to who walks through my front door' [Business 8]. Furthermore, the 'Convinced Transformational Leaders' looked to South West Tourism for guidance (SWT, Table 7.8) (c.f. Chapter six) rather than GTBS, as the members of this group strongly believed that the green accreditation scheme was nothing but window dressing (G, Table 7.8). This was in line with the results presented in chapters five and six as owner/managers emphasised that little advice, or guidance was received from GTBS. They often only heard from GTBS at the time of their membership renewal along the lines of 'Please can we have your money?' [Business 17] Owner/managers who belonged to this group implemented environmental measures because of their personal dedication; each owner/manager tried 'to do my little to make a difference' [Business 17] rather than believing in the green accreditation scheme.

Although only five respondents were part of this group, their dedication and commitment to a more sustainable future were striking compared to the other groups. The commitment of the 'Convinced Transformational Leaders' went beyond the interest of their own business. They

Table 7.8. Comparison of leadership clusters and the perceived importance of environmental issues for their business and the South West of England

Label	Environmental issues	Avoidant Leader	Passive Transactional Leader	Motivated Transactional Leader	Convinced Transformational Leader	Kruskal-Wallis test statistic
P	Acting more environmentally sensitive enhances the profitability of our business.	64.5	90.8	100.4	128.4	25.9**
G	Green accreditation schemes are nothing but window dressing.	69.7	85.8	89.5	138.9	16.0**
SD	Sustainable tourism development should be a central component of regional tourism policy.	70.1	90.8	78.9	105.7	9.0*
SWT	We look to South West Tourism for guidance on how to make our business less environmentally damaging.	62.3	95.1	93.0	132.7	28.4**
GC	We market green credentials in our advertising.	67.1	90.6	95.3	111.2	15.6**
OPB	Acting more environmentally responsible increases our off-peak business.	63.5	97.6	91.7	126.0	26.9**
NCM	The promotion of the green image in the region has opened up new customer markets for us	64.9	94.5	94.5	116.4	21.8**

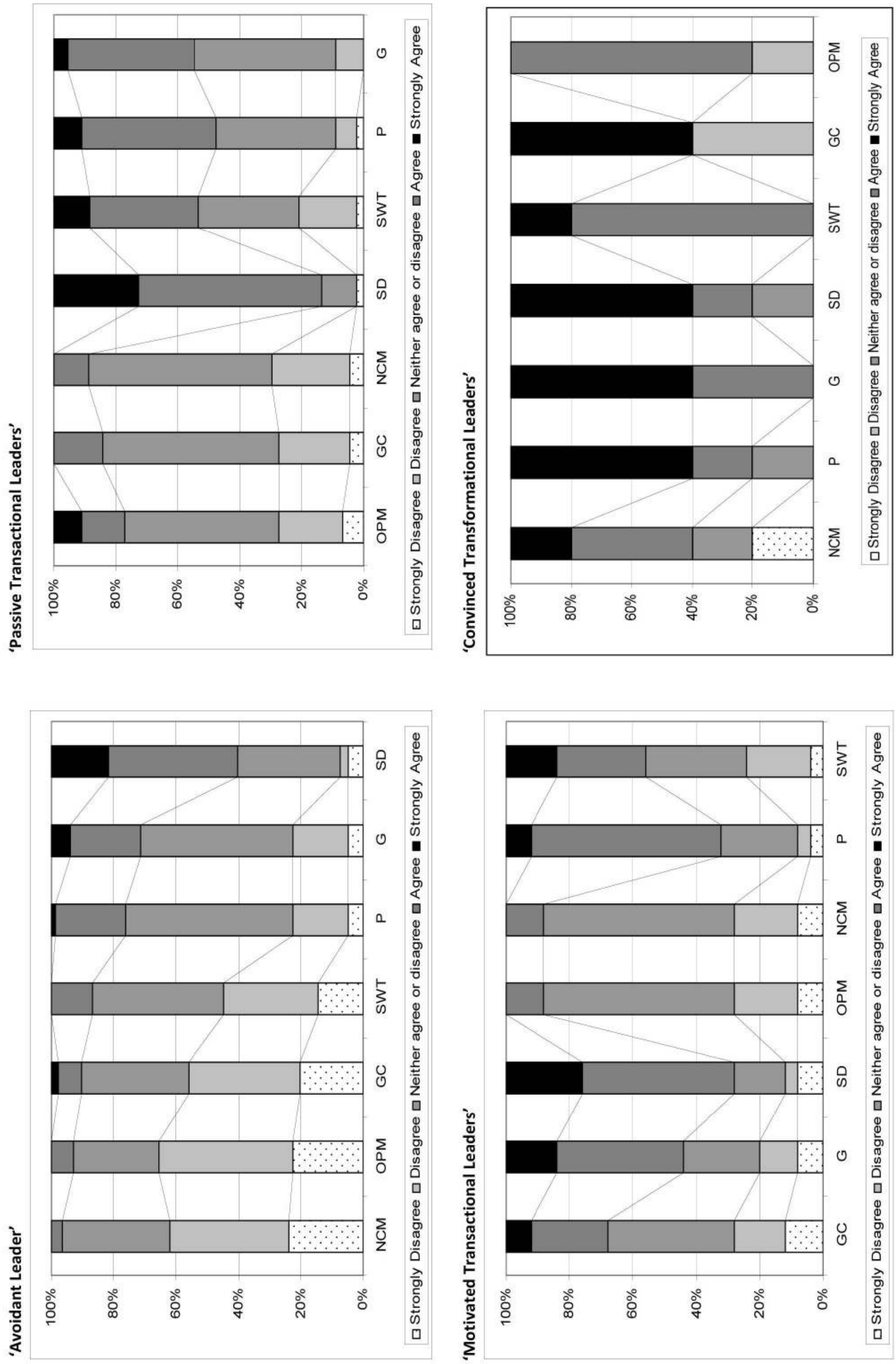
(Source: Author) ** Significant at the 0.01 level; * Significant at the 0.05 level

Footnote$_1$: Labels (P, G etc) represent the same labels as in Figure 7.5)

Footnote$_2$: Data presented in Table are mean rank scores derived from Kruskal-Wallace test.

(Source: Author)

Figure 7.5. External leadership clusters and the perceived importance of environmental issues for their business and the South West of England



(Source: Author)

did not only take measures to adapt to climate change (CC, Table 7.7), have a dedicated environmental manager (EM, Table 7.7) and regularly participate in local decisions on environmental issues (LD, Table 7.7), but they also saw the wider implications of acting environmentally responsibly and understood the need for a sustainable future for the South West of England in order to stay competitive in the future.

The 'Avoidant Leaders' again had the lowest mean scores compared to the other groups (c.f. Table 7.8). Figure 7.5 demonstrates that the members of this group often had no strong views about sustainability as many participants neither agreed nor disagreed to the majority of attributes. As the previous sub-section illustrated, the 'Avoidant Leaders' had implemented the lowest level of environmental measures among the four groups (Table 7.7). Therefore, it was understandable that a large number of participants were not able to express strong views about the importance of environmental issues to their establishment. Having been unable to market their 'green credentials' (GC, Table 7.8), they could not receive benefits from the region's green imagine and improve their profitability (P, Table 7.8).

Both the 'Motivated Transactional Leaders' and the 'Passive Transactional Leaders' indicated a similar importance of environmental issues for their business and for a more sustainable future for the South West of England. While 'Passive Transactional Leaders' believed that sustainable tourism should be a central component of the regional tourism policy (SD, Table 7.8), the 'Motivated Transactional Leaders' were more sceptical since the evidence presented did not convince them of the necessity to change their business practices or the regions tourism policy. 'They should be giving us facts and figures to show that they are doing what they say they are doing' [Business 6] as the participants of this group doubted that policies in the region were implemented for their benefit (c.f. Chapter five). More emphasis on the positive effects of sustainable management practices for the tourism industry based on a clearly proven business case would have been required in order to convince owner/managers of this cluster.

While Table 7.7 illustrated that the 'Motivated Transactional Leaders' had the means to change their business practices and implement environmental measures throughout their business, the 'Passive Transactional Leaders' currently were not able or willing to alter their awareness and implement change in their own business - perhaps due to financial restrictions as previously highlighted in Chapter 5.4. The 'Passive Transactional Leaders' marketed and utilized the environmental measures implemented in their business to enhance the profitability of their business (GC, Table 7.8). However, they only considered sustainable business practices if they did not involve large investment due to a lack of capital; as this interviewee explained:

> *…We looked into solar power and into geothermal power as well. Both would be really, really expensive to put in […] I mean, the solar panels was going to cost us £7000 to have it put in and that's before you buy a boiler and everything […] So that's expensive, which puts us off. [Business 8]*

As well as the capital outlay, payback periods were also important to this group. Due to the short-term planning of the 'Passive Transactional Leaders' many extensive environmental measures were disregarded.

7.5.3. Discussion of the different leadership types and their sustainable tourism management practices

This sub-section demonstrates that the external leadership style exhibited outside their business was clearly linked to the extent to which environmental management practices were incorporated in their establishment. Kruskal-Wallis tests revealed a significant difference between the four leadership clusters and all sustainable business practices included in this survey (Table 7.7). Standard household measures such as recycling, purchasing local food and beverages, environmentally friendly products, water and energy saving devices/measures were part of the management practices of all businesses regardless of which cluster they belonged to. However, the extent to which these are regularly purchased, implemented and considered varies significantly (Figure 7.4). While the 'Avoidant Leaders' were situated at the bottom of the slope, the 'Convinced Transformation Leaders' were at the top, followed by the 'Motivated Transactional Leaders' and the 'Passive Transactional Leaders'. Although 'one cannot necessarily assume that 'better' leadership leads to 'better' business performance' (Pittaway et al. 1998:408) the results demonstrated that the stronger the respondents were committed to environmental management practices and implemented these in their establishments, the higher the likelihood they made a conscious decision to believe in the principles of sustainable development and lead on environmental issues in tourism.

Kruskal-Wallis tests also found a significant difference for perceived importance of environmental issues for their establishment and for the South West of England (Table 7.8). The 'Convinced Transformational Leaders' was not the only group that increased the profitability of their business through being environmentally sensitive but also marketed their green credentials which resulted in an increased off-peak business. Compared to the other clusters the respondents in this group also strongly believed that sustainable tourism should be a central component of the regional tourism policy. The 'Motivated Transactional Leaders' were more sceptical that this was the case since the evidence presented did not convince them of the necessity to change their business practices.

Due to the low degree of environmental measures implemented in their establishment the 'Avoidant Leaders' often did not express strong views about the importance of environmental issues to their establishment as neither positive or negative impacts could be observed at the time (Figure 7.5). Although 'change is to business what oxygen is to life' (Billy Marriott (Marriott International) cited by Greger and Peterson 2000:22) the 'Avoidant Leaders' continuously disregard sustainable management practices. Through their static behaviour the owner/managers in this cluster increasingly fell behind other businesses in the area that were benefitting – to a varying degree - from the development.

The results further highlighted that although no significant difference was found between the four clusters with regards to their business characteristics (Table 7.6) the owner/managers external leadership style significantly related to their own business practices towards sustainable tourism management (Table 7.7) and the perceived importance of environmental issues for their establishment and for the South West of England (Table 7.8).

The distribution of clusters indicated that the 'Convinced Transformational Leaders' clearly internalised the principles of sustainable development while the other three groups of tourism businesses still lagged behind in their efforts. It is clear that many who believe in the principles of sustainable development (i.e. the 'Convinced Transformational Leaders') had already changed their practices, and in some cases they were acting as key champions and advocates. While this small group of people have propensity to broadcast the benefits of sustainable development Saarinen (2006) pointed out that the limits of further growth needed to be better understood to increase the level of change within the tourism industry (c.f. Chapter 2.2). In order to mobilise 75% of the businesses to more widespread, mass action policy-makers and tourist boards (e.g. South West Tourism) need to increase the number of transformational leaders and increase their efforts beyond well-known key champions of environmental management practices. The fracturing of the transactional leadership group into two-tiers – 'Passive Transactional Leaders' and 'Motivated Transactional Leaders' - highlighted that the latter group of businesses had so far been overlooked in the efforts of pursuing more sustainable behaviour. While the 'Avoidant Leaders' and the 'Passive Transactional Leaders' still had to be convinced almost objectively as to its merits of sustainable development, public and private organisations need to capitalise on the disposition of the 'Motivated Transactional Leaders' in order to increase the efforts further and drive change through the region.

7.6. The role of leadership in sharing knowledge among businesses

The previous section highlighted that the leadership styles of the owners/managers exhibited outside their establishment had a strong influence on the extent to which sustainable management practices were implemented. This section investigates now whether a difference between the groups existed with regards to sourcing information and for sharing knowledge. This addressed the ***twelfth research question*** of this study (c.f. Figure 1.1).

7.6.1. The influence of leadership on sourcing information

Collecting and identifying useful information was important for the exploitation and development of these knowledge assets in order to create competitive advantages for businesses and to ensure that businesses adapted and survived in a constantly changing economic environment (c.f. Chapter 2.3). Chapter six previously illustrated that owner/managers used a wide variety of information sources to inform themselves about the environmental impact of their business. However, their importance varied considerably across the bay (Chapter 6.2). This sub-section examines whether the owner/managers leadership style exhibited outside their establishment had an influence on the information sources used. Therefore, the four external leadership clusters were examined to establish whether or not its members used different sources of information.

Kruskal-Wallis tests revealed a significant difference between the four clusters for seven out of sixteen sources of information included in the survey (Table 7.9). All clusters had middle-scoring results with regards to the respondents' reliance on their own experience, their friends and word of mouth. Therefore, no significant difference between these items was found as these sources of information were of similar importance to all owner/managers regardless of their style of external leadership. However, the 'Convinced Transformational Leaders' valued the information provided by friends higher than any of the other groups. Although not significantly different this result could be related to the fact that their friends were also interested or committed to environmental management practices and therefore a valuable source of information (c.f. Chapter 6.6.4.3). The sourcing of information from energy companies, Business Link, consultants and phone help lines also produced no significant results as the mean scores for these were low across the board and did not vary between the four groups (Table 7.9). This also confirms the results presented in chapter six. As one interviewee emphasised ‘there is plenty of advice out there whether it be for business advice or for training’ [Business 16] but the services offered by organisations such as Business Link remained unknown to the majority of owner/managers (Chapter 6.2). This was the result of insufficient promotion of the help and assistance they could have provided. However, the ‘Convinced Transformational Leaders’ represented the only group that utilised the services offered by DEBI (Devon Environmental Business Initiative) while the information they disseminated on environmental legislation, management systems and best practice remained unknown to the others.

Furthermore the clusters had very different perspectives with regards to taking advantage of the knowledge and expertise of other business owners (Table 7.9). While they were highly important to the ‘Convinced Transformational Leaders’ the ‘Avoidant Leaders’ scored lowest among the four clusters. Similar results were found when gathering information from the Regional Tourism Board or through attending conferences and workshops. For the latter the ‘Motivated Transactional Leaders’ also used workshops and training courses extensively as did the ‘Convinced Transformational Leaders’. In comparison the other two clusters had not realised their importance for improving their knowledge and understanding about food safety, fire risk assessment, ladders, asbestos and other ‘things like that, that I haven’t realised before’ [Business 6] (c.f. Chapter 6).

Alternatively both the ‘Avoidant Leaders’ and the ‘Passive Transactional Leaders’ followed fairly similar patterns of sourcing information since both prefer to turn to easily accessible

Table 7.9. Comparison of leadership clusters and their sources of information

	Avoidant Leader	**Passive Transactional Leader**	**Motivated Transactional Leader**	**Convinced Transformational Leader**	**Kruskal-Wallis test statistic**
Own experience	77.5	84.6	79.9	83.1	1.3
Other business owners	70.4	84.9	94.7	126.5	16.3**
Friends	76.8	85.0	77.9	100.2	2.9
Regional Tourist Board	70.9	87.5	93.2	102.7	12.0**
Energy company	76.8	80.4	89.7	83.3	2.3
Conference/Workshops	71.8	77.8	102.8	125.1	25.7**
Business Link	75.9	81.9	87.3	83.3	3.6
Word of Mouth	76.1	93.1	89.2	73.3	2.5
Internet/www	72.9	82.8	93.9	106.6	8.2*
Envision	77.0	78.8	89.7	92.9	17.4**
Consultants	82.2	77.5	77.5	77.5	4.5
Printed Media	72.6	81.9	100.7	84.8	10.9*
TV/Radio	77.1	86.3	76.2	92.1	2.4
DEBI	77.7	77.6	86.7	105.8	11.6**
Phone Helpline	78.4	83.7	79.7	76.5	3.4
Other	79.5	79.5	82.7	79.5	5.3

(Source: Author) ** Significant at the 0.01 level; * Significant at the 0.05 level sources of information such as TV/radio or word of mouth rather than spending time attending workshops and conferences. As one interviewee explained this could be related to the fact that 'I don't think I have the time for it really to be honest. I'm busy all the time […] with my business.' [Business 6] Rather than actively searching for information they tended to rely on their own experience. As this interviewee commented 'we bury our heads in the sand and we just carry on and, err, hope that it all works out.' [Business 13] Thus, they were unaware of the help, advice and guidance that existed for improving their business skills and missed out on trainings available to tourism businesses. Therefore, their understanding about the benefits of sustainable business practices remained low, which the previous sub-section illustrated.

7.6.2. The influence of leadership on knowledge sharing

This sub-section now assesses whether the different groups of leaders had similar or dissimilar reasons for exchanging knowledge (e.g. benefitting the community, improve business skills and remain competitive) and whether they preferred informal or formal meetings. Kruskal-Wallis test indicated a significant difference between the fours clusters (Chi-square value 38.3 and p=0.00). This demonstrated that the leadership types were not only linked to the sources of information used but also that their reasons for sharing information differed considerably as Table 7.10 and Figure 7.6 illustrate.

The attribute 'I prefer to rely on my own experience and personal judgement regarding environmentally responsible practices, not external advice' (ROI, Table 7.10) summarized the general attitude of the four different leadership groups. The 'Convinced Transformational Leaders' relied the least on themselves while the 'Avoidant Leaders' had the highest mean score, which emphasised the clusters lack of interest in communicating with other businesses about environmentally friendly business practices. This attitude dominated the 'Avoidant Leaders' position with regards to knowledge sharing as well. They neither used formal meetings to stay informed about the latest developments (SI, Table 7.10) nor saw formal or informal meetings as a way to improve their business skills (IBS), remain competitive (RC) let alone benefit the community (BC).

The 'Passive Transactional Leaders' also preferred to rely on their experience and focussed on their own problems instead of external advice (ROE). More than the 'Motivated Transactional Leaders' did they realise the importance of sharing knowledge to improve their business skills (IBS) and that exchanging ideas with other businesses was beneficiary to the local community (BC). Through combining both informal and formal networks and meetings they hoped to

Table 7.10. Comparison of leadership clusters on knowledge sharing

Label		Avoidant Leader	Passive Transactional Leader	Motivated Transactional Leader	Convinced Transformational Leader	Kruskal-Wallis test statistic
SI	I use formal meetings exclusively to stay informed of the latest developments in environmental practices in tourism.	72.5	85.6	88.2	117.7	7.6
T	I share knowledge on environmentally friendly business strategies only with businesses I trust.	71.7	89.4	85.5	111.1	7.9*
IBS	I share knowledge on environmental practices in order to improve my business skills.	62.1	98.8	94.9	144.8	36.2**
BC	I share knowledge on environmental practices to benefit the community.	63.8	85.8	109.9	154.0	38.9**
ROE	I prefer to rely on my own experience and personal judgement regarding environmentally responsible practices, not external advice.	87.1	81.3	60.9	44.3	10.1*
EXI	I use informal settings to exchange ideas on how to lessen our environmental impact.	67.9	92.3	89.5	129.6	17.9**
IF	I use informal networks if formal networks cannot provide appropriate advice on environmentally beneficial developments.	65.4	90.0	101.1	134.5	25.6**
RC	I share knowledge on environmentally friendly business practices to remain competitive.	91.2	65.4	99.5	131.7	25.2**

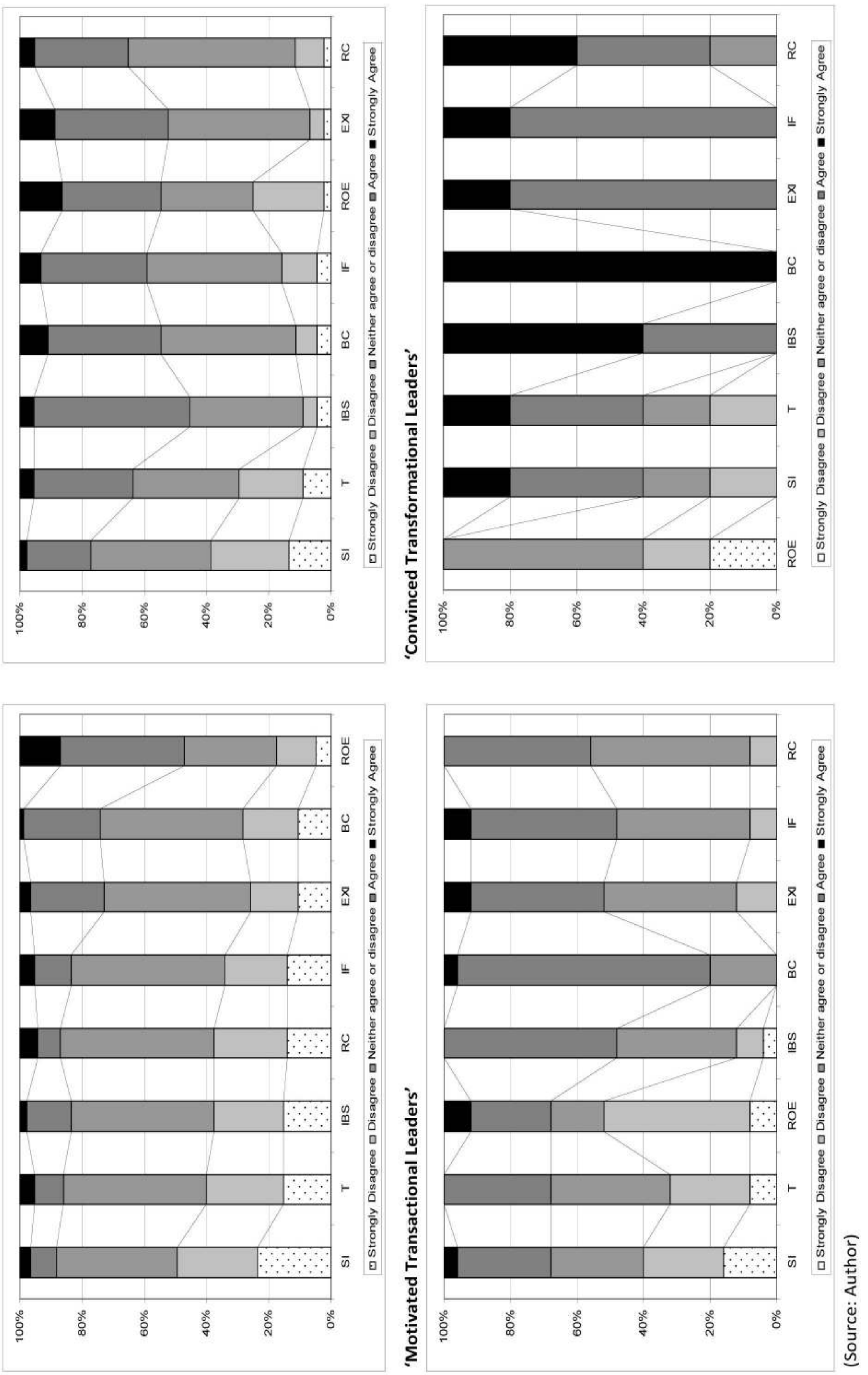
(Source: Author) ** Significant at the 0.01 level; * Significant at the 0.05 level

Footnote$_1$: Labels (SI, T etc. represent the same labels as in Figure 7.5)

Footnote$_2$: Data presented in Table are mean rank scores derived from Kruskal-Wallace test.

(Source: Author)

Figure 7.6 External leadership clusters and knowledge sharing



(Source: Author)

overcome their lack of experience and improve their business skills to remain competitive in the long run (Table 7.10, Figure 7.6).

In contrast to the first two groups the ‘Motivated Transactional Leaders’ were already at a stage where they exceeded the implementation of the standard environmental measures (e.g. light bulbs, recycling) (c.f. Chapter 7.5.1)and thus were not able to rely on their personal judgement to further improve their environmental business practices (c.f. Table 7.9). Although they gathered information through formal and informal settings to improve their business skills (IBS) and to remain competitive (RC), they used networks and meetings not only for their own benefit but also for the benefit of the whole community (BC). Their role in networks went beyond having been the recipient of information and as they started to contribute to meetings and shared their knowledge and expertise with others extensively in an informal way (c.f. Chapter 7.4.3).

Similar things can be said for the ‘Convinced Transformational Leaders’ but to a greater extent. Based on the high mean scores for all but one – rely on my own experience – attributes (c.f. Table 7.10) it could be concluded that this group was strongly involved in one or more local networks (c.f. Chapter 6). This group was convinced that networks were the strongest means to receive and convey information. More than any other cluster they understood how their own knowledge and expertise on environmental management practices could benefit others (BC). In order to encourage widespread action in the area and benefit the whole community they understood that their own experience in isolation would not have been sufficient in order to remain competitive in the long run. By improving the bay as a whole based on joint efforts of sharing best business practices Torbay will become more competitive in the future, this, in turn will benefit individual businesses:

> *…‘At the end of the day that’s what we all are trying to do is to work for a better bay. Have a better bay, have a better product to sell; we get more visitors down here, which means we earn more money. That’s what we are all about. In a nutshell that’s it. But you can’t, I don’t think you can achieve that working in isolation. You’ve got to work as a unit. [Business 16]*

The results presented in this sub-section demonstrate that the leadership style exhibited by the owner/managers of the serviced accommodation businesses influenced the extent of knowledge sharing. This was also observed by Yang and Wan (2004) in their study on international five-star hotels in Taiwan. Similarly to the results found in this study, their research also emphasised that the superior’s leadership style and the organisational culture influenced the extent to which knowledge was shared among employees. Yang (2007) further elaborated that mentor and facilitator – like the ‘Convinced Transformational Leaders’ in this study – had a positive influence on knowledge sharing.

The importance of different leadership styles for knowledge sharing through networks were not quantified in this study as the data provided by the respondents in the quantitative survey was insufficient for social network analysis (Chapter 6.5, Appendix 1 – Q.17). However, qualitative research clearly indicated that one owner/manager [Business 16] was driving the local network TAP – Torbay Accommodation Providers – while another [Business 9] was leading Green Forum (c.f. Chapter 6.6.4). Without their drive and motivation the success of the networks might be at risk if no suitable replacement could be found. The interviews with members of both networks revealed that their efforts are widely recognised and highly appreciated. However, the extent to which their leadership style influenced the objectives and management of the networks could not be explored in great depth (Chapter 8.4). More research is required in this area to investigate the influence more extensively (Chapter 8.5).

7.7. Summary of main results

This chapter explored how different types of leadership influence sustainable tourism management, which represents the *third objective* of this study (Figure 1.1). After a brief overview of the respondents’ external leadership characteristics (Section 7.2), factor analysis was used to investigate the current models of leadership in sustainable tourism management (Section 7.3) and cluster analysis was employed to explore who the local leaders among the tourism business were (Section 7.4). Then closer attention was paid to the extent to which the different groups of leaders influenced businesses behaviour towards sustainable tourism management (Section 7.5) and knowledge transfer (Section 7.6). The main results derived from predominantly quantitative research are summarized below.

Based on the overall low mean scores of the external leadership styles of the sample it was concluded that the majority of owner/managers were not interested in leading change towards more environmental business practices among businesses in Torbay (Sub-section7.2). Factor analysis revealed that the modifications and adjustments to the original MLQ items to measure external leadership (Chapter 4) and the reduction in the number of items to 16 still generated meaningful results (Section 7.3). The reliability test of the four factor solution also demonstrated that each of the four factors was internally consistent, proving that the results obtained were significant. Moreover, the FRLT, assessed through the MLQ items, demonstrated to be a useful tool in sustainable tourism research by which to investigate the different models of leadership. The four factor solution of this study further highlighted that a refinement of the scales was necessary. Factor analysis showed that only 14 out of the 16 items generated good results, the items IM3 and MbE(A)1 had to be deleted due to cross-loadings. The results further highlighted that Avolio, Bass and Jung's (1999) transactional leadership style could not be replicated as the two factors that transactional leadership encompassed dispersed. The two contingent reward items grouped to one separate factor, while MbE(A)2 became part of factor three – 'laissez-faire leadership'. Although the factor structure slightly differs from Avolio, Bass and Jung's (1999), the results overall demonstrated that the owner/managers of serviced accommodation businesses in Torbay exhibited different leadership styles. Therefore, the full range of leadership styles can be investigated among businesses in tourism.

Cluster analysis identified that distinct groups of leaders existed among the tourism businesses in Torbay (Section 7.4) The four cluster solution obtained from the hierarchical cluster analysis using a within-group linkage were named in alignment with Avolio, Bass and Jung's (1999) FRLT concept (Chapter 4) and according to their leadership characteristics – namely the 'Avoidant Leaders', 'Passive Transactional Leaders', 'Motivated Transactional Leaders' and the 'Convinced Transformational Leaders'. Kruskal-Wallis tests revealed statistically significant differences (p=0.00) between all of the external leadership items (c.f. Figure 7.3). These clusters varied strongly in size which under closer examination highlighted that the majority of owner/managers in Torbay either avoided any involvement or exhibited a very passive stance with regards to leading change on environmentally friendly business practices in the area. Merely the 'Motivated Transactional Leaders' (n=25) and the 'Convinced Transformational Leaders' (n=5) were interested in driving change through the local community and encouraged other businesses to consider and/or implement environmental measures as a way to improve their business practises. Presently only the 'Convinced Transformational Leaders' proactively championed the principles and practices of sustainable business management to other businesses in the area. The 'Motivated Transactional Leaders' preferred their role as an interested but committed student instead of leading others.

Moreover, the external leadership style exhibited outside their business was clearly linked to the extent to which environmental management practices were incorporated in their establishment (Section 7.5). Kruskal-Wallis tests revealed a significant difference between the four leadership clusters and all sustainable business practices included in this survey (Table 7.7) and the perceived importance of environmental issues for their establishment and for the South West of England (Table 7.8). The results highlighted that the stronger the respondents were committed towards environmental management practices and implemented these in their establishments the higher the likelihood that they had made a conscious decision to believe in the principles of sustainable development and lead on environmental issues in tourism.

Finally, the external leadership styles of the four clusters also had a considerable influence on seven out of the sixteen sources of information used by owner/managers to inform themselves about the impact of their business (Table 7.9). The ‘Avoidant Leaders’ and the ‘Passive Transactional Leaders’ tended to rely on their own experience rather than actively searching for it. As a result they were often unaware of the help, advice and guidance that existed for improving their business skills and missed out on training available to tourism businesses. Therefore, their understanding about the benefits of sustainable business practices remained low while the ‘Convinced Transformational Leaders’ and the ‘Motivated Transactional Leaders’ improved their business and management skills by taking advantage of existing information as well as on the help and support provided by other organisation. Kruskal-Wallis tests also revealed that the members of the different leadership clusters had varying reasons for exchanging knowledge (e.g. benefitting the community, improving business skills and remaining competitive) and exhibited a distinct preference for informal or formal meetings (Table 7.10). To the ‘Motivated Transactional Leaders’, and even more to the ‘Convinced Transformational Leaders’ the benefit of sharing their own knowledge and expertise on environmental business practices with other businesses was clearly proven, while the other two clusters had only just started to see the potential benefits to their business.

CHAPTER EIGHT

– CONCLUSION –

8.1. Introduction

As highlighted in chapter 2, the UK government encourages the widespread implementation of sustainable management practices through best practice manuals and guidelines. In addition policy makers as well as public and private organisations across the South West have actively promoted sustainable tourism for over a decade (Chapter 3) making it a leading region within the UK for environmental management. However, the diffusion of best practices on the local level, as well as the translation of policies and regional development strategies into practical measures within tourism businesses remains assumed rather than clearly understood. Therefore this study set out to investigate the relationship between leadership and knowledge transfer regarding environmental issues in tourism with special reference to SMEs in the South West of England (Aim, Figure 1.1). By placing this research at the interface between leadership, knowledge transfer and sustainability (Figure 2.1, Chapter 2), the three bodies of knowledge were brought together and sustainability was investigated through the lenses of knowledge sharing, and more importantly, leadership (Chapter 2).

In order to fulfil the aim of this study, three specific objectives were identified and investigated (Figure 1.1). First, the current practices, barriers and opportunities for implementing environmental management were investigated (Objective one, Chapter 2.2, Chapter 5) to provide insight into the ways in which more widespread action towards sustainable management practices in tourism SMEs can be encouraged. The literature review highlighted that the importance of knowledge transfer in spreading good business practices is not well understood (Shaw and Williams 2008, Chapter 2.3). Therefore this study investigated how knowledge about environmental management practices is being transferred between tourism businesses (Objective two, Chapter 6) to explore how collaborations and co-operations can assist in encouraging the owner/managers of tourism businesses to consider and/or implement environmental measures in their own establishments. In this context, the role and importance of leadership have been disregarded by national and regional policymakers and academics, despite the fact that leadership has been shown to encourage innovation and change within organisations (Chapter 2.4). Thus, the main focus of this research was the identification of those driving change in the tourism industry on the local level and able to encourage more widespread action with regards to environmental management practices.

Furthermore, the influence of different leadership styles on sustainable business management and knowledge transfer was explored (Objective three, Chapter 7).

In this final chapter, the three strands of research – leadership, knowledge transfer and sustainability – are brought together with the results of this study to highlight the main findings and illustrate the implications of this research. Following a summary of the key findings, the research contribution will be stated, as well as the limitations of this study and recommendations for future research.

8.2. Summary of main findings, implications and research contribution

In investigating sustainable tourism management through the lenses of leadership and knowledge transfer (Figure 2.1), this study contributes to current scholarship by examining ways in which the implementation of environmental management practices can be encouraged on a local level. This research was conducted in the case study area of Torbay, which represents one of the largest seaside resorts in the South West of England (SWT 2008) (Chapter 3). This area was selected because public and private organisations across the region strongly advocate sustainable development (SWRA 2002, 2001, 2005, SWRDA 2010, SWT 2005) in order to protect the region's 'greatest tourism asset' – the environment (Devon County Council 2002:25). While their efforts have been rewarded in that many businesses have altered their practices to include energy/water saving measures and recycling (c.f. Vernon et al. 2003, Tzschentke et al. 2008), the widespread implementation of sustainable management practices still remains a challenge. In order to 'move [Torbay] towards a high-quality tourist destination' (SWRA 2005b:93) and thus ensure long-term competitiveness, the environmental performance of businesses in the area must be enhanced to provide visitors with a high-quality product and service (Torbay Development Agency 2009). The results of this research illustrate that Torbay is dominated by small- and especially micro-businesses, of which the majority of owner/managers have no previous experience in tourism, often having elected to run an accommodation establishment as a lifestyle choice. Thus, businesses were mainly managed by elderly couples employing few people, if any, to assist them in their business (Chapter 5.2). This has had the effect that they underestimated the organisational skills and financial investments required to run a serviced accommodation business (Chapter 5.4), which consequently influenced the extent to which environmental management practices were implemented in their establishment (Chapter 5.3).

8.2.1. Objective One

The socio-demographic and socio-economic characteristics of the tourism businesses in Torbay were reflected by the results derived from the analysis of their current environmental practices (RQ1, Figure 1.1, Chapter 5). The owner/managers in this study mainly initiated standard household environmental measures in their establishments, while more complex environmental practices or those that required financial investment or a stronger environmental commitment (e.g. dedicated environmental manager, participation in local decisions, notification to guests about environmental initiatives) were often disregarded (RQ1, Figure 1.1, Chapter 5.3). Therefore, this study confirms previous research emphasising that SMEs in tourism are reactive and slow to consider and/or implement environmental management practices (c.f. Hobson and Essex 2001, Horobin and Long 1996, Vernon et al. 2003, Tzschentke et al. 2004, 2008, Kasim 2009). In addition, they often do not exceed 'household' measures (Morrison and Teixeira 2004), such as recycling and reducing water and energy consumption (c.f. Kasim 2009, Vernon et al. 2003, Hobson and Essex 2001) (Chapter 2.2).

Some insight into the underlying causes for the modest level of sustainable management practices was provided in Chapter five (Section 5.4). It became apparent that the sheer number of barriers strongly outweighs the benefits of pursuing sustainable business practices and that the adoption of environmental management practices among SMEs in tourism is not straightforward, but rather complex in nature. This has also been commented on by other researchers (c.f. Vernon et al. 2003, Sharper and Carlsen 2004, Ayuso 2006, Vernon et al. 2003, Kasim 2007, 2009, Tzschentke et al. 2004, 2008) (Chapter 2.2).

The most important driver of, and barrier to, the consideration and/or implementation of environmental measures was the need to control cost, especially in light of an emerging economic crisis (RQ2/3, Figure 1.1, Chapter 5.4). Despite the strong personal dedication of owner/managers to reduce the impact of their business, the lack of financial capital and insufficient demand from guests made many tourism businesses reluctant to change their business practices. Tilley (2000:39) raises the question 'what happens once the low hanging fruit has been plucked from the tree of eco-efficiency?' and owner/managers are faced with environmental measures that require investments which may, or may not, provide a return on investment in the medium- or long-term. The answer is simple, because, until environmental management practices become the 'norm', increasing the pressure on tourism businesses to conform to the raising standards within the industry, potential actions will continue to be postponed for the foreseeable future and incremental innovations, which require smaller capital outlay, will continue to dominate.

In order to encourage a more widespread implementation of environmental measures, the UK government and other public and private organisations need to focus on the ethical concerns and personal values of owner/managers. Stronger drivers are required to engage SMEs proactively in environmental business practices, as cost savings alone can become a barrier rather than a driver for change, which confirms previous research in this area (c.f. Tzschentke et al. 2004, Vernon et al. 2003) (Chapter 2.3).

Although the respondents of this study thought that the sustainable development for the South West was a suitable approach for the region's present and future (RQ 1, Figure 1.1, Chapter 5.3.2), the current level of environmental management practices at the local level is insufficient to turn this approach into reality for the region (Towards 2015) (Chapter 3). Nevertheless, the UK government continues to rely on voluntary action to increase environmental management practices (c.f. Rutherfoord et al. 2000, Revell et al. 2010). This study highlights that this method is likely to be ineffective as long as SMEs do not perceive the benefits of environmental measures (Chapter 5.4). The results of this study verify Revell and Blackburn's (2007) criticisms on the overreliance on voluntary green accreditation schemes (e.g. GTBS), as the respondents of this study perceived them to be 'window dressing'.

While green accreditation schemes might be suitable for promoting environmental management practices, the UK government should not solely rely on their efforts as they will not encourage the extent of change in business practice that is required to create a more sustainably managed tourism industry. As a result of focussing solely on these schemes to encourage widespread action, the government – the Labour government in power at the time – was felt by the interviewees to not actively support the greening of the industry, as the surrounding circumstances – policies, regulation, help and support – were not in place to support such development (RQ3, Figure 1.1., Chapter 5.4). This was also commented on by Essex et al. (2004), who found that public sector intentions to drive a sustainable agenda are not strong enough to pressure tourism businesses to act and implement environmental management practices (Chapter 2.3). Although legislation might represent a possible solution to foster widespread action, it would be more effective to further emphasise the benefits of environmental measures and to clearly prove the business case to convince owner/managers that regulations are indeed in the best financial interest for their business (RQ3, Figure 1.1, Chapter 5.4). The UK government needs to lead in this context instead of relying on other public and private organisations; until they do, it is highly likely that tourism businesses will continue to disregard their own responsibility and leave it to others to lead on environmental management practices (Objective one, Figure 1.1).

8.2.2. Objective Two

After the UK committed to the Local Agenda 21, local authorities and regional tourism boards across the country started to focus on sustainable management (Leslie and Hughes 1997, Godfrey 1998). While the translation into practice has been problematic in some areas (Hobson and Essex 2001) (Chapter 2.2), the South West became a leading region for sustainable tourism management (Chapter 3). The regional tourism board – South West Tourism – champions sustainable tourism within and beyond the region (SWT 2005) and made sustainable development one of the three strategic pillars of its most recent tourism policy, 'Towards 2015' (SWT 2005). Although government-funded organisations, such as DEBI, Business Link and EnVision, provide help and support to tourism businesses to review their business practices and improve the environmental performance of their establishment (Chapter 3), their services did not represent an important source of information for tourism businesses in this study (RQ4, Figure 1.1, Chapter 6.2). The lack of awareness among business owners, and therefore the limited impact of these support organisations, raises questions about the strength of the government's current attempts to promote sustainable business practices. Also these organisations were established as the means by which widespread implementation of environmental management practices should be encouraged, however, these were of little importance to the owner/managers in Torbay (Table 6.1, Chapter 6.2).

Other researchers have observed low levels of knowledge about funding schemes and support provided by government-funded organisations (Tzschentke et al. 2008, Varis and Littunen 2010), which demonstrates that the lack of government commitment has been felt by tourism businesses in other areas of the UK. The owner/managers of this study instead strongly relied on their own experience and easily accessible information (e.g. TV/radio, Internet) for ideas about how to lessen the environmental impact of their establishment (RQ4, Figure 1.1, Chapter 6.2). However, existing knowledge on environmental measures was often 'hidden under a random pile of bricks' (Weed 2006:265) and not easily accessible, due to the wealth of information provided on the internet and in other media. In order to prevent further delays towards the implementation of more sustainable management practices, the UK government needs to promote existing services and establish extensive knowledge transfer between support organisations and local businesses, to ensure that more tourism businesses become familiar with, and understand, the benefits of environmental management practices. These practices can positively contribute to the long-term competitiveness and success of their business. Instead of investing in a number of support organisations, the UK government should review its approach and consider setting up a single source of information to reduce confusion and provide equal access for information (Pyo 2005, Chapter 2.3).

Although sustainability is highly important for the South West due to its reliance on the quality of its natural environment (SWRA 2002) (Chapter 3), regional policy documents such as the 'Regional Spatial Strategy for the South West 2006-2026' (SWRA 2005a) and even 'Towards 2015' (SWT 2005) fail to pay attention to the importance of knowledge transfer to translate the strategies and visions of a sustainable future into practice (Chapter 2.3, Chapter 3). Policy makers assume that changes to business practices automatically occur, without having an understanding of the type of knowledge shared nor the extent of, or reasons for, sharing knowledge among 'real' tourism businesses. Figure 8.1 illustrates that general information (e.g. suppliers and trades people) was often communicated between owner/managers, whereas more sensitive business issues, especially with regards to financial information and approaches to advertising, were not shared openly with other owner/managers (RQ6, Figure 1.1, Chapter 6.4). Owner/managers would be prepared to share environmental measures fairly openly as they are not regarded as sensitive business issues that might provide other businesses with a competitive advantage. However, these measures were only shared among tourism businesses *interested* in sustainable business practices and regional policy makers have failed to recognise this limitation. If they were to actively promote knowledge sharing

Figure 8.1. Hierarchy of information that owner/managers are prepared to share with other tourism businesses

(Source: Author)

about environmental management practices, the circle could be extended from being the concern of a few to one that encompasses the entire bay. Thus, the majority of tourism businesses would be exposed to, and become in contact with, the benefits of environmental measures, which, in turn could result in unanticipated learning without having to search for a particular piece of information (Bathelt et al. 2004). However, the role of local leaders, who try to convince others of the merits of environmental management practices and change their business practices accordingly, has not been recognized or utilised by the national or regional government as an effective means to spread good business practices and create a more sustainable tourism industry (Chapter 2).

As a result, the benefits of exchanging information in general and especially in regards to environmental management practices were only clearly proven to some owner/managers in Torbay (RQ5, Figure 1.1, Chapter 6.3). The failure of regional policy makers to recognise the importance of knowledge sharing and the role that local leaders play in this context has had the result that many tourism businesses in Torbay shared their knowledge only with friends and close colleagues and not with the wider business community (RQ7, Figure 1.1, Chapter 6.5). The majority of participants only made their first tentative steps towards developing links with other businesses through exploiting their informal networks and connections with other owner/managers. As a result, many owner/managers still relied on their personal experience, which can have significant drawbacks as it hinders their business's long-term competitiveness as it can be inadequate to deal with new working conditions (Yang and Wan 2004) (Chapter 2.3). However, in order to create a learning community at the destination level (Morrison et al. 2004), a greater extent of knowledge transfer is important (RQ7, Figure 1.1, Chapter 6.5). If only a limited number of ties or relationships among businesses at the local level can be found, then progress in moving Torbay towards a more sustainable and competitive destination in the long run is hindered (Shih 2006, Pavlovich 2003).

This study also confirms that knowledge sharing requires a 'multi-faceted approach rather than a 'one-size-fits-all' view' (Yang 2008:352). In order to encourage the widespread implementation of environmental management practices, public sector bodies need to encompass this multi-faceted approach into their strategy plans to expand the extent of knowledge sharing beyond the boundaries of close proximity, at least on a localised scale. As 'green credentials' are not perceived as sensitive business issues at present, this should be leveraged to encourage knowledge sharing between owner/managers as businesses can only benefit from expanding their network of collaborations.

While the UK government continues to encourage the widespread implementation of environmental management practices through the promotion of membership to national green accreditation schemes (e.g. GTBS) and the implementation of various sustainable management actions (e.g. buy local, visitor payback schemes, etc.) (Chapter 2.2), this study has demonstrated that the role of local networks to drive change through the tourism industry should not be underestimated (RQ8, Figure 1.1, Chapter 6.6). The national networks – Visit Britain and GTBS – that are the official leaders in encouraging interest in and the implementation of more sustainable business practices among tourism businesses, did not considerably add to the stock of knowledge of owner/managers in Torbay and neither have they actively encouraged such a development. Thus, their role was reduced to an 'unavoidable necessity' in the case of Visit Britain in order to be recognised by customers, and an 'unaffordable luxury' in the case of GTBS. If these national networks neither contribute to a widespread implementation of environmental management practices nor significantly improve the performance of the businesses which have joined green accreditation schemes (Chapter 6.6, Chapter 2.2), then the UK government should reassess their usefulness in encouraging sector-wide involvement in the creation of a more sustainably managed tourism industry.

The results of this study confirm that network size – global vs local – does not determine its importance (Lechner et al. 2006), while the extent to which businesses can gain strategic advantage from these relationships does (Cooper and Sheldon 2010). On a regional level, the network run by South West Tourism only presented an important network to businesses that were interested in environmental management practices or accredited with GTBS (Chapter 5.2, Chapter 6.6). Businesses that were not interested in environmental measures often felt that they were short changed for the money they had spent to be part of the network despite the fact that they also provided other valuable services. Instead, the local networks – Torbay Accommodation Providers (TAP) and the Green Forum – provided owner/managers with services that existing networks at a national and regional level could not. While TAP reached a wider audience informing them about general matters, the Community of Practice (CoP) approach of the Green Forum (Chapter 6.6) only reached a small number of businesses, which, based on the interviews (Table 4.7, Chapter 4), changed their business practices as a result of extensively sharing information, knowledge and expertise informally on environmental management practices with a small group of like-minded people. Regional policy makers need to engage with these networks on a local level as both TAP and the Green Forum highlight that the role of local networks in driving change through the tourism industry should not be underestimated.

Although networks are important for knowledge transfer, the results of this study demonstrated that they should neither be over- nor underestimated (RQ8, Figure 1.1, Chapter 6.6). This research supports Morrison et al.'s (2004) comment that it is not the benefits of networks that need to be investigated, but the management and organisational structures that contribute to the 'success' of it (Chapter 2.3). More attention needs to be paid particularly to the leaders who drive networks, as an indication was found in this study that their commitment and motivation influenced the success of TAP and the Green Forum (RQ12, Figure 1.1, Chapter 7.6). The results further emphasise that regional policy makers should pay more attention to knowledge transfer through CoPs and other forms of (informal) networks to investigate whether they are better suited to promote environmental management practices among tourism businesses on a local level (Objective two, Figure 1.1, Chapter 6).

8.2.3. Objective Three

Although the UK government should lead in regards to sustainable development (Stabler and Goodall 1997), their current efforts mainly focus on voluntary initiatives (Rutherfoord et al. 2000, Revell et al. 2010) despite the fact that several researchers argue that they are insufficient for improving the extent of environmental management practices as long as SMEs do not recognise their benefits (Kasim 2007, Stabler and Goodall 1997, Revell and Blackburn 2007) (Chapter 2.2, Chapter 5.4, Chapter 6.5). Moreover, the regional tourism board – South West Tourism – which was the recognised leader for sustainable tourism management within and beyond the South West region, will cease to exist in April 2011 together with the South West Regional Development Agency (SWRDA) – the lead government agency in the South West on economic development and sustainability – which will be disbanded in April 2012 (BBC June 2010) (Chapter 3). As a result of a lack of national leadership and the restructuring process at the regional level, it is essential to identify 'key people' who can take on leadership roles to encourage a transition within tourism towards a more sustainably managed industry. As these local leaders have not been identified in any official report, this study tried to identify owner/managers among tourism SMEs who encourage other owner/managers to alter their business practices (RQ10, Figure 1.1, Chapter 7.4). Moreover, by investigating the relationship between different leadership styles and sustainable business management (Objective three, Figure 1.1, Chapter 7), practitioners and policy makers will be able to tailor their current approaches to the different groups to encourage a widespread implementation of environmental measures among tourism businesses.

The well-established Full Range Leadership Theory (FRLT), proposed by Avolio and Bass (1991) and measured through the Multifactor Leadership Questionnaire (MLQ) (Chapter 2.4), was used to assess the degree to which owner/managers in tourism businesses exhibit transformational, transactional and *laissez-faire* leadership styles (Chapter 7). As the FRLT was designed for large organisations outside of tourism (Chapter 2.4), modifications and adjustments were made to the original MLQ items to apply it to tourism and to measure external leadership (Chapter 2.4, Chapter 4.3.2.6). Factor analysis revealed, and Cronbach's alpha confirmed, that four models of leadership - 'Transformational', 'First-aid', 'Laissez-faire' and 'Contingent Reward'- exist in sustainable tourism management (RQ9, Figure 1.1, Chapter 7.3). The four-factor solution generated internally consistent and reliable results and therefore the FRLT is appropriate for its application to SMEs in the context of sustainable tourism to measure external leadership (Chapter 7.3).

However, the investigation about current models also revealed that, although transformational, transactional and laissez-faire leadership styles were exhibited by owner/managers of SMEs in tourism, a refinement of the scales was necessary. Avolio, Bass and Jung's (1999) transactional leadership style could not be replicated as it dispersed into two sub-categories – active management-by-exception and contingent reward (Chapter 7.3). Nevertheless, one of the main critiques of the MLQ is the instable factor structure (c.f. Bycio et al. 1995, Tepper and Percy 1994, Conger and Kanungo 1987, Tejeda et al. 2001), as contingent reward has been found to group together with transformational leadership at times (c.f. Tepper and Percy 1994, Yammarino et al. 1998, Tejeda et al. 2001) (Chapter 2.4). Although the MLQ was successfully applied to sustainable tourism measuring external leadership, Avolio, Bass and Jung's (1999) factor structure needed to be revised as the leadership styles exhibited by owner/managers of SMEs in tourism in Torbay vary from those in other industries (RQ9, Figure 1.1, Chapter 7).

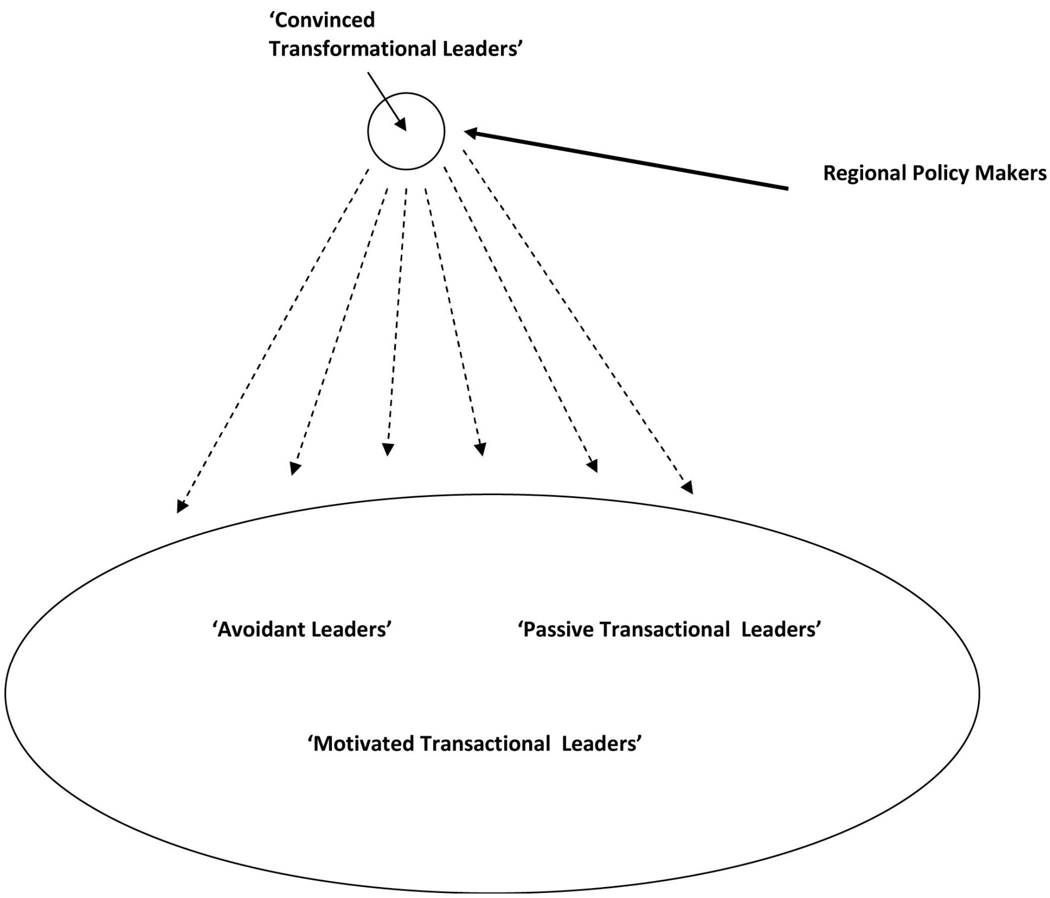
As SMEs are an important part of the tourism industry (Thomas 2000), their role in driving change in the industry should not be underestimated, as the results of this research indicate. By investigating the full range of leadership styles (Chapter 2.4) and applying it to external leadership, local leaders among tourism businesses can be identified, which then creates a better understanding about who is driving change at the destination level (RQ10, Figure 1.1, Chapter 7.4) to ensure long-term competitiveness and the survival of tourism businesses. Hierarchical cluster analysis highlighted that four distinct groups of leaders exist among tourism businesses with regards to their external leadership styles. The groups were named in alignment with Avolio, Bass and Jung's (1999) FRLT concept – namely, 'Avoidant Leaders', 'Passive Transactional Leaders', 'Motivated Transactional Leaders' and the 'Convinced Transformational Leaders' (Chapter 7.4.6). Only the 'Motivated Transactional Leaders' (n=25) and the ‘Convinced Transformational Leaders’ (n=5) were interested in driving change through the local community and encouraged other businesses to consider and/or implement environmental measures as a way to improve their business practices. Even more importantly, only the ‘Convinced Transformational Leaders’ proactively championed the principles and practices of sustainable business management to other businesses in the area. This suggests that the majority of owner/managers in Torbay either avoided any involvement or exhibited a very passive stance with regards to leading change in environmentally friendly business practices in the area.

As researchers have been preoccupied with factor structure and dimensions of the MLQ (c.f. Tepper and Percy 1994, Bycio et al. 1995) (Chapter 2.4), the practical implications of different leadership styles on organisations have often not been explained in detail (Pittaway et al. 1998). This study clearly demonstrates that external leadership style is clearly linked to the extent to which environmental management practices are incorporated within the owner/manager’s establishment (RQ11, Figure 1.1, Chapter 7.5) and to the level of knowledge transfer (RQ12, Figure 1.1, Chapter 7.6). Thus, the stronger the respondent’s commitment towards environmental management practices and the more likely they were to implement these in their establishments, the higher the likelihood that they lead on environmental issues in tourism (Chapter 7.5.1, c.f. Chapter 5.3). However, the majority of owner/managers were reactive and slow to respond (‘Avoidant Leaders’ (n=85) and ‘Passive Transactional Leaders’ (n=44)) to the increasing pressure to alter their business practices (c.f. Kirk 1998, Brown 1996). To the ‘Motivated Transactional Leaders’ (n=25), and even more to the ‘Convinced Transformational Leaders’ (n=5), the benefit of sharing their own knowledge and expertise on environmental business practices with other businesses was clearly proven, while the other two clusters – ‘Avoidant Leaders’ and ‘Passive Transactional Leaders’ – still needed to realise that each business is ‘only a little piece of the jigsaw and I think we need to get all the pieces to work together’ [Business 16] in order to improve the quality of the tourism industry in Torbay. While one business in isolation can only achieve change to a certain extent, widespread co-operation and communication on best business practices between owner/managers can significantly contribute to the long-term competitiveness and survival of Torbay as a tourism destination.

These considerable variations in the style of external leadership have not been investigated in depth, limiting the understanding on how more sustainable management practices could be spread across the local area and the region. As is identified in this study, each of the four leadership styles possesses unique traits and characteristics and therefore this research further supports the growing criticism that SMEs in tourism are a homogenous group (c.f. Thomas 2000, Dewhurst and Thomas 2003) as the results demonstrated that SMEs, even within the serviced accommodation sector, are a heterogeneous group. Policy makers need to explore the differences between tourism businesses to create a greater understanding about potential ways in which widespread sustainable management practices can be realistically achieved. As discussed previously, a 'one-size-fits-all' (Yang 2008:352) view to sustainable management practices is unsuitable and policy makers need to differentiate their approach to encourage more widespread action among tourism businesses.

Practitioners and policy makers at a local level will be able to increase the uptake in environmental measures if unique traits and characteristics possessed by the different groups of leaders are addressed. While the 'Avoidant Leaders', 'Passive Transactional Leaders' and 'Motivated Transformational Leaders' were sceptical about sustainable tourism being a central component of the regional tourism policy (Chapter 7.5.2), the 'Convinced Transformational Leaders' strongly believed in it. Figure 8.2 illustrates the established model of knowledge

Figure 8.2. *Established* model of knowledge transfer between regional and local level



(Source: Author)

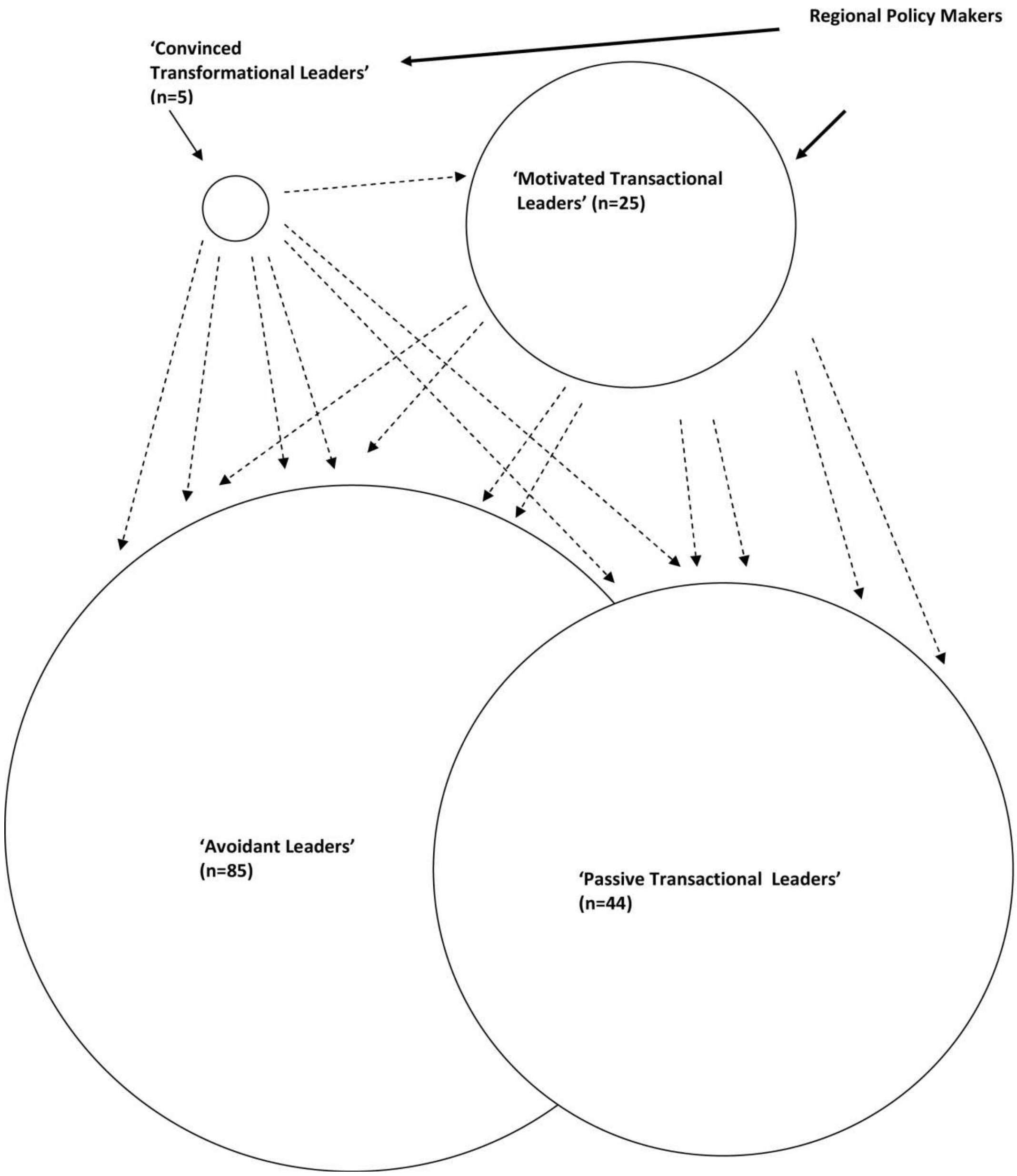
transfer and how policy makers on the regional level use the 'Convinced Transformational Leaders' as key champions and advocates to champion the benefits of sustainable business practices and encourage more sceptical businesses about the positive contribution good business practices can make. It highlights that currently the promotion of good business practices is carried out by a small group of people and represents an enormous task in order to translate policy visions and strategies into practice to achieve the level of change required within tourism to make it more sustainable in the long-term.

Tourist boards, charitable organisations and other independent bodies only pay attention to 'Convinced Transformational Leaders' as an effective means by which more sceptical businesses can be engaged and encouraged in the consideration and/or implementation of sustainable management practices. As a result, the other groups – especially the 'Motivated Transactional Leaders' – have not received much attention.

This research proposes (Figure 8.3) that local policymakers need to encourage 'Motivated Transactional Leaders' by perhaps removing their 'cloak of a committed student' (Chapter 7.6) and to proactively promote the benefits of environmental management practices. Collectively they could increase their impact significantly, as five times as many people belong to the 'Motivates Transactional Leaders' as compared to the 'Convinced Transformational Leaders' (Figure 8.3). As a consequence, the threshold of where businesses start to 'stand out for the wrong reasons' [Business 14] could be approached much sooner and then environmental management practices would become the 'norm' (Butler 2008), as the pressure to conform would be strong enough for more sceptical businesses to alter their business practices.

As strong and clear leadership for sustainability is currently lacking on the national and regional level, 'Motivated Transactional Leaders' will play a crucial role in translating the vision of a more sustainable future for the tourism industry in the South West (SWT 2005) to the tourism businesses on the ground. In the past, the regional tourist board had the ability to provide meaningful advice, guidance and support for the various groups of tourism businesses (Chapter 3) to target their barriers and create strong and convincing drivers for the implementation of environmental management practices (Chapter 5). Now, local leaders among tourism businesses have to fill the emerging gap on a local level (Chapter 7) and share their knowledge and expertise on sustainable business practices with other owner/managers (Chapter 6) to create a more sustainable tourism industry in the region (Aim, Figure 1.1). However, on a regional or even national level, they cannot replicate effective policy messages to support widespread behavioural change.

Figure 8.3. *Proposed* model of knowledge transfer between regional and local level



(Source: Author)

8.3. Research contribution

By placing this research at the interface between leadership, knowledge transfer and sustainability, this study brought together these three distinct bodies of knowledge for the first time. By linking these strands of literature sustainable tourism management was investigated through the lenses of knowledge sharing and, more importantly, of leadership (Figure 2.1).

By using the well-established Full Range Leadership Theory (FRLT), proposed by Avolio and Bass (1991), comprising three typologies of leadership styles - transformational, transactional and laissez-faire leadership - and applying it to the tourism industry, identified local leaders among businesses in this study who are driving change within their business as well as within their local community. Applying the FRLT to tourism, as well as to external leadership, which has never been attempted before, represents the most original and innovative piece of this study. To date little direct attention has been paid to leadership in tourism businesses (Hinkin and Tracey 2000, Tracey and Hinkin 1994, 1996, 1998, Patiar and Mia 2009, Hinkin and Schriesheim 2008). Research on leadership in tourism and hospitality has exclusively focused on leadership inside large organisations, on leader effectiveness and leadership outcomes, and on subordinates' satisfaction with the leader (Tracy and Hinkin 1994, 1996, Patiar and Mia 2009) whereas more specifically the leadership types exhibited by SMEs have been disregarded. Therefore this research expands previous research on leadership in tourism and provides a valuable contribution to existing theories.

While previous research has predominantly focused on transformational leadership and its positive effects for organisations, the full range of leadership styles has been neglected (Hinkin and Schriesheim 2008). Furthermore, research on leadership in hospitality is often conducted in single hospitality organisations which, according to Pittaway et al. (1998), make it difficult to apply to the entire industry. By identifying different types of leaders among owner/managers of SMEs in tourism at the local level, this study highlighted that the different groups of leaders have unique traits and characteristics. The differences between owner/managers leadership styles provide a better understanding to policy makers and practitioners on how to encourage the consideration and/or implementation of environmental management practices among more sceptical businesses. By differentiating their approaches according to the characteristics exhibited by different groups of leaders widespread action among tourism businesses could be encouraged.

However, this research not only identify local leaders among tourism SMEs who encourage other owner/managers to alter their business practices, but it also investigated the influence that different leadership styles on the sustainable management practices and the extent of knowledge transfer among tourism businesses. Especially the identification of 'Convinced Transformational Leaders' and the 'Motivated Transactional Leaders' which have proved vital to policy makers as these people can act as mediators, demonstrating to other business owners that it makes good business sense to alter one's business practices which could encourage more sceptical businesses to implement more sustainable business practices. This is especially important for the South West of England where sustainability is highly important as the quality of the natural environment which represents its most important asset for attracting visitors to the region (SWRA 2002).

8.4. Limitations of the study

Despite the careful design (Chapter 4) and extensive literature review (Chapter 3) preceding this study, there are always limitations to research. In this case, they are related to the research design and methodological limitations.

This research was conducted in Torbay, a distinctive part of the South West of England. This area was selected because sustainability is on every policy agenda across the South West and the regional tourism board – South West Tourism – has been a pioneer in embedding the principles of sustainable development into its most recent tourism policy – Towards 2015 – Shaping Tomorrow's Tourism Today' (SWT 2005). Initiatives such as the Green Audit Kit (1996) and the Green Tourism Business Scheme (GTBS 2000) have been pioneered and enthusiastically adopted by businesses across the South West. The combined effects from public and private organisations, charities and accreditation schemes emphasise that sustainability is a key part of tourism development of the region. Thus, the results derived from the research conducted in Torbay might not be representative of the wider tourism industry in the UK or other countries. Also the results derived from a non-probability sample and therefore the findings represent the views of the businesses that participated in this study rather than all serviced accommodation businesses in Torbay. However, generalisation was not intended; this study aimed to raise and investigate new issues in the tourism industry. Further research is needed to expand the scope of the work to identify whether similar results can be obtained from other areas or whether regional differences prevail.

The application of the well-established FRLT and its three typologies of leadership styles – transformational, transactional and laissez-faire leadership – to tourism as well as to external leadership represent the most original piece of this study. At the same time, due to the restriction of the questionnaire, only 16 external leadership items could be included in this research (Table 4.4, Appendix 1, Q.21). However, the MLQ (Form 5X) encompasses 36 items (Chapter 2.4). The 16 items however were not designed to empirically test the existence of the 6 or 9 factor structure of the MLQ (Form 5X) in the context of tourism (Chapter 2.4). They 'only' had to reflect the key idea of each of the three leadership styles (Chapter 4). Therefore, additional research is required to investigate whether the entire spectrum of FRLT items – all 36 items – can be translated to tourism to provide a better comparability with studies from other sectors (Chapter 2.4). If the entire FRLT cannot be translated then future research should attempt to use at least three items per factor, as previous research has demonstrated that this can generate more reliable and valid results (Tejeda et al. 2001, Tepper and Percy 1994), which would increase the ability to compare the results with previous research conducted in other sectors (Chapter 2.4).

Moreover, although twelve items were designed to measure internal leadership (Appendix 1, Q.22), later analysis highlighted that the businesses in the survey were predominantly small- and micro-businesses that rarely employ members of staff to assist the owner/manager in running his/her establishment (Chapter 5.2). As a result, the internal leadership items could not be analysed since spurious results would be generated. Instead, this research solely focussed on external leadership: that exhibited by the owner/manager outside his/her establishment towards other businesses in the area. Further research is required to investigate the leadership styles exhibited by managers within larger establishments. Instead of primarily focussing on transformational leadership (Hinkin and Tracey 1996, Hinkin and Schriesheim 2008), the full range of leadership styles needs to be investigated to create a better understanding of the effect that different leadership styles have on the performance and business practices of tourism businesses.

This study linked the strands of literature relating to sustainability, knowledge transfer and leadership (c.f. Figure 2.1) in order to investigate sustainable tourism management from a different angle. However, this study was only able to provide an insight into the influence of the external leadership style of the owner/managers. While the influence of leadership on knowledge sharing and sustainable tourism management could be clearly proven using quantitative research, this study was unable to investigate whether the drivers and barriers to consider and/or implement environmental management practices differed between the four groups of leaders – 'Avoidant Leaders', Passive Transactional Leaders', 'Motivated Transactional Leaders' and 'Convinced Transformational Leaders' (Chapter 5.4). These could not be investigated in this study due to the research design, because the businesses that participated in the qualitative research could not be linked to their quantitative responses. The same was the case for the role that different leadership styles played in driving networks (Chapter 7.6). More data is required and further research needed to investigate the influence of different leadership styles on knowledge sharing and sustainable tourism management. With regards to networks, it is advised that future research makes contact with existing networks, especially on a local scale, to explore structures and management to later be able to determine the influence of the 'Convinced Transformation Leaders' on the success of local networks.

Moreover, because the researcher had neither access to the regional tourist board's database (South West Tourism) nor any registries from the Devon County Council, a self-compiled database of serviced accommodation providers was created based on existing directories. Although Clegg and Essex (2000) previously used this approach, it had the effect that the representativeness of this study is difficult to determine. Therefore, if the study were to be repeated, a close collaboration with the regional tourism board or other relevant public bodies should be established in order to include as many businesses as possible in the survey to create better representativeness.

The research was conducted during the off-peak season between October and December 2008 to ensure that owner/managers had time to participate in the study (Chapter 4). This had the effect that a number of tourism businesses were not present at the time of the data collection, which could have altered the results of this study. Therefore, the research should be repeated at a different time of the year to ensure that reliable results are achieved. At the same time, if the research would have been conducted during or after the credit crunch, or if a larger sample were obtained, then the results presented in this study could have been different. However, this study provided insights and raised new issues that should be developed in future research in tourism.

The results of this study also revealed that nearly all businesses captured in the database were small- and micro-businesses with a strong tendency towards micro businesses. Although this is in line with the Torbay Development Agency's (2010) recordings that 70% of tourism businesses are in the four- to ten-bedroom category, the research had the result that few participants of this study employed additional members of staff. This could have had an impact on the results presented in this study and more research is required. Moreover, research on SMEs advocates the usefulness of qualitative research. This study confirms that semi-structured in-depth interviews provide more in-depth understanding and knowledge, which cannot be captured to the same extent in questionnaires alone. The mixed method approach through triangulation proved to be the most suitable way in which the aim of this study could be investigated and therefore future research in this area should consider qualitative research or a mixed method approach especially when further researching leadership styles among SMEs.

8.5. Recommendations for future research

The research presented in this study provided valuable insight into leadership styles used by SMEs in the tourism industry and their influence on sustainable management practices and knowledge transfer (Figure 1.1). However, this research only represents a first attempt and further research is required in the following areas:

1) How leadership styles can change over time

This research highlighted that the majority of participants in this study had no prior experience in tourism and that many owner/managers themselves had started up the business a few years previously (Chapter 5.2). Previous research highlighted that knowledge accumulated over time (Nonaka and Takeuchi 1995, Andriessen 2006) and therefore more research is required about how leadership styles change over time as a result of the growing stock of knowledge and experience gained through operating within the tourism industry. This could provide valuable insight into whether knowledge and expertise influence the leadership style used by owner/managers of tourism businesses.

2) Moving owner/managers of SMEs in the tourism industry up the 'leadership ladder'

This study demonstrated that the majority of SMEs in tourism are 'Avoidant Leaders' or 'Passive Transactional Leaders' (Chapter 7.4). It is clear that many who believe in the principles of sustainable development (i.e. the 'Convinced Transformational Leaders') have already changed their practices and, in some cases, actively promote the benefits of environmental management practices to other tourism businesses. In order to encourage a widespread implementation of sustainable management practices among tourism businesses, more research is required about moving businesses up the leadership ladder – from 'Avoidant Leaders', 'Passive Transactional Leaders' to 'Motivated Transactional Leaders' and eventually to 'Convinced Transformational Leaders'. Although this study was able to identify these leadership styles, a greater understanding is still required about the ways to accomplish this form of transition among tourism business.

3) Age and career development of different leaders

Previous research has demonstrated that leadership style varies with age, because younger managers may not yet have confidence and thus use rules, while older managers possess more self-confidence (Minett et al. 2009). While this research was able to identify the different styles of leadership at one moment in time, a longitudinal study might provide valuable insight into the change of leadership styles with age to explore the influencing factors that trigger a shift in the owner/manager's style of leadership.

4) Effective means to promote sustainable business practices

While easy wins have been made, the key to promoting a widespread implementation of environmental management practices appears to suggest that persuasion by public and private organisations and policy makers could be used to create meaningful advice, guidance and support for the various groups of tourism businesses in order to target their individual barriers and create strong and convincing drivers for the implementation of environmental management practices. More research is required about the barriers and drivers for environmental management practices in order to inform the design of effective policy instruments to encourage their widespread implementation.

5) Leadership of Destination Management Organisations (DMOs)

As the regional tourism board will be disbanded in spring 2011, DMOs may represent important organisational bodies on a local level to pick up the leadership banner, as they have the potential to articulate the vision of the region to the tourism businesses on the ground. This, in combination with the transformational leaders among the tourism businesses, would create an even stronger move towards sustainable tourism management in the region and might convince more businesses that it is not the vision of a few individuals, but the dream of all stakeholders involved.

6) Usefulness of existing information sources (e.g. guidelines, manuals policy documents) to foster innovation and change

Within the management literature, the role of knowledge has long been recognised as a key source of competitive advantage and economic growth (Polanyi 1958, Audretsch and Keilbach 2008, Döring and Schnellenbach 2006, Lambooy 2002). Although this study contributes to the existing body of knowledge about the sources of information used by tourism businesses, more research is required into the processes involved within organisations to utilise the collected information to inform innovation and change towards environmental management practices. By doing so, the existing sources of knowledge can be assessed as to their usefulness and a more compelling business case created.

7) Social network analysis

As Morrison et al. (2004) state, not only the benefits of networks need to be investigated, but also their management and organisational structure in order to provide insight into what contributes to successful networks (Chapter 2.3). Leadership is one factor whose importance they identified. Although this study tried to examine leadership characteristics of businesses at different locations by investigating the role of leaders in networks (Appendix 1, Q.17), the data provided by the respondents in the quantitative survey was insufficient for social network analysis. Therefore, more research is required to investigate to what extent central actors in tourism networks influence the selection of information and the development of a network (Fadeeva 2004).

8) Differences between leadership styles

As Table 7.6 previously illustrated the differences between the four leadership clusters did no lie in the business or socio-demographic characteristics in this study. Therefore, more research is required to investigate which explanatory variables can provide a better indication of the differences between the owner/manager of the four groups of leaders. This will create a better understanding about the characteristics of the owner/managers within each group and as a result local leaders can be identified more effectively.

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APPENDICIES

Appendix 1 Questionnaire

I am conducting research into environmental management practices in tourism. This research is part of a PhD study.

I am in the Department of Management and my contact details are given at the end of the questionnaire. Your help in completing this questionnaire is greatly appreciated. All answers will be reported anonymously and treated with strict confidence.

*Ideally the **owner** or **manager** should complete the questionnaire. Please answer by **ticking ✓ the relevant box** or **writing** an answer.*

SECTION 1. SOME QUESTIONS ABOUT YOU AND YOUR BUSINESS

1. What type of business is this? (please tick one box only)

❑ B&B ❑ Hotel ❑ Inn

❑ Guesthouse ❑ Other: ____________________

2. Is this establishment (please tick one box only)

❑ Independent ❑ Part of a chain ❑ Franchise

❑ Other: ____________________

3. How many generations of your family have run this establishment? ________

4. How many bedspaces do you have? ________

5. How much do you charge per room per night?

________ Single Room ________ Double Room

6. How many people are employed here, including the owner and/or the manager? ________

7. Are you a member of one of the following associations (Tick any that apply)

❑ South West Tourism ❑ Local Hotel Association ❑ Green Tourism Business Scheme

❑ Enjoy England ❑ ____________________

8. Are you the …

❑ Owner ❑ Owner/Manager ❑ Manager

9. Your gender (owner/manager)

❑ Male ❑ Female

10. What is your age?

❑ 20-29 ❑ 30-39 ❑ 40-49 ❑ 50-59 ❑ 60-69 ❑ >70

11. Did you have previous experience in tourism before managing/owning this business?
❑ Yes ❑ No

12. What were you doing before you owned/managed this establishment?

____

13. Previous location of work before this job? ______________________
14. Where were you born?

____

SECTION 2. YOU AND THE ENVIRONMENT

15. Please respond to the following statements (Tick one box only for each statement).

In your business…	Always	Usually	Sometimes	Rarely	Never
We recycle glass, paper, and cardboard.	❑	❑	❑	❑	❑
We take energy-saving measures *(e.g. turning off lights, install thermostats).*	❑	❑	❑	❑	❑
We have taken measures to adapt to climate change.	❑	❑	❑	❑	❑
We try to participate in local discussions on environmental issues in tourism.	❑	❑	❑	❑	❑
We take water-saving measures *(i.e. towel agreement, dishwasher).*	❑	❑	❑	❑	❑
We purchase environmentally friendly products *(e.g. ecological detergents).*	❑	❑	❑	❑	❑
We encourage our guests to use public transport.	❑	❑	❑	❑	❑
We purchase energy-saving devices *(e.g. A-rated appliances, light bulbs).*	❑	❑	❑	❑	❑
We purchase water-saving devices *(i.e. toilet devices, water butts).*	❑	❑	❑	❑	❑
We notify our guests about our environmental initiatives.	❑	❑	❑	❑	❑
We have a dedicated environmental manager.	❑	❑	❑	❑	❑
We purchase local food and beverages.	❑	❑	❑	❑	❑

16. Please respond to the following statements (Tick one box only for each statement).

In your opinion…	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
Acting more environmentally sensitive enhances the profitability of our business.	❑	❑	❑	❑	❑
Green accreditation schemes are nothing but window dressing.	❑	❑	❑	❑	❑
Sustainable tourism development should be a central component of regional tourism policy.	❑	❑	❑	❑	❑
We look to South West Tourism for guidance on how to make our business less environmentally damaging.	❑	❑	❑	❑	❑
We market green credentials in our advertising.	❑	❑	❑	❑	❑
Acting more environmentally responsibly increases our off-peak business.	❑	❑	❑	❑	❑
The promotion of the green image in the region has opened up new customer markets for us.	❑	❑	❑	❑	❑

SECTION 3. KNOWLEDGE SHARING AND NETWORKING

17. From the list below, with whom and how frequent do you ***exchange knowledge*** on environmental management practices in business? (Please tick one each)

		Daily	Weekly	Monthly	Rarely	Never
South West Tourism		❑	❑	❑	❑	❑
Local Hotel Association		❑	❑	❑	❑	❑
Green Tourism Business Scheme		❑	❑	❑	❑	❑
Enjoy Britain		❑	❑	❑	❑	❑
Local Authority		❑	❑	❑	❑	❑
Business 1		❑	❑	❑	❑	❑
Business 2		❑	❑	❑	❑	❑
Business 3		❑	❑	❑	❑	❑
Others		❑	❑	❑	❑	❑

18. What ***sources of information*** do you use to inform yourself about the environmental impact of your business (Please **tick** any that apply).

❑ Own experience	❑ Other business owners	❑ Friends
❑ Regional Tourist Board	❑ Energy company	❑ Conferences/ workshops
❑ Business Link	❑ Word of mouth	❑ Internet/www
❑ Envision	❑ Consultants	❑ Printed media
❑ TV/radio	❑ Devon Environmental Business Initiative (DEBI)	
❑ Phone helpline	❑ Others: ______________________	

19. Please **circle** the three most important sources from the list above.

20. Please respond to the following statements (Tick one box only for each statement).

From your point of view…	Strongly Disagree	Disagree	Neither agree or disagree	Agree	Strongly Agree
I use formal meetings exclusively to stay informed of the latest developments in environmental practices in tourism.	❑	❑	❑	❑	❑
I share knowledge on environmentally friendly business strategies only with businesses I trust.	❑	❑	❑	❑	❑
I share knowledge on environmental practices in order to improve my business skills.	❑	❑	❑	❑	❑
I share knowledge on environmental practices to benefit the community.	❑	❑	❑	❑	❑
I prefer to rely on my own experience and personal judgement regarding environmentally responsible practices, not external advice.	❑	❑	❑	❑	❑
I use informal settings to exchange ideas on how to lessen our environmental impact.	❑	❑	❑	❑	❑
I use informal networks if formal networks cannot provide appropriate advice on environmentally beneficial developments.	❑	❑	❑	❑	❑
I share knowledge on environmentally friendly business practices to remain competitive.	❑	❑	❑	❑	❑

21. Please respond to the following statements (Tick one box only for each statement).

From your point of view…	Frequently, if not always	Fairly often	Sometimes	Once in a while	Not at all
I would like to benefit other businesses in the area by sharing my knowledge and expertise.	❑	❑	❑	❑	❑
Other businesses recognise the environmental management practices of my business.	❑	❑	❑	❑	❑
I am confident that an environmentally friendly approach is good for the tourism sector.	❑	❑	❑	❑	❑
I talk to other business to raise their awareness about environmental management practices.	❑	❑	❑	❑	❑
I am happy to share our environmental practices with other businesses.	❑	❑	❑	❑	❑
My ideas about environmentally friendly methods motivate others to review their business practices.	❑	❑	❑	❑	❑
I recommend environmental strategies to others as a way of improving their businesses.	❑	❑	❑	❑	❑
I participate in training on environmental practices so others can learn from my experience.	❑	❑	❑	❑	❑
I consider firms' environmental reputation when choosing suppliers.	❑	❑	❑	❑	❑
I always praise other businesses for their environmentally friendly practices.	❑	❑	❑	❑	❑
I am prepared to publicly single out examples of bad environmental practices.	❑	❑	❑	❑	❑
I only enact environmental measures because I have to (e.g. by law, soaring utility bills).	❑	❑	❑	❑	❑
I only help other businesses to enact environmental measures if they are in difficulties.	❑	❑	❑	❑	❑
I only help to deal with the problems of other businesses if they occur repeatedly.	❑	❑	❑	❑	❑
I leave it to others businesses to lead on environmental issues in tourism in the region.	❑	❑	❑	❑	❑
There is no clear evidence that I need to improve the environmental management of my business	❑	❑	❑	❑	❑

22. Please respond to the following statements (Tick one box only for each statement).

From your point of view…	Frequently, if not always	Fairly often	Sometimes	Once in a while	Not at all
I am proud of the environmental achievements of my business.	❑	❑	❑	❑	❑
I accept the responsibility for reducing the environmental impact of my business.	❑	❑	❑	❑	❑
I insist every employee contributes to making our business more environmentally friendly.	❑	❑	❑	❑	❑
I encourage my employees to find new ways of making their work more environmentally friendly.	❑	❑	❑	❑	❑
I am always on the look out for new environmental ways to improve my business.	❑	❑	❑	❑	❑
I encourage my employees to focus on implementing environmental measures in their daily routines.	❑	❑	❑	❑	❑
I spend time teaching and coaching my staff about environmental measures.	❑	❑	❑	❑	❑
I reward my employees for their environmental behaviour.	❑	❑	❑	❑	❑
I regularly recognise environmental achievements of individual members of staff.	❑	❑	❑	❑	❑
We log environmental improvements suggested by employees and guests.	❑	❑	❑	❑	❑
I only get involved in environmental affairs when my employees mess them up.	❑	❑	❑	❑	❑
I only improve the environmental performance of my business of it is necessary to survive.	❑	❑	❑	❑	❑

Would you be willing to participate in a follow-up interview?

❑ Yes (please enter details) ❑ No

Name: [ ] ***Telephone or email:*** [ ]

Many thanks for completing this questionnaire.

For further information please contact Anne-Kathrin Zschiegner ***anne.zschiegner@exeter.ac.uk***

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Appendix 2 Interview Schedule

PhD Thesis in Tourism, Knowledge Sharing and Leadership

Thank you in advance for your assistance and please be assured that your answers will be confidential!

Interview Protocol / TOURISM BUSINESSES
Project: PhD in Tourism Management – University of Exeter
Date of the interview:
Place:
Interviewee:
Organization:
Position:
Ownership:
Date firm established/registered:
Number of Employees:

INTRODUCTION

- Can you tell me a bit about your business?
- Where did you work before running/owning this establishment?
- Why did you start a business in the South West of England?
- How many years of experience do you have in the tourism industries?
- Are you a member of an (tourism) association?

SECTION 1

Theme: Leadership

1. **In your business …**
    - **How do you describe your duties in this establishment?**
        i. Are environmental issues also part of your responsibilities?
    - **What do you expect from your employees and what do your employees expect from you?**
        i. To what extent do **you** influence the 'direction' of this establishment'?
    - *If, environmental practices mentioned earlier:*
        i. How do you sustain the initial enthusiasm for environmental practices throughout your business over time?
2. Outside your business…
    - **Who do you think is carrying the main responsibility for raising awareness about environmentally measures in the region?**
    - *If, environmental practices mentioned earlier:*

i. Do you think other businesses are aware of your environmental practices?

ii. Would you like to play a leading role on environmental issues of tourism in the region? Why?

iii. Do you know of any other businesses in the area that are implementing environmental measure?

- *What characterises poor leadership to you?*

SECTION 2

Theme: Innovation

3. **Can you give me a few examples of recent changes or improvements** (e.g., energy saving devices, renewable resources, new/upgrade of facilities)?

*If **YES** improvements were/will be made towards more environmentally friendly:*

- Did you face any **problems** (internal/external) while implementing (or improving) environmentally responsible business practices?
- Do **environmental issues** play a role when doing changes?
- Do you **expect any benefits** from being more environmentally friendly? (turnover, off-peak business, more visitors)

*If **NO** improvements were/will be made towards more environmentally friendly:*

- Are there any **reasons for not changing current standards** in your business?
- Do you think you will take **environmental measures** into consideration in the **future**?
- Is there a lack of accessible **information** or **practical guidance** regarding your individual concerns?

SECTION 3

Theme: Knowledge Sharing and Networking

4. **Where do you inform yourself** about environmentally friendly management practices and/or management strategies?
5. **With whom** do you share knowledge, e.g. business practices, strategies, personal experiences, actions, challenges?
   - Can you state a few businesses that you are in contact with and estimate how regularly you talk to them?
6. **What kind of knowledge** regarding environmental issues do you share with other businesses?
7. **What are the reasons** for sharing knowledge/experience about environmental practices with others?

Appendix 3 Bivariate Analysis

Label	Item	Test statistics	Pearson Chi-Square	Spearman r_s	Asymp. Sig. (2-sided)	Violation of assumption
Environmental measures (Chapter 5.3.1)						
WM	We take water-saving measures (i.e. towel agreement, dishwasher).	Location	10.651		0.031	22.2%
WM	We take water-saving measures (i.e. towel agreement, dishwasher).	Number of bedspaces		0.019	0.053	
R	We recycle glass, paper, and cardboard.	Type of establishment		-0.089	0.002	
R	We recycle glass, paper, and cardboard.	Type of establishment		-0.088	0.001	
EI	We notify our guests about our environmental initiatives.	Type of establishment		0.051	0.048	
EI	We notify our guests about our environmental initiatives.	Gender	10.402		0.006	
EI	We notify our guests about our environmental initiatives.	Number of employees		0.048	0.003	
ESM	We take energy-saving measures (e.g. turning off lights, install thermostats).	Number of employees		-0.001	0.006	
ESM	We take energy-saving measures (e.g. turning off lights, install thermostats).	Type of business	29.141	0.181	0.001	72.2%
EFP	We purchase environmentally friendly products (e.g. ecological detergents).	Number of employees		-0.049	0.023	
WD	We purchase water-saving devices (i.e. toilet devices, water butts).	Region of previous Job	23.169	-0.079	0.003	26.7%
Importance of environmental issues for owner/managers establishment and their perception of a sustainable future for the South West of England (Chapter 5.3.1)						
OPB	Acting more environmentally responsibly increases our off-peak business.	Location	12.213		0.016	
OPB	Acting more environmentally responsibly increases our off-peak business.	Type of establishment	18.181		0.037	66.7%
GC	We market green credential in our advertising.	Type of establishment	15.957		0.003	66.7%
GC	We market green credentials in our advertising.	Charge per single room		0.104	0.057	
G	Green accreditation schemes are nothing but window dressing.	Previous experience tourism	10.713		0.005	
G	Green accreditation schemes are nothing but window dressing.	Gender	17.352		0.000	
Sources of Information (Chapter 6.2)						
	Friends	Location	6.435		0.040	
	DEBI	Location	6.508		0.039	16.7%
	DEBI	Region of previous job	10.221		0.037	50.0%

	Radio/TV	Age of owner/manager		0.071	0.051	
	Consultants	Number of employees		0.230	0.005	
	Consultants	Gender	5.415		0.020	50.0%
	Consultants	Number of bedspaces		0.179	0.035	
	Consultants	Charge per single room		0.204	0.020	
	Consultants	Type of establishment	19.433		0.000	83.3%
	Phone helpline	Region of previous job		0.009	0.006	
	Internet/www	Number of employees		-0.017	0.058	
Modes and reasons for knowledge sharing (Chapter 6.3)						
IN	I use informal networks if formal networks cannot provide appropriate advice on environmentally beneficial developments.	Number of employees	12.642		0.036	55.6%
SI	I use formal meetings exclusively to stay informed of the latest developments in environmental practices in tourism.	Gender	6.547		0.002	
EXI	I use informal settings to exchange ideas on how to lessen our environmental impact.	Gender	12.642		0.038	
EXI	I use informal settings to exchange ideas on how to lessen our environmental impact.	Charge per double room		0.097	0.055	
SI	I use formal meetings exclusively to stay informed of the latest developments in environmental practices in tourism.	Charge per double room		0.034	0.003	
SI	I use formal meetings exclusively to stay informed of the latest developments in environmental practices in tourism.	Previous experience in tourism	9.035		0.011	
IN	I use informal networks if formal networks cannot provide appropriate advice on environmentally beneficial developments.	Charge per double room		0.119	0.029	

(Source: Author) (Footnote: 'Violation of assumption' indicated that more than 20% of the contingency table cells have expected cell frequencies less than 5 in Pearson Chi-Square test)