Johnson & Wales University

ScholarsArchive@JWU

Senior Capstone Projects   College of Hospitality Management

2022

Sustainability - A Shifting Paradigm in the Hospitality Industry

Julia Ransom

Sustainability – A Shifting Paradigm in the Hospitality Industry

Julia Ransom

Johnson & Wales University

Hospitality Capstone 32547

Dr. Paul Howe

April 24, 2022

Abstract

The purpose of this review is to explore the topic of sustainability and how it relates to the hospitality industry. As one of the largest consumers of vital resources like energy, water, and land, the hospitality industry requires more sustainable solutions to negate the risk of environmental damage. This review will provide insight into the importance of sustainability, how sustainability is defined, numerical representation of sustainability, and sustainable solutions to environmental concerns in the hospitality industry.

keywords: sustainability, hospitality, greenhouse emissions, carbon neutral

Contents

Introduction

The introduction will introduce the topic, as well as the rationale of the topic by providing background information. The introduction will conclude with research problem.

The hospitality industry needs more sustainable solutions. With record-high consumption rates of energy, water, and soil, the industry is considered one of the more threatening to the health of the planet. Millions of people gather in hotel rooms, restaurants, and airports every day. Hospitality-related establishments are utilized to conduct business, maintain personal relationships, and consume entertainment – all of which contribute to one's identity, and are essential in most people's lives. In recent years there has been a higher demand for sustainability. Not only is the consumer demanding more sustainable solutions in the hospitality space, but there is data to support that the planet needs more sustainable solutions to live on for future generations. This research paper will explore sustainability as a shifting paradigm and offer evidence as to why sustainability should be more heavily integrated into the hospitality industry.

Literature Review

The literature review will provide an overview for the existing sources that informed the research topic, as well as the hypothesis formulated in the introduction of this paper.

Sustainability

Sustainability is a widely used term that can take on various meanings. For that reason, the term has been diluted and misinterpreted at times. Clark (2005) argued, "In the absence of any precise

meaning the concept of sustainability is pointless. It could mean virtually anything and therefore means absolutely nothing." Sustainability, in the context of this review, is defined as preserving resources for future generations (Investopedia, 2022), as it relates to the economy and environment. Increasing interest in sustainability likely stems from population increase, urbanization, increased consumption of food and supplies, climate change, pollution, loss of natural habitats, and scarcity of valuable resources, like water and energy (Jones et al., 2016). Sustainable solutions are vital to the hospitality industry, especially in hotels, which are notorious for greenwashing, or simply sweeping sustainability under the rug. There is a new focus on sustainability, one that is beneficial for all parties involved – the consumer, the planet, and the business. The term "green consumerism" applies, which is an "opportunity for corporations to turn the very crisis that they generate through their accumulation of capital via the exploitation of nature into myriad streams of emergent profit and investment revenue" (Kahn, 2010, p. 43).

The hospitality industry was always considered somewhat of a luxury in the past. Only those who had fulfilled their basic needs of food, shelter, and clothing could then enjoy. This idea of the hospitality industry symbolizing pleasure, luxury, and enjoyment has shifted into ideas of necessity and essentialism. The industry itself is a huge part of the global economy, as it creates jobs for over 200 million people (Hospitality Europe, 2017). Tourism is also considered to be a necessary element in local economy, as places like Thailand or the Maldives survive on tourism (Jones & Comfort, 2020).

The emphasis on sustainability in the hospitality industry has increased following the recent COVID-19 pandemic. When the number of air flights declined, manufacturing decreased, and fewer people were on the road, there was a significant reduction in greenhouse gases and pollution levels (Jones & Comfort, 2020). This will likely not remain consistent now that travel is resumed, and the pandemic is slowing down in some areas of the world, but it does create a dialogue around integrating more sustainable practices to ensure that once the world is moving at a normal pace again, there is a reduced environmental impact going forward (Jones & Comfort, 2020). The tourism industry is general is not as resilient as once believed and living through the global pandemic has brought that to the attention of industry commentators (Gossling et al., 2020).

Hospitality organizations, especially corporations, may integrate sustainable solutions as a strategic move, as opposed to being environmentally focused. There is a demand for sustainability from consumers, so integrating this kind of strategy could benefit the business from a financial standpoint (Anderson et al., 2019). Embracing eco-preservation also stands to reduce cost, improve operating efficiencies, increase profits, and offer long-term financial stability.

Hotel & Lodging

This is especially true in the hotel sector, as there is an increased amount of environmentally conscious guests that are demanding this kind of change. A sustainable hotelier provides guests with eco-friendly, hygienic, healthy products, and focuses on resources and energy conservation, along with recycling (Bansal et. al, 2019). Tari (2009) called the hotel industry the silent

destroyer of biodiversity. Melissen et. al (2016) claims that hoteliers are also great actors, and often claim to implement sustainability-oriented practices, but really don't. This is formally known as "*green washing*". About 70% of hotels' environmental impacts are caused by excessive resource consumption (Bohdanowica, 2006). Not only does this waste resources, but it drives operational costs. Much of this waste can be reused or recycled, but hoteliers don't always make the effort to do so (Burgos Jiménez, 2004). Lenonidou et. al (2013) found that hotels with ample resources were more likely to implement sustainable practices, and those who are chain-branded have more efficiency and environmental value than independent hotels (Chen, 2019). A potential roadblock to making a hotel more sustainable is that the hotel owner may not want the same sustainability standards as the manager operating the property. In this case, the owner or manager, whoever is looking to implement more sustainable practices, may demonstrate cost-savings information to build a more convincing case (Conte, 2021). When companies fail to make more sustainable changes to their business, they're at risk of going out of business. Generation Z has $183 billion worth of buying power in the United States, and they are the generation who is especially concerned about greener initiatives. Additionally, the government is offering incentives and tax benefits for companies that are going green. Not going green is becoming the new niche, while being more sustainable will be the mainstream approach (Conte, 2021).

Food & Beverage

In terms of the restaurant sector of the hospitality industry, there is more evidence to support that restaurants are well on their way to being sustainable. However, there is room to push green initiatives further, as sustainability standards are ever-changing. According to Upserve (2020),

there are a few areas of concern when it comes to restaurants being sustainable. These include food waste, shelf-life, single-use plastics, misfit produce, food surplus, sustainable products like seafood, and plant-based options. Every year about $218 billion is spent to grow, process, and transport food that is never consumed, and is therefore wasted. This is a huge cost to not only the business, but to those who are processing the food, as well as the planet. Of this, about 52 million tons of food goes into a landfill, while 1 in 7 Americans has a fear about when their next meal will be. This is a global issue, and one that can begin to resolve with more sustainable practices in the food production industry (Upserve, 2020).

Consumers around the globe are demanding and reaching for more sustainable and healthy food options. Studies have linked meat products to certain health concerns, but processing and distributing meat products can also be harmful to the environment. Extensive resources are required for modern farming, while beef farming is known to be the major source of greenhouse gas emissions (Ritchie & Roser, 2020). The food itself accounts for over a quarter of the global greenhouse gas emissions, while 70% of ocean and freshwater is used for agriculture (Ritchie & Roser, 2020). When adding in the additional impact of the transportation and processing of these materials, there is a concern for the long-term impact. A diet consisting of whole grains, fruits, vegetables, legumes, and nuts is more of an environmentally sustainable diet, and could be more widely utilized in restaurants to meet the demand for healthy, sustainable food (Bertella, 2020).

Travel and Tourism

Tourism is another component of the hospitality industry that can have a negative impact on the environment. With tourism growing in popularity over the last twenty years or so, there is more

natural habitat that is lost to develop and construct hotels and other lodging for guests. In this process there is ample land erosion and water run-off, along with an overall increased demand for water and energy supply. This pollutes nearby water bodies. With increased levels of tourism, there is also an increase in modes of transport, and a change in the natural environment (beaches, oceans, mangroves, etc.) (Kasim, 2006).

Sustainability as a Competitive Advantage

There is a growing number of companies that implement sustainability as competitive advantage over other plays in the industry, and to report publicly about their achievements. This can be problematic, as companies will pursue environmental, social, and economic programs, but the purpose in these initiatives are primarily for economic gain or promoting positive brand image. In implementing these strategies, the ethical thing to do is provide transparency for how they are committing to their sustainability efforts to avoid greenwashing or misrepresenting themselves to appeal to consumers (Jones et.al, 2014). The best way for a company to implement a responsible strategy is to align their responsibility with their business model, and to consider how to properly implement it as opposed to throwing it in just to say they did. With this level of intention, companies create more a legitimate relationship with their corporate social responsibility, and this is detectible to the consumer. In addition, partnerships can be a good way for companies to achieve more of an impact if they don't foresee it being feasible for their company to accomplish responsible initiatives on their own (Escaler, 2020).

Methodology

The methodology section will discuss the references that provided data to support claims or research problem stated in the introduction.

Given that sustainability has been diluted over the years, as it has no concrete definition, it is important to assign numerical figures to the destruction that is taking place to the environment. To say that there is environmental damage because of the hospitality industry is a broad statement, but to say that there is a percent improvement in greenhouse emissions since the start of the pandemic helps to give the term "*sustainability*" meaning and purpose. In gathering research surrounding sustainability in the industry, it is important to separate the different sectors of the industry, as not all sectors of the industry have the same impact on the environment. For example, the hotel sector is notorious for its negative impact, and are more widely reported on than the restaurant sector. In gathering research, it is also important to ensure that the data is recent, as sustainability has taken on new meaning because of the COVID-19 pandemic. There is more of an emphasis on sustainability, as many businesses are restructuring as they rebuild, and they are implementing strategies that will save them cost and boost efficiency. There is generally a higher demand for sustainable solutions amongst consumers, which is also a driver in creating more sustainable business plans.

Findings

In the findings section, there is a comparison between data resources – all of which that state a unique perspective and offer new ways of viewing the research problem.

In a study done by Njoroge et al., (2020), they found a positive relationship between having a strong innovation strategy and economic sustainability within the hospitality industry. Innovative hotels, meaning sustainable hotels, are likely to experience sustainable growth that considers future generations, cost-saving and resource management, long-term profitability focus, and sustainability-related customer satisfaction.

Cohen (2002) found that the hospitality's enthusiasm to get back into normal travel and dining was consistent with Roper's (2012) notion that normalcy in the hospitality industry equates to weak sustainability, which favors economic development over environmental concerns. However, with the newfound appreciation for hospitality following the global pandemic, it is possible for stronger sustainability, with an emphasis on environmental and social gain, as opposed to just economic (Jones & Comfort, 2020).

In a study done on food waste in Malaysia, (Paparghyropoulou et al., 2016) found that there was far less food waste when the restaurant was at capacity, and when food was served buffet style, as opposed to a la carte. In addition, they found in this study that cultural beliefs play a significant role in how a customer consumes food at a restaurant – whether they are more wasteful, order too much, or are more conservative. The waiter interviewed made it clear that some customers order too much to prove something to their guests, which results in over half the food on the table being wasted sometimes. In a situation like this one, the waiter must serve the food, and do as they are asked because that is the nature of the hospitality industry.

The key findings, which explain why there is a need for sustainability in the hospitality industry, are presented because were in an environmental crisis. The hospitality industry relies on a healthy global ecosystem for tourism and other experiences. With climate change being as severe as it is, ski resorts are losing snow, fish are going extinct, droughts are causing water shortages, and states are catching on fire. Customers, in turn, are seeking out more sustainable businesses and experiences, especially following the pandemic (eHotelier, 2020).

In a study done by Kearney (2020), it was concluded that people were more worried about the environment following the pandemic, 11% changed their purchasing behavior based on environmental claims, and about 70% made occasional changes in their behaviors based on concern for the environment. For the hospitality industry not to increase carbon emissions significantly, those in the hotel business need to reduce emissions by 66% per room by 2030 and 90% per room by 2050. Additionally, food production has the largest impact on the industry, contributing about 70% to the loss of terrestrial ecosystems and nearly 50% of the loss in freshwater (eHotelier, 2021)

Limitations

The limitations section will outline the limitations of conducting this research, as well as the limitations for the topic.

Limitations for the exploration of this research and topic include the broad nature of the term "*sustainability*", as it is not always a straightforward concept. There are ways to define sustainability that are rooted in environmental concerns, but there are more broad ways to define sustainability in terms of the economy or social goals (Jones et al., 2014). That said, it is difficult to source information on specific sectors of the hospitality industry as it relates to sustainability – especially information that is relevant and timely.

Implications

The implications section will outline what is next in this research area, and what the research implies about the topic chosen, as well as the research problem.

It is made clear in the findings of this research that the environment is in danger. The COVID-19 pandemic put into perspective just how serious the environmental issues are, so therefore, businesses in the hospitality industry must try to be more sustainable. The main threat to the environment in this industry is the hotel business, in which there are staggering figures that measure its impact. The bottom line, that was consistent in all the research, is that businesses have an opportunity to restructure their plans to better accommodate the needs of the planet. In doing so there is equal opportunity to improve efficiency, drive cost, create a competitive advantage, and enhance reputation. Reducing plastic usage, land usage, food waste, finding plant alternatives to meat products, and creating a corporate social responsibility plan around the business objectives are just a few ways that the hospitality industry can be more sustainable.

In future research, it is important to define sustainability and give it a concrete meaning. It is a term that is overused and undervalued yet carries ample weight and responsibility. The term needs to be clearly defined to provide context. In addition, providing data to support claims about the environment, and real numerical figures will justify the usage of this term, and shed light on how serious the environmental crisis is. Areas to expand on research include what the future of sustainability will look like, the specific ways a business can be more sustainable, and further exploring the legality of sustainability, and looking into the presence of the government in enforcing more sustainable solutions to help businesses reach emission targets.

Conclusion

Sustainability is a blanket term – one that can take on various meanings. It is highly criticized for its lack of clarity and certainty, but that does not mean there is not a need for it. This term has

been utilized more so in recent years, largely in part of the global pandemic and the outcome of that crisis in the hospitality industry. In living through that experience, experts were able to measure how the world slowing down had an impact on the environment. There is evidence to support that the hospitality industry, when moving at a "*normal*" pace, is on track to be very damaging to the health of the planet – especially in the hotel sector. However, if businesses in the hospitality industry integrated more sustainable solutions to their business while they're repairing and rebuilding, they stand to gain a competitive advantage, lower costs, meet the needs of the average consumer, and boost their reputation and efficiency.

References

Bertella, G. (2020). Re-thinking sustainability and food in tourism. *Annals of Tourism Research*, *84*, 103005. https://doi.org/10.1016/j.annals.2020.103005

Bohdanowicz, P. (2006). *Responsible resource management in hotels*. Royal Institute of Technology. April 25, 2022, from https://www.diva-portal.org/smash/get/diva2:10873/FULLTEXT01.pdfPaulina

Carmona-Moreno, E., Céspedes-Lorente, J., & De Burgos-Jiménez, J. (2004). Environmental strategies in Spanish hotels: Contextual factors and performance. *The Service Industries Journal*, *24*(3), 101–130. https://doi.org/10.1080/0264206042000247786

Chen, L.-F. (2019). Hotel chain affiliation as an environmental performance strategy for luxury hotels. *International Journal of Hospitality Management*, *77*, 1–6. https://doi.org/10.1016/j.ijhm.2018.08.021

Claar, S. K. (2021, October 6). Sustainability in the hospitality industry: Challenges and opportunities. *Cornell SC Johnson*. April 24, 2022, from https://business.cornell.edu/hub/2021/10/06/sustainability-in-the-hospitality-industry-challenges-and-opportunities/

Clark, R. (2005). *What is Sustainability?* The Times & The Sunday Times. April 24, 2022, from http://www.timesonline.co.uk/tol/comment/columnists/ guest_contributors/article584043ece

Cohen, M. J. (2004, November 30). Sustainable consumption in national context: An introduction to the symposium. *Sustainability: Science, Practice, & Policy*. April 24, 2022, from https://trid.trb.org/view/756083

Escaler, G. (2020, September 9). *Council post: Transforming Sustainability into a competitive advantage*. Forbes. April 24, 2022, from https://www.forbes.com/sites/forbescommunicationscouncil/2020/09/09/transforming-sustainability-into-a-competitive-advantage/?sh=51c49b79282e

Hollis, M. (2020, February 5). *7 restaurant sustainability practices to implement in 2020*. Restaurant Insider. April 24, 2022, from https://upserve.com/restaurant-insider/restaurant-sustainability-trends/

Jones, P., & Comfort, D. (2020). *The COVIID-19 Crisis and Sustainability in the Hospitality Industry.* International Journal of Contemporary Hospitality Management. April 24, 2022, from https://doi-org.jwupvdz.idm.oclc.org/10.1108/IJCHM-04-2020-0357

Jones, P., Hillier, D., & Comfort, D. (2016). *Sustainability in the Hospitality Industry: Some Personal Reflections on Corporate Challenges and Research Agendas*. International

Journal of Contemporary Hospitality Management. April 24, 2022, from https://doi-org.jwupvdz.idm.oclc.org/10.1108/IJCHM-11-2014-0572

Jones, P., Hillier, D., & Comfort, D. (2014). Sustainability in the Global Hotel Industry. *International Journal of Contemporary Hospitality Management*, *26*(1), 5–17. https://doi.org/10.1108/ijchm-10-2012-0180

Kahn, R. (2010). Producing Crisis: Green Consumerism as an Ecopedagogical Issue. *Critical Pedagogies of Consumption*.

Leonidou, L. C., Leonidou, C. N., Fotiadis, T. A., & Zeriti, A. (2012, July 20). *Resources and* capabilities as drivers of Hotel Environmental Marketing Strategy: Implications for competitive advantage and performance. *Tourism Management*. April 24, 2022, from https://www.sciencedirect.com/science/article/pii/S0261517712001161

Melissen, F., van Ginneken, R., & Wood, R. C. (2016). Sustainability challenges and opportunities arising from the owner-operator split in hotels. *International Journal of Hospitality Management*, *54*, 35–42. https://doi.org/10.1016/j.ijhm.2016.01.005

Molina-Azorín, J. F., Tarí, J. J., Pereira-Moliner, J., López-Gamero, M. D., & Pertusa-Ortega, E. M. (2015). The effects of quality and environmental management on competitive advantage: A mixed methods study in the hotel industry. *Tourism Management*, *50*, 41–54. https://doi.org/10.1016/j.tourman.2015.01.008

Mollenkamp, D. T. (2022, April 25). *What is Sustainability?* Investopedia. April 24, 2022, from https://www.investopedia.com/terms/s/sustainability.asp

Njoroge, M., Anderson, W., & Mbura, O. O. (2020). *Innovation Strategy and Economic Sustainability in the Hospitality Industry.* The Bottom Line. April 24, 2022, from https://doi-org.jwupvdz.idm.oclc.org/10.1108/BL-03-2019-0080

Papargyropoulou, E., Wright, N., Lozano, R., Steinberger, J., Padfield, R., & Ujang, Z. (2016, January 21). Conceptual Framework for the study of Food Waste Generation and Prevention in the hospitality sector. Waste Management. April 24, 2022, from https://www.sciencedirect.com/science/article/pii/S0956053X16300174

Ritchie, H., & Roser, M. (2020, January 15). *Environmental impacts of food production*. Our World in Data. April 24, 2022, from https://ourworldindata.org/environmental-impacts-of-food

Roper, J. (2012). Environmental risk, sustainability discourses, and public relations. *Public Relations Inquiry*, *1*(1), 69–87. https://doi.org/10.1177/2046147x11422147

Scott, D., Gössling, S., & Ad Hall, M. C. (2020). *Pandemics, tourism, and global change: A rapid assessment of covid-19*. Taylor & Francis. April 24, 2022, from https://www.tandfonline.com/doi/full/10.1080/09669582.2020.1758708