

# EXPLORING THE ORGANISATIONAL CULTURE CONSTRUCT FOR SMALL AND MEDIUM ENTERPRISES IN THE ECOTOURISM OF EMERGING ECONOMIES

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## ABSTRACT

Considerable research is being conducted to examine the culture of the resort operators to ensure that they are adhering to good practices for protecting the environment. Undoubtedly, it is essential for the effective and efficient operation of the tourism industry that the ecotourism businesses engage in the wise usage and properly run management of the natural environment. However, little attention has been given to the development and the validation of the instruments used to conceptualise organisational cultures in the context of ecotourism. The present study fills this gap by validating the scale items and examining the dimensionality, reliability and factor structures used to measure organisational cultures of small and medium enterprise resort operators in the ecotourism areas of emerging economies. Three factors have emerged for organisational values and four factors for organisational practices as a result of this study. The results show the unique features of the organisational culture model based on the specifications of ecotourism and the culture of Malaysian small and medium enterprises. The direction for future improvement strategies is presented at the end of the paper.

*Keywords: ecotourism, emerging economies, environmental practice, organisational culture, organisational practice, organisational value, performance orientation, resort operators, scale validation, small and medium enterprise.*

## 1 INTRODUCTION

The concern regarding the correct usage and proper management of the natural environment to achieve sustainable tourism development has been the focus of a number of studies. Many researchers have indicated that the main players of the organisational culture – the resort operators – have considerable influence in the decisions over the use of the environment and on the overall setting of the organisation. It has become evident that the decline in biological diversity and the exploitation of natural resources are due to the failure to effectively and efficiently manage the increasing numbers of tourists who visit the protected areas [1]. As such, many scholars have called for proper management of the influx of tourists to minimise the negative effects of tourism [2]. In general, an organisational culture has values and practices and is argued to have a strong impact on the effectiveness of the organisation [3]. Certain cultural styles can support suitable values in an organisation that Wiener [4] has claimed, lead to an effective organisation. Some studies have stressed the importance of specific cultures within the context of ecotourism research. For example, Erdogan and Tosun [5] have outlined several general indicators for the organisational culture of ecotourism areas such as energy efficiency/resource conservation, waste reduction, water efficiency/conservation, education and training for environmental awareness, communication for environmental awareness, and managerial knowledge on environmental protection. Many studies have shown that the appropriate organisational culture for businesses in tourism, specifically in the areas of ecotourism, is not yet practised on a wider scale, although the importance of an appropriate organisational culture has long been recognised. In Europe, eco-labelling and eco-certificates are issued to those tourist organisations whose products and services have met the standard of being environmentally friendly [6]. Bio-hotels, the European Blue Flag, Eco-label, Green Globe 21 and Nordic Swan are among the many environmentally-conscious programmes that have been implemented in Europe [7]. These have shown to us some examples of

practices for organisations to effectively minimise the negative impacts of tourism on the environment. In addition, the use of information and communication technologies (ICT) is argued to result in curbing the negative impact of tourism companies' business activities on the environment [8]. However, in less developed countries among the European Union, such as Slovenia, only a few tourist areas have specific environmental protection programmes because of limited resources and expertise, despite the well-known benefits of such programmes [7]. Similar scenarios occur in many countries of emerging economies. For example, in a recent study, Abd Rahman, Yusof, Daud and Osman [9] reveal that tourists are dissatisfied with the products and services offered in Lake Kenyir, Malaysia, complaining that most resorts in the area have appeared to neglect environmental practices. When Yusof, Said, Osman, and Che Jamil [10] surveyed resorts in Lake Kenyir, all of them claimed that they were aware of the need to protect the environment; yet, out of the six resorts in the area, only two had incorporated waste recycling, and only three of the resorts practised low energy and consumption devices, water saving practices, waste recycling, and local product consumption [10]. A study by Teh and Cabanban [11] shows that practices that neglect the environment, such as blast fishing, are rampant in Pulau Banggi, a fishing area located in the state of Sabah, Malaysia, and they warn that such practices will degrade the environment and lead to the destruction of the marine park. Practices such as improper management of the park and a lack of cleanliness hinder repeat visits by international tourists to Taman Negara, Malaysia [12].

The above mentioned studies, however, concentrate on limited dimensions of organisational cultures, in particular the environmental protection culture. Studies focusing on organisational cultures have identified other cultural dimensions that are widely used in the general management studies. These cultural dimensions include performance orientation, employee orientation, knowledge sharing and pragmatic culture. It is imperative to understand which of these cultural dimensions are adopted by those businesses specifically engaged in ecotourism. The present study investigates whether the resort operators in the study area adopt the same cultural values.

It should be noted that many resort operations in ecotourism areas in emerging economies are small. Small businesses are normally run by family members, operated by the owners themselves and are small in terms of the number of employees, their resources and their market share [13]. Therefore, the cultures inherent in small organisations may be different from the cultures in larger organisations. By contrast, the owner of a small organisation is closely attached to the business [14] and usually to the area where the business is located [15]. Small businesses in the ecotourism industry are perceived as agents of change to address poverty and exclusion problems of the local area and the poor in the community [16]. Because of these characteristics, small organisations in ecotourism areas are argued to be more concerned about environmental and sustainability issues compared with large organisations [17]. Because of the differences between small and large organisations, existing models of organisational culture that have been derived from studies conducted in other than the ecotourism industry or conducted with larger firms must be treated with care before they can be applied in the context of the present study. However, not much is known about cultures adopted by small resort operators in the ecotourism areas. A proper knowledge about the characteristics and cultures of small businesses in the industry of ecotourism is important so as to provide meaningful contributions to the development of effective strategies for the success of the ecotourism industry [18].

Although there are a growing number of studies on ecotourism, the information related specifically to the organisational culture of small and medium enterprise (SME) businesses in ecotourism has not been thoroughly studied. Among the limited studies on organisational culture, Kyriakidou and Gore [19] have found that the best-performing SMEs in the tourism industry adopt a collaborative culture that emphasises close ties between the company and its employees, knowledge sharing and team development. Furthermore, such cultures are found to demonstrate better company

performance compared with those cultures that penalise members' wrong-doings [20]. By contrast, a more authoritative philosophy appears more common in organisations that adopt a power-based, autocratic culture [21]. These conflicting results warrant a systematic study of the organisational culture of SMEs. Churchill and Peter [22] have encouraged continuous efforts for validating measures used in social science research to increase research quality. This article will thus be given emphasis to meet those standards.

This study contributes to the existing knowledge by validating the scale items and examining the dimensionality, reliability and factor structures used to measure the organisational culture of SME resort operators in ecotourism areas of emerging economies. The paper is organised as follows. First, it reviews the general definition of organisational culture. It also discusses organisational values and practices based on the limited studies in the context of the tourism industry. The next section is the research methodology employed and the survey conducted among resort owners and employees. To identify the organisational culture construct, the principal component analysis (PCA) has been adopted to establish and confirm the values and practices of SMEs within the ecotourism industry. The model derived from this study will then be compared with models from previous studies so as to determine which model best represents the organisational culture of SMEs in the field of ecotourism. The verified framework for conceptualising an organisational culture in terms of values and practices will provide useful insights and methods for future studies. A better understanding of the organisational culture of SMEs in ecotourism can provide useful insight to the policy makers and emerging economies regarding the climate and the culture of these businesses. This information can serve as a guide for developing strategies to better help these businesses.

## 2 LITERATURE REVIEW

Two most frequently cited definitions in the literature of organisational culture are those of Hofstede [23] and Schein [24]. Hofstede [23] defines organisational culture as the core values, norms, behaviours and artefacts shared by individuals within an organisation. Schein [24] has viewed organisational culture as the beliefs that have been developed within the organisation and are then taught to new members. Kyriakidou and Gore [19] stress further that organisational cultures consist of two inter-related parts: the shared values and the practices within the organisation. While the values of an organisation are not obvious [25], the practices are more observable through the speech and behaviours of the organisation's members [26]. The relationship between values and practice is that the values provide meaning and direction for organisational practice [27, 28].

### 2.1 Constructs of organisational values

#### 2.1.1 Individualism (IDV)

This construct represents the degree to which individuals are integrated into groups [23]. House, Hanges, Javidan, Dorfman and Gupta [29] expand this construct into two extremes: the institutional collectivism, the degree to which organisational and societal institutional practices encourage and reward the collective distribution of resources and collective action; and in-group collectivism, the degree to which individuals express pride, loyalty and cohesiveness within their organisations or families [29].

#### 2.1.2 Uncertainty Avoidance Index (UAI)

This construct indicates to what extent the members of an organisational culture feel either uncomfortable or comfortable in unstructured situations [23]. It involves the extent to which ambiguous situations are perceived as threatening to individuals to whom rules and order are preferred. It is designed to establish elaborate processes and procedures and a preference for formal, detailed strategies [29].

### 2.1.3 Power Distance Index (PDI)

PDI is the extent to which the less powerful members of organisations and institutions accept and expect that power is distributed unequally [23]. This index represents inequality (more versus less) and suggests that a society's level of inequality is endorsed by the followers as much as by the leaders [23].

### 2.1.4 Masculinity (MAS)

The masculinity construct refers to the distribution of roles between the genders, which is another fundamental issue for any society for which a range of solutions are found. The assertive pole has been termed 'masculine' and the modest, caring pole 'feminine' [23]. The variables include a preference for accomplishment, heroism, severity and material success, as opposed to a preference for relationships, modesty, attention to the weak and quality of life [30].

### 2.1.5 Long-Term Orientation (LTO)

This construct represents the degree to which a collective body encourages and rewards future-oriented behaviours such as planning, delaying gratification and investing in the future [29]. Values associated with LTO are thrift and perseverance, while values associated with short-term orientation are respect for tradition, fulfilling social obligations and protecting one's 'face' [23].

## 2.2 Constructs of Organisational practices

### 2.2.1 Process-oriented versus results-oriented

Process-oriented people within a culture are dominated by technical and bureaucratic routines [31]. They perceive themselves as avoiding risks and making only a limited effort in their jobs, or put simply, each day is pretty much the same [30]. Results-oriented people within a culture have a common concern for outcomes [31]. They perceive themselves as comfortable in unfamiliar situations, and that each day brings in new challenges [32].

### 2.2.2 Job-oriented versus employee-oriented

Job-oriented people assume responsibility only for their own job performance and nothing more [23]. Job-oriented cultures experience a strong pressure to complete the job; they perceive the organisation as only interested in the work the employees do [30]. Employee-oriented cultures feel that their employees' personal problems are taken into account, and as a whole, the organisation takes responsibility for its employees' welfare [23].

### 2.2.3 Open systems versus closed systems

This construct refers to the common style of internal and external communications. It also considers the ease with which outsiders and newcomers are admitted [32]. In an open system, members consider both the organisation and its people open to newcomers and outsiders – almost anyone would fit into the organisation. In closed systems, the organisation and its people are felt to be closed and secretive, even among insiders [32].

### 2.2.4 Tightly versus loosely controlled

This construct refers to the degree of internal structuring in the organisation [23]. It is partly a function of the unit's technology. For example, banks and pharmaceutical companies can be expected to show tight control, while research laboratories and advertising agencies exhibit looser controls. It is important to note, however, that within organisations of similar technology, some units may be tighter or looser than others [33].

### 2.2.5 Pragmatic versus normative

This construct measures the degree of 'customer orientation', which is a highly popular topic in management literature [34]. Hin [35] underscores the fact that pragmatic people place an emphasis on meeting the requests of customers, while normative people emphasise on following procedures. Normative people tend to have a high standard of ethics, even at the expense of results [35].

### 2.2.6 Parochial versus professional

In the parochial construct, employees derive their identity largely from the organisation, whereas in the professional construct, employees identify with their job types. Members of a parochial culture feel that the organisation's norms cover their behaviour on the job as well as in their homes. Members of professional cultures consider their private lives separate from their business lives [32].

### 2.2.7 Environmental practice

The environmental practice dimension incorporates an awareness about environmental problems and a willingness to participate in activities that attempt to solve those problems [36]. This type of awareness is important to counter the adverse effects of mass tourism in ecotourism activities as they relate to recycling, energy saving and environmentally friendly products or services. These organisational constructs are considered to be environmentally-sensitive cultures [37]. Waste processing facilities for garbage and sewage are essential in areas where there are influxes of tourists [38].

However, in Malaysia, little is known whether the resort operators are engaged with the above values and practices. The study conceptualises organisational culture in an ecotourism area as values and practices that relate to protecting the environment and the socio-culture of the local community while, at the same time, providing economic growth to the businesses.

## 3 METHODOLOGY

A standardised survey was administered to the employers and employees of six Lake Kenyir resorts located in Peninsular Malaysia. The questionnaire consisted of two sections. Section 1 contains seven questions about the general demographic profile of the respondents. Section 2 consists of 51 items related specifically to the provision of services. Of the 51 questions, 25 items assess organisational values, and 26 items address organisational practices of the resort operators. All of the items were adapted from past studies. A four-point scale was used to measure the construct with the following levels: *1 - strongly disagree*, *2 - disagree*, *3 - agree* and *4 - strongly agree*. The scale was used to avoid neutral answers found in a normal odd-point scale and to employ an element of force, thus requiring respondents to make their decision on each question asked [39, 40]. The survey was conducted during the second week of August, which was considered the peak season for resorts in the area. Prior to the survey, the questionnaire was pilot-tested in June 2009 to ensure that the questions were not vague and were comprehensible. Out of 60 employees and 6 owners identified in Lake Kenyir, the researchers successfully distributed the questionnaires to 45 employees and all 6 owners. The population is regarded as acceptable in the context of exploratory research [41] such as the present study. In addition, researchers too are not in agreement on what is considered as appropriate sampling size [42, 43]. Out of 66 respondents, 51 (77.3%) had responded positively for our primary survey. In the Malaysian ecotourism context, the response rate of 77 per cent is considered very good for a research study. A study done on tourists in a similar site that is Lake Kenyir only gathered response rate of 42.5 per cent [44]. Another study, also done on tourists in Bako National Park, Malaysia only came up with 56 per cent response rate [45]. All of the questions, nonetheless, were fully answered and were usable for analysis. The descriptive analysis was then conducted to analyse the data. The Statistical Package for Social Sciences (SPSS) software version 15.0 was adopted for data analysis.

## 4 RESULTS AND DISCUSSIONS

## 4.1 Respondents profile

Of the 51 employees who responded, nearly 80 per cent were between 20 and 35 years old, followed by 16 per cent of respondents between 36 and 55 years old (refer Table 1). The remaining 4 per cent were 18 and 19 years of age. Of the respondents, 68.6 per cent were male. All were Malaysian and 96 per cent were of the Malay ethnicity. The remaining 4 per cent were Chinese and Indians. More than half, 52.9 per cent, were single, while 41.2 per cent were married and the remaining 5.9 per cent were divorced. In terms of education, 45 per cent had attended secondary school, and 21.6 per cent and 19.6 per cent had received tertiary and primary education, respectively. The majority of the respondents, 63 per cent, had also indicated that they were local, living in or in the area surrounding Lake Kenyir, while the remaining 37 per cent were from outside Lake Kenyir. This information suggests that resorts in Lake Kenyir tend to recruit locals to staff their businesses. More than half, 51 per cent, of the employees claimed to have no specific job titles or positions. They multi-tasked and performed a variety of duties. An additional 26 per cent identified themselves as clerks, and the remaining 23 per cent worked as managers. All except one resort have been established for more than 10 years, and all except one resort have fewer than 10 full-time employees. One resort has approximately 20 employees. This information implies that most resorts in Lake Kenyir are considered SMEs.

Table 1: Profile of respondents.

Variables	Frequency (s)	Percentage of total (%)
<i>Age</i>		
18–24	18	36.7
25–34	23	47.0
35–44	3	6.1
45–54	4	8.2
55–64	1	2.0
Missing	2	3.9
<i>Gender</i>		
Male	35	68.6
Female	16	31.4
<i>Race</i>		
Malay	49	96.1
Chinese	1	2.0
Indian	1	2.0
<i>Educational Qualification</i>		
Primary Education	10	19.6
Secondary Education	23	45.1
Tertiary Education	11	21.6
Missing	7	13.7
<i>Where are you from?</i>		
Local person	32	62.7
Outsider	17	33.3
Missing	2	3.9

## 4.2 Factor analyses

Prior to the factor analysis, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Barlett's test of sphericity were performed for the organisational value and organisational practice dimensions to validate the use of factor analysis. The results for organisational value have revealed that the Barlett's test of sphericity is statistically significant at  $p=0.00$  level (refer to Table 2) and that the KMO value is 0.693. This is parallel with Tabachnick and Fidell [46] who point out that the KMO value of 0.6 indicates good factor. The results for organisational practice also reveal that the Barlett's test of sphericity is statistically significant at  $p=0.00$  level (refer to Table 3) and that the KMO value is 0.521. Dziuban and Shirkey [47] then mention that all variables with KMO  $<0.5$  are likely to impair the factor solution and should be removed; thus variables with the KMO more than 0.5 can be retained. The results of the KMO statistical analysis indicate that the correlations between pairs of variables can be explained by other variables in both dimensions, whereas the results of Barlett's test of sphericity show that the strength of the relationship among variables is strong in both dimensions. These results imply the appropriateness to proceed with factor analyses for both dimensions.

For analytical purposes, we adhere to Hofstede, Neuijen, Ohayv and Sanders's [48] recommendations. First, we divided the questions into two categories (25 items on values and 26 items on practices) and we conducted exploratory factorial analyses for each category [49]. The factor analysis was performed to reduce the construct to a meaningful, interpretable and manageable set of factors [50]. The principal component analysis with varimax rotation and an Eigenvalue of more than one was conducted on each construct of the model to verify a single factor structure (unidimensionality of each construct) [51]. After rotation, the item loading tables were compared. The one with the "cleanest" factor structure – item loadings above 0.50 and no item cross-loadings above 0.35 – had the best fit to the data [52]. In this study, problematic items with low-loading and high cross-loading from organisational value (represented by 14 items) and organisational practice (represented by 15 items) were dropped and the analysis was rerun [52].

The results of the factor analysis of organisational value dimensions are shown in Table 2. From Table 2, four factors emerge as dimensions of organisational values: Performance orientation, employees quality, resort principle and knowledge sharing hierarchy. The four factors together explain 68.529 per cent of the total variance. The performance orientation explains the highest percentage of total variance at 33.75 per cent, followed by employees quality at 14.276 per cent, resort principle at 11.372 per cent and knowledge sharing hierarchy at 9.131 per cent.

Subsequently, the reliability test was conducted for each factor. The results as shown in Table 2 indicate that the reliability coefficients for the four factors of organisational values range from 0.308 to 0.845. Only one factor, knowledge sharing hierarchy, is below 0.5 and is subsequently removed. Thus, only performance orientation, employees quality and resort principle are reliable. Here, employees quality and resort principle are new dimensions specifically selected for this study. Employees quality is related to the employees' attitude and behaviour towards customers and towards their employers/supervisor [53]. Meanwhile resort principle deals with the belief upheld by the resorts' management or system governing employees 'behaviour in which the resorts are tolerant towards the breaking of rules and laws [54].

In this study, the factor loading can be interpreted as a standardised regression coefficient where it shows the strength of the relationship of each items to their constructs [55]. For performance orientation, the items loading range from 0.852 to 0.662, and for employees quality, the item loadings are 0.851 and 0.821, respectively, while resorts' principle items loading are 0.834 and 0.769.

Next, the factor analysis for organisational practice constructs was performed. Table 3 explains the results, which show that five factors have emerged as constructs for organisational practices. These factors are environmental practice, pragmatic versus normative, tightly versus loosely, resorts'

Table 2: Results of factor analysis with varimax rotation for organisational value constructs.

Item statement	Factor loading	Eigenvalue	Explained variance (%)	Reliability coefficient
<i>Factor 1: Performance orientation</i>		3.712	33.750	0.845
1. In this resort, employees should be encouraged to be innovative.	.852			
2. In this resort, employees should be encouraged to strive for continuous improved performance.	.812			
3. In this resort, managers should be encouraged to reward performance.	.793			
4. In this resort, job requirements and instruction should be spelled out in detail.	.735			
5. In this resort, staff should be explicit and straightforward in communicating.	.662			
<i>Factor 2: Employees quality</i>		1.570	14.276	0.609
6. In this resort, staff should be very assertive (firm).	.851			
7. I have a good relationship with my direct supervisor.	.821			
<i>Factor 3: Resort principle</i>		1.251	11.372	0.552
8. In this resort, there should be tolerance for breaking the rules or laws.	.834			
9. A resort structure should avoid employees having to follow directives from two bosses.	.769			
<i>Factor 4: Knowledge sharing hierarchy</i>		1.004	9.131	0.308
10. In this resort, rank and position in the hierarchy should have privileges.	.771			
11. In this resort, staff should be able to express their opinions or ideas freely.	.643			
<i>Total variance explained</i>			68.529	

Note: Four-point scale used: 1 – strongly disagree to 4 – strongly agree.

Extraction method: principal component analysis.

Rotation method: varimax with Kaiser normalisation.

The Kaiser-Meyer-Olkin measure of sampling adequacy = 0.693.

Statistical significance of Barlett test of sphericity,  $p = 0.000$ . The model fits well for the data.



Table 3: Results of factor analysis with varimax rotation for organisational practice constructs.

Item statement	Factor loading	Eigenvalue	Explained variance (%)	Reliability coefficient
<i>Factor 1: Environmental practices</i>		2.471	22.460	0.737
a. I often share information regarding the ethics in this ecotourism area with visitors.	.870			
b. Our employees support environmental programs.	.782			
c. I often actively share my knowledge concerning work with my co-workers.	.744			
<i>Factor 2: Pragmatic vs. normative</i>		1.829	16.629	0.682
a. Quality always prevails over quantity in this resort.	.844			
b. This resort focuses on tasks that satisfy customers' needs more than resort procedures.	.831			
<i>Factor 3: Tightly vs. loosely</i>		1.432	13.021	0.323
a. Meeting times are always kept punctual.	.810			
b. The major focus is on details and procedures.	.759			
<i>Factor 4: Resorts' custom</i>		1.216	11.059	0.533
a. This resort emphasises traditional dress code.	.912			
b. In this resort, I can express my opinion openly.	.686			
<i>Factor 5: Job focus</i>		1.046	9.511	-0.724
a. The resort management is not concerned about the personal problems of employees.	.831			
b. Everyone is cost-conscious.	-.717			
<i>Total variance explained</i>			72.680	

Note: Four-point scale used: 1– strongly disagree to 4 – strongly agree.

Extraction method: Principal component analysis.

Rotation method: Varimax with Kaiser normalisation.

The Kaiser-Meyer-Olkin measure of sampling adequacy = 0.521.

Barlett test of sphericity,  $p = 0.000$ . The model fits well for the data.

custom and job focus. These five factors explain 72.68 per cent of the total variance. This study confirms the findings by Hofstede *et al.* [48], as they also show that these organisational practice dimensions explain 73 per cent of the variance. The environmental practice construct explains the highest percentage of the total variance at 22.46 per cent followed by pragmatic versus normative at 16.629 per cent, tightly versus loosely controlled at 13.021 per cent, resorts' custom at 11.059 per cent and job focus at 9.511 per cent.

Then the reliability test was conducted for the five constructs for organisational practice, and the results showed that the Cronbach's alpha for these constructs ranged from 0.323 to 0.737. Only one construct, tightly versus loosely controlled, had a Cronbach's alpha below 0.5. Nunnally [56] considers an alpha coefficient of 0.50 as the minimum value for accepting reliability and internal consistency of a factor. Thus, the tightly versus loosely construct was removed. Resorts' custom and job focus are specific findings of this study. Resorts' custom refers to the traditional, widely accepted way of behaving and the established practice of the resorts [54]. While, job focus refers to the resort management that does not show concern for personal problems of employees and do not take responsibility of employees' welfare [32].

In terms of the relationship of each item to their constructs, environmental practices' loading range from 0.870 to 0.744, and for pragmatic versus normative, the item loadings are 0.844 and 0.831 respectively, while resorts' custom items loading are 0.912 and 0.686. For job focus, the item loadings are 0.831 and  $-0.717$ . Here, the negative loading is multiplied by  $-1$  in which it essentially reverses the scale of the factor [55].

#### 4.3 Comparison with previous study

For comparison, the findings by Hofstede [57] on national culture measures and Reisinger and Crotts [58] on Hofstede's national culture measures within the tourism industry were compared with the results of the current study. Table 4 reveals that the mean values for all three studies are similar. Given the current study's small sample sizes, one would expect differences as a result of normal sample variances [59]. In the case of the UAI, PDI and MAS, the current study's estimates reveal only minor differences. The mean of UAI in Table 4 are taken from items number 4 and 8 in Table 2, while the mean of PDI in this table are the outcome of items number 7, 9 and 10 in Table 2. Continuously, items 5 and 6 in Table 2 correspond to the MAS in Table 4. In the meantime, the remaining 4 items; number 1, 2 and 3 in Table 2 are adapted from House [29] and item number 11 in Table 2 from Jaw and Liu [60]. In this study, items for the IDV and LTO were removed due to low factor loading that is less than 0.5 [52]. However, the validation for organisational practice is not possible. Verbeke [59], in his revision of Hofstede's organisational practice scale, mentions that a lack of validation of the organisational practice scale is not surprising because this information is not published in the academic literature and is only commercially available.

Table 4: Comparison of means for organisational values.

Organisational values	Hofstede [57]	Reisinger & Crotts [58]	Current study
Individualism	3.69	3.65	-
Uncertainty Avoidance Index	3.52	3.40	3.90
Power Distance Index	3.60	3.67	3.68
Masculinity	3.81	3.70	3.68
Long-Term Orientation	2.79	2.79	-

Note: Five value dimensions using 5-point scale.

### 5 CONCLUSION

This paper contributes to the current knowledge by adjusting available dimensions to fit ecotourism SMEs in an emerging economy, given that the characteristics, business hierarchies, ownership and management patterns of these businesses are different from other industries. As such, we follow the advice of Kontogeorgopoulos [61], recognising the need to develop a Southeast Asian model to be exemplified by the organisations. The results of the factor analyses reveal wide variances within the organisational culture, indicating the presence of subcultures [58] or dimensionality. Four factors emerge as subcultures of organisational values: performance orientation, employees' characteristics, resort characteristics and knowledge sharing hierarchy. In addition, five factors emerge in organisational practice as subcultures: environmental practice, pragmatic versus normative, tightly versus loosely controlled, resorts' custom and job focus.

The reliability test indicates that two factors did not satisfy the minimum alpha coefficient of 0.5 and were subsequently negated from the results. Therefore, only three factors from organisational value and four factors from organisational practice were included in the organisational culture model shown in Fig. 1. Furthermore, a comparison with previous studies shows that the means for the organisational values dimension in this study are similar to the means from Hofstede's [51] and Reisinger and Crotts' [52], studies with the exception of the LTO factor. As it pertains to organisational practice, this study confirms the findings of Hofstede *et al.* [39] because it explains 73 per cent of the total variance. The verified model of organisational culture will be useful for future studies of ecotourism SMEs for emerging economies, particularly in Southeast Asia.

The practical contribution of the study is that the dimensions identified not only reflect the organisational culture dimensions identified by Hofstede *et al.*, [48] but they also reveal unique features based on the specifications of ecotourism and of the culture of Malaysian SMEs. The environmental practice factor (which explains the highest percentage of the total variance for the organisational practice dimension) signifies the unique contribution that the ecotourism operators fulfill as educators of the public [62] as they disseminate information to tourists and their employees about appropriate behaviours that should be adopted in fragile social and ecological settings [63]. In terms of the cultures of Malaysian SMEs, the performance orientation factor (which explains the highest percentage of the total variance for organisational value dimension) reflects the SMEs' attributes where the priority is given to increase the resorts' performance. Therefore, future tourism improvement strategies should concentrate on environmental practice and performance orientation factors as these will most likely strengthen these SMEs, allowing them to avoid conflicts and to promote more effective operations within the ecotourism industry.

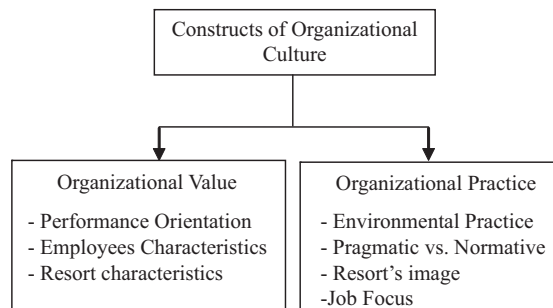


Figure 1: Model of organisational culture after standardisation.

## 6 LIMITATIONS AND RECOMMENDATIONS

This case study was conducted in an ecotourism area located in Lake Kenyir, Malaysia. Out of the 7 resorts operating in Lake Kenyir, based on the Small and Medium Industries Development Corporation (SMIDEC) [64] criteria, 6 are considered SMEs with fewer than 20 employees. Consequently, this indicates that the population size of this study is limited. For a recommendation, if the time and budget permit, future research should cover all SMEs in other ecotourism areas in the country so that rigorous statistical analyses can be conducted to investigate the existence of similar models of organisational culture as identified in the present study.

The instruments used in the present study are adopted from Hofstede's national culture and organisational culture study. The large number of items that were dropped from the present study suggests that direct or rather the unselective adoption of these instruments may not provide a valid, reliable and trustworthy assessment of an organisation's culture. Thus a multi-method approach is always desirable [65]. Nonetheless, the current study has found that the total variances explained by reliable organisational value and practice dimensions are at 59.40 per cent and 59.66 per cent, respectively. This is in line with the findings by Tepeci [66] wherein their data on preferred organisational culture in hospitality industry yielded 59.8 per cent of the total variance. However, further work is needed to identify the remaining 40.60 per cent and 40.34 per cent, respectively, of the total variances. Future studies might include other factors such as guest input in line with Rosete [67], who elaborates that organisations which practice hospitality are more likely to include client input as part of employees' performance appraisal process. In addition, future research on the relationship of organisational culture and the performance of the ecotourism SMEs will add value to the current knowledge.

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