

The alignment of circular economy business models with the strategies of small & micro enterprises operating in Malta

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Introduction

Research Question:

How are small and micro enterprises operating in Malta aligning their strategies with circular economy business models [CEBM]?

Background Context:

- Circular Economy: way for small states to improve economies sustainably & meet SDGs; vital as they differ in range & scope from larger nations
- Intergovernmental policies on sustainable production and consumption impact small & micro enterprises - lack resources & skills to cope with change
- Research gap about enablers and barriers of CEBM-strategy alignment in small island state firms and their unique context.

Research objectives & Methodology

Research objectives:

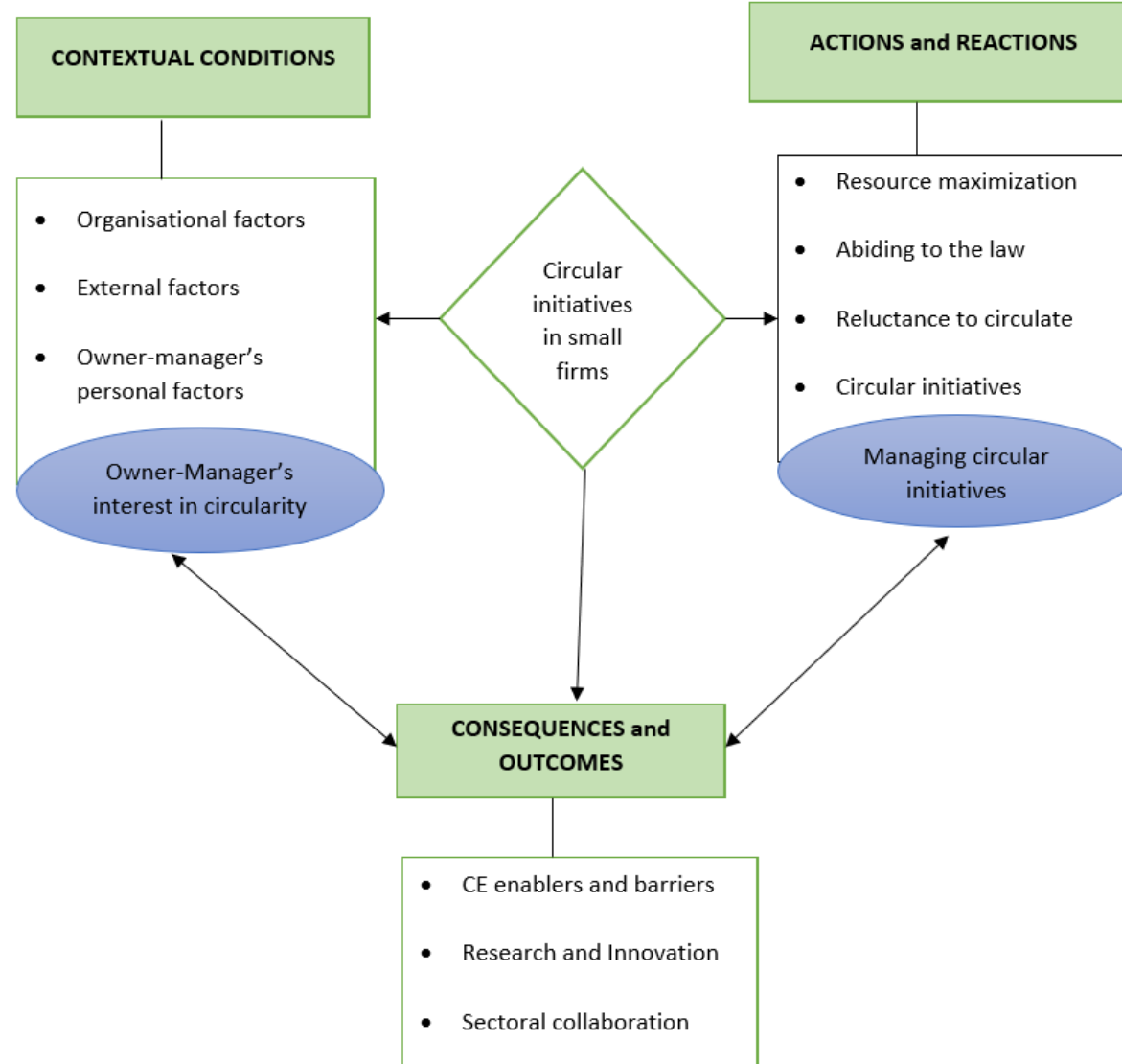
1. **Identify & evaluate contextual factors** that are precursors to small firms' adoption of CEBM
2. **Determine enablers & barriers** of strategy-CEBM alignment in small enterprises
3. **Establish analytical framework** evaluating alignment of CEBM with the business strategies of small businesses
4. **Find common patterns** of small enterprises strategy-CEBM alignment

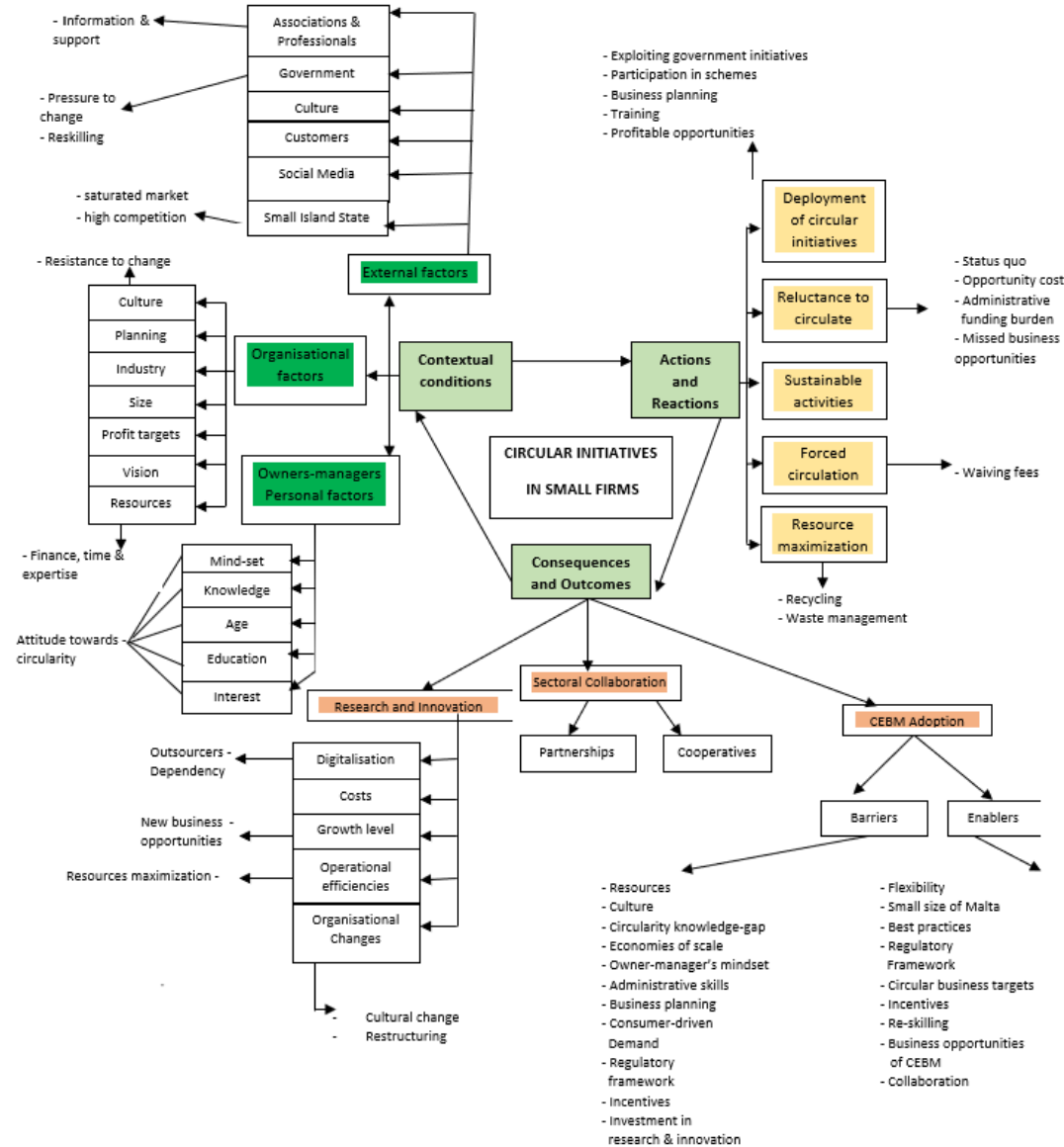
Methodology:

- **Applies grounded theory**; uses Corbin & Strauss's conditional matrix and Charmaz's constructive approach
- **Why small & micro?** = Of 55,950 registered business: 52,674 micro firms & 2,686 small businesses.
- **Why Malta?** = limited biodiversity; lacks natural resources; "insulated"

Preliminary findings

- 5 in-depth interviews with owners-managers of small & micro enterprises
- Sampling procedure – convenience sampling, purposive sampling & theoretical sampling
- Using Corbin & Strauss's Conditional matrix, the emerging constructs are grouped into the following categories:
 - Contextual conditions – the context within which the alignment process is taking place
 - Actions and reactions – the actions and reactions of owners-managers to the contextual conditions
 - Consequences and outcomes – of the actions and reactions





Main propositions emerging from the data

- **Proposition 1**

Small enterprises managed by young innovative owners-managers with tertiary education are more likely to align business strategies with CEBM

- **Proposition 2**

CE shift requires a cultural change at three levels: individual, corporate and national

- **Proposition 3**

Owners-managers who lack knowledge about CE fail to align business strategies with CEBM

- **Proposition 4**

Sectoral and cross-sectoral collaboration accelerates the CE shift

- **Proposition 5**

CE shift of small enterprises depends on government support in the form of solid legal frameworks and incentives

Implications & Conclusions

- **Cultural change needed – industry reps, professional bodies, policymakers to accelerate the change through (e.g) educational programmes**
- **‘Ecopreneurship’ major potential economic contributor to Malta**
- **‘Think small’: principle for policies & incentives to aid small & micros**
- **CEBM- strategy alignment**
 - **Enablers:** improved regulatory framework; collaboration between businesses; & across industry sectors; campaigns targeting customers to stimulate demand for green products & services
 - **Barriers:** lack of resources ; knowledge about CE; present administrative processes

Future Research Recommendations

- Further in-depth interviews
- Test model in other small Island states
- Investigate views of other primary stakeholders (e.g.) policy makers & external suppliers