

Research Paper

An Exploratory Study of Small Accommodation-based Tourism Firms in Australia

Darren Lee-Ross

James Cook University, Australia

Abstract: This paper seeks to identify the existence and nature of small accommodation-based tourism firms in Far North Queensland, Australia. In this study, a telephone interview was conducted with 51 owner/entrepreneurs in Far North Queensland Australia. Questions were based on an aggregated set of lifestyle firm markers grounded in the earlier works of other researchers in the field. Owners of small accommodation-based tourism firms operating in Far North Queensland Australia do not subscribe to the orthodox or commonly accepted notion of entrepreneurship. Instead of a focus on profit and growth, other issues collectively known as 'lifestyle' factors chiefly motivate these individuals. Additionally, the provision of government and tourism agency training was found to be inconvenient and thus under-utilised. The findings of this study are likely to make a useful contribution to the small existing body of knowledge, given the likely overall cumulative impact of individual studies about lifestyle firms.

Key words: Tourism, hospitality, entrepreneurs, owners, lifestyle, small business

Suggested citation: Lee-Ross, D. (2012). An exploratory study of small accommodation-based tourism firms in Australia. *Asia-Pacific Journal of Innovation in Hospitality and Tourism*, 1(1), 1-22.

Introduction

It is often argued that Small to Medium-sized Enterprises (SMEs) have a direct impact on a nation's economy through innovation, job creation and a tendency toward exporting products (Barringer & Ireland, 2006). Tourism can clearly be identified as an exporter of such services. In Queensland, Australia, hospitality and tourism has traditionally been one of the state's fastest growing industries generating domestic and international visitor expenditure in excess of AUD16.7 billion and employing in

Correspondence: Dr. Darren Lee-Ross, School of Business, James Cook University, PO Box 6811, Smithfield, Cairns, QLD, Australia.
Email: darren.leeross@jcu.edu.au

excess of 136,000 people. More recently growth has slowed but in Queensland the industry remains the third largest employer behind retail and healthcare (OESR, 2011). Furthermore, hospitality and tourism still employ proportionately more (around 7 % of the state's workforce) than the national average, rising in some areas to 20% (OESR, 2010). Given the importance and proliferation of SMEs in the industry, much of this wealth generation can arguably be attributed to them.

Many definitions of SMEs exist. In Australia, micro firms employ fewer than five people including non-employing businesses. Small businesses are those employing five or more but less than 20 and medium-sized firms employ up to 200 employees (Trewin, 2002).

Collectively, these firms are categorised as SMEs in which, the small and micro sector represents a notable proportion providing employment to much of the Australian workforce. In the tourism and hospitality industry, it is clear that lifestyle firms dominate the business horizon (see Thomas et al., 2000; Getz & Carlson, 2000; Morrison, 2006). This study includes businesses employing up to 20 people as it captures both micro and small firms which account for a notable proportion of employment and wealth generation in the hospitality and tourism industry. Moreover, this sector is relatively under-researched and therefore worthy of investigation.

Despite the homogeneity that such definitions suggest, it would be a mistake to presume that all small companies are the same and pursue a focus on economic 'growth' or profit. Indeed, the emphasis on non profit objectives amongst small organisations known as 'lifestyle' firms leads some to comment that they do not produce abundant job opportunities or wealth creation given their non-economic priorities (Morrison, Carlsen & Weber, 2010).

Notwithstanding the apparent abundance of small business-related research, Thomas, Shaw & Page (2011) conclude that small tourism firms remain under-researched particularly those classified as lifestyle firms. Similarly, Li (2008) concludes that associated entrepreneurship research, "...remains understudied in the field of hospitality and tourism..." (p. 1021). This study contributes to the already cited dearth of research in the field. The findings are likely to make a useful contribution to the existing body of knowledge given the likely overall cumulative impact of individual studies about lifestyle firms. The originality of this project does not lie in its chosen approach but rather the location of the tourism firms as no such study has yet been conducted in Far North Queensland.

Aim and Propositions

The aim of the current research is to identify the motivation and perceptions of small tourism accommodation firms in the Far North Queensland region of Australia. Its intent is not to reveal hidden values and meanings nor does it look to correlate or

suggest causality between variables. Instead, it seeks to establish whether lifestyle firms exist within a specific geographical region through confirmation of several aggregated lifestyle firm markers used earlier by Lashley & Rowson (2010). Their items were chosen because of the grounding in their original study, their resonance with others working in the field (see Howorth, Rose, Hamilton & Westhead, 2010; Thomas et al., 2011; Morrison, Carlson & Weber, 2008) and pragmatically because of their measurability. Specifically, whilst this research is not hypothesis driven, the testable propositions are that small accommodation-based tourism owners herein will have the following features (Figure1):

- Be motivated by lifestyle rather than growth objectives and associated activities including planning
- Be family owned and operated
- Have impoverished resources impacting on growth potential
- Have little previous experience in running a small accommodation-based tourism business
- Be relatively unskilled and show marginal interest in undertaking future training/skilling

Entrepreneurs and the Owners of Small Firms

There is considerable debate about the similarities, differences and exact meanings of the terms ‘entrepreneurs’ and ‘owners’. Holt (1992) tends to be prescriptive, dividing entrepreneurs and owners into two separate and distinct categories; others view the scenario less exclusively (and certainly more practically) and identify significant overlaps

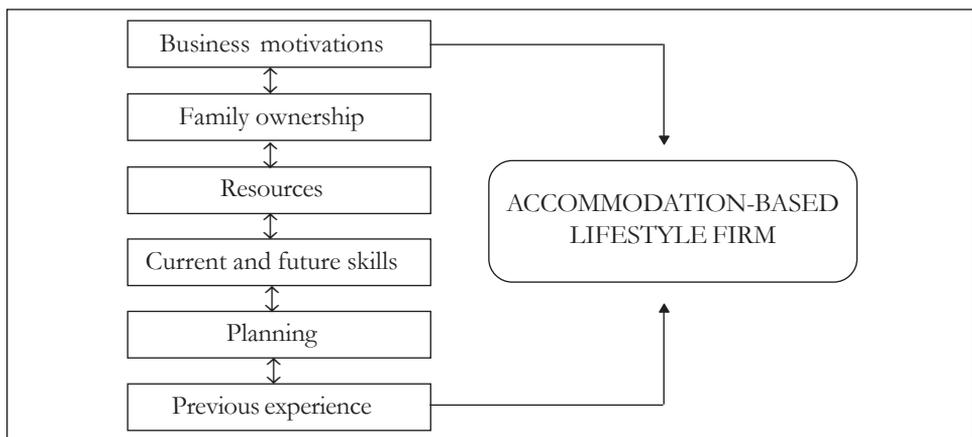


Figure 1. Shows the proposed relationships between the above variables

between the two classifications (see Burns, 2001; Thomas et al., 2011). Several researchers address the conundrum by defining the entrepreneur according to the aims of their inquiry. For example, Beugelsdijk & Noorderhaven (2005) operationalised them as ‘self-employed’ or ‘business owners’ in their European study of personality characteristics. Shaw & Williams (1998; 2004), Scase & Goffee (1980) and Morrison et al. (2008) all use the terms small business owners and entrepreneurs interchangeably with reference to the lifestyle firm. The current research adopts this approach.

Definitions of entrepreneurs tend to vary depending on the discipline from which they spring. Yeung (2002) unsurprisingly notes that contributions rooted in classical and neoclassical economics – psychology, sociology, and management – all differ. Others define entrepreneurship based on national culture (see Shane, 2003; McGrath, MacMillan & Scheinberg, 1992; Mueller & Thomas, 2001).

Most definitions tend to fall into two categories characterised by either personality or environment (see Wickham, 1998). The former explore personality traits and characteristics including locus of control, need for achievement and risk-taking (see Begley & Boyd; Littunen, 2000; Linan & Chen, 2009). Others consider this to be over simplified believing entrepreneurship to be a complex amalgam of the individual and opportunity. Notwithstanding the above, this paper pragmatically adopts Zimmerer & Scarborough’s (2005, p. 4) definition as it captures the main elements of entrepreneurship adequately:

“[The entrepreneur] creates a new business in the face of risk and uncertainty for the purposes of achieving profit and growth by identifying significant opportunities and assembling the necessary resources to capitalise on them.” (p. 4)

This identifies, risk, profits and growth whilst suggesting innovation through organising resources.

The Lifestyle Firm

Proposition 1 – entrepreneurs will be motivated by lifestyle rather than growth objectives and associated activities

Much associated literature on small tourism organisations confirms the existence of both ‘growth’ and ‘lifestyle’ firms with a prevalence of the latter (see Thomas *et al.*, 2011 for a review). Growth firms are associated with a set of motivations associated with profit, moving from a small to large structure. Lifestyle firms are said to have an element of this but also incorporate non-financial markers. Examples include quality of life issues (Carlsen, Morrison & Weber, 2008) and personal values and ideologies (Ateljevic & Doorne, 2000; Shaw & Williams, 2004; Fillis, 2009). However, Morrison et al. (2008) point out that despite their irrefutable existence and that of associated ‘lifestyle entrepreneurs’ (as first identified by Shaw, Williams & Greenwood

(1987) and subsequently developed by others) even these organizations are often heterogeneous. This is due to differing emphases placed upon non-profit motivations by owners.

According to Maritz & Beaver (2006), the lifestyle entrepreneur is one who wants to run a business to fit around their age and lifestyle requirements such as independence. Russell & Faulkner (2001) agree, noting that tourism consistently attracts entrepreneurs keen to establish firms to satisfy lifestyle aspirations. Shaw & Williams (2004) observe that these individuals are attracted to a perceived improvement in quality of life that owning their own business would bestow. This is echoed in the work of others with additional dimensions such as 'location' and 'lifestyle change'.

It would appear that economic imperatives for setting up a business are arguably less important than those based around control over work and choosing to live in a particular location. This may be due to a number of factors including low barriers to entry, limited and uncertain markets, modest set up liabilities and, importantly, a chance to establish a small 'lifestyle' business. Indeed, evidence suggests that only 15% of small business operators in hospitality and tourism are motivated by the wealth-generating potential of their organisation (Thomas et al., 2000). An Australian study undertaken by Getz & Carlson (2000) made similar observations where lifestyle entrepreneurs represented almost 70% of their sample. This finds support in the later work of Morrison (2006) who considers that tourism entrepreneurs in particular appear to be driven by 'low intensity' motives rather than the more traditional ones linked to organisational growth.

Morrison (2006) provides a useful list of aesthetic motivations for starting a lifestyle business including geographical area preference; preferred combination of domestic and commercial fields; aspired lifestyle; and psychological gratification through providing service and social interaction with guests. Later, Morrison et al. (2008) identified some specific variables including "...location (climate, environment); familial (familiarity and family connections); personal (independence, amenity seeking, work life balance); experiential (escaping and exploring 'otherness'); financial (income, bridge from salary to self-employment); temporal (family life cycle, retirement) and technological (transport, Information Communications Technology)" (p. 8).

Despite the above, it may be argued that lifestyle aspirations are purely subjective and therefore elusive. What may define a lifestyle business in one region or for one individual may be different to that of another (see Sherwood et al., 2000; Morrison et al., 2008). Clearly, individuals perceive things in a variety of ways but pragmatically there are commonalities and common understandings, otherwise the 'reality' of context, environment and business would make no sense. It may be concluded that most of the motivations identified are not economically based to be considered as lifestyle markers. It is on this basis that the present study proceeds using some earlier identified

dimensions of lifestyle businesses (Lashley & Rowson, 2010). This is not to suggest that nuances do not exist but to continue pragmatically as this is entirely consistent with the exploratory/confirmatory nature of this research.

Family, Other Resources and Experience

Proposition 2 – businesses will be family owned and operated

Another contributing factor to the lifestyle orientation of small tourism firms is that they are likely to be family owned and operated; this creates advantages and disadvantages. For example, family members are often loyal and a free source of labour but are also often averse to debt. Prohibiting external sources of funds such as extending shareholding beyond family members limits the growth potential of the organization. According to Howorth et al. (2010) around 70% of small firms are family owned and operated. They note that while a reliable definition is some way off, various characteristics have been identified which sets them apart from other firms; the main one being that business and family objectives become intertwined and run according to performance (financial objectives – Agency theory) and relationships (non-financial objectives – Stewardship theory).

Proposition 3 – entrepreneurs have impoverished resources impacting on growth potential

Desouza & Awazu (2006) hold impoverished resources partly responsible for the structure and sometimes idiosyncratic behavior of small firms across areas ranging from marketing and networking to recruitment and training. For example, their study of knowledge management in 25 small firms reveals the original ways in which they deal with creation, dissemination and application of knowledge. The following extract provides a useful summary:

“SMEs have...resource constraints and hence have to be creative and clever in working around these limitations...SMEs compete on their know-how...and have to use knowledge to their advantage [but] do not have deep pockets to spend on resources...they must do more with less....Seldom do SMEs have the capabilities to recruit the best...they must settle for less qualified but motivated individuals...[who] must be trained...[which] calls for transferring knowledge” (Desouza & Awazu, 2006, p. 33).

Proposition 4 – entrepreneurs will have little previous experience in running a small accommodation-based tourism business

Others have commented on the issue of training in small lifestyle firms and, in the main, lament both the apparent absence of such programmes and owners with little or no previous relevant industry skills or experience (see Loan-Clark, Boobcock,

Smith & Whittaker, 1999; Morrison, 2003; Lynch, 2005; Lashley & Rowson, 2010; Butcher & Sparks, 2011; Thomas & Thomas, 2006). This does not mean that training fails to take place; rather it may be pursued and delivered ‘creatively’ as Desouza & Awazu (2006) suggest.

In economic terms, the hospitality and tourism industry ranks as one of the largest, generating “...10.3 % of world’s gross domestic product, providing 234 million jobs or 8.2 % of total world employment” (Blanke & Chiesa, 2007, p. xi). Australian tourism accounts for AUD32 billion directly and nearly AUD26 billion indirectly (TRA, 2007). Whilst 2009 saw an international decline in tourism arrivals/receipts, they rebounded in 2010 to their former level (UNWTO, 2011).

Whilst these employment and economic figures are substantial, they may be considered suboptimal. According to Blanke & Chiesa (2007), Australia cannot take full advantage of the economic benefits tourism bestows because of its limited human resource capability. These reservations are reflected at Australian state and territory levels where skill shortages are widely reported. In the *Queensland Skills Plan* (QSPWP, 2006), the Premier considers skills shortages to be a severe problem posing the “...biggest threat to our great state of Queensland’s continued economic prosperity” (p. 1). In the same report, the Minister for Employment, Training and Industrial Relations makes similar comments noting that despite the plethora of courses available “...Queensland is still facing skills shortages [and must make] training more accessible to people who are working” (p. 2). Moreover, Queensland Tourism Industry Council (QTIC) argues that training is necessary because good workers must be retained otherwise employers lose a key investment given the organizational knowledge workers possess. Furthermore, there will be a negative impact on the ability to deliver consistently high standards of service (QTIC, 2006).

The Minister for Tourism’s press release resonates strongly with QTIC’s position:

“...it is now time to boost training in preparation for the global economic recovery... by investing in skills and training if we are to make the most of the looming return to growth (Ferguson, 2009).

Skills and Training

Proposition 5 - entrepreneurs will be relatively unskilled and show marginal interest in undertaking future training/skilling

The above focus on training and skills development is laudable but it assumes that people requiring training are willing to engage with agencies providing such services. This may not always be the case for small owner/operators based in the hospitality and tourism industry.

SMEs tend to be uninterested and skeptical and they fail to understand the ‘politics’ and thus nuances of ‘partnerships’ with local tourism agencies to lever change or

learning in their organizations (Thomas & Thomas, 2006). Similarly, the utility of state training opportunities is often limited due to the nature of its delivery. That is, an absence of even rudimentary skills gap analyses to see what the small business requires (Morrison, 2003).

Typically, owners are driven by short-term objectives due to reasons of budget and the need to focus on turnover over a limited trading period. They are often ambivalent about training because it is perceived as too vague or generic and benefiting over the long rather than the short term (Loan-Clark et al., 1999). Unless immediate training benefits are forthcoming, owners tend to consider engagement in the training process of little worth (Patton & Marlow, 2002; Butcher & Sparks, 2011). Similarly in a study of knowledge management amongst 25 SMEs, although both managers and employees were found to seek knowledge, they only did so to a limited degree (Desouza & Awazu, 2006).

More recently, Lashley & Rowson (2010) point out that many owners consider the provision of meals and accommodation little more than an extension of domestic duties. As such they believe themselves qualified to do so. These authors argue that the 'mindset' of these entrepreneurs predisposes them to shun training even for the most basic operational tasks. Additionally, they note that if owner/operators are unaware of their training needs, they are unlikely to see a need for them or give them a lower priority until a crisis situation occurs. Lynch (2005) concurs noting that in many of these businesses, the line is blurred between domesticity and commercial activity. He advances the idea that skills training (or lack thereof) may be linked to the underlying motives of entrepreneurs. This position resonates with Morrison's (2002) earlier notion that motivations for setting up SMEs are not those associated intuitively with entrepreneurs. Thus, basic business skills are unrecognised as important for the success and continuation of the business. In reality, a lack of training and experience often results in business failure in the first few years of operation. In Australia, survival rates are lowest for non-employing businesses and those employing between 1 and 4 people (ABS, 2010).

Methods

The technique used for the present study was a telephone survey given its advantages of economics, allowing respondents to elaborate on issues via open-ended questions and the relatively short length of the survey. Moreover, telephone surveys allow for some aspects of personal contact which postal or electronic surveys do not.

Based on the approach used by Lashley & Rowson (2010), the survey targeted areas around work motivation, family involvement in the business, resource requirements, previous experience, skills and future requirements, planning and work/life balance. This was deemed appropriate due to the exploratory/confirmatory

nature of the research. No attempt was made to use sophisticated inferential analyses as the author was interested in confirming the presence of lifestyle firms using mainly nominal and ordinal data. The data analyses therefore centred around frequencies and average scores.

Questions included for a pilot survey allowed a variety of response types ranging from free response to structured. Fifteen owner/operators were contacted and subsequent necessary changes made. Some were simply to improve the understanding of questions and others accommodated additional comments deemed important by respondents. Thereafter the survey included some structured/closed questions. Where appropriate an 'other' category was included in order to capture full responses. The majority remained open and responses were categorised around common themes, coded appropriately and input into the statistical software used for the project.

The approach used for the present study is one of pragmatism. This philosophy views epistemology, ontology and axiology as determined by the research questions. Accordingly, it is possible to view positivism and interpretivism along a continuum (Tashakkori & Teddlie, 1998). Clearly, rich qualitative responses are important as they give insight into how small lifestyle firms interpret open questions but so too is the use of closed and precoded items and identification of emerging themes by the researcher to create response categories. In total, respondents were asked 37 questions.

A sample item for each of the aforementioned categories is shown below:

- Work motivations – from the following categories indicate how important each was when deciding to own and operate this business? ('lifestyle choice', 'reasonable living', 'own boss', 'location', 'profit and growth' – Likert-type scale, 1 – 'not important' to 5 – 'very important')
- Family involvement – is this business family owned and operated? ('yes', 'no')
- Resource requirements – how easy is it to balance your resource needs? ('easy', 'moderately easy', 'difficult')
- Skills - what skills did you bring to this business? ('none', 'hospitality', 'general business')
- Future requirements – which of your skills needs further development? ('none', 'hospitality', 'general business')
- Planning – Do you have a current business plan? ('yes', 'no')
- Planning – Do you have a succession plan? ('yes', 'no')

In total, a random sample of 200 small businesses was identified as an appropriate frame for the study from trade groups, networks, associations and websites. To

enhance the comparability between the present study and that of Lashley & Rowson (2010), many contextual factors were held constant. These included industry – tourism; trading period – seasonal; unit – small accommodation-based tourism firms; respondents – owners/entrepreneurs. Geographically, firms were based in the Cairns/Port Douglas/Tablelands region. All businesses were contacted by telephone with follow-up calls made to those indicating that another time would be more suitable. Many of the latter ultimately proved unavailable and finally 51 owner/operators were interviewed successfully via the telephone.

Findings

This section begins with contextual data including longevity, number of bedrooms and number employed across the sample. Findings thereafter pertain to foregoing testable propositions and are discussed in the appropriate section. However, some discussion is apparent here as qualitative comments are added to add substance or otherwise confirm quantitative data.

Table 1 shows the length of time hoteliers had operated their business. Approximately, one third fell into each category with most operating their business for more than four years. Proportionately, most hotels had 20 or fewer rooms with most falling into the smallest category (1-9 rooms). Additionally, the ‘more than 20’ cluster had a similar number of hotels as the smallest group. A large proportion of hotels had up to five employees. Almost 80% of all people were employed by the first two groups of establishment (0-5 and 6-10).

Table 2 shows hoteliers’ residences before relocating to their current business. A significant number of individuals previously lived in a residential domicile before

Table 1

Time Duration in the Hotel

Time duration in hotel	Number/%
0-1 year	15 – 30%
2-4 years	17 – 33%
Longer than 4 years	19 – 37%
Total	51 – 100%

Table 2

Domicile before Hotel

Domicile	Number /%
House	46 – 90%
Another hotel	5 – 10%
Total	51 – 100%

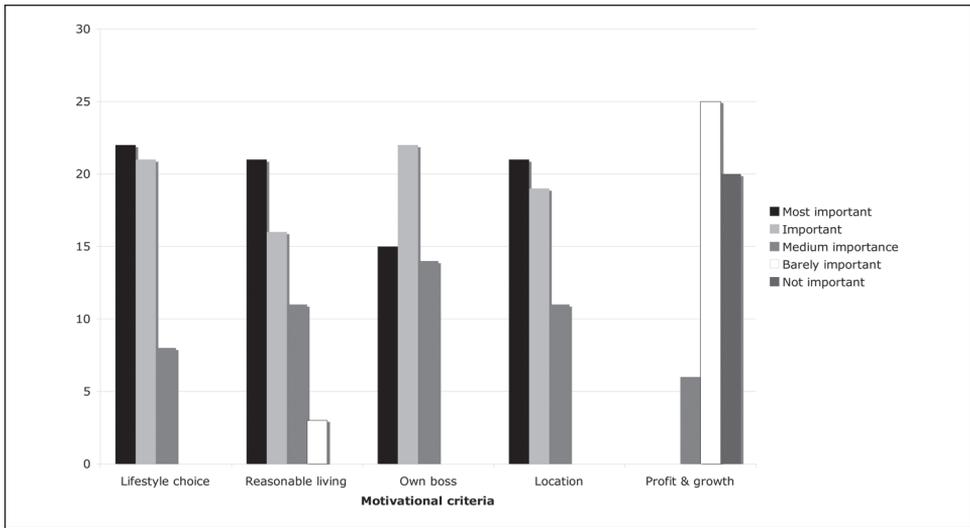


Figure 2. Motivation for purchase and operation of hotel

running their own hotel business. Only five had moved from another similar enterprise. Additionally, 77% of all hoteliers had moved to the Cairns region from elsewhere interstate including Sydney and Melbourne. Figure 2 shows the main motivations behind the purchase and operation of the hotel.

‘Lifestyle choice’, ‘Location’ and ‘Reasonable living’ were deemed ‘Most important’ or ‘Important’ by a majority of respondents. Similarly, being one’s ‘Own boss’ was considered either Important or Most important. Interestingly, the category of ‘Profit & growth’ was judged by most as either ‘Barely important’ or ‘Not important’.

The following comment offers a deeper insight into the above results. Respondent (C02) said, “I was fed up working long hours for someone else and figured that my efforts were not being appreciated. I’d always wanted to be my own boss and probably wouldn’t be working any harder at that. I spoke with my wife and we agreed to either make the move now or lose the opportunity”.

Two other related motivational questions were asked about avoiding unemployment or moving toward semi-retirement. Both categories had too many missing cases to be useable. One interpretation here is that once again, push factors appear to be less important than those that draw individuals towards the small business sector of the hospitality industry.

Figure 3 shows the number of family members as hotel employees. Family members constituted 67% of all workers. Many interviewees stated that they employed close family members with some additional staff during busy periods.

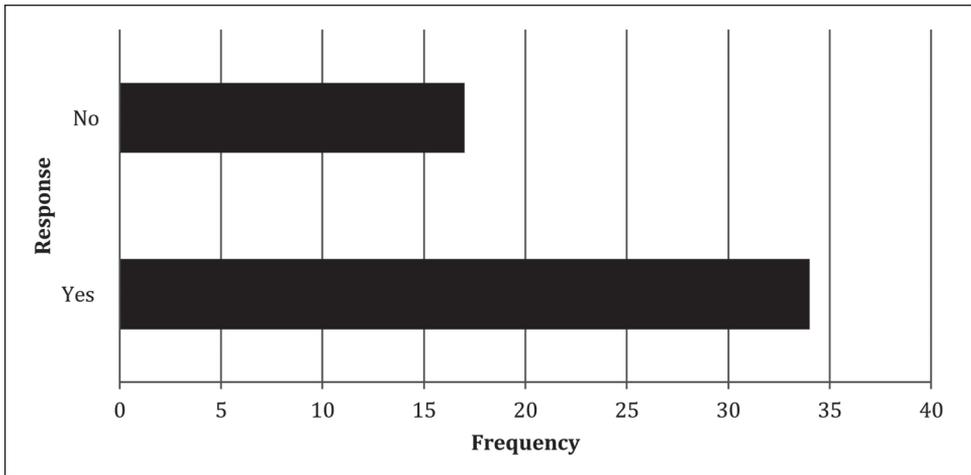


Figure 3. Family employees

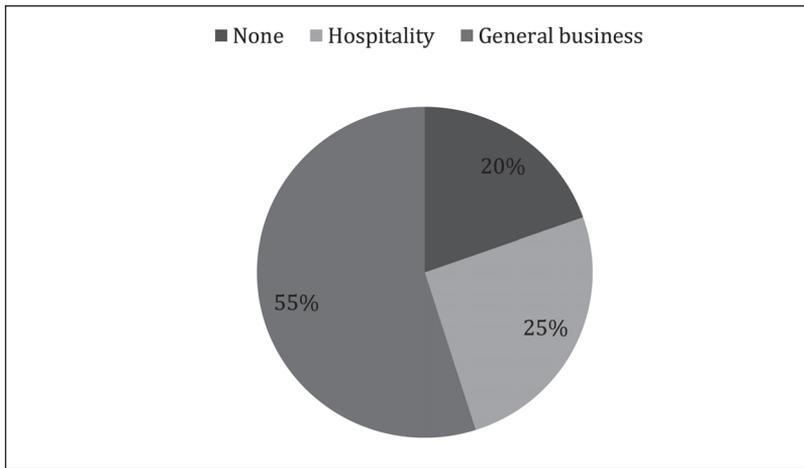


Figure 4. Skills and experience brought to business

Figure 4 shows the skills and experience hoteliers brought to their business. Answers were clustered into the above categories. Most owner/operators were skilled/experienced in general business. The remainder were divided into two approximately equal proportions of 'Hospitality' and 'None'. Figure 5 shows the further skills deemed necessary by respondents.

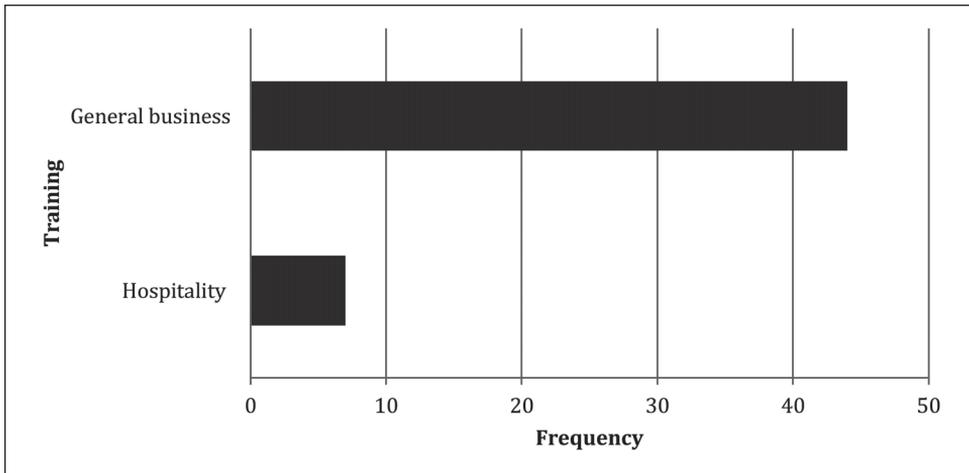


Figure 5. Skills needed

‘General business’ skills included accounting, finance, marketing and information communications technology. ‘Hospitality’ skills included mainly operational issues such as service quality and dealing with customers. Despite the apparent abundance of general business skills shown previously in Figure 5, respondents still felt they had more to learn in this area. Similarly, hospitality skills were also considered of low priority notwithstanding the lack of hospitality skills and experience shown earlier in Figure 5.

All respondents were members of at least one industry group such as the local and regional tourist association. Interaction, networking and taking advantage of training opportunities using such memberships was less common. Almost 40% of hoteliers had no continuous or frequent dialogues with these groups. A little under 60% of owners had not accessed training of any kind. Comments such as (C10) “I cannot spare the time”(C15) “We are too busy working” and (C41) “It takes too much time out of my day to organise” illustrate their position. Figure 6 shows how easy/difficult it was for entrepreneurs to balance their resources.

Most found it difficult to balance resources with only 29% considering it easy. This commensurates with the economics of small tourism businesses which are often undercapitalised (Lashley & Rowson, 2010).

Figure 7 shows whether owners had current business plans. A little under half of the respondents said they had no business plans other than a desire to continue running their hotel into the foreseeable future. However, most owners had business plans either formally or informally. Plans tended to be short to medium term. One

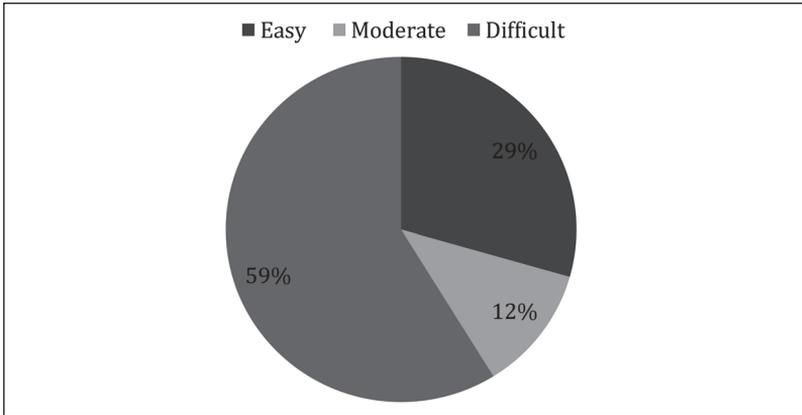


Figure 6. Balancing resources

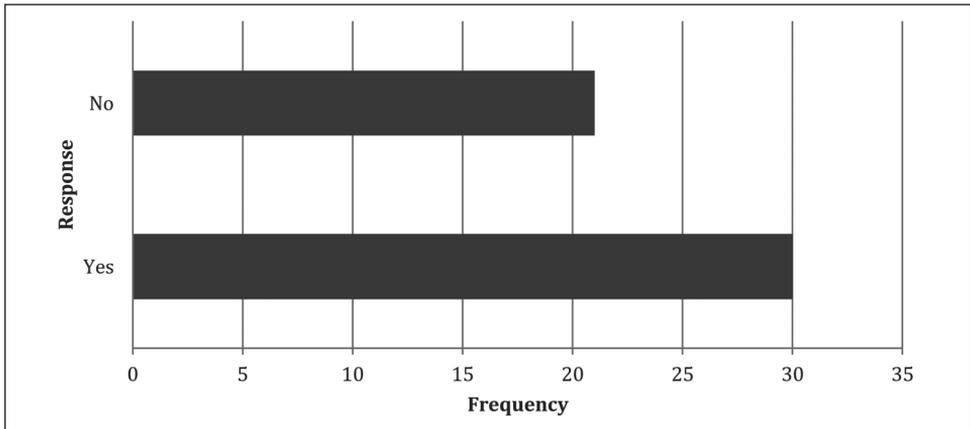


Figure 7. Current business plans

respondent (C34) commented, “Our business plan looks up to six months in the future”. Another (C37) “Ours is informal at the moment but we are working on something more solid to be in place soon”. Business planning is mainly short-term and either formal or informal. It suggests that whilst these hoteliers may indeed choose their enterprise on the basis of lifestyle factors, the operations may not be as haphazard as first suspected. This position is strengthened in that many hoteliers already have generic business skills despite their request for more (see Figure 5). Figure 8 shows whether business owners had made plans for handing over their hotels to family members in the future.

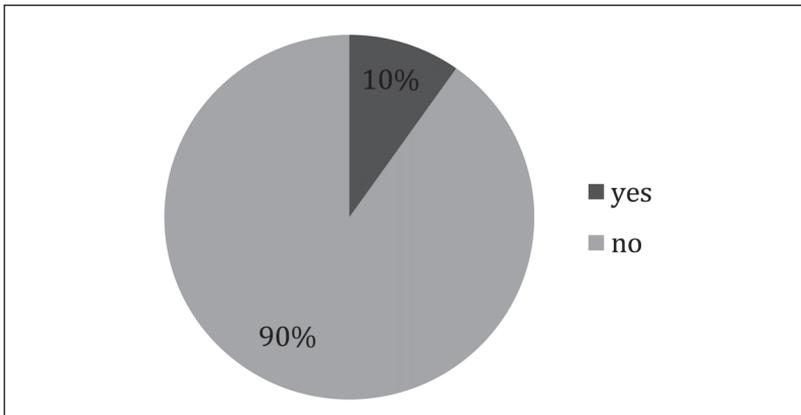


Figure 8. Succession planning

Only 10% of hoteliers had made plans for transferring their business to children or nominated others. Whilst this may reflect a lack of future planning, it is not an uncommon scenario. Succession planning in family firms tends to be 'organic' and leads to poor decision making and is a major reason for business failure (Smyrniotis et al., 2003).

Discussion

The present study considered informants motivated to own and run their business according to factors not related to profit and growth objectives. Consistent with Thomas et al. (2000), Lashley & Rowson (2010) and others, the results suggested this to be the case. That is, the interest lies in lifestyle markers rather than profit and growth. Whilst 'push' and 'pull' factors were identified from responses, most belonged in the latter category, that is, the apparent attractiveness of the project was key in the decision to move from a domestic to business setting. To illustrate, one respondent (C22) commented, "Lifestyle was an important consideration. We needed to get out of the daily grind and had always fancied running a hotel or restaurant". Another (C19) added, "We just fancied being our own boss without the added headache of having to employ other people".

In addition to the Likert-type responses, other comments helped give further insight. Respondent (C17) commented, "We knew we'd not make a fortune in this business but that was less important than doing something worthwhile, for us anyway. I know it's hard 'yakka' (work) but we live somewhere we love and are free to make our own decisions." Long hours and hard work seem to be accepted as a function of being one's own boss. Indeed, 90% of respondents said the hours they worked

were “on demand”. Most accepted this as the norm and were happy to defer leisure time until the off-season period. This does not fully square with notions of much touted ‘work/life balance’ (Morrison et al., 2008) unless the entrepreneur’s idea of it means more work and less leisure time. Perhaps this state of affairs is preferable to having one’s freedom curtailed by alternative paid employment. Alternatively, the off-season could be perceived as a balance for the frantic busy periods.

The above comments also reveal the importance of geographical preference (location). Importantly, most entrepreneurs were ‘incomers’ moving to the Cairns region from elsewhere. Whilst location preference *per se* was not a proposition in the present study, this finding is consistent with the notion of Morrison et al. (2008) and Peters, Frehse & Buhalis’ (2009) that geographical area preference is an important motivator for the lifestyle entrepreneur.

According to Howorth et al. (2010) most small lifestyle firms are family owned and operated. The related proposition is partially confirmed as most employees in the present study were family members. Interestingly, convenience and staff shortages also appeared to explain this situation. Respondent C06 said, “I employ my niece and nephew when things get a bit hectic around here. It’s a lot easier than having to advertise”. Another (C23) commented, “It’s hard to get good staff where we are [Port Douglas] so we rely on the family mainly”. Respondent C17 said, “Sometimes we have to rely on backpackers but not often. As it is, we’d only employ one or two of them to help out when we are really busy. The rest of the time I pay my son and his girlfriend to help us out”. Whilst rates of pay did not form a focus of the present study, employing family members is often less costly than the alternative and squares with the idea that small firms have difficulty balancing resources as shown in Figure 6.

In terms of pre-existing skills most owners were competent in general business. However, a minority had either no experience or skills at all or had ones which were hospitality-oriented.

Overall, specific hospitality skills were not deemed crucial and the following comments illustrate this point. One respondent C02 said, “Between us [he and his wife], we have a marketing background and I have some experience in managing other businesses. I didn’t think it would be too hard to pick up the skills to run a hotel but it was a challenge especially at first”. Another (C13) commented, “My wife has some experience; she used to be a receptionist in a large hotel but I didn’t have the first clue about running a hotel”. These results are consistent with the proposition that many lifestyle entrepreneurs have little or no previous experience or related skills. Additionally, most operators moved directly from their residence to the small business. The implication here is that most had little experience in owning and running a tourism enterprise. This is consistent with earlier work in the area (see Loan-Clark et al., 1999; Lashley & Rowson, 2010; Butcher & Sparks, 2011) and with the current proposition.

However, this does not necessarily hinder business performance, neither does lack of resources as indicated by the longevity of the current sample of tourist firms. Two-thirds of entrepreneurs had operated their business for two years or more. This is an interesting finding as most small businesses fail within the first few years of operation (ABS, 2010), particularly where owners have little or no training. Clearly this is not an appropriate conclusion currently. Furthermore, Desouza & Awazu (2006) note that lack of resources is less important than motivation in terms of training. They note that Small to Medium-sized Enterprises (SMEs) cope in novel ways particularly with the application of knowledge. This has an implication on the way small businesses approach training in that much of it is shared in the workplace and relies on informal methods of dissemination usually by the owners through modeling. However, whilst respondents were all affiliated with at least one tourism association, the opportunity for networking and formal training opportunities provided by such agencies was underutilized for reasons of inconvenience rather than impoverished resources. This adds another dimension to Desouza & Awazu's (2006) above notion.

Having generic business skills is an excellent basis from which to learn vocational competence and an overwhelming majority of informants indicated they would like more training in the former area. Hospitality up-skilling was considered of significantly less importance. Whilst the outcome of this situation would appear to resonate with Lashley & Rowson's (2010) idea that lifestyle entrepreneurs only show marginal interest in training, it only pertains to hospitality skilling. Furthermore, Thomas & Thomas's (2006) notion of entrepreneurial naivety regarding agencies and government seems overly harsh as the present study suggests any lack of training uptake is due to operational business pressures.

Whilst (lack of) business planning was not offered as a life style proposition originally, it was thought appropriate as it links with markers not associated with profit and growth. A majority of informants had business plans either formally or informally. Most were short to medium term but appropriate for running seasonal businesses with limited periods for trading. It suggests that whilst these hoteliers may indeed choose their enterprise on the basis of lifestyle factors, trading may not be as haphazard as first suspected. This position is counterintuitive but supported by the finding that many hoteliers already have generic business skills despite their request for more. Similarly, business succession plans also suggest forward planning and a focus on the economics and longevity of the business. In the present study, most businesses did not have succession plans which is consistent intuitively with the lifestyle firm. However, this situation is not unusual even amongst growth firms but can lead to intergenerational business failure (Smyrnios et al., 2003).

Conclusions and Recommendations

Consistent with theory underpinning an aggregated model of the lifestyle firm, entrepreneurs in the present study were motivated to own and run their businesses for reasons not related to profit and growth. However, some anomalies were identified revealing that these small firms are complex and exhibit some differences compared to those in other similar studies.

Interestingly, entrepreneurs were happy to work long hours in order to maintain their status. This does not entirely square with the idea of work/life balance that is associated with lifestyle entrepreneurs. Nonetheless, it does suggest that being one's own boss is a powerful motivator which may override other inconveniences such as spending excessive time in the workplace. Additionally, heavy seasonal workloads may be 'evened out' over 12 months given the short duration of peak tourist activity.

Location was revealed as important to these lifestyle entrepreneurs as most were from outside the region. Whilst this dimension was not a proposition of the present study, it resonates strongly with the work of others in the field.

Contrary to expectations, most owners had skills and experience in general business but vocational expertise was low or non-existent lending support to the associated proposition. Remarkably, hospitality skills were not considered difficult to acquire on the job. This finding is consistent with the idea that lifestyle owners with limited resources often have to be creative when up-skilling. Much of it is undertaken informally within the business.

Consistent with the idea that entrepreneurs show only marginal interest in hospitality training (Lashley & Rowson, 2010), owners expressed a desire for more generic training only. However, for reasons of time, frenetic business activity and convenience they were unable to take advantage of such opportunities despite being affiliated with a range of tourism and hospitality associations. This outcome runs contrary to the idea that naivety is the culprit when dealing with providers.

A paucity of planning was also deemed an appropriate characteristic for the lifestyle firm given their alleged focus on issues other than profit and growth aspects. Contrary to expectations, most owners had formal or informal business plans. On the other hand, this finding is consistent with the pre-existing desire for future generic skills training and is therefore unsurprising. Despite its arguable role in maintaining business longevity, succession planning was virtually non-existent. However, this is not an unusual situation even amongst growth firms which are family owned and operated.

Most of the propositions in the present study were supported. Nonetheless, others involving work/life balance and the relative motivational potency of being one's own boss above other incentives need further investigation. Indeed there may be a Pareto contingency which would help to explain the relative strength of lifestyle

markers. Similarly, whilst hospitality skills and prior vocational experience were given low priority, generic skilling was important but unobtainable. Unless the lifestyle/work situation changes, simply offering more training in its current format to the informants will be unsuccessful.

A more fruitful approach for policy makers and educators would be to consider flexible delivery. Generic management training must be customisable for the range of individuals occupying the lifestyle entrepreneurial category (and one that is based on a seasonal timetable). New training programs must also acknowledge the presence of a different kind of entrepreneur, that is, one that does not particularly value accelerated profits and growth highly. Any government or training institute would see this as a challenge because it is at odds with received wisdom. After all despite the rhetorics, success even in the 21st century is a function of finance and economics. This becomes an even more important metric given the value of tourism internationally, domestically and regionally. However, the negative economic impact of inertia or an inability to take advantage of current training programs will have implications. Not least a mitigation of long term effectiveness and efficiency of the small business sector in terms of service quality and survival rates. Policy-makers must therefore be clear about:

- Whether it is reasonable to accept a situation of profit maximization by a few and potential business failure by many;
- Whether they should inform policies and procedures using the lifestyle construct. This would mean more effective and appropriate training, giving rise to satisfying of profits, a more consistent product and, arguably, a higher survival rate for small hotels; and
- Whether the informality adopted by lifestyle entrepreneurs in terms of training and planning procedures should be acknowledged, incorporated and developed in novel external training provision.

References

- ABS (2010). available at: [http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/8165.0Main%20Features2Jun%20\(2007\)%20to%20Jun%202009?opendocument&tabname=Summary&prodno=8165.0&issue=Jun%20\(2007\)%20to%20Jun%202009&num=&view=](http://www.abs.gov.au/ausstats/abs@.nsf/Latestproducts/8165.0Main%20Features2Jun%20(2007)%20to%20Jun%202009?opendocument&tabname=Summary&prodno=8165.0&issue=Jun%20(2007)%20to%20Jun%202009&num=&view=), (accessed April 2010).
- Ateljevic, L. & Doorne, S. (2000). Staying within the fence: Lifestyle entrepreneurship in tourism. *Journal of Sustainable Tourism*, 8(5), 378–392.
- Barringer, B. R. & Ireland, R. D. (2006). *Entrepreneurship: Successfully launching new ventures*. Upper Saddle River, New Jersey: Pearson Prentice Hall.
- Beugelsdijk, S. & Noorderhaven, N. (2005). Personality characteristics of self-employed: an empirical study. *Small Business Economics*, 24, 159–167.

- Beggley, T. M. & Boyd, D. P. (1987). Psychological characteristics associated with performance in entrepreneurial firms and smaller businesses. *Journal of Business Venturing*, 2, 79–93.
- Blanke, J. & Chiesa, T. (2007). *The Travel & Tourism Competitiveness Report (2007): Furthering the Process of Economic Development*, World Economic Forum, Geneva, Switzerland.
- Burns, P. (2001). *Entrepreneurship and small business*. Basingstoke: Palgrave.
- Butcher, K. & Sparks, B. (2011). Business improvement preferences for small/medium hospitality firms in Australia. *International Journal of Contemporary Hospitality Management*, 23(3), 282–296.
- Carlsen, J., Morrison, A. & Weber, P. (2008). Lifestyle oriented small tourism firms. *Tourism Recreation Research*, 33(3), 255–263.
- Desouza, K. C. & Awazu, Y. (2006). Knowledge management at SMEs: five peculiarities. *Journal of Knowledge Management*, 10(1), 32–43.
- Ferguson, M. (2009). Available at: <http://minister2.ret.gov.au/MediaCentre/MediaReleases/Pages/Now%27stheTimetoInvestinSkillsforRecoverMinister.aspx>[accessed August 2011].
- Fillis, I. (2009). Entrepreneurial crafts and the tourism industry. In L. Ateljevic and Page, S. J. (Eds.), *Tourism and entrepreneurship* (pp. 133–148). Oxford: Butterworth-Heinemann.
- Getz, D. & Carlson, J. (2000). Characteristics and goals of family and owner-operated businesses in rural tourism and hospitality sectors. *Tourism Management*, 2(1), 547–560.
- Holt, D. H. (1992). *Entrepreneurship: New venture creation*. Englewood Cliffs, New Jersey: Prentice Hall.
- Howorth, C., Rose, M, Hamilton, E. & Westhead, P. (2010). Family firm diversity and development: An introduction. *International Small Business Journal*, 25(8), 437–451.
- Lashley, C. & Rowson, B. (2010). Lifestyle businesses: Insights into Blackpool's hotel sector. *International Journal of Contemporary Hospitality Management*, 29, 511–519.
- Li, L. (2008). A review of entrepreneurship research published in the hospitality and tourism management journals. *Tourism Management*, 29, 1013–1022.
- Linan, F. & Chen, Y. W. (2009). Development and cross-cultural application of a specific instrument to measure entrepreneurial intentions. *ET & P*, May, 1042–2587.
- Littunen, H. (2000). Entrepreneurship and the characteristics of the entrepreneurial personality. *International Journal of Entrepreneurial Behaviour and Research*, 6(6), 295–309.
- Loan-Clark, J., Boobcock, G., Smith, A. & Whittaker, J. (1999). Investment in management training and development by small businesses. *Employee Relations*, 21(3), 296–310.
- Lynch, P. A. (2005). The commercial home enterprise and host: a United Kingdom perspective. *Hospitality Management*, 24, 533–553.
- Maritz, A. & Beaver, B. (2006). The New Zealand lifestyle entrepreneur. *Regional Frontiers 2006, Conference Proceedings*, NZ.
- McGrath, R. G., MacMillan, I. C. & Scheinberg, S. (1992). Elitists, risk-takers and rugged individualists? An exploratory analysis of cultural differences between entrepreneurs and non-entrepreneurs. *Journal of Business Venturing*, 7, 441–458.
- Morrison, A. (2002). Small hospitality business: emerging or endangered? *Journal of Hospitality and Tourism Management*, 9(1), 1–11.
- Morrison, A. (2003). SME management and leadership development: Market reorientation. *Journal of Management Development*, 22 (9), 796–808.

- Morrison, A. (2006). A contextualization of entrepreneurship. *International Journal of Entrepreneurial Behaviour and Research*, 12(4), 192–209.
- Morrison, A., Carlsen, J. & Weber, P. (2008). Lifestyle oriented small tourism [LOST] firms and tourism destination development. *Where the Bloody Hell are we? Australia, 2008, Proceedings of the CAUTHE Conference*, Australia.
- Morrison, A., Carlsen, J. & Weber, P. (2010). Small tourism business research change and evolution. *International Journal of Tourism Research*, 12, 739–749.
- Mueller S.L. & Thomas, A.S. (2001). Culture and entrepreneurship potential: a nine country study of locus of control and innovativeness. *Journal of Business Venturing*, 16, 51–75.
- Patton, D. & Marlow, S. (2002). The determinants of management training within smaller firms in the UK: what role does strategy play? *Journal of Small Business and Enterprise Development*, 9(3), 260–270.
- Peters, M., Frehse, J. & Buhalis, D. (2009). The importance of lifestyle entrepreneurship: a conceptual study of the tourism industry. *PASOS Revista de Turismo y Patrimonio Cultural*, 7(2), 393–405.
- OESR. (2010). *Office of Economic and Statistical Research. Information Brief Employment by Industry* December quarter 2010. The State of Queensland (Queensland Treasury).
- OESR. (2011). *Queensland Regional Profiles*, Cairns Regional Council based on local government area 2010. Office of Economic and Statistical Research.
- QSPWP. (2006). *Queensland Skills Plan: A White Paper*. The State of Queensland.
- QTIC. (2006). *Inquiry into Workforce Challenges in the Australian Tourism Sector Submission to the Standing Committee on Employment. Workplace Relations and Workforce Participation*. Available at: http://www.qtic.com.au/index.php?option=com_content&task=view&id=809&Itemid=249 [accessed August 2011].
- Russell, R. & Faulkner, B. (2001). Entrepreneurship, chaos and the tourism area lifecycle. *Annals of Tourism Research*, 31(3), 556–579.
- Scase, R. & Goffee, G. (1980). *The real world of the small business owner*. London: Croom Helm.
- Shane, S. (2003). *A general theory of entrepreneurship: The individual opportunity nexus*. Basingstoke: Edward Elgar.
- Shaw, G. & Williams, A. (1998). Entrepreneurship, small business culture and tourism development. In D. Ioannides & K. Debbage (Eds.), *The economic geography of the tourism industry*. London: Routledge.
- Shaw, G. & Williams, A. M. (2004). From lifestyle consumption to lifestyle production: Changing patterns of tourism entrepreneurship. In R. Thomas (Ed.), *Small firms in tourism: International perspectives* (pp. 99–114). Oxford: Pergamon.
- Shaw, G., Williams, A.M. & Greenwood, J. (1987). Comparative studies in local economies. *Built Environment*, 13(2), 73–84.
- Sherwood, A., Parrott, N., Jenkins, T., Gillmor, D., Gaffey, S. & Cawley, M. (2000). Craft producers on the Celtic fringe: Marginal lifestyles in marginal regions? *15th International Society for the Study of Marginal regions Seminar, Proceedings of the Conference in Newfoundland, 2000*.
- Smyrnios, K. X., Walker, R. H., Le, H., Phan, M., Vuong, T. & Young, P. (2003). *The Boyd Partners Australian Family and Private Business Survey*, RMIT, Australia.

- Tashakkori, A. & Teddlie, C. (1998). *Mixed methodology: Combining qualitative and quantitative approaches*. Thousand Oaks, CA: Sage.
- Thomas, R., Lashley, C., Rowson, B., Xie, Y., Jameson, S., Eaglen, A., Lincoln, G. & Parsons, D. (2000). *The National Survey of Small Tourism and Hospitality Firms: 2000 – Skills Demands and Training Practices*. Leeds Metropolitan University, Leeds.
- Thomas, R., Shaw, G. & Page, S. J. (2011). Understanding small firms in tourism: A perspective on research trends and challenges. *Tourism Management*, 32, 963-976.
- Thomas, R. & Thomas, H. (2006). Micro politics and micro firms: a case study of tourism policy formation and change. *Journal of Small Business and Enterprise Development*, 13(1), 100–114.
- Trewin, D. (2002). *Small business in Australia 2001*, ABS Catalogue Number 1321.0.
- TRA (2007). Available at: <http://www.ret.gov.au/tourism/tra/Pages/default.aspx>; www.tra.australia.com/economic.asp?lang=EN&sub=0056, (accessed December 2007).
- UNWTO (2011). *World Tourism Barometer*. February 2001 and April 2011.
- Westhead, P. & Howorth, C. (2007). Types of private family firms: An exploratory conceptual and empirical analysis. *Entrepreneurship and Regional Development*, 19(5), 405-431.
- Wickham P.A. (1998). *Strategic entrepreneurship: A decision-making approach to new venture creation and management*. London: Pitman Publishing.
- Yeung, H. W. (2002). *Entrepreneurship and the internationalization of Asian firms: An institutional perspective*. Cheltenham: Edward Elgar.
- Zimmerer, T. W. & Carborough, N. M. (2005). *Essentials of entrepreneurship and small business management* (4th ed.). Upper Saddle River, New Jersey: Pearson Prentice Hall.