
Manoeuvring SME beach resorts in choppy environment: entrepreneurs' perspective

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Abstract: This study seeks to understand how entrepreneurs of SME beach resorts mitigate challenges in their efforts to survive and simultaneously expand their businesses. SMEs in tourism related industry including beach resorts cater towards accommodating increased number of tourist arrivals. Malaysia targets to bring in 36 million tourists, with RM168 billion tourism receipts by the year 2020. The sun, sea and sand are naturally the magnets of tropical islands of Malaysia. The authors employed in-depth interview technique on two resorts located on Perhentian Kecil Island, offshore Terengganu, Malaysia. Observation of the premises complements data collected from interviews. Findings suggest that the resorts employed various strategies to manage their operations. Cost saving methods like employing family members, constructing additional resort features during monsoon period and smart business arrangement with resorts suppliers contributed towards resorts expansion. The study outcome would amongst others benefit policymakers in nurturing the SME sector, further facilitating Malaysia towards a developed nation. This study also contributes to the performance management literature particularly on island beach resorts.

Keywords: beach resort; entrepreneurship; performance management; small and medium enterprises; SMEs; tourism.

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1 Introduction

Many governments within the Asia Pacific put emphasis on beach resorts as a means to expand their tourism industries. It is no different in Malaysia. Tourist arrivals in Malaysia have been growing steadily over the decade, brought about amongst others by the availability of many beach resorts that can accommodate mass number of tourists. This phenomenon, though, did not result in many studies done on beach resorts. Instead, only a handful number of studies were conducted in Malaysia. In a broader scope, many issues pertaining to small islands have not been researched even though tourism contribution to their economy is significant (Fathilah et al., 2018).

According to Yuliana (2018), there were many studies done on destinations but a majority of them focused on customers' behaviour. Studies on tourists' expectations and satisfaction formed many of such research work (Jamil et al., 2015). However, less is known on the supply side of tourism. Such deficiency would result in a not holistic understanding of the beach resorts. This would hinder the growth process of beach resorts as well as sustain existing ones. The aim of the present study is to investigate the factors that contribute towards beach resorts' non-financial performance. It specifically aims to explore growth attributes of SME-type beach resorts by using Perhentian Kecil Island as the setting point. Perhentian Kecil forms part of an island archipelago, offshore Terengganu, Malaysia. The study specifically assesses how entrepreneurs of these beach resorts manage their resorts in challenging environment. Relevant government entities such as the Ministry of Tourism and Culture of Malaysia, the Malaysia Tourism Promotion Board and National Small and Medium Enterprises Council may benefit from this study.

2 Literature review

Tourism is one of the largest and fastest growing industries in the world due to consumer's demand (Neto, 2003). People mainly travel for holidays and leisure (53%), visiting friends and relatives (27%), business (14%) and others (UNWTO, 2016). The tourism industry has shown its importance in many developed and developing countries' economic growth (Chan, 2014). Tourism is an increasingly important source of income, employment and wealth for many countries, particularly the developing ones. A developing country, Malaysia recorded 26.8 million tourist arrivals with RM82.1 billion receipts in 2016 (Tourism Malaysia, 2018). A decade earlier, arrivals and receipts were

recorded at 17.6 million and RM36.3 billion respectively in 2006. The Malaysian tourism sector is expected to contribute RM168 billion by the year 2020 with 36 million tourist arrivals (Borneo Post Online, 2013).

Malaysia is endowed with abundance of natural resources for tourists to seek. Basic natural resources, including sandy beaches, warm climate and coral reefs, help in the development of Malaysia's beach resort (Wong, 1998). Attractive Malaysian sandy beaches have the right mixture of good gradient, clear water and spacious ground to create beach resorts. In parallel, the coastline has been an attraction for tourists globally, resulting in worldwide development of beach resorts (Wong, 1989). Beach resorts are one of the many forms of the accommodation sector. The accommodation sector contributes approximately one third of tourist receipts of a country. Its contribution to the Malaysian economy is significant. Beach resorts are defined as individually managed tourist lodgings with direct access to the beach at a specific location regardless of the quality of the accommodation. Beach resorts which are generally found in rural area provide alternative income for rural population, provision of employment, supporting the growth of material and equipment suppliers (Khairil et al., 2008, 2017).

Beach resorts are segregated into several types. The majority are of the small and medium enterprise (SME) type. There are fusions of SME definitions (Thomas et al., 1997; Mackun, 1998). The Malaysian National SME Development Council's definition of SMEs is based on two categories; annual sales and number of employees employed, which has been in effect since 2013. These definitions are also susceptible to the types of industrial sector involved. The following categories are based on SMEs in the service sector.

The category dealing with annual sales notes;

- 1 micro SME has less than RM300,000 annual sale
- 2 small SME has RM300,000 to less than RM3 million annual sale
- 3 medium SME has RM3 million to RM20 million annual sale.

The category dealing with number of employees emphasises;

- 1 micro SME has less than 5 full-time employees
- 2 small SME has 5 to less than 30 full-time employees
- 3 medium SME has 30 to 75 full-time employees (SME Corp Malaysia, 2017).

SMEs are the engine for sustainable economic growth for developed and developing countries (Qamruzzaman and Wei, 2018). Similarly, SMEs form the backbone of Malaysia's industrial development (Rafidah and Norfaridatul, 2013). The government formulated SME Master plan, 2012–2020 as a 'game changer' to spur Malaysia into becoming a high income country by the year 2020 (SME Corp Malaysia, 2017). The government wants to boost the growth of the SME sector and to ensure the sector becomes one of the economic pillars of Malaysia.

The Malaysia Tourism Transformation Plan (MTTP) which is an extension of Malaysia's Economic Transformation Programme (ETP) sets a strategy to strengthen the capacity of SMEs involved in the tourism industry (PEMANDU, 2009). Such strategy would see the growth of companies that produce tourist attractions, operate hotels and resorts and offering shopping facilities. Existing tourism related SMEs amongst which

are the beach resorts contribute positively to the tourism industry. More so the government encourages small businesses as the seedbed of entrepreneurial talents development.

A micro-sized enterprise which is denoted as either having annual sales of less than RM300,000 or employ less than 5 full-time employees is a business whereby its operation and decisions is closely held by its owner, meaning that the businesses are independent or individually owned (Main, 2001). The businesses equities are not publicly traded. This is where such notion is linked to entrepreneurs or entrepreneurship. It is noted that entrepreneurship refers to one's own business, revolving with the concepts of self-reliance attitude and initiative, risk taking and innovativeness (Bruyat and Julien, 2001). To this Timmons (1989) and Kuratko and Hodgetts (2004) added that entrepreneur possesses the skills and ability to innovatively create something out of nothing. However, the impact of innovation to businesses profitability varies according to different types of innovation (Kongmanila and Takahashi, 2009). The types of innovation can be generalised into product and production process innovation. In the same vein, entrepreneurial orientation means a tendency to explore new business opportunities (Bolton and Lane, 2012). Such inclination paves the way towards being pro-active (Idris et al., 2017).

In general, all these attributes which amount to initiating, doing, and building an enterprise, involves both financial and non-financial dimensions. While most resorts would focus on financial return stressing only on sales and profit to stay relevant in the business, there is suggestion that it would be inadequate to measure an organisation's success simply based on financial return (Bharadwaj and Menon, 1993). The service sector of which the tourism industry belongs to involves in giving service to customers. This would only be beneficial if the customers are satisfied with the services given to them as exemplified by repeat requests for services. Therefore, non-financial measures should also be taken into consideration in order for an organisation's financial performance to be significantly improved (Davis and Albright, 2004). Meanwhile, organisation's success is measured holistically by quality management models, for example, the balanced scorecards which comprise of four elements; financial, customers, internal business process and learning and growth (Kaplan and Norton, 1996). This encapsulates both the financial and non-financial performance measures.

Khairil et al. (2012) state that SMEs immensely contribute to the tourism industry by creating employment, creating new market, dispersing economic power base through industry ownership and raising productivity. Employment would be in the forms of full-time workers and part-timers. The tourism industry is susceptible to seasonal conditions whereby more part-timers would be hired to cope with influx of arrivals during peak seasons, a period with high demands for facilities and services. On the other hand, unfavourable seasonal climate would make the situation complex (Harris and Mongiello, 2001). As for example, resorts have to find ways to survive as some of them may not be operating 12 months a year due to the seasonal monsoons. Extremely powerful waves due to the climate change phenomenon have resulted in serious coastal erosion to some beaches (Mohamed Shaffril et al., 2014). Hazards in the forms of heavy rains and rolling seas also disrupt tourists' activities on the beach. As for example, beach resorts in east coast of Peninsular Malaysia temporarily close their businesses in certain months of the year due to the north east monsoon which happens every year from November until March of the following year (The Star, 2016). The number of tourist declines during this period. Thus, resorts have to adapt themselves to these conditions.

They must ensure effective yearly operations and business decision-making tasks when there are no sales during the close season. Ultimately, they have to find ways to improve their performance and sustain in the business by differentiating themselves from other competitors. The rapid growth of tropical beach resorts, invites increased competition in the resort sector because the services provided are relatively homogeneous (Smith, 1991).

In a different perspective, the quantity of research done on the impacts of climate change on tropical island destination is nonetheless limited comparing to the ones done on high altitude tourism destinations like in the Alpine, Himalaya and the Andes (Kaenzig et al., 2016; Kajan and Saarinen, 2013; Nyaupane et al., 2014).

3 Methodology/materials

The authors use the Malaysia National SME Development Council's definition of SME for this study (SME Corp Malaysia). The authors use the number of employees category instead of sales, in anticipating resorts may not want to disclose their sales figures. The authors used face-to-face in-depth interviews to gain rich data which allows a thick description of the phenomenon under study. Thick description instils a comprehensive but thorough formulation of descriptions of the phenomenon researchers are interested in (Kitchin and Tate, 2000). This qualitative research may provide serendipitous findings, paving the way to new theory construction (Miles and Huberman, 1984). In-depth interviews ensure a gathering of rich contextual data exposing the dynamic characteristics of the tourism industry. Researchers who make use of semi-structured as well as unstructured interview usually hold a constructivist point of view on social reality (Creswell, 2013). This design study is considered to be within the interpretative research paradigm. Furthermore, such design is needed to give better coverage to tourism in regional science and regional economic development theories. Deep and perceptive analytical research whether theoretical or empirical-based is increasingly necessary to further advance the study in tourism.

Interviews and observation of premises' facilities and services were conducted in September 2016, a period which was supposed to be calm on the beach. Authors experienced stormy sea during an evening boating trip from the fisherman village to Coral Bay. Interviews were conducted with the owner of resort A and the manager of resort B. These resorts were randomly chosen from Terengganu Travel Guide: Islands and Beaches published by Secretariat Beautiful Terengganu, an affiliation of Terengganu State Government (n.d.). The guide contained names and telephone numbers of ten resorts on Perhentian Kecil Island, ranging from 1 star to 3 star, 1 okid to 2 okid and non-ranked ones. Researchers asked the interviewees a screening question; whether the premises had been in existence for at least five years. This would ensure practitioners had experienced some forms of growth.

Researchers used a predesigned semi-structured questionnaire with the inclusion of items garnered from literature and from field experiences. This ensured interviewees to organise their thoughts before, during and ending the interview. Interview data were transcribed. The researchers did a manual narration of the transcriptions. These transcripts were 'open coded' to get as close to the material as possible, avoiding missing anything (Crang, 1997). Researchers went through the transcriptions line by line while noting themes and ideas. Transcripts were revisited to formalise the coding according to

categories. This procedure, known as ‘axial coding’, is based on specifying a category in terms of, among other things, the context in which it is embedded (Strauss and Corbin, 1990). The process of axial coding resulted in arising themes. Notes taken during personal observations on resort premises further complement data collected via interviews. This also ensures some forms of triangulation of data collected.

Fictitious names are given to interviewees and resort names to provide anonymity. Both resorts are located in Perhentian Kecil Island. Resort A is located in Coral Bay, facing west or the mainland and resort B is located in Long Beach also known locally as Pasir Panjang, facing the east and is exposed to the open sea.

Resort A was patronised approximately by 60% domestic tourists and 40% international tourists. International tourists were mainly Europeans. Resort B had also the same ratio of tourist patronisation; 60% domestic tourists and 40% international tourists, including German and Italian (personal interviews with owner of Resort A and manager of Resort B).

4 Findings and discussion

4.1 *Maximising sales*

Profit-making organisations’ goal is literally to increase revenue. This can be done in many ways. Amongst others, this shall be achieved by increasing productivity, enhancing asset utilisation, improving cost saving and reducing business risks (Komilis, 1994). Interviewees were asked about overall measurement of beach resorts’ performance including how sales were done.

“We don’t use AGODA. The number of rooms that we have is not that many for us to engage AGODA. We make do with customers calling us directly ... The potential customers call my son Zami [fictitious name] for booking ... Furthermore AGODA would charge us for commission. So it is better for us to do it ourselves.” (Owner of resort A)

Resort A had 24 individual chalets, with nine of them fully air-conditioned while the rest were fan equipped. It also had two dormitories, one each for male and female patrons. These were fully air-conditioned as well. Each dormitory was equipped with 25 double decker beds. Utilising double decker instead of single beds exemplified the owner’s notion of optimising space, particularly land is premium priced on this tropical island.

“A quarter acre piece of land next to our neighbour here was sold to the present owner at RM1.6 million about 10 years ago.” (Owner of resort A)

Resort A also resorted to selling packages during weekends whereby this was the period when the accommodation was fully occupied. Packages were inclusive of boarding place, meals and snorkelling activities. In a sense, the resort took advantage of the period by maximising its sales. Many chalets on Perhentian Kecil saw increased patronisation during weekends. During weekdays when the demand was lesser, the resort would sell their products, i.e., snorkelling activities or rooms as individual products but not as packages.

“There not enough rooms during weekends.” (Owner of resort A)

Another resort also faced the same situation.

“Our place ... Weekends usually full-housed.” (Manager of resort B)

Resort B was located on Long Beach in the eastern part of Perhentian Kecil, facing the open sea (i.e., South China Sea). Resort B had a modest number of 25 rooms and a co-ed dormitory, with 22 double-decker beds. Resort B also did not employ official medium like AGODA or Airbnb to encourage sales except that the resort pay a 5% commission to appointed agents who managed to sell the resort’s rooms. They did not do active promotion either except using Facebook, Instagram or indirect promotion by third party.

“We do not have a lot of promotion going on, we just use Facebook page and Instagram account ... we make our own video to put on Instagram ... I have a background in video making ... Azman [a fictitious name for the Director of the resort] has it too ... It is our own interest to make the videos.” (Manager of resort B)

Traditional marketing activities conducted by any business organisation would incur the cost of money and time. The beach resorts spent less money on marketing or promoting.

The owner of resort A acknowledged.

“My daughter ... She put our business on the internet ... BlogSpot.” (Owner of resort A)

Facebook, Instagram or blogs were used in marketing the resorts. These mass media were cheap to use, and young people like some of the staff members of these resorts were used to these kind of technology. The resorts too know that with the modest number of rooms that were at their disposal, they did not have to rely on sophisticated tools to effectively market their products.

“Because our room capacity is not many, just 25 rooms. So, if we can handle 25 rooms on our own why do we have to give other people to be paid to do the [promotion] job ... We don’t even use AGODA. To use AGODA is simply not worth the effort given that our room number is not that big.” (Manager of resort B)

Moreover, the rooms were usually fully occupied during weekends. Therefore, the resorts did not have to market their products aggressively. They literally know that tourists would still come.

While technology comes in handy for these owner and manager of resorts, marketing can also come in a traditional way.

“The international tourists know this place by word-of-mouth ... like us, our style is more for backpackers’ style. For example, there are tourists from Thailand, transit here in Malaysia, they know about Perhentian, so they come here.” (Manager of resort B)

Marketing of resorts was also done by the Malaysian authorities for free. Many developing countries have dedicated authorities in promoting their tourism products.

“Tourism Terengganu once contacted us ... They got our chalet in their price list.” (Manager of resort B)

The Malaysia Tourism Promotion Board otherwise known as Tourism Malaysia is the official government entity that promotes Malaysia to the eyes of the world. Tourism Terengganu is the state chapter of Tourism Malaysia tasked to promote the whole state of Terengganu, including islands offshore Terengganu.

The manager of resort B further adds,

“... The coming Hari Raya [Eid Fitr] RTM will come and make a documentary about us ... So it is a free promotion for us.” (Manager of resort B)

RTM is the abbreviation for Radio Television Malaysia, Malaysia’s official television channel. With many of the financial attributes in place as discussed above, resort B managed to have an average monthly profit of between Ringgit Malaysia (RM)60,000 to RM70,000 during peak season.

Discussion above exemplified a notion that the internet would be used more often as entrepreneurs of these beach resorts started to realise its potential. This confirms argument by Kaplan and Norton (1996) in their previous research. Bigger accommodation establishments like hotels work together with online travel agencies (OTA) like AGODA, Booking.com, TripAdvisor and Expedia to sell their huge number of rooms, reaching wider range market and geographical areas (Qi et al., 2013). Hotels can maximise their revenues. On the other hand, the beach resorts in this study did not work with OTA. They wanted to reduce their operational costs but still depended on internet-based marketing tools but less sophisticated ones. Thus, these resorts did not face any problem with regard to marketing. This goes against an earlier finding by Thomas et al. (1997) that states that small businesses in the service sector have marketing as the biggest problem. This reflects their stand to adopt technology in promoting and marketing their products and services. This is in accordance with Azdel et al. (2018) who claimed that with the acceleration of science and technology, firms irrespective of its size cannot run away from not to use the internet. From a broader perspective electronic customer relationship management (e-CRM) facilitates building relationship with customers, therefore hotels or resorts which adopted these management facilities have the advantage of having valuable customer insight (Harrigan, 2012). This enables them to lay focus on potential clients. Without such venture due to the lack of capital, small beach resorts would have less understanding of customer behaviour and therefore unable to optimise their marketing abilities.

4.2 Informal workforce

Resorts utilised a rather informal workforce. Family members and locals formed significant labour workforce in these resorts. This conforms to a previous study by Ferreira et al. (2011) that suggests that the service sector is dominated with informal labour force in the form of part-timers, apart from employing some full-timers.

“The resort has seven employees ... one female, who is the cook, and six males ... They are immediate and distant relatives between themselves.” (Manager of resort B)

The staffs of resort B were relatives, either by blood ties or by marriage. They were from the west coast of Peninsular Malaysia. As for the manager himself, he was from Kajang, a suburb to the south of Kuala Lumpur. His family stayed in Kajang.

The same scenario was found at resort A, whereby immediate family members formed the core workers. Locals from the mainland and nearby fisherman village formed the rest of the resort workers.

“There are 22 employees ... Part-timers mostly. There are only two at the chalet. The jobs are to clean rooms and tidy up the area ... the maintenance person is my son-in-law. The one that cleans rooms ... my own daughter. It is like more of a family business.” (Owner of resort A)

“My wife is in charge of all the accounts here ... I don't know what are the amount [money] in that or other accounts... she [the wife] is in charge ... I handle the operations here.” (Owner of resort A)

It can be said that the important post were filled with trusted family members. The wife to the resort owner was the person in charge of all the four accounts at resort A; retail or provision shop, restaurant, chalet and snorkelling activity division. The business enterprise had diversified into several business entities. The maintenance task was handled by the owner's son-in-law, a difficult job which employed self-reliance and hands on approach. The owner quipped;

“If the pipes got broken, we do the repair together.”

Thus, self-reliance is a pertinent attribute of the resort. Outsourcing such provision would incur time cost as well as monetary one. The son-in-law had to have a keen eye too on actions that ensured the resort received continuous supply of electricity.

“We use our own electricity. We use generator sets ... We have to prepare for the diesel ... We have to have spare diesel. If we do not have it, it will be dark at night. We use the diesel every day. We cannot operate if there is none ... Ahh ... We have 9 air-conditioned rooms. There are 24 rooms, 9 of which are air-conditioned ... The electricity is running 24 hours a day, but we have to rotate the generators ... Until now we just have 3 generators. We rotate every 7 hours, otherwise the generator got hot and may cause problems.” (Owner of resort A)

In a different context hiring staffs from among family members had to be selective due to the nature of physical environment. Resort B which hugged the hilly terrain of Long Beach needed able bodied staffs to carry provisions for the kitchen such as canned food, bottles of mineral water and fresh meat or fish up the numerous steep steps to the kitchen restaurant.

“We have to be selective ... see those [muscular] bodies ... They have to climb up and down the steps ... how many times per day [shrugged] ... We have 7 staff at the minimum running the operations, hitting 9 at times, but only one woman who is the chef.” (Manager of resort B)

The restaurant nonetheless offered a breathtaking view of the sea (based on authors' observation, the view was perhaps one of the best on the island).

Summarising this results section, the use of physical man power to facilitate the arrangement of provisions to resorts' premises attests the logistical challenge faced by the management. On the other hand, resorts may lack awareness on management skills necessary to handle such problem. This is in line with previous research finding by Sri et al. (2018) that suggested that SMEs' lack of awareness on management skills shall be linked to the use of technologies in their operational activities.

One of the findings above which is self-reliance reflects the entrepreneurship spirit. Accordingly there are eight traits that conform towards the nature of entrepreneurship; entrepreneur, innovation, organisation creation, creating value, profit and non-profit, growth, uniqueness and owner-manager (Gartner, 1990).

Findings also showed that hiring family members rather than workers or professionals who were not family members were the prerogative of the owner-manager. This may be in conflict with good governance whereby implementing good corporate governance

contributes to improvement in productivity and efficiency. Ultimately, this results in increased customer satisfaction.

4.3 Innovative ways of growing business

Entrepreneurs need to be innovative when confronting with challenges (Lafferty and Van Fossen, 2001). They are risk takers. The adversity posed by the northeast monsoon resulted in almost all resorts to close their operations towards the end of the year and into the early part of the following year. The sea is choppy with high and strong waves which makes beach and boating activities dangerous during this period. In the same vein, some researchers opine the importance of relying to weather forecasting for coastal tourism businesses (Ayscue et al., 2015).

“We close for business from end of October until middle of January the following year.” (Owner of resort A)

Resort B was located in Long Beach. Long Beach was more affected due to its exposure to the open sea. Coral Bay on the western part of Perhentian Kecil where resort A was located was not so much exposed to the natural elements during the Northeast Monsoon season. The supply of clean purified water from the mainland was often interrupted during monsoon season. Strong undercurrent resulted in some parts of submarine pipes being broken or aground or washed ashore.

“Always interruption ... As usual because of the sea. Earlier this year, some pipes were scattered right in front [of us] by the beach.” (Manager of resort B)

“Once in 6 months perhaps pipe would be broken. It depends on the pipe, if it is not strong it is going to break. It is really bad during flooding season. The pipe which is submerged underground would be exposed. They did not dig deep.” (Owner of resort A)

Business did not simply base on accommodating tourists when the needs arise. Resort management ventured into other business areas during the closed season.

“During the closed season we send our staff ... those who want to work [otherwise there won't be any salary] to Nilai [a town in Negeri Sembilan] to pack pocket sized bottle of therapy oil ... They would do the selling too.” (Manager of resort B)

In a different perspective, the owner of resort A used the closed season to expand his business premises. He added 14 new individual chalets to the ten chalets he initially had.

“Zami [his son] did the drawing and planning and submitted [the plan] to the local council for approval ... we roped in 48 Bangladeshi workers from Paka [a small town in neighbouring state of Terengganu] for the construction ... We housed them in the dormitories since it was closed season ... We used barge to bring in construction materials. They [the 14 new chalets] were completed in one month and 10 days. Zami did the monitoring of the construction ... if there were only two or three [workers] ... when would it be completed?” (Owner of resort A)

The owner of the resort optimised the idle period of closed season to add new premises, injecting fresh outlook into his accommodation part of the businesses. The completion of constructing 14 new chalets was done in a record time of one month and ten days.

Accessing a huge construction work force within a short period of time was a near impossible task for many small business enterprises. However, resort A managed to do it.

Findings above show that evidence from resort A indicates the production process innovation enhanced the resort's competitive position. This is in line with a proposition by a previous study done by Barney (2001). Such innovation is one of key resource in bringing about competitive edge for businesses.

This venture too would never take off if Zami was not formally trained in engineering background. Zami was in fact based in Kuala Lumpur and was currently involved in a construction project at the time of the interview. Smart business arrangement which completes the icing of the cake contributes towards resort owner business acumen. A cumbersome task turned out to be smoothly done. Letting his wife manage four different business accounts and trusting his son (Zami) to do the major work on the construction of new additional premises underpin the owner of resort A's personality. This conforms to findings by Khatijah et al. (2018) that posited that favourable personality traits provide positive entrepreneurship.

5 Conclusions

The attributes discussed offer a glimpse of functional aspect of performance management practiced by resorts. Innovative ways of managing and expanding of business premises and a concern of cost effectiveness of operational activities including hiring of employees and use of internet technology-based marketing showcases the self-reliance attitude of entrepreneurs. This information is useful as a guide for the national SME Development Council to strategise its policies towards better growth of the thousands SMEs including beach resorts. On the hand, evidences indicate entrepreneurs are adaptable to the hostile environment of an island destination. SME beach resorts which are located in rural setting, much away from the economic urban centres, have to be adaptive to volatile environment. On the other hand, while some findings of this study confound with previous research work, there are also which are not in line. This study is qualitative and exploratory in nature whereby generalisation of results should be avoided. As a suggestion, future research should involve more resorts. This shall be achieved by expanding the geographical scope, i.e., involve more islands, thus better represent findings.

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