

Environmental Management Practices in the Hotel Industry for Eco Tourism & It's Sustainability

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Abstract

As per my pilot study conducted on Star Hotels (3-5) to see the degree of Greenness in operation using Environmental Management Practices Indicators for Sustainability & Profitability as well in due course and measuring their impact on guest satisfaction. Based on the findings it was observed that there was a positive impact of innovative green practices, service quality, courtesy, competency and responsiveness (CCR) of staff on guest satisfaction level in the hotel.

Keywords: Innovative Green Practices, Guest Satisfaction, Service Quality

INTRODUCTION

The dilemma

There is a growing demand from stakeholders for the industry to be environmentally responsible; the hotel industry is no exception. Unlike other industries, the hotel industry faces a unique dilemma. Customers demand hotel facilities that require the use of resources or generation of waste that is significantly higher than that attributed to a common person; at the same time stakeholders including customers expect the hotel to be environmentally responsible, cutting down on the use of resources and generating less waste! For example the per capita consumption of water in a 5 Star hotel per day is about 3195 litres as against the norm set by various city administrations in India at a level of about 100 litres per day per person! Even in a less luxurious "Guest House" this figure stands at 686 litres ! (Leo Hickman, Charity

condemns tourists' use of fresh water in developing countries, The Guardian, Sunday 8 July 2012). The result is that in cities like Delhi, the Government has ordered hotels to cut down on their consumption of water, in spite of the growing tourist load (Delhi's Five Star Hotels asked to cut down water Consumption, Indian Express, New Delhi, 14 April, 2013). To survive, hotels have to manage this opposing demands and how they manage is the subject of this study.

Sustainable Development

The 1987 Brundtland Report of the United Nations entitled "Our Common Future" highlighted the concerns about the earth's ecological limits and the impact on the planet of non-stop economic development. The Brundtland Report defines Sustainable Development as: "the Development that meets the needs of the present generation without compromising the ability of the future generations to meet their own needs". It consists of three core values: environmental protection, economic development and social equity (Brundtland, 1987).

In recent decades, the world has been paying increasing attention to the natural environment and studies have underscored the emerging challenges caused by industrial production. Other challenges include the consequences of consuming non-renewable resources, as well as the related environmental effects, such as rising ocean levels and desertification, caused by climate change. Sustainable Development has also become a priority for many companies. Those that are concerned about Sustainable Development believe they have an economic responsibility to their customers, associates, partners, and

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shareholders. They believe these responsibilities will be better met if they operate in a way that respects human rights and is both socially equitable and environmentally sustainable.

Hotel Industry and Sustainable Development

The increasing number of sustainable development issues creates risks and opportunities for the hotel industry for the following reasons:

1. Being the highest job provider the hospitality industry has a considerable impact on economic, social & environmental conditions worldwide. For example, “Travel & Tourism” and hotel industry, the main players of hospitality industry, contributed INR 2,178.1 Billion to the country’s GDP in 2013. This is expected to rise by 7.5% to INR 2,341.45 Billion in 2014. Tourism is a big employment generator – every USD 1 Million invested in tourism creates 78 jobs. (<http://www.makeinindia.com/sector/tourism-hospitality/Statistics>).
2. Hotels, especially resort hotels, rely on the natural environment to attract tourists as a way to make profits. The ecosystem is the lifeblood of the hotel business. Thus, the hotel industry has every reason to preserve the local environment and contribute to the local community.
3. The operations of a hotel require water, heating, cooling, lighting, a laundry system, and appliances. The results of this consumption have a significant impact on the environment. Therefore, attention must be paid to these factors if their impact on the planet has to be minimized.
4. More and more customers have Sustainable Development related expectations when travelling to a new destination. The hotel industry must grasp this new trend if it wants to appeal to this market segment.
5. An Eco Hotel may be able to gain competitive advantage and otherwise benefit from cutting costs, cultivating a positive image, increasing employee loyalty and retaining customers.

LITERATURE REVIEW

Green hotels, also called eco hotels, ecologically friendly hotels, or environmentally friendly hotels, are

defined in a variety of ways. According to the Green Hotel Association, green hotels are “environmentally-friendly properties whose managers are eager to institute programs that save water, save energy and reduce solid waste—while saving money—to help protect our one and only earth” (2007). While this definition encompasses general ways hotels may reduce their impact, it is a very ambiguous definition. Kasim (2004) incorporates socio-economic factors into the definition: “the hotel operates in a responsible manner towards its employees, the local community, the local culture, and the surrounding ecology”. Simply put by Watkins (1994), green hotels are those that “show concern for the environment”. One may question, however, what exactly is meant by “responsible manner”. The term green hotel, which is the phrase most often used today has “evolved to embrace all areas of sustainability and corporate social responsibility,” according to the International Tourism Partnership [ITP] (2007). The ITP, a program designed to help travel and tourism businesses develop responsible business practices, sums it up well when it says that hotels must incorporate green thinking and decision making into all levels of the operation in order to be properly green. While all of these definitions encompass the spirit of what a green hotel is, the definitions are very diverse.

There are many steps a hotel can take to reduce its impact on the environment, which adds to the difficulty of specifically defining a green hotel. One hotel may have very established recycling programs and linen re-use programs, while another has also taken extensive steps to reduce energy consumption by installing more efficient thermostats in every hotel guest room. One might ask which of these two hotels is eco-friendly. Both are taking conscious steps to reduce energy consumption and save resources. To combat this issue, certification programs have developed levels of “greenness” (i.e Green Globe and Ecotel). A hotel that only participates in recycling would be at the very basic level, while those hotels taking more extensive steps would be at higher levels.

Although specifically defining a green hotel is difficult, even with certification programs, managers and employees that decide to green their hotels share common philosophies and goals. The environment is an integral part of their organization and mission. They do it to protect the environment for future generations. Going green, as the ITP (2007) says, “helps hotels focus on sustainability and achieve goals for better environmental management”.

The concepts of offering hospitality to customers/guests and sustainability are sometimes considered to be mutually exclusive. However, an exploration of the present-day hotel industry immediately reveals a number of examples of companies in this industry that obviously are not convinced of this irreconcilability. Many hotels and resorts have already started to consider environmental requirements as integral goals of their business and have applied environmentally conscious practices. A few individual hotels and resorts that have implemented a broad array of environmentally conscious practices, in other words, are examples of so-called green hotels.

A growing number of hospitality companies choose to publish the performance in areas pertaining to sustainability separately from the annual financial reports. Effective environmental communication can become an advantageous differentiation factor and create a positive brand image. At present majority of BSE/NSE reported companies in India are mandated to report their financial performance; however in 2012, SEBI has mandated that the top 100 companies listed in BSE/NSE should also report on their environmental, social and governance performance (Business Responsibility Report). Unlike financial reporting, however, the communication of sustainability efforts or results is largely unregulated. A great diversity can be noted with regard to the way environmental and social justice information is gathered, written, and disseminated.

A review of these reporting practices has been provided by Willy Legrand, Eric B. Huegel, Philip Sloan (2013), Learning from Best Practices: Sustainability Reporting in International Hotel Chains, in Joseph S. Chen (ed.) Advances in Hospitality and Leisure (Advances in Hospitality and Leisure, Volume 9) Emerald Group Publishing Limited.

Finally, it is important to note that best practices and tools and methods do not need to originate from the hotel industry itself to make them helpful and applicable in a hotel setting. This also applies to day-to-day operations. For instance, operations management techniques, such as time and motion studies, quality circles and standardization (techniques) that originate from the manufacturing industry can help to improve a hotel's efficiency, service and quality (Álvarez Gil 2001). Applying these methods and tools can help a hotel to reduce losses and waste, as is the case for any business that applies them.

Environmental Management Practices in Star Hotels

From the literature survey carried out so far it emerges that Environmental management practices of star hotels fall into the following categories:

1. Energy efficiency
2. Water conservation
3. Waste management (recycling and reuse)
4. GHG emission reduction
5. Bio-diversity protection & restoration of native eco-system
6. Noise pollution reduction
7. Green buildings
8. Ecological food (Organic, Farm Fresh & Green House)
9. Green education or training for employees and customers
10. Partnerships (Between hotels & environmental related organization)
11. Sustainable procurement practices and the green supply chain
12. Improvement of air quality
13. Compliance with applicable acts and rules

PURPOSE OF THE STUDY

Many of the services provided to hotel guests are highly resource intensive. This particularly reflects on the consumption of energy, water, food and non – durable goods etc. Indeed, hotels have been found to have one of the highest negative impacts on the environment per unit contribution to the GDP; the volume of the hotel business is directly propositional to the number of guests visit to the hotel in a year and that I turn is proportional to the quantity of resources used and waste generated. For example, the number of domestic tourist(Indian) visits in India during 2012 was 1,036.3 Million as compared to 864.53 Million in 2011, recording a growth rate of 19.9%, indicating increased use of resources year on year. So with above two years data it is clear the negative impact of volume of hotel business to the environment. (<http://www.makeinindia.com/sector/tourism-hospitality/Statistics>). If the hotel industry initiates programmes to reduce the consumption of resources while providing the required facilities, the continual increment in the use of

resources year on year can be reduced or avoided. The successful implementation of more sustainable practices in the hotel industry is highly dependent on the active support and cooperation of all stakeholders involved. The willingness and ability of hotel management to advocate and implement state-of-the-art environmentally responsible behaviour and practices is thus crucial.

Perhaps the greatest barrier preventing hoteliers from becoming more “green” is a widespread belief that environmental measures are prohibitively expensive. While the necessary modifications in technology, management and behaviour may require investments, it has been shown that such investments are profitable in the longer perspective.

The levels of eco-awareness and relevant education obviously need to be increased both in the industry and the public. Hotels have the potential of becoming significant venues of education as they are exposed to the travelling public, a rapidly increasing portion of the world’s population. The industry needs good role-models and physical examples of economically successful eco-friendly businesses will go a long way in convincing both customers and the industry that corporate responsibility makes good business sense.

There are obvious and encouraging signs that the travel and tourism industry, one of the largest industries in the world, has begun to be aware of its substantial negative impacts on the environment and is stepping up its efforts to embark on a more sustainable path.

Quite a few Indian Hotels Chain, like ITC Hotels, Taj Hotels etc., have already taken up environmental management as a strategic management initiative; Multinational hotels operating in India have environmental policies and programmes published for stakeholder communication. There are still a large number of Hotels that have not approached the subject of environmental management systematically as a tool for Sustainable Development. Literature Survey shows that there is no systematic study of environmental management practices in Hotels in India. This research is likely to fill the gap in our understanding of this crucial area with a view to benefit the Hotel Industry in India for formulating their strategies for Sustainable Development.

OBJECTIVES OF THE STUDY

1. To study the existing environmental management practices of star hotels in and around Pune in order to

understand as to how they balance the environmental requirements with the customer requirements.

2. To analyze the environmental efficiency indicators of different types of hotels.
3. To understand the factors which are responsible for different approaches by different types of hotels to environmental performance.
4. To evolve the suggestions for successful implementation of environmental management practices in the Hotel Industry.

RESEARCH QUESTIONS

I. General Research Question:

Do Star Hotels in and around Pune manage their customer needs without compromising on the need for continual improvement in environmental performance?

II. Specific Research Questions:

1. Do star hotels have environmental management practices in place to improve resource efficiency and reduce wastes, without compromising on meeting customer needs?
2. What are the major environmental management initiatives of hotels that meet the requirement of sustainable development?
3. Does environmental performance depend on the star rating of the hotel?
4. Does the environmental performance depend on the nature of ownership (i.e Multinational, Indian Corporate, and Individual) of the hotel?

HYPOTHESES

Based on the above research questions the following Hypotheses have been derived

- H₁** The higher the star rating of the hotel, the more systematic is the approach towards environmental management
- H₂** The higher the star rating of the hotel, the better is the energy efficiency
- H₃** The higher the star rating of the hotel, the better is the water use efficiency

- H₄ Multinational hotels have better energy efficiency than the hotels belonging to Indian corporate groups
- H₅ Multinational hotels have better water use efficiency than the hotels belonging to Indian corporate groups

AREA OF RESEARCH

Organizational Management – Environmental Management

RESEARCH METHODOLOGY

The initial survey by the researcher on the number of star hotels in Pune indicates that there are 62 such hotels in Pune; the researcher proposes to collect information from all these hotels for this research work. The scope will also include hotels around Pune, like in Lonavla (15 star hotels)

A combination of “Positivistic” and “Phenomenological” research methodologies is planned for this research study. Both types of Data Primary and Secondary (from published reports) will be collected for the study. The Primary data will be collected by the researcher through structured questionnaires, personal interviews and discussions with experts in the field. The Secondary data will be collected from published reports/case studies, hotel web-sites, government sources and published journal literature/books.

It is proposed to carry out **statistical analysis of the data** obtained to test various hypotheses.

9. SCOPE OF THE STUDY

1. Geographical scope of the study is limited to Pune District
2. The scope of study is limited to Star (1-5) hotels as classified by TripAdvisor (please see note at the References (item No. 18) section)

THE LIKELY OUTCOME OF THIS RESEARCH

- This research work will provide the base data for environmental performance of hotels in and around Pune .
- This research will help the hotel industry in general to adopt Sustainable Development initiatives for re-

ceiving great positive publicity in Hotel Business World as well as standing in saving money as profit by cutting cost of operations.

CHAPTER SCHEME

Chapter No.	Subject
1	Introduction
2	Objectives of the Study and the Research Methodology
3	Research Data
4	Analysis of Data
5	Discussion of Results
6	Research Conclusions and Observations
7	Scope for further Research

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A note on Star Hotels:

The Hotel and Restaurant Association Classification Committee (HRACC), Ministry of Tourism, Government of India has a scheme in place to classify hotels into various star categories (1 Star to 5 Star) based on the standards of facilities and services. Since this is a voluntary scheme many hotels have not applied and obtained the star rating to be included in the list of start hotels published by the Ministry.

"TripAdvisor", the internet based information provider for the hotel and tourism industry has developed a large data base of hotels, including star hotels, for each and every city of significance, including those in India. The star rating (1 star to 5 star) of TripAdvisor also is based on standards of facilities and services. For this research work, the researcher has decided, based on discussions with experts in the field, to use the listing of star hotels in Pune provided by TripAdvisor because it is current (being reviewed by customers on-line) and is complete.

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