The Place Identity − Performance relationship among tourism entrepreneurs: A structural equation modelling analysis

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ABSTRACT

Drawing on the literature on tourism, entrepreneurship, environmental psychology, and corporate philanthropy, this research examines how place identity, entrepreneurial self-efficacy, and support for community influence the entrepreneurial performance of small and medium tourism enterprise (SMTE) owners. Confirmatory Factor Analysis and Structural Equation Modelling are used to analyse the responses from 301 tourism entrepreneurs operating in regional South Australia. The data supports a model suggesting that the place identity of tourism entrepreneurs has a significant, positive effect on entrepreneurial self-efficacy and support for the community. Findings also suggest that the place identity of tourism entrepreneurs has a positive, indirect effect on entrepreneurial performance: a tourism entrepreneur's sense of identity with the place in which his/her business operates contributes toward entrepreneurial success.

1. Introduction

In 2007−2008, tourism accounted for AUD $70.4 billion (approx. USD $70 billion) of the Gross Domestic Product (GDP) (6.2% of GDP) in Australia with organisations employing 200 persons or more accounting for less than .5% of all tourism businesses (Tourism Research Australia, 2009a, 2009b). This highlights the importance of small and medium tourism enterprises (SMTEs) to Australia's tourism industry, a situation that is replicated internationally. In the Unites States, 98% of all businesses in the accommodation and food service sector employ less than 100 staff (U.S. Census Bureau, 2006) while in Europe, it is estimated that enterprises employing fewer than 50 staff account for 99% of all businesses in the restaurant and hotel sectors (Eurostat, 2004).

The role played by SMTEs is widely acknowledged in the academic literature and studies have examined SMTE management practices (Dimmock, 1999; Friel, 1999; Harris & Watkins, 1998; Morrison, 1996; Wu, 2004), business performance (Haber & Reichel, 2005; Morrison & Teixeira, 2004), growth strategies (Webster, 1998), and the characteristics and motivations of SMTE owners (Dewhurst & Horobin, 1998; Getz & Carlsen, 2000; Kokkranikal & Morrison, 2002). The importance of entrepreneurship in tourism and hospitality was recognised in the late 1970s and early 1980s (see, Kibedi, 1979; Simms, 1981) and over the past decade, there has been a growing interest in this topic (Getz & Carlsen, 2000, 2005; Getz, Carlsen, & Morrison, 2004; Lerner & Haber, 2001; Morrison, Rimmington, & Williams, 1999; Page & Ateljevic, 2009; Shaw & Williams, 1998, 2004). However, an understanding of the objectives, motivations, characteristics, and capabilities of tourism entrepreneurs has not received the attention it deserves (Ioannides & Peterson, 2003; Shaw & Williams, 1998) and little is known about the extent to which the place where the business is located influences decisions made by tourism entrepreneurs. A "place" not only refers to the physical environment but is a "holistic phenomenon involving environmental, social, psychological, and temporal processes" (Harris, Brown, & Werner, 1996, p. 299). Moreover, "places are repositories and context within which interpersonal, community, and cultural relationships occur" (Low & Altman, 1992, p. 7).

This paper reports the findings of a study that sought to examine the relationship between a tourism entrepreneur and the place where he/she lives and the impact of this relationship on the performance of the entrepreneur and his/her business. A strong conceptual framework underpins the research (Fig. 1) in which causal relationships among four latent constructs are hypothesised: place identity (Proshansky, Fabian, & Kaminoff, 1983); entrepreneurial self-efficacy (DeNoble, Jung, & Ehrlich, 1999); support for community (Besser & Miller, 2001), and entrepreneurial performance (Kropp, Lindsay, & Shoham, 2006).

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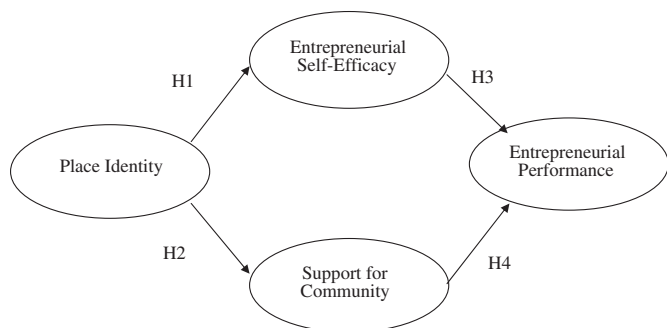
Fig. 1. Conceptual model demonstrating hypothesised relationships.

2. Conceptual development

An entrepreneur can be defined as a "person who owns and starts an organization" (Katz & Green, 2009, p. 4), focuses on "profit and growth" and demonstrates a propensity for "innovative behavior" (Carland, Hoy, Boulton, & Carland, 1984, p. 358). Entrepreneurs may work independently to develop their own for-profit businesses or may work in larger corporations and engage in entrepreneurial activities that benefit their employers. We focus on the former in this research as entrepreneurs shape the directions and strategies of their businesses to the extent that "the small business firm is simply an extension of the individual who is in charge" (Lumpkin & Dess, 1996, p. 138).

Kibedi (1979) was among the first authors to refer to "tourism entrepreneurship" when reporting attempts by the Ministry of Industry and Tourism in Ontario to train and educate tourism business owners. The need to understand entrepreneurship in a tourism context was raised by Simms (1981) and by Shaw and Williams (1998) who observed that many tourism entrepreneurs become embedded in their communities. One of the main reasons tourism entrepreneurs start businesses is their desire to settle in a particular place (see, for example, Ioannides & Peterson, 2003). Getz and Carlsen (2000), in their study of approximately 200 family tourism businesses in rural Western Australia, found that living in the right environment was an important start-up goal for tourism entrepreneurs. Even when entrepreneurs set out to make a large profit, their main objective may still be to move to, or stay in, a location they desire (Andersson, Carlsen, & Getz, 2002).

It has been argued that tourism entrepreneurs are often focused on achieving lifestyle objectives rather than maximising profits (Andersson et al., 2002; Getz & Carlsen, 2000; Koh & Hatten, 2002; Komppula, 2004; Nilsson, Peterson, & Wanhill, 2005); hence, the term "lifestyle entrepreneurs" (Getz et al., 2004). However, there is evidence that some tourism entrepreneurs do conform to accepted patterns of entrepreneurial behaviour. Getz et al. (2004) have shown that many SMTE owners are ambitious and want to create successful, growing enterprises and Zapalska, Brozik, and Rudd (2004) identified a sub-group in their sample of tourism entrepreneurs in Poland that they called "growth oriented entrepreneurs". This sub-group demonstrated confidence in their abilities to operate their businesses, had a propensity for taking risks, and valued new ways of doing things. Nilsson et al. (2005) argued that lifestyle and profitability should not be considered as mutually exclusive objectives as it would be difficult, if not impossible, for tourism entrepreneurs to achieve their lifestyle objectives from poorly performing businesses.

The social dimensions can also be important as many entrepreneurs develop social networks, engage in activities that support local communities (Keen, 2004), and may develop a strong sense of identity as members of their local town. These feelings of belonging

or membership to a socio-physical setting influence an individual's "place identity" (Proshansky et al., 1983), their "identity principles" (Twigger-Ross & Uzzell, 1996), as well as their behaviour within the place (Pretty, Chipuer, & Bramston, 2003).

2.1. Place identity theory

The relationship between people and place is the subject of environmental psychology. Places have been described as "centers of human existence" (Relph, 1976, p. 43) that help create a sense of meaning and stability in people's lives (Bow & Buys, 2003; Brown & Perkins, 1992; Gustafson, 2001; McAndrew, 1998). Places comprise both the physical and the social environments (see, Pretty et al., 2003; Proshansky et al., 1983) since people seek places where they feel safe, secure, and comfortable and where they feel that they belong (Hidalgo & Hernandez, 2001). Early studies on attachment to place were investigated by phenomenologists such as Hayward (1975), Relph (1976), and Tuan (1980) who argued that the places where we live can become an integral component of our sense of self, offering the chance to create expressions of oneself (Hayward, 1975).

Over the past three decades, explanation has been enhanced by theoretical constructs associated with place attachment (Gerson, Stueve, & Fischer, 1977; Low & Altman, 1992), sense of place (Shamai, 1991), rootedness (Relph, 1976; Tuan, 1980), place memory (Lewicka, 2008), community identity (Colombo & Senatore, 2005), community attachment (Hummon, 1992), place dependence (Stokols & Shumaker, 1981), and place identity (Proshansky et al., 1983; Twigger-Ross & Uzzell, 1996). We focus on "place identify" in this research since place identity influences an individual's self-identity, social identity, attitudes and behaviours, including behaviour toward the local community (see, Bow & Buys, 2003; Pretty et al., 2003; Proshansky et al., 1983; Twigger-Ross & Uzzell, 1996). Place identity is more than an attachment to a place; it is "an individual's cognitions, beliefs, perceptions or thoughts that the self is invested in a particular spatial setting" (Jorgensen & Stedman, 2001, p. 238). The place identity construct has its origins in "place identity theory" (Proshansky et al., 1983) which has roots in symbolic interactionism (Mead & Morris, 1934) and cognitive self- concept theories (Gecas, 1982; James, 1890).

In examining the influence of place identity on shaping the self-identity processes of individuals using Breakwell's (1986, 1992) "identity process theory", Twigger-Ross and Uzzell (1996) provide empirical evidence that the "identity principles" of self-esteem, self-efficacy, distinctiveness, and continuity are influenced by an individual's interactions with the socio-physical environment and their place identity. The effect that place identity has on shaping one's self-efficacy is of particular relevance to entrepreneurship research. The self-efficacy of entrepreneurs, conceptualised as "entrepreneurial self-efficacy", is a critical success factor for entrepreneurs, as discussed in Section 2.2.

Place identity may also affect an individual's "social identity", which is described as "self-conception as a group member" (Abrams & Hogg, 1990, p. 2). According to "social identity theory" (Tajfel, 1978), people develop relationships within groups and they then use these relationships and memberships to distinguish themselves from those outside of the groups or from other groups; thus, "psychological distinctiveness" (Tajfel, 1978) arising from group membership can influence an individual's cognitions, emotions, motivations, and behaviours (Bragg, 1996). The relationship between place identity and social identity suggests that the place identity of individuals can influence their behaviours within their social environment (Pretty et al., 2003). For an entrepreneur, this may affect the level of support the entrepreneur/business provides to his/her local community, as discussed in Section 2.3.