THE IMPACT OF ENVIRONMENTAL ISSUES ON BUSINESS MANAGEMENT IN RURAL TOURISM IN VIDARBHA

Prof. Shital Kene¹, Dr. Sunil Ikharkar²

¹Assistant Professor, Dr. Ambedkar Institute of Management Studies and Research, Nagpur. ²Associate Professor & Head MBA, Kamla Nehru Mahavidyalaya Nagpur.

ABSTRACT

Owing to the increase in rural tourism and the importance of the environment to its sustainability, analysis of the consequences of tourism activity and study into how the environment fits into business management in the sector are growing in popularity. It has been difficult to create a widely used approach for such analyses due to the diversity, complexity, and economic features of the environmental consequences of rural tourist businesses. Environmental awareness among business owners is crucial for the adoption of environmentally friendly management techniques. This article undertakes a questionnaire-based investigation of the environmental consciousness of rural tourism business owners in the Vidarbha region using the structural equation modelling (SEM) method to ascertain its latent dimensions and the perceived environmental repercussions.

KEYWORDS: impacts of tourism on the environment, rural tourism, business management and Vidarbha area.

INTRODUCTION

Discussions regarding the economic and resource sustainability of rural tourism, as well as its effects on future generations, have accompanied its recent significant expansion. However, as Artanaz demonstrates, there hasn't been much agreement on the concept's definition and scope due to its diverse dimensions and multidisciplinary nature (2002). Despite this, given its direct business obligations and the potential competitive advantages that may arise from this, the sector's product line displays a growing knowledge of the importance for an environmental commitment.

A business culture where the environment is recognised as an asset or strategic feature in a corporation's competitiveness and sustainability has just lately arisen. Historically, natural resources have been seen as being freely accessible in the tourism industry. As a result, environmental management in the tourism industry is crucial to ensuring its sustainability and luring more and more environmentally concerned travellers. This article aims to serve as the starting point for an analysis of the relationship between business management factors like the adoption of energy-saving practises, corporate environmental policy, customers' eco-awareness, and how business owners in the rural tourism industry perceive the sector's impact on the environment.

LITERATURE REVIEW

Numerous studies have looked at organisations' environmental commitment and the probable reasons behind it, such as those by Hart (1995), Noci and Verganti (1999), Bowen (2000), Christmann (2000), Buysse and Verbeke (2003), Bansal (2005), Sharma and Henriques (2005), or López et al. (2007). Business management and environmental effect in the service sector, however, have gotten less attention than they have for businesses in the industrial sector. This is primarily due to the fact that the latter's immediate effects are less important and more challenging to quantify, despite the fact that their long-term consequences are not negligible, as stated by Hutchinson (1996), Pulido (2003), or Bengochea et al (2006).

The attitude and responsiveness of the business owners who are ultimately in charge of managing tourism play a crucial influence in its development and environmental sustainability, according to Lordkipanidze et al (2005). This is particularly important because the rural tourist subsector has a higher proportion of small family enterprises and because this kind of tourism contributes to regional sustainable development (Lordkipanidze, 2002). However, specialised study has centred on the opinions of business owners about

certain environmental challenges. Consider the studies by Gössling and Hall (2006) or Hall (2006) on climate change, Polonsky et al. (2004) on biodiversity, Vargas et al. (2004), or Molina et al. (2006) on the hotel sector (2009). The perception of the repercussions of business owners' activities and the measures they take to manage their organisations to mitigate those effects have received less attention in the literature.

OBJECTIVES OF THE STUDY

• To take into account environmental factors when deciding how much energy and resources should be saved

- To determine whether people are aware of environmental effects
- To gauge how committed customers are to the environment
- To raise awareness of environmental effects in relation to the need to conserve resources and energy, and
- To determine the clients' devotion to the environment.

To check these objectives on the basis of a reflective model, the researcher used the partial least squares method, which does not require that the variables are normally distributed and is intended for research models that foresee the effects of some factors on others. Studies that support this choice over maximum likelihood approaches include those by Anderson and Gerbing (1988), Barclay et al. (1995), and Chin et al. (2003), in which the theory is not well established.

METHODOLOGY OF STUDY

Rural tourist businesses typically have a small size and a management style that relies more on the attitudes and actions of the business owners (Shaw and Williams, 1998). These are therefore necessary for the business structure's long-term viability and, eventually, for regional growth (Lordkipanidze, 2002). This article examines how the environmental variable fits into business management and how consequences on the environment are considered by utilising a questionnaire developed by Vargas et al. (2009) and reproduced below to assess the attitudes and views of entrepreneurs.

Survey on the effects of business management and the environment on rural tourism

1- Implementing a code of environmental best practises is beneficial.

- 2- Using environmental criteria while making investments, purchases, etc.
- 3- The requirement for staff motivation and training with relation to environmental goals
- 4- Information on sustainable environmental behaviour for clients, employees, and suppliers
- 5- Customer opinions toward the environment are favourable.
- 6- Financial incentives exist to promote better environmental practises.
- 7- My clients value good environmental practises
- 8- Being environmentally conscious aids in bringing in new customers

9- Information on water-saving practises is posted in rooms and public restrooms, and consumers are urged to support this.

10- The significance of using water-saving technologies

11-Water-saving toilet cisterns have been installed, such as those with two flush buttons or quick flushes.

- 12- We think it's crucial that household products have good energy ratings.
- 13- We consider it crucial to deploy energy-saving measures.
- 14- Energy control systems are available (thermostats, timers, etc.)
- 15- Low-energy bulbs are those that remain lit for more than two hours.
- 16- We believe that using solar energy in our company is essential.
- 17- Using non-polluting climate control methods is necessary.

18- We make sure to choose environmentally friendly cleaning supplies, such as biodegradable detergents.

19- We think it's crucial to separate garbage.

20- We think it's crucial to treat toxic waste, Glass, plastic, metal, and paper are separated from containers and packaging during sorting. Special garbage (batteries, toner, etc.) is also separated and given to a designated waste management.

In order to assess how the need for environmental sustainability in rural tourism is perceived as well as how the various aspects are related, it is important to determine the latent factors that entrepreneurs' attitudes toward the environment are influenced by. Since we are dealing with latent components, structural equation modeling—a method that combines empirical research with a priori theoretical knowledge—must be used to do covariance structure analysis. According to Barclay et al. (1995), the use of such covariance structure models enables us to:

- Control measurement error, which is essential when the important variables must be realised through extra measurable variables since they are latent.
- To aid in the statistical validation of hypotheses, combine actual data with theoretical knowledge and presumptions.

• Calculate the direct and indirect effects of various measurable and latent variables by modelling their interactions (so such models are confirmatory rather than exploratory)

This essay looks into how adopting resource- and energy-saving practises and a customer-centered management approach relate to environmental business management. On the other hand, these three elements must have an impact on how the entrepreneur views the repercussions on the environment. Therefore, the five main hypotheses about the interactions between latent components in rural tourism firms that will be evaluated by our empirical investigation are as follows:

FINDINGS OF THE STUDY

The working objectives were empirically tested using data from a questionnaire submitted by owners of rural tourism businesses in the Vidarbha region. This spatial framework was chosen due to the importance of rural tourism in the area in comparison to more traditional tourist models and its close connection to the natural resources and landscapes of the area (Gómez et al., 2007).

The structural model that was proposed to assess our five core objectives was estimated using the partial least squares method, and the results are displayed in figure 1 below. The graphic shows latent components, which are normally invisible, as ovals and (observable) questionnaire items as rectangles. The arrows indicate regression relationships and show how a measurement model's latent components and items interact (structural model). The related partial regression coefficients, which show the coefficient of determination for the linked regression, are located next to the arrows and inside the ovals corresponding to the endogenous variables.



Figure 1: structural equation model estimated

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The measuring sub-model, which was developed utilising the general recommendations presented in Bagozzi and Yi, provides an evaluation of the questionnaire's validity for identifying the latent dimensions (1988). Cronbach's alpha is acceptable in each of the four situations and the compound reliability indices are greater than 0.7 in accordance with the normative criteria established by Nunnally and Bernstein (1994). The values of the four constructs for convergent validity (AVE) are acceptable, with three of them being greater than 0.3, in accordance with Fornell and Larcker's recommendations (1981). The cross-loads are also higher for the latent variables on which the pertinent items are loaded, with the exception of items 16 and 19, whose load is somewhat larger for other configurations.

Each of the four latent variables has a corresponding AVE that exceeds the square of the estimated correlation between them, meeting the criterion for discriminant validity as well (Fornell and Larcker, 1981). In every case, values higher than 0.2 were discovered for the R2 coefficients associated with the latent variable regressions for the structural submodel, as shown in Figure 1. (Falk and Miller, 1992).

Additionally, the Stone (1974) and Geisser (1975) suggested sample reuse approach was used to assess the model's predictive power. The results demonstrated that all endogenous structural variables had positive Q2 values, demonstrating the model's good fit. The entire suggested model estimation was verified. Utilizing direct effects analysis, it is shown that latent variables are dependent on one another. Bootstrapping is used to determine the significance of those coefficients and obtain the t-statistics associated with each parameter. As can be seen, four coefficients are significant, even if there is only a weak association between consumer characteristics and environmental impact.

CONCLUSIONS

This study examined the environmental attitudes of owners of rural tourist firms and investigated how these attitudes relate to how they run their operations and how they view the environmental impacts of the industry. The five essential working objectives were put to the test via AMOS estimate of a reflective structural latent model. For the first three objectives, which concern how ethical environmental management affects savings, environmental impacts, and customer management, respectively, the expected coefficients are significant. The primary result of rural tourism businesses is a definite link between environmental awareness in corporate management and the adoption of resource and energy-saving tactics. Such ethical management is seen to be associated to lower environmental impacts and less problems with customers' environmental awareness. The fourth assumption is also proven to be true, showing the significant correlation between energy-saving techniques and negligible environmental effects. This connection subtly emphasises the value of environmentally sustainable corporate management. The final hypothesis with the least amount of evidence in favour is that there is a link between customers' environmental consciousness and environmental damage. This assumption is only partially confirmed since, despite the expected negative coefficient being seen, its magnitude is too small to be statistically significant.

Therefore, the empirical evidence shows that customers' environmental awareness and business management's dedication to using resource- and energy-saving techniques are crucial in reducing the environmental impact of rural tourism. The structure of the market will be further examined in future study. As a result, segmenting the industry's products in accordance with how entrepreneurs use or adhere to the protection of natural resources may lead to a clustering within the industry that would maximise the advantages and synergies of intercompany cooperation in tourism management.

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