

## **SUSTAINABLE DEVELOPMENT AS AN INCENTIVE OF FAMILY ENTREPRENEURSHIP IN THE CROATIAN HOTEL INDUSTRY**

**Robert Svetlačić**

*Institution awarding the PhD Degree*  
University of Rijeka  
Faculty of Tourism and Hospitality  
Management, Croatia

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Business Economics in Tourism and  
Hospitality Industry / Management of  
Sustainable Development

*Supervisor*

**Daniel Dragičević**, PhD,  
Associate Professor  
University of Rijeka, Faculty of Tourism and  
Hospitality Management, Croatia

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### **SUMMARY**

#### **Purpose**

The sustainable development of family entrepreneurship in the hotel industry of the Republic of Croatia has not been sufficiently researched. The objectives of the research are: to investigate the existing scientific and professional knowledge on the establishment of the concept of sustainable development as an incentive for family entrepreneurship in the hotel industry of the Republic of Croatia; scientifically explore the need for more effective strategic and operational thinking and planning the establishment of partnerships to achieve sustainable development; to present scientifically based concepts of successful realization of sustainable development as an incentive for family entrepreneurship in the hotel industry of the Republic of Croatia; analyze the concept of inducing scientifically based guidelines for improving the current and creating a better future state of sustainable family entrepreneurship in the hotel industry of the Republic of Croatia; question the need for more harmonized implementation of legislative and other EU provisions on the of sustainability implementation. The purpose of the doctoral thesis is to elaborate and investigate aspects of sustainable development in the functioning of economic policy to encourage small and family businesses in the Croatian hotel industry and identify all vital aspects concerning opportunities to improve and enhance the existing situation.

The specific objectives of the research are:

(a) to investigate existing scientific and professional (both theoretical and practical) knowledge regarding the reality of the need to establish the concept of sustainable development as a stimulus for family entrepreneurship in the Croatian hotel industry, with the objective of faster growth, higher level of greater diversity, quality, and competitiveness;

(b) to scientifically explore the need for strategic and operational thinking and planning the establishment of partnerships (public, private and civil sector) that would be more effective, in order to achieve sustainable development, with the objective of creating real incentives for family entrepreneurship in the Croatian hotel industry and achieving the concept of greater profitability;

(c) to present scientifically based concepts of successful implementation of sustainable development as an incentive for family entrepreneurship in the Croatian hotel industry, with their similarities and differences;

(d) to consider the concept of inducing scientifically based guidelines for improving the current state as well as creating a better state of sustainable family business in the hotel industry of the Republic of Croatia in the future;

(e) to examine the need for more harmonized implementation of legislative and other EU provisions regarding the implementation of sustainability in the national economic policy and more efficient use of relatively limited capacities of family business in the hotel industry of the Republic of Croatia.

The intention and purpose of the doctoral research work is to elaborate and investigate in more detail the aspects of sustainable development in the functioning of economic policy to encourage small and family entrepreneurship in the Croatian hotel industry and to identify all important aspects of improving the existing situation. Accordingly, the research task is to determine hitherto insufficiently known scientific facts, knowledge, as well as the practical rules in the field of economics and other relevant scientific disciplines, related to the improvement and implementation of sustainable development policy as an important stimulus for small and family businesses in Croatian hospitality.

### **Methodology**

The methodology of scientific research uses available literature from primary and secondary scientific and professional sources and the conducted quantitative and qualitative statistical and scientific analysis of the obtained results. Empirical (primary) research employed a survey method on a deliberate sample of 100 small family businesses in the hotel industry (80% of the population) from March to May 2018.

The research methodology in this paper includes the definition of the research sample and research variables, with the use of appropriate scientific research methods and procedures that led to the results of the research conducted here. Following the previously set objectives of the research, one main hypothesis and three auxiliary research hypotheses were set, and they were tested using the results of the primary research by surveying a selected and representative sample and using independent and dependent variables and compared with the results. research from secondary sources.

Main hypothesis is the following: There is a significant connection between sustainable development and the development of family entrepreneurship in the Croatian hotel industry.

First auxiliary hypothesis: Sustainable development contributes to foreign and domestic investments with the objective of stronger development of family entrepreneurship in the Croatian hotel industry.

Second auxiliary hypothesis: The policy of sustainable development of family entrepreneurship in the hotel industry affects the increase of diversity, quality, and competitiveness of the price of the tourist offer in the Republic of Croatia.

Third auxiliary hypothesis: By positively revaluing the incentives for sustainable development, Croatian tax policy enables the development of family entrepreneurship in the hotel industry.

The results of the empirical research conducted here are obtained by using the survey method “on the state and possibilities of achieving sustainable development as an incentive for family entrepreneurship in the Croatian hotel industry” (made primarily in Kvarner (Opatija, Rijeka, Crikvenica, Novi Vinodolski and Senj)), Dalmatia (Split, Zadar, Šibenik and Omiš), Istria (Poreč, Umag, Rovinj, and Rabac) and Zagreb (city and the county)). The survey was conducted:

(a) via a classic and electronic e-mail questionnaire in the period from March to May 2018 on members of the National Association of Family and Small Hotels, where 126 were identified as family hotel companies (and represents the total population), out of 380 regular and associate members of the said association;

(b) on a chosen sample of 100 small family hotels in the hotel industry, which makes up for 79.37% of the population, and the return rate is 66% (ie the survey questionnaire was completed by 66 respondents) of small family hotel companies, which represents 52.38 % of the total population, and is therefore considered representative.

## **Findings**

Theoretically, the scientific contribution is determined primarily in the systematization and theoretic definition: the family business, sustainable development, and development of knowledge about the importance of integrated understanding of family entrepreneurship in hospitality and sustainable development and setting an integrated model to promote sustainable development. The applied contribution of the paper is on the results of the research that enable the definition of guidelines for potential improvement of the current situation and trend of implementation and improvement of sustainable development policy as a vital factor in encouraging the expansion and development of family business in hospitality.

Theoretical knowledge and evaluation of the state and possibilities of sustainable development as an incentive for family entrepreneurship in the Croatian hotel industry enabled testing and confirmation of the main and the other three auxiliary hypotheses on sustainable development as an incentive for family entrepreneurship in the Croatian hotel industry. In addition, it is possible to develop a proposal for a model of promoting sustainable development in the optimization of the family business in the Croatian hotel industry.

The obtained results indicate the importance of the connection between sustainable development and the development of family entrepreneurship in the Croatian hotel industry. Sustainable development systematically contributes to foreign and domestic investments with better development of family entrepreneurship in the hotel industry of the Republic of Croatia. The policy of sustainable development of family entrepreneurship in the hotel industry affects the increase of diversity, quality, and competitiveness of the price of the tourist offer. The conducted analysis indicates the need for an appropriate definition of family entrepreneurship in the hotel industry. Application of active tax policy through a positive revaluation of sustainable development incentives will enable better development of family entrepreneurship in the hotel industry.

The results of scientific research should contribute to and improve the concept and strategy of sustainable development as a stimulus for family entrepreneurship in the Croatian hotel industry, which implies a positive effect on the development of tourist destinations.

Also, the scientific research conducted here results in the scientific contribution of the doctoral dissertation in the analysis of the current situation, intending to improve the future situation, especially in defining goals and concrete innovation of operational strategies in implementing sustainable development of family business in Croatian hospitality and use of natural resources. serves as an ambitious incentive for family entrepreneurship in the Croatian hotel industry.

### **Originality of the research**

The envisaged scientific contribution was made in:

„(a) theoretical sense, a systematic overview of theoretical knowledge in the field of sustainable development, Croatian family entrepreneurship and hospitality (definition and classification); a strategy and concept of successful integrated implementation of sustainable development as incentives for family entrepreneurship in the Croatian hotel industry, the application of economic principles and scientific methods in the research of sustainable development, hospitality and family entrepreneurship resulted in knowledge about the competitiveness of family entrepreneurship in the Croatian hotel industry and beyond, deepened theoretical knowledge about the application of sustainable);

(b) in terms of application, the strategic importance arising from the proper and integrated management of the concept of successful implementation of sustainable development as a stimulus for family entrepreneurship in the hotel industry of the Republic of Croatia (its better positioning, faster conquest and retention of the target market) was expressed; development as a stimulus for family entrepreneurship in the hotel industry of the Republic of Croatia through all aspects, initiatives of integral application of sustainable development in family entrepreneurship in the hotel industry of the Republic of Croatia and its importance in tourism are highlighted).

Achieving the intended scientific contribution of the doctoral dissertation in theoretical and applied terms gives a certain contribution to the scientific field of social sciences, economics, general economics (or microeconomics), which is the result of research defined by the research goal and proving the main hypothesis as well as the three auxiliary hypotheses.

This enables the definition of guidelines for potential improvement of the current state and trend of implementation and also for the improvement of sustainable development policy as an important factor in encouraging the expansion and development of family business in the hotel industry, which should potentially contribute to Croatia's hotel business and further economic development and prosperity.

**Keywords** Sustainable development, family entrepreneurship, tourism, Croatian hotel industry

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