

Report

Sustainable Hospitality & Tourism Management BMIH5006

Student name: Marika Henszek

Student Number: 2208214

Lecturer: Ruth Taylor

Executive Summary

In this report, major attention has been given to the process of implementing sustainable practices within the hospitality industry. Some emphasis has been given to the Environmental Management System and the requirements for monitoring the waste management and recycling programmes. Furthermore, this report discusses the need for the process of acquiring accreditation such as the Green Key Certificate by hotels, so that they can highlight their roles in the sustainable practices to their clientele. Additionally, this assessment has argued about the potential benefits of sustainability such as the protection of the environment (achieving a CSR agenda in the process), reducing expenses and developing a greater appeal in the market. However, suggestions have been made regarding the challenges such as initial investment for implementing sustainable practices and the aspect of creating a perception of greenwashing in the market. Nonetheless, these issues can be mitigated with proper measures, which this report has attempted to highlight as well.

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Introduction

The business operations in the hotels and the hospitality industry have been modified in the last decade following the high awareness of the target consumers regarding sustainability and environmental responsibility as the primary concerns. This report will explain the eco-friendly initiatives the hotels take with their benefits and challenges, covering examples from reputed organisations in the hospitality industry. The Green Key Initiative is one of the most recognisable environmental certification programs for accommodating a facility, focusing on improving the overall ecological management attributes. This helps attain energy efficiency, reduce waste, and make efficient use of water, reducing environmental impact. The target of hospitality organisations to achieve the Green Key certificate will be discussed as the primary consideration in this report, including consumers' demand to conserve resources, reduce pollution, and improve operational efficiency.

Requirements of implementing sustainable practices for accreditation in hotels

The measures involved in sustainable practices depict the ***environmental management systems*** or ***EMS*** as the vital understanding for focusing on the sustainability initiatives by the modern hotels and hospitality industry (Cheong and Lee, 2021). EMS's primary concerns include technologies for maintaining energy efficiency in core business functions and water consumption, which specify the requirements of recycling programs (Govalkar and Rao, 2024). Moreover, these requirements are dedicated to minimising landfill contributions in the hotels and hospitality industry operations. For example, Hilton Hotels has successfully reduced more than 50% of waste landfills from its baseline operations with a commitment to reducing food waste in the operations of its global division (Hilton-Sustainability, 2024). This target has been followed by other reputed hotel chains focusing on the initiatives of sustainable scouring as the core practice for accreditation of Green Key Certificate as a part of operational efficiency.

This indicates the requirements of maintaining social responsibility in the core operations of the hotels by developing the employees' perception towards sustainability initiatives. As opined by Domínguez and Fornells Herrera (2020), training and career opportunities for employees in hospitality organisations have been the key

considerations featuring better abilities to support preserving the local culture and heritage as a part of sustainable tourism. The considerations related to “**Green Key Certificate**”, “**LEED**”, or “**EarthCheck**” are the potential credibility featuring sustainability standards of the hospitality operations to maintain their long-term operations in this sector (Rodríguez-García, Idoia Ferrero-Ferrero and Fernández, 2023). Marinello *et al.* (2021) stated that sustainable practices for accreditation in hotels focus on certification as an essential factor in measuring particular attributes of the standards maintained in international sustainability activities. A prominent example of “Belmore Court & Motel” could be followed by focusing on guest engagement as a crucial factor, including the reuse of towels (McCartney, 2023). This UK hotel is spreading awareness among the guests about eco-friendly transportation and supporting the green initiatives of tourism destinations. However, these requirements are not specific, and the sustainability initiatives could be modified following the socio-economic considerations of hospitality organisations regarding their operational standards.

Theories related to sustainable practices in the Hotel Industry



Figure 1: Green Key Initiative Certification

(Source: Andzenge, 2016)

The theoretical understanding related to the Green Key Initiative follows the contribution of Green Key as the main program responsible for verifying the environmental standards required in hotels and hospitality businesses (Andzenge, 2016). This initiative is aligned to encourage global hotels to adopt and focus on energy-efficient technologies, including reducing waste and conserving water in operations.

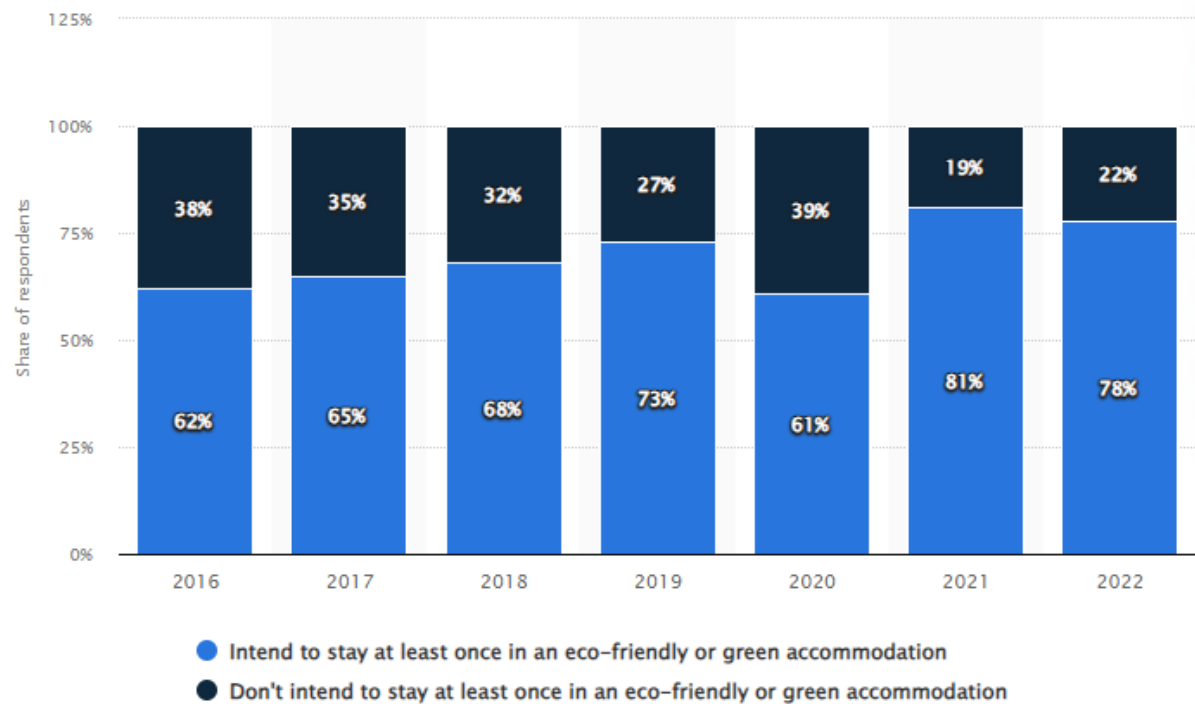


Figure 2: Global travellers intended to stay in an eco-friendly accommodation

(Source: Statista, 2022)

The Green Key initiative supports the measures to adhere to the sustainability initiatives of the hotels for enhancing the culture of being environmentally responsible in the practices (Green Key, 2024). The role of stakeholder theory is crucial in enabling the Green Key Initiative, which includes the contribution of individual employees to be proficient in sustainability practices (Fobbe and Hilletoft, 2021). Statista (2022) discovered in a survey that in 2022, 78% of worldwide visitors expected to stay in an environmentally friendly accommodation more than once to develop their experience with staying in a green hotel. The perspective and concerns of the stakeholders are crucial, as they include the impact of sustainable tourism on local lifestyle and ethnicity with traditional understanding to be maintained in the sustainability initiatives.

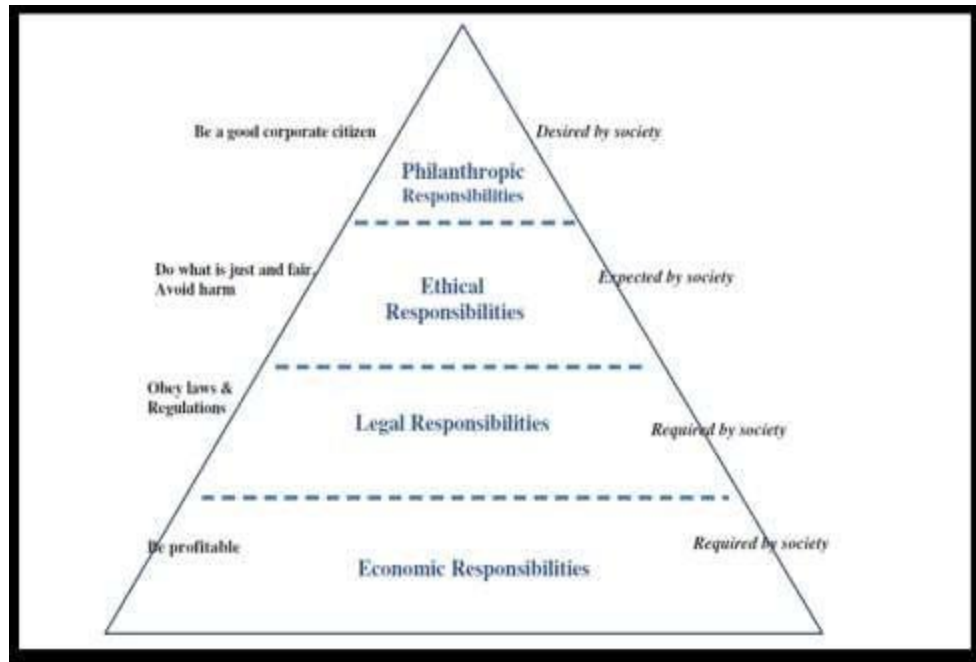


Figure 3: Carroll's Pyramid in CSR Theory

(Source: Visagie, Sibanda and Coetzee, 2019)

According to Visagie, Sibanda, and Coetzee (2019), Green Key Initiatives indicate the relationship with CSR aspects that could be found in the ***CSR theory mentioned in Carroll's Pyramid***. This pyramid has been designed to align the requirements of being socially responsible with economic and ethical expectations for maintaining the balance of profit and philanthropy in the business concern of the hotels. The rationale for selecting this theory could be followed by the pyramid structure of presenting the theory with legal, ethical, economic, and philanthropic activities.

Analysis and explanation of knowledge in practical understanding

In consideration of focusing on applying theoretical knowledge, it seems more challenging to enable sustainability initiatives in implementing sustainable tourism. Other industries have shown that sustainability is a prominent concern for the modern business. Considering the sustainability concern of modern considerations, Patagonia in the apparel industry and IKEA in retail are relevant examples of how these organisations have benefited by adopting sustainable products. Patagonia followed an active political stance and worked to promote environmental initiatives, including supply chain management and customer base, in favour of the brand image (Patagonia, 2023).

IKEA has made €600 million in investments in renewable energy and offered customers eco-friendly products, making it one of the leading environmentally conscious retail firms (IKEA, 2024). Following these examples, the hotel industry should note the achievements in expanding their ability to incorporate sustainability into the business models.

Benefits and Challenges of Sustainability Integration

The Green accreditation programs, such as the Green Key Initiative, depict benefits and challenges regarding their role in change and development that are prominent in the hotels and hospitality industry.

Benefits

Environmental Protection: Accreditation programs associated with environmental concerns helped hotels change their policies and develop eco-friendly ones to reduce the impact of their activities on the environment. Efficient use of energy and reduced waste and water consumption help lessen hotels' impact in areas of environmental degradation. This contributes to the conservation of the natural environment, mitigation of hazardous product emissions to the environment, and combating climate change. The sourcing of local and organic products is sustainable since it enhances biological diversity availability and decreases transport emissions.

Economic Savings: Schröder, Lemille and Desmond (2020) opined that implementing sustainability principles mainly results in saving costs by promoting profits. For example, light bulbs save energy costs and conserve water through instalments of “low-flow showerheads”. Measures taken towards reducing waste disposal can help minimise expenses and improve organisational performance. Measures for the development of sustainable actions can result in a significant reduction in costs. Energy-efficient appliances, equipment, and energy from natural sources decrease the money spent on energy (Munaf *et al.*, 2023). Waste reduction also reduces disposal costs, and there are possibilities to make money through recycling. In the long run, resource consumption costs are saved because sustainable technology and practices tend to perform optimally to alleviate excessive usage.

Market Appeal: The market appeal followed by hotels certified by the “AB 1953 law” is highly preferred by eco-conscious travellers (MacKenzie and Gannon, 2019). This can help increase the occupancy rates as well as the market appeal of the hotel. Sustainability is becoming essential for customers, mainly tourists who care about the environment. The increasing number of environmentally conscious travellers makes green-certified hotels appeal to this market segment by improving occupancies and customers’ repeat business.

Regulatory Compliance: Regulatory compliance is essential for the green accreditation of hotels to conform to the existing and future strict standards and regulations (Leyva and Parra, 2021). Sustainable practices ensure that the company obeys current and future environmental standards since governments worldwide implement strict environmental policies. This is important as it decreases the probability of receiving fines and facing legal problems while at the same time embracing the codified executive standards. Following this, it has been evident that hotels should avoid penalties as a positive sign that strengthens their legal position.

Corporate Image and Social Responsibility: Green certification creates awareness and improves a hotel’s image as a marketing tool that reveals to the clientele its social accountability towards the environment (Ghimire, Muneenam and Techato, 2023). It shows the benefits of making customers loyal and gaining favourable coverage from media outfits.

Challenges

Initial Costs: Implementing efficient systems, using renewable power, and gaining certification may cost a lot of money, especially for small and independent hotels (Ghimire, Muneenam and Techato, 2023). Consequently, such changes take much time and money to complete at their fundamental level. Upgrading the existing technologies to improved energy-efficient systems, implementing renewable energy sources, and getting the green certification can be expensive for the hotel, as most are start-ups or independents.

Perception of Greenwashing: Considering the lack of commitment to its implementation, green accreditation can be regarded as greenwashing, where hotels pretend to be eco-friendly when they are not (Majeed and Kim, 2022). People can lose

trust in these businesses when some irregularities are discovered. Due to the increased awareness of sustainable tourism, hotels are in a dilemma of either being accused of greenwashing, a situation whereby they profess sustainability and the practice minimal or none.

Future recommendations associated with integrating sustainability in the hotel and hospitality industry

Reduce the scope of greenwashing: As Seyfi, Hall and Strzelecka (2023) opine, hotels must adopt rigorous standards and audits for sustainability. The certification bodies follow a continuous update procedure to check the maintenance of environmental practices in the operations. These audits ensure that sustainability commitments are fulfilled rather than showing the initiatives to the target customers. The main intention is to reduce greenwashing behaviour in business practices and foster a genuine culture of sustainability in the hospitality industry.

Cost management: This recommendation is intended to manage costs and focus on sustainable technology as a consideration for long-term benefits. The procedure for using sustainable technology involves LED lighting to integrate energy efficiency and enhance the usage of renewable energy sources in the practices (Danish, 2023). Moreover, government grants and incentives for promoting sustainability are required to support this recommendation to manage operational costs and integrate further sustainable practices in the hospitality industry.

Transparency and Collaboration: The responsibility of the hotels is to publish detailed reports on sustainability actions to present their achievement and failures in environmental impact (Fung Wong and Kim, 2020). This is a part of maintaining transparency in the business. It is recommended that further collaboration with influencers be focused on promoting transparency in the business actions of hospitality organisations regarding their sustainability efforts.

Conclusion

Green Key Initiative entails evaluations of aspects such as management policies, customer education, and staff education on sustainability. Hotels that follow these criteria are then provided with the Green Key certification, which enhances

environmental awareness in the institution. Green Key Initiative pursuing the goal of environmental protection has a positive impact on the hotels' images, contributing to the effects of environmentally friendly tourists. It may reduce expenses by properly using the available resources and minimising wastage. Therefore, through association with this initiative, hotels have a competitive edge wildly where they are scrambling to make their CSR statement to society.

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