



## The nature of ethical entrepreneurship in tourism



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### ABSTRACT

This article examines ethical entrepreneurship in tourism by developing a Weberian Ideal-Type Construct for an ethical tourism entrepreneur, and thereby deeper understanding of ethical tourism entrepreneurship. This research contributes to the extremely scarce literature at the academic juncture of ethics, tourism and entrepreneurship, which is significant as tourism is characterised by entrepreneurial idiosyncrasies with ethical challenges. The study is methodologically rooted in Personal Construct Theory. The qualitative findings from 15 semi-structured interviews with entrepreneurs, who have been commended for their ethical business conduct, show that ethical entrepreneurship in tourism is based on intuitionism, care and relationships, future-orientation, humility and benevolence as key virtues. These findings challenge the more traditional views of entrepreneurial attributes, such as egoism, risk-taking and opportunism.

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### Introduction

The research purpose is to develop a deeper understanding of ethical entrepreneurship in tourism through examining narratives of individual tourism entrepreneurs commended for their ethical business conduct. This research contributes to the scant literature at the academic juncture of ethics, tourism and entrepreneurship. Walle (1995) contends that mainstream business ethics do not meet the 'special needs' demands of the tourism sector. He argues that the tourism industry's "...economic power and its impact create moral and ethical responsibilities" (Walle, 1995, p.264). Additionally, Williams, Shaw, and Greenwood (1989) seminal work on tourism entrepreneurship highlights the peculiarities of the symbiosis of consumption and production. The idiosyncratic nature of tourism entrepreneurship thus demands a tailored lens for examining ethics. This highlights the theoretical significance of this research.

De Nisi (2015, p.4) questions, "What is the practical usefulness of studying the role of personality in the choice of pursuing an entrepreneurial career?" In response, this research's practical importance lies in the need to raise awareness about the opportunities and nature of ethical entrepreneurship in tourism to stimulate actions for change. Furthermore, this paper contributes to Miller's (2015, p.5) call for research on the nature of "ethical and healthy entrepreneurs", providing opportunities to learn from role models. The aims of this research are furthermore to address the significant gap in literature and provide transformational opportunities for tourism entrepreneurs to engage in more self-reflective and ethical practices. This research thus seeks to meet the following three objectives: 1) to understand the ontology of ethical entrepreneurship

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in tourism; 2); to explore the mission behind ethical tourism entrepreneurship; and 3) to examine the motives underpinning ethical entrepreneurship in tourism.

The research is idiographic in nature, looking at the personality and ethics of individual entrepreneurs. An idiographic study does not aim to develop general laws; but instead to compose meaningful descriptions of unique events (Rychlak, 1981). Therefore, a Weberian Ideal-Type construct of an ethical tourism entrepreneur is developed. In a Weberian sense, this constitutes what is objectively possible, rather than representative (Rogers, 1969). This establishes a distinguishing ontological perspective with personal constructs and human experiences as its central tenets (Botterill, 1989). Weber's Ideal-Type emphasises the individual actor in interpretivist research (Rogers, 1969). The Ideal-Type is mirrored in Personal Construct Theory, which sees the individual person as a unique event (Kelly, 2003). Personal Construct Theory (or PCT hereafter) thus forms this research's methodological foundation.

The actors in this research are individual tourism entrepreneurs, with entrepreneurship being understood as a form of behaviour (Drucker, 1985), and entrepreneurs' actions as based on a unique moral compass (Cunningham & Lischeron, 1991). Their primary focus is to found and run a for-profit, commercial business in an ethical and responsible way (Wempe, 2005). The business itself is the centre of operations. This is unlike social entrepreneurs, whose primary focus is to pursue a social mission using a commercial entity as a conduit to achieve this social mission. This marks a crucial selection criterion for this research.

### Key concepts

The review of key concepts is divided into three sections: the ethical entrepreneur; the tourism entrepreneur; and tourism ethics. This structure mirrors the three overlapping fields of research upon which this paper is based. The review concludes that, while there is some research within certain areas of the overlap, there is a distinct lack of research at the juncture of all three academic fields. This needs addressing for two main reasons: first, tourism is a substantial, global industry with many ethical issues and challenges, and second, entrepreneurship is a key tourism industry driver and thus deserves greater academic attention. The tourism industry's size yields potential for many positive effects, such as large-scale job creation and foreign investment. However, it also provides potential for lasting damages (pollution and global warming, exploitation and human rights abuses, wildlife and biodiversity destruction), which need to be addressed by entrepreneurial players in the industry. Understanding a healthier and more ethical entrepreneurship (Miller, 2015) is thus crucial for tackling the potential damages tourism can cause. For research purposes, the entrepreneurs are defined by their values and behaviour, subsequently explored through the focus on entrepreneurship as a form of behaviour (Drucker, 1985).

#### *The ethical entrepreneur*

The discussion on ethics in relation to entrepreneurship is often concerned with the nexus between means and ends, or resources and targets of entrepreneurial activity (Wempe, 2005). Cunningham and Lischeron (1991) purport that entrepreneurs are more ethical and socially responsible than most of the population. This bold claim demands further substantiating evidence. Hannafey's (2003) comprehensive literature review on ethics and entrepreneurship concludes that two perspectives dominate current research: first, the individual entrepreneur and their ethical foundation; and second, the effects of entrepreneurial activity on society. This research focuses on the individual's personally constructed entrepreneurial ethic.

To understand this ontology better one must review the work of Max Weber who, by using casuistry – case-based reasoning in relation to moral problems – as a form of theoretical differentiation (Weber, 1922), created an Ideal-Type construct for the capitalist entrepreneur. Weber (1930) builds his casuistry on the Protestant ethics of 19th century Europe, setting out to rationalise the peculiarities of Western capitalism to develop a baseline ethic for capitalistic entrepreneurship. It is situated within the deontological ethical paradigm. According to Weber (1930), it is the individual's duty to participate in economic development to increase profit and capital. Making profit thus becomes economic activity's highest virtue and “is above all completely devoid of any eudemonistic, not to say hedonistic, admixture.” (Weber, 1930, p.53) This, in essence, is the spirit of capitalism, with making profit being the highest virtue. Profit becomes the manifestation of the primary achievement motive for entrepreneurial behaviour (McClelland, 1961). In Weber's (1930) view, when profit is *achieved* by earning it, reinvesting it, and not consuming it, the Protestant ethic motivating the capitalist spirit of Weber's Ideal-Type capitalist entrepreneur is manifested.

The aim of this research is to develop a Weberian Ideal-Type for the ethical tourism entrepreneur. The examination of motives beyond achievement and profit play a vital part in developing a similar Weberian-style Ideal-Type for ethical tourism entrepreneurs. Furthermore, for Weber (1930, p.75) entrepreneurship is a calling “toward which the individual feels himself to have an ethical obligation.” This calling, or mission, behind ethical entrepreneurship is investigated here. While a mission for ethical entrepreneurship denotes a goal-orientated framework, motivations behind ethical entrepreneurship are those psychological factors that trigger types of behaviours for achieving this mission.

In addition to motivations and mission, virtues must be examined for a comprehensive understanding of ethical entrepreneurship in tourism. A virtue approach to entrepreneurial ethics surpasses rules and consequences and puts emphasis on individual character (Dawson, Breen, & Satyen, 2002; Plinio, 2009). Jamal (2004) contends that virtues must be cultivated to achieve desirable objectives. Colonos (2005) similarly defines entrepreneurial virtue as follows:

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