

**Managers' perspectives of environmentally sustainable
policies and practices in the Australian hotel industry**

Submitted by

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Abstract

The impact of the hotel industry on the world environment has been widespread. It is a major industry that consumes a significant amount of natural resources and energy in the course of providing hospitality for its guests. For a hotel manager, developing policies and strategies for environmental sustainability can be challenging in the first instance, but actually implementing these policies is often even more difficult because managers of these businesses have to concurrently manage and align social, economic and environmental outcomes; the three dimensions that comprise sustainable performance (Epstein & Buhovac, 2014).

As hotel management are at the forefront of implementing environmentally sustainable policies and practices (ESPPs), the focus of this research has been on the Australian hotel industry and its managers' perspectives on ESPPs and the influence of their stakeholders. Applying stakeholder theory has contributed to an understanding of how organisations, including hotels, behave, especially in a rapidly changing and dynamic business climate where environmental issues are becoming increasingly prominent. There is an inherent need to explore and connect the positive links that exist between stakeholder interests. However, there is also an opportunity to expand the scope of stakeholder theory to offer a broader purpose in creating equal value for all stakeholders and the benefit of society and the environment. This focus requires a shift from short-term economic benefits to the broader benefits to society and the environment.

A two-phase process was undertaken in order to obtain data on environmental sustainability in Australian hotels and to engage with the research questions. The first phase of the research entailed a review of hotel websites in order to gain a preliminary understanding of the scope and extent of ESPPs adopted by hotels. The second phase involved the conduct of in-depth,

face-to-face interviews with selected hotel managers identified in the first phase of the preliminary investigation as having an influence on hotel policies and procedures.

This research found that independent and Australian chain affiliated hotels investigated in this study do not have formal environmental policies, either at a corporate or individual hotel level. This is in contrast to international chain affiliated hotels which do have formal policies on environmental sustainability. However, these policies are developed and formulated overseas at a corporate office level and passed down to individual hotels in Australia to be implemented. Major barriers to environmental sustainability are time, financial resources, a lack of suitable enablement resources and stakeholder owners and shareholders of hotels. The major drivers for environmental sustainability are the support of owners and shareholders, financial benefits, marketing leverage, guest preferences and environmental awareness.

The major stakeholders influencing ESPPs of hotels are their owners and shareholders, their head or corporate office, senior management and hotel guests. Owners and shareholders have the most significant influence on policies and practices as they have a financial interest in the hotel and simply put, they are in business to make a profit.

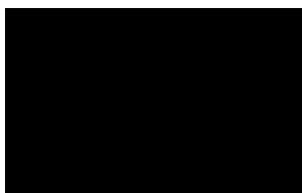
The current focus areas for environmental sustainability are water management, energy and recycling. Hotels intend to address them with increased prominence moving forward. The research responses demonstrate a need for more innovative approaches if the hotel industry is to make a significant contribution to environmental sustainability. Analysing the focus areas of environmentally sustainable practices in the future, other than discussion on building sustainable hotels from the ground up, suggests that little thought has been given to other innovative and sustainable practices that can be implemented.

Establishing commitment to the notion of environmental sustainability is the principal step a hotel organisation or independent hotel should embark upon in order to establish a statement of purpose or policy relating to environmental sustainability. Hotel managers working at a property level should be involved with formulation of ESPPs. Their involvement in the creation of policy makes it easier to implement environmentally sustainable practices as they will have developed a better understanding of the foundation of environmental policies. This benefits all stakeholders as well as the environment. Developing and strengthening the relationship amongst stakeholders is one of the most significant forces that can drive successful environmental initiatives and practices.

Doctor of Philosophy Declaration

I, Ajay Khatter, declare that the PhD thesis entitled ‘Managers’ perspectives of environmentally sustainable policies and practices in the Australian hotel industry’ is no more than 100,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

Signed:



Date: 14/05/2020

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List of Abbreviations

AICD - Australian Institute of Company Directors

CEO - Chief Executive Officer

CSR - Corporate social responsibility

DSI - Director Sentiment Index

EMS - Environmental management systems

EPR - Extended producer responsibility

ESPPs - Environmentally sustainable policies and practices

GHGs - Greenhouse gases

LED – Light-Emitting Diode

IPCC - Intergovernmental Panel on Climate Change

LEED - Leadership in Energy and Environmental Design

NABERS - National Australian Built Environment Rating Systems

SMEs - Small and medium-sized enterprises

TBL – Triple bottom line

UNEP - United Nations Environment Programme

UNWTO - United Nations World Tourism Organization

USGBC - United States Green Building Council

Chapter 1: Introduction

1.1 Background

Modern industrialised society has had many negative impacts on the global environment; mainly in the form of climate change and air, soil and water pollution (Alexiadis, 2007). Climate change and its impacts may well be the defining issue of the present generation (Moss et al., 2010). Consequently, it is recognised that the use of natural resources cannot be maintained at the existing pace in the future (Barnett & Morse, 2013). The phenomenon of the greenhouse effect, whereby carbon dioxide and other gases in the earth's atmosphere trap solar radiation in a similar manner to a greenhouse (Ekins, 2002), is growing due to increased human activity; and is leading to a further rise in global warming and climate change (Wiedmann & Minx, 2007). The emission of greenhouse gases has been increasing steadily and it is widely agreed that this is the leading cause of climate change (Oreskes, 2004). In response, there is increasing pressure from environmentalists, consumers and communities to ensure that the environment be better-protected (Tang, Amran & Goh, 2014). This is necessary in order to prevent future harm, avoid irreparable damage, increase the ecosystem's ability to sustain life and to allow regeneration of life forms compromised by excessive pollution and depletion of natural resources (Donaldson, Werhane & Van Zandt, 2007).

In recent years, the need for organisations to employ environmental sustainability strategies as a core business value has assumed an increased level of importance globally (Lubin & Esty, 2010). There remain major challenges for some businesses, including for the hotel industry, to recognise and act on corporate social responsibilities and address the environmental impact of their business activities. The definition of sustainability is derived from the Brundtland report which states that "sustainable development is development that meets the needs of the present

without comprising the ability of the future generations to meet their own needs” (World Commission on Environment and Development, 1987, p. 8). Sustainability has three dimensions: specifically; economic, environmental and social; and all these dimensions must work together to attain sustainability (Epstein & Buhovac, 2014). The focus of this research is on the dimension of environmental sustainability in the hotel industry.

When it comes to sustainability, for an extended period of time the emphasis has been on social and economic sustainability, however the focus is now shifting to environmental sustainability (Bonevac, 2010). Environmental sustainability can be defined as the preservation of practices and features that contribute to the quality of the environment on a long term basis (Goodland, 1995). The concept of environmental sustainability is underpinned by the premise that all stakeholders and nature should co-exist by making the right choices (Hemmati, 2002).

Climate change is expected to have a large-scale effect on the environment, which in turn will have a significant effect on the tourism and hospitality industries; both of which have a vested interest in sustainability. These industries are impacted directly and indirectly due to factors such as increased costs of insurance, safety concerns, damage to attractions and destinations, disruptions to cultural and natural heritage, and reduced travel to due to reduced attractiveness of destinations (United Nations World Tourism Organization, 2019). In order to define and analyse environmental sustainability concerns in the hotel industry, it is crucial to examine the environmental sustainability policies and practices of the hotel industry as a significant component of broader tourism systems. Environmentally sustainable policies and practices (ESPPs) are the basic principles, guidelines and practices formulated to assist an organisation in pursuit of its environmental management goals (Kraft, 2015). There are significant facets of hotel industry operations which have an influence on the environment. However, the extent to

which Australian hotels are responding to the effects of environmental degradation has not been examined.

This research explores the influence of hotel industry stakeholders on environmental sustainability policies as described by hotels themselves and the effectiveness of the actual implementation of these practices in their daily operations. Researching the existence of formal environmentally sustainable policies of organisations in the hotel industry and the influence of the stakeholders on formulating these is important, as a policy is a statement of intent and purpose, and is used to articulate the vision and objectives of the business (Wildavsky, 2017). A policy communicates the desired corporate direction and provides a point of reference to managers and their organisations (Birkland, 2015). A policy clarifies the actions that an organisation intends to undertake and guides the practices and decision-making for all dimensions of business operations, including ESPPs (Weimer & Vining, 2017). Policy statements relating to ESPPs are therefore indicative of the relative importance placed on environmental protection by companies and their stakeholders. It is acknowledged that there is criticism that the hotels are fundamentally linked to a growth paradigm and a direct contributor to climate change (Epstein, 2018; González-Rodríguez, Martín-Samper, Köseoglu & Okumus, 2019). There is, nonetheless, a spectrum of sustainable hotel practice ranging from there being no effort towards sustainability to a concerted effort to be sustainable. This thesis attempts to identify where different types of hotels in Melbourne can be located on that spectrum. Organisation brings stakeholders together, however, it may not always deliver mutually beneficial outcomes for everyone (Freeman, 1984). This research has explored if, and how, stakeholders can work together to benefit each other whilst contributing to environmental sustainability as well.

Utilising stakeholder theory (Freeman, 1984), the study reviews current and future sustainability policies and practices of the Australian hotel industry and how these are implemented and managed in the complex environment of hotel operations and stakeholder influence. It also explores the challenges, barriers and drivers encountered by hotel management to implement these policies and practices, while also being cognisant of the effects of anticipated growth in the hotel sector (World Travel and Tourism Council, 2017). The research identifies the stakeholders from a hotel manager's perspective and their interest, power and influence to determine their contribution to the environmental impact of their operations. The study also addresses a gap in the literature given that similar studies of stakeholder influence on hotels' ESPPs have not been undertaken in Australia.

1.2 The Australian Hotel Industry

An objective of this research is to explore the correlation between hotels and stakeholder views on environmental sustainability to identify whether there are different motives for ESPPs. This research also examines the simultaneous and often conflicting demands of multiple stakeholders. The intention is to make a significant contribution to the existing body of knowledge on hotel environmental sustainability policies and practices by providing insight into current and future trends in the Australian hotel industry's implementation of environmentally sustainable initiatives and policy. There is a prospect for this research to magnify the scope of stakeholder theory to offer a broader purpose in creating equal value for all stakeholders for the benefit of society and the environment. There is insufficient literature on hotel managements' perspectives on environmental sustainability and the development of ESPPs in the Australian hotel industry. There is little academic information on how the Australian hotel industry is going to manage the concept of environmental sustainability in their daily operations in the context of the projected growth of the hotel industry. This research

addresses this knowledge gap as well as providing a comprehensive understanding of the current state of policies and practices related to environmental sustainability in the hotel industry in Australia.

The lodging or accommodation industry has hotels, resorts, motels, serviced apartments and residential hotels. A hotel is a commercial establishment providing lodging, meals and other guest services on a short-time basis (Hayes, Ninemeier & Miller, 2016). For this study, the hotels chosen are commercial hotels or transient hotels (i.e. not for permanent stay) in an urban area. These hotels utilise a star rating system to segment themselves, with hotels classified into different star ratings. In Australia, this system is managed by the Australian Tourism Industry Council (ATIC) and the rating is determined by more than 200 criteria. It is based on the quality and condition of guest facilities, cleanliness, maintenance, quality of furnishings and physical appointments, and degree of luxury offered (Australian Tourism Industry Council, 2017).

There are numerous ways that hotels are owned and managed. There are hotel properties that are not affiliated to any chain. These are termed as independent (non-chain) hotels. Another classification is chain-affiliated hotels. There are three categories. The first is where a hotel owner only borrows the brand name as a franchisee from the brand owner (called the franchisor) and manages it themselves. The franchisee has gained the rights to use the franchisor's logos and have access to their channels of distribution and marketing. Even though the franchisor is not involved in managing the hotel, the franchisee must ensure that minimum brand standards are met. The second category is where a hotel owner gives the hotel to a hotel chain to manage it for a management fee. The hotel chain manages and operates a hotel with its own hotel brand, operational policies and procedures and that includes ESPPs. Lastly, there are some large hotel chains that own and manage their own hotels (Hayes et al., 2016).

The primary income of the Australian hotel industry is derived through the provision of accommodation and complementary services to business and leisure travellers, as well as associated events and hospitality patronage. In Australia, around \$8 billion of revenue is generated yearly by the hotel industry (Cloutman, 2018). Five hotel operating companies dominate the Australian hotel industry. AAPC, trading as Accor Asia Pacific (known as Accor), is a subsidiary of a hotel conglomerate based in France. Accor is one of the largest hotel operators in the world with hotels in around 90 countries (Cloutman, 2018). In Australia, Hilton International has about 4% of the market share; Event Hospitality, an Australian hotel chain, has 6% of the market share; TFE Hotels has about 6%; Marriott International has 7% of the market and Accor has about 9%. Approximately 50% of Australia's hotels are independent hotels and not affiliated to any hotel chain (STR Global, 2018).

According to the Australian Trade and Investment Commission (Austrade), the Australian hotel industry is projected to grow by 53,227 rooms by the year 2028 (Tourism Australia, 2019). Given the size and significance of the industry, their environmental impact is an important consideration for wider efforts towards meeting environmental sustainability targets.

It is predicted that a focus on environmental sustainability will become a key management priority after quality management and information technology; and the capacity to implement sustainable practices will have significant implications on an organisation's survival and success (Hsieh, 2012; Lubin & Esty, 2010). The information from this research into ESPPs in hotel operations will be a valuable resource for other hotels and stakeholders that are aiming towards better management of environmental sustainability.

Both researchers and practitioners agree that it is difficult for hotels to achieve and implement effective environmental sustainability management (Kirk, 2010; Rahman, Reynolds & Svaren, 2012). When using hotel services, most consumers expect uncompromised quality of products and services, such as an ample supply of water and showering facilities, freshly laundered linen, a good supply of towels and a variety of food and beverages (Rahman et al., 2012). Hotels may wish to provide environmentally friendly products and services, but they may reconsider these for fear of losing patronage due to a perceived reduction in product and service quality (Rahman et al., 2012). This research has identified ESPPs that hotels can implement to find the balance between greener practices and satisfying products and services for customers. This will assist hotels with policy and strategy for ESPPs which cater to the wellbeing of both the stakeholders and the environment.

1.3 Aims of the Research

Using Melbourne as a representative area, the central aim of this research is to investigate the implementation of ESPPs. Melbourne hotels were analysed for practical and logistical reasons. Furthermore, hotel ownership arrangements, management structures and hotel operations that apply to Melbourne hotels can be reasonably said to apply to hotels all over Australia and the world (Hayes et al., 2016).

The focus of the research is on ESPPs in the Australian hotel industry from a hotel manager's perspective and the influence of their stakeholders. Given the importance of the tourism and hotel industry to the Australian economy, it is critical to research ESPPs, how they are being implemented, how they will be implemented in the future, and the stakeholder influences that the industry faces in formulating and implementing them.

1.3.1 Topic and Research Questions

The topic of this research is environmentally sustainable policies and practices in the Australian hotel industry with a focus on management perspectives and stakeholder influence.

This research will address the following research questions:

1. Does the Australian hotel industry develop and implement environmentally sustainable policies and practices?
2. What are the drivers and barriers in the implementation of environmentally sustainable policies and practices?
3. Do different stakeholders play a role in shaping these policies and practices?
4. What environmental sustainability policies and practices are planned to be implemented by the hotel industry in the future in the context of projected growth in the hotel industry in Australia?

1.4 Theoretical Base for this Research

Stakeholder theory was first proposed and discussed by Freeman in 1983 (Freeman & Reed, 1983). Stakeholder theory is a theory of organisational management and business ethics that addresses morals and values in managing an organisation, in such a manner so that the norms and standards of society are preserved by introducing ethical considerations based on stakeholder obligations and interests (Freeman, 1984). Stakeholder theory defines the organisation as a grouping of stakeholders and the purpose of the organisation should be to manage the interests, needs and viewpoints of these stakeholders (Mensah, 2014). Stakeholder theory is based on the premise that organisations and businesses do not function in isolation,

but in association with the support of groups and individuals for the creation of value and trade (Freeman, Harrison, Wicks, Parmar & De Colle, 2010). Stakeholders can be any group or an individual who can affect or is affected through achievement of the organisation's objectives (Freeman, 1984); this includes stakeholders that influence environmental management policies and practices. An organisation's stakeholders are its employees, suppliers, future generations, customers, government, shareholders and communities (Bandsuch, Pate & Thies, 2008; Stead & Stead, 2000).

There has been increasing attention attributed to the importance of environmental management and sustainability policies and practices, as organisations increasingly realise its significance and impact on stakeholders (Marken, 1998; Myung, McClaren & Li, 2012; Paul, 2008a; Rikhardsson, Andersen, Jacob & Bang, 2002). This focus on environmental management and sustainability practice has also attracted increasing attention within the tourism and hospitality industry (Rahman et al., 2012; Waligo, Clarke & Hawkins, 2013). According to the University of Cambridge (2014), emissions generated by the tourism industry are forecast to grow by 130% between 2005 and 2035. As a result, the tourism and travel industry are facing increasing pressure to contribute to climate change mitigation from its stakeholders. Hotel stakeholders are faced with environmental sustainability challenges and the long term implications of this serious issue are not yet fully understood (Ayuso, 2006; Harich, 2010). Some hotel managers may still not be aware of the impact their decision-making has on the local and global ecosystem (Driscoll & Starik, 2004; Kasim, 2009; Moldan, Janoušková & Hák, 2012).

It is important that all stakeholders work together to manage and solve a critical problem such as that of environmental sustainability. Stakeholder theory has commonly been applied in sustainability management research to understand corporate environmental and social

behaviour and corporate social responsibility (CSR) motivations and drivers (Hörisch, Freeman & Schaltegger, 2014; Orlitzky, Siegel & Waldman, 2011). Stakeholder theory is critical to understand and formulate an effective strategy and develop a common ground to achieve environmental sustainability. A diversity of stakeholder perspectives and influences is required to assist in enhancing the value of a concept, and in the case of this research, the concept of environmental sustainability in the hotel industry, as without the guidance of the stakeholders optimum outcomes and value cannot be obtained (Schaltegger, Burritt & Petersen, 2017). When a business, including hotels, wants to incorporate environmental sustainability in its agenda and its daily operations, it can affect stakeholders in a variety of ways. As stakeholders are partners in a business (Clarke & MacDonald, 2016); by not involving them, businesses may be missing out on valuable input, support and guidance, and this can be detrimental to the business as the influence and power of stakeholders will have an effect on the success of the organisation's initiatives (Bhattacharya, Korschun & Sen, 2009). To achieve corporate responsibility and environmental sustainability in the long term there is a need to involve the stakeholders of a business in its decision-making process so that they are not just beneficiaries of outcomes but they are also involved in their creation (Gregory et al., 2012).

Resilience is a critical component that should be considered if sustainable development is to be achieved. In order to address sustainability, there is a need to be resilient by incorporating adaptive alternatives. Resilience may assist in mitigating uncertainty and unpredictability in the management of sustainability. Stakeholder collaboration is necessary for 'resilience planning'. Stakeholders can look at the concept of resilience as it offers a framework to develop new ways of working and operating together to respond to the need of environmental sustainability (Espiner, Orchiston & Higham, 2017).

The hotel industry makes a significant contribution to the world economy as well as making a social contribution to the society it operates in (Bohdanowicz & Zientara, 2009). Although the focus has been on economic and social sustainability over environmental sustainability, there is a need for collaboration and interdependence of these three dimensions to achieve overall sustainability (Rutty, Gössling, Scott & Hall, 2015). Whilst the hotel industry contributes to economic and social development, it simultaneously generates environmental impacts that may contribute to environmental degradation (Mihalič, Žabkar & Cvelbar, 2012). This research has explored the environmental dimension of sustainability in the hotel industry in Australia. This research primarily utilises stakeholder theory to understand the ESPPs of the hotel industry in Australia.

1.5 Research Design

To obtain data on environmental sustainability in hotels and to address the research questions a two-phase approach is utilised. The first stage of the research began with an investigation that aimed to produce a preliminary understanding of ESPPs adopted by hotels and an assessment of the extent to which these have been implemented by the Australian hotel industry. Secondary data is utilised for the preliminary analysis of ESPPs through content analysis of references to sustainability on hotel websites. The key focus areas of analysis were guided by EarthCheck's benchmarking and certification program (EarthCheck, 2016), and seven environmental practices categories defined by Hsieh (2012). The data was analysed using content analysis - a technique that involves coding the data collected from texts such as documents and information on the internet where qualitative data can also be converted into quantitative data for interpretation and analysis (Neuendorf, 2016).

The first phase of the study began with an initial list of 220 hotels and this sample included international chain affiliated hotels, Australian chain affiliated hotels and independent four, three and two star hotels. The preliminary analysis of ESPPs on hotel websites was utilised to guide the selection of interview participants, the second stage of the research. The second phase of the study involved the conduct of semi-structured, in-depth, face-to-face interviews with selected hotel managers identified in the first stage of the preliminary investigation as having influence on hotel policies and procedures. The purpose of the interviews was to understand the hotel manager's perspective on environmental sustainability. Candidates for the one-on-one interviews were selected from among those agreeing to follow-up discussions on environmental sustainability policies and practices. The selected sample for the second phase of the research included eight hotels, including those that are involved with ESPPS as well as hotels that are not committed to ESPPs, based upon results of the initial web analysis. Additionally, this sample covered all sectors of the hotel industry, i.e., international chain affiliated hotels, Australian chain affiliated hotels, independent four, three and two star hotels. The one-on-one interviews were designed to build on the content analysis of hotel websites and to acquire comprehensive evidence of the ESPPs of hotels in Melbourne and to seek a clear picture of ESPPs in the hotel industry, especially in regard to drivers, barriers and stakeholder influence. This second stage of the interviews aided in collecting data on environmental policies and practices of hotels in Australia, which was analysed to determine who the hotels' stakeholders are and the influence of these stakeholders in implementing these ESPPs.

1.6 Contribution and Outcomes

This study addresses a gap in the existing research, given that little data exists on the perspectives of managers on ESPPs in the hotel industry in Australia. As there is widespread investigation in the area of sustainability worldwide, in different types of businesses, the

objective is to look at the Australian hotel industry where there is no previous research into ESPPs. The review of the academic literature indicates that existing research is primarily focused on sustainability in hotels, mostly in Europe and North America, but very few studies have analysed the environmental dimension of sustainability in hotels in Australia. As revealed by the literature review, the research questions have, to date, been underexplored and these questions do not appear to have been answered satisfactorily in the literature.

The aim of the research has been to generate insights into the motives for the implementation of ESPPs in the hotel industry in Australia, and importantly, how stakeholders' influence is reflected in the decisions of Australian hotel organisations. In particular, the intention is to explore whether or not the intention of hotel managers to deliver environmentally friendly products and services is affected by a fear of losing guests and patronage due to a perceived reduction in product and service quality (Rahman et al., 2012). This has been explored via the research interviews with hotel managers on their perceptions and interpretations of ESPPs, given their direct role in delivering them.

Overall, the major practical contribution of this research is to increase understanding of how hotels respond not only to individual stakeholders, but also to the interaction of multiple influences from the entire stakeholder set. This study attempts to contribute to academic literature by gaining insight into the present status of environmental sustainability contributions of the Australian hotel industry. There is an opportunity for this research to increase awareness of hotel industry approaches to growth and to inform the development and implementation of ESPPs in ways that meet the current and future needs of the growing hotel industry in Australia. This research also investigates if environmentally sustainable initiatives improve guest services and satisfaction, improve their corporate image, and foster new growth opportunities and

competitive advantage. Hotels, guests, stakeholders and the environment may benefit from the findings of this research. An insightful understanding of implementation of the major environmental emphasis areas in a range of hotel businesses and also the practices of the various sectors of the hotel industry has been developed, adding new knowledge to the existing literature, which has largely focused on large hotel companies and their perceptions (Hsieh, 2012).

This research has contributed to theory by expanding the scope of stakeholder theory to offer a broader purpose in creating equal value for all stakeholders for the benefit of society and the environment. Stakeholder theory remains open to the outcomes of interactions between stakeholders, but this research has established that stakeholders of hotels should attempt to understand the concerns and issues of each other when it comes to environmental sustainability and engage with all parties instead of attempting to influence hotel management independently of each other.

1.7 Overview of the Thesis

This presentation of this study is divided into eight chapters. The thesis begins with the introduction of the concept of environmental sustainability, the rationale for the research and presents the research questions. Chapter 2 provides a review of the literature on environmental sustainability and the influence of stakeholders. This includes a discussion of the importance of sustainability and the development of this concept over the last few decades. Chapter 3 discusses the methods and procedures employed for this study. It describes the approach to the first stage of the research which begins with an investigation that aims to produce a preliminary understanding of ESPPs adopted by hotels and an assessment of the extent to which these have been implemented by Australian hotels. This part of the research analysed the websites of the

hotels in the research sample to obtain an understanding of the state of affairs vis-à-vis sustainability in hotels. Chapter 3 also discusses the approach for the next stage of research involving individual semi-structured face-to-face interviews, comprising open-ended questions; with the selected hotel managers identified in the first stage as having influence on hotels policies and procedures. Chapter 4 presents the findings of the web content analysis of ESPPs of Melbourne hotels to ascertain the level of engagement of hotels in Melbourne with environmental sustainability. This chapter provides information on the extent to which hotels disseminate their ESPPs to their stakeholders using their websites. The aim of this chapter is to ascertain the engagement of hotels with environmental sustainability; and provide some insight into their commitment towards meeting the expectations of environmentally conscious stakeholders. This was the starting point for further exploration of ESPPs of hotels, and this phase of the research assisted in selecting hotels for the second stage of semi-structured face-to-face in-depth interviews, providing qualitative research to gain more comprehensive information on ESPPs that was not disclosed on their websites. Chapters 5, 6 and 7 present the results of the in-depth interviews and a broad overview of the Australian hotel industry's perceptions and motivations towards environmental sustainability, and their effects on management decision-making. Chapter 8 presents further discussion of the findings of the research and recommendations on how to increase awareness of the development and implementation of ESPPs in ways that meet the current and future needs of the growing hotel industry in Australia. This chapter also provides a summary of the development of the research, a conclusion and discussion on future research that can be undertaken in the area of ESPPs in the hotel industry.

1.8 Conclusion

The intention of this study is to make a significant contribution to the existing body of knowledge on environmental sustainability in the hotel industry by providing insights into current and future trends in the Australian hotel industry's implementation of environmentally sustainable initiatives. Environmental sustainability encompasses responsible decision-making and acting on these decisions in the interest of protecting and preserving the environment. This is a critical issue and the subject of much consideration globally. Humankind has generally been a consumer rather than a replenisher of natural and environmental resources. To demonstrate commitment to this concept, the primary activity a hotel organisation, as well as independent hotels, have to undertake is to establish a statement of purpose or policy that addresses environmental sustainability. This can be achieved in form of ESPPs. ESPPs are measured by analysing the responsible decisions of an organisation in relation to key focus areas that are in the interests of protecting the natural world with an emphasis on preserving the environment for future generations. This research addresses this knowledge gap as well as providing a comprehensive understanding of the current state of policies and practices and the state of affairs of Australian hotels in terms of environmental sustainability and ESPPs. Moving beyond a focus on only chain hotels, this research also involved a range of hotels with different profiles and sizes to assess their environmental policies and practices. Australia is a popular tourist destination and its tourism and hotel industry is projected to grow dramatically in the future (Mason, 2015). Exploring and understanding how this growth can occur in a sustainable manner is a worthy and valuable area of research.

Chapter 2: Literature Review

2.1 Introduction

The aim of this chapter is to provide the background for this research by clarifying and discussing the key concepts employed in this thesis. These include sustainability, the concept of environmental sustainability, environmental sustainability in the hotel industry and the influence of stakeholders on business practices. Further, this chapter reviews the literature on environmental sustainability as a foundation for advancing knowledge in the area of ESPPs in the hotel industry. Further, the chapter summarises current knowledge in these areas and identifies research relevant to this study. The chapter provides a contemporary understanding of the topic of research, establishes the reasoning for this research, and demonstrates how the research questions, theoretical framework and methodological focus have been arrived at.

2.2 The Concept of Sustainability

The purpose of this section is to clarify and discuss the meaning and dimensions of sustainability including environmental sustainability. “Rarely has a concept gained status as rapidly or with such profound implications as the term ‘sustainability’” (Spindler, 2013, p. 9). Important early work on the concept of sustainability emerged in the 1980s from the Brundtland Report which was named after the Chairperson of the World Commission on Environment and Development, Gro Harlem Brundtland, the former Prime Minister of Norway. The Brundtland Report states that “sustainable development is development that meets the needs of the present without comprising the ability of the future generations to meet their own needs” (World Commission on Environment and Development, 1987, p. 8). The definition of the term ‘sustainable development’ is comprised of three parts: sustainable development, needs of the present and concern for future generations. Decreasing necessary

outputs, eliminating unnecessary outputs, reducing consumption and minimising negative impacts on the natural environment are the fundamental actions required to achieve sustainability (Chambers, Simmons & Wackernagel, 2014; McDonough & Braungart, 2002).

The activities of humans have influenced the ecosystem of the planet for thousands of years but in the last twenty years the negative impacts of these actions and increasing apprehension about climate change, global warming and the environment have placed the concept of sustainable development under the spotlight (Von Borgstede, Andersson & Johnsson, 2013). The term sustainability has been contested and deployed in various ways depending on the context and motives for its use (Beatley, 1995; Leal Filho, 2000; van Zeijl-Rozema, Cörvers, Kemp & Martens, 2008; Williams & Millington, 2004).

Broadly, sustainability encompasses the dimensions of economic, social and environmental sustainability and these dimensions have been treated independently of each other to suit different interests. Economic sustainability refers to stable levels of employment and economic growth, social sustainability refers to recognising the needs of populations and social progress, while environmental sustainability refers to the responsible use of natural resources and effective protection of the environment (Giovannoni & Fabietti, 2013; Krajnc & Glavič, 2005; Kuhlman & Farrington, 2010). There has been a need for more resources to support global population growth and this in turn has led to more industrial and economic activity around the world. Increased industrial and economic activity over the last few decades has occurred without much consideration for the environment, resulting in environmental degradation (Ekins, 2002).

The three dimensions of sustainability (social, economic and environmental) are interlinked but there has been greater focus on social and economic sustainability in the industrialised world at the expense of environmental sustainability (Thabrew, Wiek & Ries, 2009). There are also doubts as to whether the promised harmonisation of environmental, social and economic goals associated with sustainability is actually achievable, as growth in population has led to more economic activity to underpin social progress and therefore this has occurred at a cost to the environment (Baumgartner & Ebner, 2010; Jenkins & Schröder, 2013). There is a realisation now that these three dimensions have to work together as there is a limit to the earth's natural resources and the present generation should leave these resources for future generations (Baumgartner & Ebner, 2010; Morelli, 2011).

Organisations have generated a positive impact on the social dimension of sustainability by creating jobs, skilling and educating the workforce, improving working conditions and contributing to other social initiatives (Dempsey, Bramley, Power & Brown, 2011). The economic dimension of sustainability has been highlighted by an increase in economic activity. This dimension has had the most focus, as the consumption of services and material goods has contributed to society's happiness, wellbeing and to social welfare for an enhanced quality of life (Rendtorff, 2019). This has resulted in investment of capital in infrastructure, manufacturing, plant and machinery and, in turn, fulfilling the primary business objective of maximisation of profits for owners and shareholders (Schneider, Kallis & Martinez-Alier, 2010). Economic activity has assisted social sustainability by creating a skilled workforce and increased employment. For the growth of economic and social sustainability, humankind has consumed natural resources and emitted waste that has polluted the planet and its air, and this has affected the delicate climate on which life depends (Füssel, 2010; Higgins, 2013). We are now paying a price for not balancing the three pillars of sustainability and letting them co-exist

together (Hansmann, Mieg & Frischknecht, 2012). Not balancing the three dimensions of sustainability has led to climate change, rising sea levels, unpredictable weather patterns, deforestation, loss of biodiversity, depletion of resources, creations of toxins, and long-term wastes, higher levels of pollution, global warming, potential loss of environmental habitats. We have accepted the view for a long time that preserving the planet and growing the economy are mutually exclusive (Epstein, 2018). There has to be a focus on environmental sustainability ahead of economic and social sustainability if the effects of climate change and greenhouse gases are to be mitigated (Epstein & Buhovac, 2014; Moldan et al., 2012). The collaboration and interdependence of these three dimensions is essential to maintain complete sustainability and there is a necessity to achieve sustainability in each of these three dimensions to achieve overall sustainability (Brady, 2005; Savitz, 2013).

In 2010, a new international standard on social responsibility, ISO 26000, was developed by the International Organisation for Standardisation (ISO), a group of 500 experts. This guide provides direction to businesses, highlighting that the pillars of sustainability cannot operate independently in order to achieve sustainability goals. It also asserts that the engagement of stakeholders is important for sustainable development and to achieve sustainability as a whole (Hahn, 2013). This is in the context that the focus has traditionally been on economic and social sustainability with little attention given to environmental impacts (Ward, 2012). Given environmental degradation impacts on both social and economic sustainability, it is necessary to apply a focus on all three dimensions of sustainability (Blackburn, 2012).

2.3 The Concept of Environmental Sustainability and Climate Change

Modern industrialised society has had a significantly negative impact on the environment, mainly in the form of climate change, air, soil and water pollution. The trapping of greenhouse

gases in the atmosphere is leading to global warming and climate change which is profoundly affecting human society and the natural environment. Research by the scientific community has shown that the climate of the planet is changing. The trend of global warming and climate change is undisputable over the past century based on analysis of stored historical data. Climate change has resulted in rising global temperatures, an increased severity and duration of heat waves and more extreme droughts. The impact of climate change, however, extends well beyond just an increase in temperature. The biological and physical changes on the planet confirm climate change is occurring and this includes the increased rainfall, the melting of glaciers, changes in seasonal migration of some animal species and changes in the natural timings of plant life cycles (Trenberth et al., 2014).

There is a prediction by scientists that climate change will lead to a decrease in water resources, a shift in distribution of marine species and a decrease in sea ice. Warmer oceans are creating more severe tropical storms, melting of snow and glaciers at a faster rate leading to rise in sea levels. Climate change and global warming are leading to permafrost melting releasing methane, a powerful greenhouse gas into the atmosphere (Koven et al., 2011). The rise of sea levels is threatening communities along the coasts. The food supply chain is also dependent on weather conditions and is vulnerable to climate change. Human health is also vulnerable to climate change. Climate change will lead to more heat stress, an increase of water borne diseases, poor air quality, and an increase in diseases transmitted by rodents and insects (Henson, 2019).

The degradation of the environment has reached a stage that it may potentially threaten the existence of humankind (Kozak & Kozak, 2011; Tuna, 2006). A shift in behaviour cannot occur in a matter of a few years, rather it may take decades, starting with a growing understanding

that humankind has a problem of alarming proportions to deal with (Beddoe et al., 2009). This will begin with a shift in attitudes of leadership, businesses and their stakeholders. The concept and significance of environmental sustainability and the overuse of the earth's natural resources has been recognised for some time now, but initiatives to deal with environmental sustainability have been incorporated superficially into the operations of businesses (Schmitz, Matyók, Sloan & James, 2012). In addition, our anxiety to address environmental sustainability is also escalating. Over the last few decades what started as a modest concern for the environment has now been recognised as a crucial problem for the planet; with governments, world leaders and organisations struggling to come to grips with the situation (Winter & Koger, 2014).

There are a number of reasons why sustaining the environment is important and one of the most important ones is preventing or at least mitigating against future harm (Goudie, 2018). It is not merely to avoid further irreparable damage, but to increase the ecosystem's ability to sustain life and to allow regeneration of life forms compromised by excessive pollution and depletion of natural resources (Donaldson et al., 2007; Savitz, 2013).

The increase in consumption, depletion of natural resources, increase in carbon emissions, the presence of greenhouse gases and the resultant changes in the earth's ecosystem is resulting in the major consequence of climate change, which needs to be mitigated (Intergovernmental Panel on Climate Change, 2013). To achieve this, the challenge is to incorporate ESPPs into economic development, and subsequently, regular business practices. Environmental sustainability can be achieved only if the demands placed on it for economic and social benefits are reduced. Consumption by an increasing population creates unwanted waste, diminishes the earth's natural resources, and has an impact on the ecosystem and the natural environment (Drexhage & Murphy, 2010). The current pattern of consumption is exceedingly high and

action is required as the planet's non-renewable resources are being quickly exhausted, with this depletion hastened by population growth and increasing forms of consumption (Legrand, Sloan & Chen, 2016). Global environmental problems affect prospects for the future of humanity through climate change and global warming, and decreasing the effects of consumption will be key to managing environmental sustainability (Bonevac, 2010).

There are ongoing scientific warnings that human society is in danger of transgressing a number of ecological boundaries on the planet (Rockström et al., 2009). Climate change adds an extra challenge. The trapping of excess greenhouse gases (GHGs) in the earth's atmosphere causes climate change (Feng, Ramanathan & Kotamarthi, 2013). GHGs heat up the earth and its atmosphere, altering the earth's climate patterns. The fifth Climate Change Assessment Report by the Intergovernmental Panel on Climate Change (IPCC) clearly states that continued GHG emissions will cause further warming and changes in all components of the climate system, and to limit climate change, substantial and sustained reductions of GHG emissions are required (Intergovernmental Panel on Climate Change, 2013). Climate change and sustainability are two concepts that are interlinked and interdependent. To attain a truly sustainable way of life, we as the planet will have to address the crisis facing us in the form of climate change (Robinson, 2012). With a significant increase in population, scarcity of resources and a challenging business environment, sustainability needs to be an embedded issue for all facets of industry instead of a standalone one (dos Santos, Méxas & Meiriño, 2017).

The emergence of the new green economy strategy involves an innovative approach to environmental sustainability, which emphasises decarbonisation, efficient use of natural resources and management of environmental impacts (Lorek & Spangenberg, 2014) and this green economy also has to be embraced by the tourism and hotel industries. Despite the efforts

of international organisations including the agencies of the United Nations as well as governments around the world to implement sustainable development strategies, there are continuing concerns over economic and environmental developments, which have been intensified by recent global energy, food and financial crises (United Nations Environment Programme, 2011).

2.4 The Concept of Environmental Sustainability and Hotels

Environmental sustainability has assumed increased importance in environmental agendas around the world, including the growing recognition of the role of good environmental management practices by both tourism businesses and consumers (Ballantyne, Packer & Hughes, 2009). Global tourism industry emissions are forecast to grow rapidly and this significant growth raises concerns about how industry can mitigate its environmental and carbon footprint by reducing energy and water consumption, along with reusing and recycling wherever possible (University of Cambridge, 2014). Similarly, the consumption of resources such as energy and water in the hotel sector has continued to increase as hotels develop properties in new locations to meet the demand of tourism growth, customers' increasing expectations, and to maintain and increase their share of the market (Hawkins & Vorster, 2014).

As Maurice Strong, Secretary General of the 1992 Rio Earth Summit emphasised, sustainability is important to the hospitality, tourism and travel industry because:

“The environment as nature’s capital is the greatest single resource for tourism and this provides a powerful incentive for the industry to protect it. It makes green tourism a necessity for the industry, not merely a fringe issue too often receiving more lip service than real commitment. Yet there is within the industry a disturbing tendency towards what we call ‘green washing’. This clearly undermines global efforts to protect the environment on which tourism, indeed all life, depends. The industry must integrate ‘green’ as an absolute necessity for its own future and the responsibilities it has for the entire human future. Simultaneously, this new travelism vision and its commitment to action must be

integrated into the mainstream movement for radical global change” (Lipman et al., 2012, p. viii).

There has been a greater emphasis on responsiveness following the Earth Summit where Strong made the above statement. It has also led to environmental sustainability being given priority on the global agenda known as ‘Agenda 21’, a comprehensive plan to make life on the planet more sustainable in the 21st century (Lafferty & Eckerberg, 2013). Environmental sustainability is of significant importance to the travel and tourism industry. According to the World Travel and Tourism Council’s data, the tourism industry’s significant contribution to global gross domestic product (GDP) (9.6%) and employment (> 272 million jobs) attests to its very high impact on the economic and social setting worldwide (World Travel and Tourism Council, 2015). Under the green economy framework, a framework on green economic growth; tourism, including its hotel sector, is one of the key economic sectors that is expected to take a leadership role in the transformation to a green economy (Law, DeLacy & McGrath, 2017; United Nations World Tourism Organization, 2007; World Bank, 2012).

The challenge of environmental sustainability is not a new one, but until about 25 years ago, it was not widely perceived as a source of major concern (Kaya & Yokobori, 1997; Moldan et al., 2012; Vlek & Steg, 2007). Environmental sustainability has become a critical global issue with serious potential consequences and a more active driving force is required to manage this issue (Rendtorff, 2019). The implementation of environmental management practices in other sectors of the economy such as manufacturing and transport has been common for decades (Han & Kim, 2010). The hotel and tourism sectors have been slow to embrace the concept of environmental sustainability compared to other sectors of the economy (Williams & Ponsford, 2009). Hotels are not perceived as a destructive force to the environment when compared to other manufacturing industries, and hotels appear to be less influenced by stakeholders such as

customers, suppliers, local authorities and communities when it comes to the matter of environmental sustainability (Chan & Wong, 2006; Mensah, 2014). Actions for environmental sustainability in the service sector, which is people intensive, relies more on human capital than the manufacturing, industrial and agricultural sectors. The hotel sector uses less natural resources than the manufacturing sector, hence the manufacturing sector with its smokestack emissions, product packaging demands and industrial waste tries to do more to be a good corporate citizen (Paluchová & Prokeínová, 2013).

The tourism and hotel industries are closely related (Inoue & Lee, 2011) because when tourists travel they require accommodation, food, beverages, recreation, leisure and other hotel-related services (Eagles, 1992). In the tourism industry, hotels account for a significant amount of carbon generated and released into the atmosphere (Lenzen et al., 2018). According to “Climate Change: Implications for Tourism (2014)”, a University of Cambridge report based on the 2014 Intergovernmental Panel on Climate Change (IPCC), the tourism industry accounts for a lower percentage of global GHG emissions (5%) than its percentage contribution of global GDP (9%) (University of Cambridge, 2014). It is estimated that the accommodation sector accounts for 21% of tourism’s total contribution to the world’s GHG emissions, 75% is from transportation and 4% from other tourism activities (Li, Li, Tang & Wang, 2019; United Nations World Tourism Organization, 2007). Even though GHG emissions from the tourism and hotel industry are modest in the context of total global GHG emissions from all sectors, its emissions are forecast to grow by 130% between 2005 and 2035 (University of Cambridge, 2014). It is important that the tourism and hotel industry, being one of the biggest industries in the world, shares the responsibility for environmental sustainability and decouples its growth from excessive resource use and carbon emissions.

As an integral component of the travel and tourism industry, the hotel industry supports social and economic development, but this often results in environmental degradation. Hotels and environmental sustainability do not mix well unless a conscious effort is made for them to exist together as there is an impact of increased consumption of electricity, water and waste generation (Barr, Shaw, Coles & Prillwitz, 2010; dos Santos et al., 2017). Hotels have the opportunity to demonstrate sustainability in action and for this to happen there has to be formal ESPPs as part of daily operations. There has to be a vision, mission, goals, objectives, targets, and strategy as these display that hotel management is invested in environmental management and wish to lead by example in this area (Jones, 2017).

2.5 Environmental Sustainability and Hotel Operations

Hotel operations consume a significant amount of energy and water, and the production of this energy emits GHGs, for which the industry is increasingly pressured by their stakeholders to take action to reduce their environmental and carbon footprints through their daily operations (Hsieh, 2012; Kim, Kim, Choi & Phetvaroon, 2019). It is estimated that 75% of the hotel industry's environmental impacts can be attributed to disproportionate consumption of resources (Bohdanowicz, 2006; Goldstein, Cialdini & Griskevicius, 2008; Rahman et al., 2012). The consumption of water and energy per occupant in hotels may be significantly higher than in households (Chan & Hawkins, 2010; Scholz, 2018). Hotel operations need heating, cooling, water, lighting, a laundry system, energy to run equipment, kitchen appliances and disposal of waste, both solid and liquid; all of which have a considerable impact on the environment as these activities consume a significant amount of natural resources (Bohdanowicz, 2005; Leonidou, Leonidou, Fotiadis & Zeriti, 2013; Scholz, 2018).

Hotels generally use more energy per visitor than local residents, as they have energy-intensive facilities such as bars, restaurants, pools, and may have more spacious rooms (Gössling et al., 2012). Tourists and residents alike require a clean and dependable supply of water and it is integral to the amenities expected by guests, such as swimming pools, landscaped gardens and golf courses (Bohdanowicz, Zientara & Novotna, 2011; Han, Hsu, Lee & Sheu, 2011; Pigram, 1995). Thus, tourists and guests demand more water than a typical local resident on a per capita basis (dos Santos et al., 2017; Essex, Kent & Newnham, 2004). Water is utilised for gardens, pools, kitchens, guest rooms and leisure activities. It is estimated that these facilities can reduce water consumption by 30% through installing water-efficient fixtures and in turn assist water-stressed communities (Gössling et al., 2012). It is estimated that 15,000 cubic meters of water would typically supply 100 rural farmers for three years and 100 urban families for two years, yet only supply 100 luxury hotel guests for less than two months (Holden, 2008; Salem, 1995).

A significant impact on the environment is created by hotel operations and hence they must do their part and take a proactive approach to reducing the environmental impact (Bohdanowicz et al., 2011; Brown, 1996; Park & Kim, 2014). Hotels are not only resource intensive, but their waste generation has one of the most visible effects on the environment. One estimate is that an average hotel produces in excess of one kilogram of waste per guest per day (Bohdanowicz, 2005; Pirani & Arafat, 2014). Moreover, approximately 30% of the waste in hotels can be diverted through reuse and recycling (Bohdanowicz, 2005; Radwan, Jones & Minoli, 2012).

The natural environment is relied upon by resort hotels to attract guests to maintain and increase their revenues and to sustain their business (Hassan, 2000; Hsieh, 2012; Kasim, 2006; Rahman et al., 2012; Reid, Johnston & Patiar, 2017; Wahab & Pigram, 1997). This creates compelling reasons for hotels and resorts to preserve the local environment on which their business is

dependent. This leads to the recognition that hotels and resorts must undertake policies and practices which can drive environmental sustainability (Brown, 1996; González-Rodríguez et al., 2019). However, the focus on such policies and practices in the hospitality industry is a relatively new phenomenon (Jones, Hillier & Comfort, 2016; Nicholls & Kang, 2012a). Despite the importance of hotels implementing ESPPs in their daily business operations, research has shown that the hotel industry lags far behind other sectors like manufacturing and transport in this field (Hsieh, 2012). Growth of the hospitality industry calls for action and results in addressing the complex problem of environmental sustainability (Legrand et al., 2016; Mowforth & Munt, 2015).

The implementation of sustainability initiatives in resort hotels is complex as stakeholder guests in resorts expect comfort over environmental concerns. Guests at resorts are considering and seeking relaxation – rest and entertainment are their primary objectives (Smerecnik & Andersen, 2011; Susskind, 2014). Hence, innovation and creativity come into the equation in an attempt to find a balance between the needs and demands of the guests on one side, and the contribution of hotels towards environmental sustainability. Resorts have to use creativity and innovation to contribute to environmental sustainability, reduce their carbon footprint but also increase their competitive advantage. Hence, there is a need on the part of resort management to exhibit leadership and innovation, which can result in an improved environmental performance by the resort. A strong adaptive leadership and innovation by an organisation will be a significant force in creating sustainable management systems (Rendtorff, 2019; Smerecnik & Andersen, 2011).

Corporate social responsibility (CSR) is a business model that assists organisations to be socially accountable to the public, its stakeholders and itself (Dahlsrud, 2008; Lee, Kim & Roh,

2019). By being involved with CSR, organisations become mindful of the impact they are having. By operating in such a manner, a positive contribution can be made to the society and the environment (Dahlsrud, 2008; Lee et al., 2019). CSR is considered business self-regulation to contribute to society and is considered an internal organisational policy or corporate ethics strategy. CSR assists organisations to aid its mission and serve as a guide to what it represents for its consumers. It goes beyond compliance with regulatory requirements and engages in initiatives to further social good. Organisations participate in CSR for strategic and ethical purposes. From the strategic purpose, the aim is to increase long term profits for shareholders through positive public relations and high ethical standards. CSR strategies could encourage organisations to make a positive contribution to the environment and to the stakeholders, including employees and consumers. From the ethical perspective, organisations may adopt CSR policies and practices like ESPPs because of the ethical beliefs of the organisation (Pedersen & Neergaard, 2016). Organisations also use CSR to improve their image and standing in society (Lee et al., 2019; McGehee, Wattanakamolchai, Perdue & Calvert, 2009).

Research by McGehee et al. (2009) found that it is difficult to measure the outcome of CSR policies and practices. Economic, legal, ethical and discretionary (or philanthropic) are the four components or dimensions of CSR. There are numerous concepts and theories to emerge for CSR, but the theory that receives most attention has been the simplified three-part design approach of the triple bottom line (TBL). The TBL approach measures the CSR performance of a company against economic, social and environmental parameters. The research found that that 98% of the 421 hotels surveyed in the United States contributed to the community. The major contributions were in the form of cash donations, sleeping rooms and restaurant gift certificates (McGehee et al., 2009). Additionally, the study revealed that the contributions positively correlated with the average room rates and the size of the property as well as the

hotel's chain affiliation. McGehee et al. (2009) also found the larger and more luxurious the hotel, the greater its contribution. Location also affected the level of contribution. Properties located in urban and resort settings tended to contribute more than those located elsewhere (McGehee et al., 2009). The analysis also found that luxurious and large hotels tended to have clear written policies for CSR (McGehee et al., 2009). The reason for this is that larger hotels have more resources and recognise that focusing on environmental sustainability is a valuable strategic direction that brings appreciation from customers and value to the service proposition (Chen, 2019; Reynolds, 2013).

2.6 Environmental Sustainability and Hotel Guests

The traveling public are crucial stakeholders for hotels and their environmental perceptions have increasingly become a research focus. A growing number of hotel customers have expectations associated with sustainability while travelling and they are now better educated about the impact that actions of an organisation can have on the environment. They are more conscious of, and interested in, limiting their negative impact on the environment (Dolnicar, Knezevic Cvelbar & Grün, 2019; Hsieh, 2012). This concern translates to their likelihood of making eco-friendly decisions in selecting a hotel (Han et al., 2011). Thus, customers will patronise an environmentally friendly hotel if they are aware of its eco-friendly practices (Han et al., 2011; Manaktola & Jauhari, 2007; Moscardo & Hughes, 2018).

Green or green friendly means something is environmentally friendly, eco-friendly or nature friendly (Lee, Hsu, Han & Kim, 2010). Thirty-eight percent of the 1000 business travellers surveyed by Deloitte's Tourism, Hospitality and Leisure Research Group in 2007 had taken steps to determine whether the hotel was green (Deloitte Tourism Hospitality & Leisure, 2008). 70% of 280 respondents in another study believed that hotels had an obligation to be sustainable

and preferred to stay in hotels that had a formal environmental strategy (Dalton, Lockington & Baldock, 2008). A more recent study and survey by the world's leading hotel room booking company (Booking.com) found that 87% of the 4768 respondents want to travel sustainably (Booking.com, 2018). It is interesting to note that there is an upward trend and increase in the number of global travellers wanting to stay in eco-friendly accommodation (62% in 2016, 65% in 2017, 68% in 2018 and 73% in 2019) (Booking.com, 2019). The aforementioned numbers demonstrate an increase in concern for the environment over the last decade. These figures show that the behaviour and mindset of travellers is changing as they become more conscious of environmental sustainability. Hotels should take note of such changes and align their products and services accordingly.

Some tourists and other members of the travelling public have a positive attitude towards sustaining the environment and do care about the wellbeing of the environment (even on holiday) but are not always knowingly aware of the impacts they may have on the environment as a result of their travel behaviour (Juvan & Dolnicar, 2014a). They may also generally reduce their level of environmental consciousness while taking vacations (Juvan & Dolnicar, 2014b). One reason for this attitude-behaviour gap is due to tourists and travellers wanting to reduce and break away from their daily responsibilities and behaviours (Baker, Davis & Weaver, 2014; Dolnicar et al., 2019; Juvan & Dolnicar, 2014b). Another key reason is a lack of information and infrastructure at tourist destinations and accommodation to guide them on how to be environmentally friendly and use low carbon footprint products (Juvan & Dolnicar, 2014b). If hotels are committed to environmental sustainability policies and practices, they can provide information and initiatives to empower travellers and tourists to have a minimal impact on the environment. To assist the travelling public to meet their obligations towards the environment, hotel and tourist destinations can be more proactive by providing information and tools for

sustainability (Baker et al., 2014; Dolnicar, Knezevic Cvelbar & Grün, 2017; Juvan & Dolnicar, 2014b). In these circumstances, ESPPs of hotels can be reassuring for environmentally conscious tourists, providing assurance that their holiday is not having a negative impact on the environment. As such, a hotel that is environmentally-friendly can achieve a marketing advantage over its competition and also profit from cost reductions, create a positive public image of the hotel, attract and retain customers, as well as increase loyalty from its employees (Chen, Bernard & Rahman, 2019; Claver-Cortés, Molina-Azorín, Pereira-Moliner & López-Gamero, 2007; Dolnicar et al., 2017; Graci & Dodds, 2008; Hsieh, 2012; Hu, 2012; Newman & Breeden, 1992; Tzschentke, Kirk & Lynch, 2004).

As explored earlier, tourists often have a positive attitude towards environmental sustainability and do care about the well-being of the environment even when they are travelling. There is evidence of cognitive dissonance behaviour experienced by tourists and travellers and they hold contradictory beliefs, ideas and values at the same time when confronted with new information that conflicts with existing beliefs, ideas or values on environmental sustainability (Juvan & Dolnicar, 2014a). This can be challenging for hotel management who are on a path towards environmental sustainability. One technique for dealing with this challenge is to communicate with customers about their concerns, educate them, make it more convenient for them to participate in green initiatives and address their perception of a decrease in luxury and cost minimisation associated with such initiatives. Hotels can empower their guests by providing information on the negative impact they may have on the environment through their behaviours and activities, and guide them on how to minimise this while still having a comfortable stay at a hotel (Baker et al., 2014; Barber & Deale, 2014; Dolnicar et al., 2017, 2019; Juvan & Dolnicar, 2014a). One approach for hotels to get support for environmentally sustainable initiatives is by sharing the monetary savings gained from implementing such

initiatives with guests. An example of this is green clean, i.e. guests opting out of daily room cleaning. An incentive to the guests can be in the form of food and drink vouchers. The cost to the hotel for such an incentive is minimal (Dolnicar et al., 2019).

There is a need on the part of hotel management to ensure that if green initiatives are implemented in hotels they should have minimum hindrance on the guest experience and comfort of the stay (Kang, Stein, Heo & Lee, 2012). An example of such a hindrance is the segregation of solid waste in hotel rooms. This can be inconvenient for the guests and could create a dissatisfying experience, as the guests may feel that it is not their responsibility to do so. Another green initiative that can have a negative impact on a guest's stay is the use of low flow showerheads (Berezan, Raab, Yoo & Love, 2013). Guests are willing to pay a premium for environmentally friendly and sustainable practices in hotels if there is minimum hindrance to their stay due to these initiatives (Baker et al., 2014; Berezan, Millar & Raab, 2014; Kang et al., 2012; Rahman & Reynolds, 2016).

Green attributes in a hotel property should also not be seen as a substitute for quality service (Chen & Chen, 2012). For some guests it is possible that green initiatives can occasionally compensate for poor quality of product and service as some environmentally responsible guests may be willing to sacrifice a little convenience for the sake of environmental sustainability (Han & Kim, 2010; Warren, Becken & Coghlan, 2017). For green friendly hotels, maintaining a level of quality product and services in their properties that is at least comparable with that of a non-green friendly hotel is critical to retaining customers and to ensure their return (Han & Kim, 2010). Within the context of environmental sustainability, patrons who have had a favourable stay at a 'green hotel' may revisit the hotel in the future (Han & Kim, 2010). Hotel

businesses cannot afford to ignore these developments in the consumer market if they wish to maintain and increase their business.

The travel, tourism and hotel industries have had outstanding economic growth over the last few decades and have positive predictions for additional growth over coming decades (Tribe, 2015). Moreover, much of the growth in the world, including that of the hotel industry, has been achieved at the expense of the environment (Fodha & Zaghdoud, 2010; Rahman & Reynolds, 2016). There is a challenge posed when one looks at the concept of environmental sustainability in the hotel industry. On the one hand, hotels generally promise comfort, style, luxurious and memorable experiences to guests and the travelling public. On the other hand, they may be trying to market themselves as environmentally friendly, which can be perceived as encompassing decreased luxury, cost cutting and inconvenience (Baker et al., 2014). Keeping these challenges in mind, this research will unravel how the ESPPs of the Australian hotel industry and their stakeholders manage or are planning to manage these barriers.

2.7 Environmental Sustainability – Barriers and Drivers

In an attempt to attract customers and to maintain growth and profitability, hotels are responding to environmentally conscious stakeholders (Edwards, 2005; Leonidou et al., 2013; Shanti, 2016). Products and services of the travel, tourism and hotel industries are more visible when compared to many other large industries. Previous studies have identified a combination of factors that compel hoteliers to consider these environmental practices more carefully. These drivers include: the need to cut costs, fiercer competition, increasing media coverage and publicity, rising consumer awareness, regulations, and mounting political and institutional pressures (Nicholls & Kang, 2012b). In contrast, research by Chan (2011) found that small and medium-sized hotels are hindered by internal barriers such as a lack of knowledge, skills,

resources and maintenance costs when contemplating implementation of environmental management systems (EMS). Also, another barrier is that hotels may not realise the commercial benefits of implementing EMS (Sucheran, 2015; Yusof & Jamaludin, 2014). These barriers may play a significant role in the consideration of EMS by the operator of the hotel (Chan, 2011). It is important to further understand how these factors (both drivers and barriers) impact on different types of ESPPs and across different types of hotel businesses, based on which, strategies can be developed to overcome the barriers for more effective implementation of environmental practices in the daily operations of a hotel (Buckley, 2012).

Implementation of EMS by small and medium-sized enterprises (SMEs) has been very low. One of the reasons for this is that a large majority of SMEs remain unconvinced of the need to tackle environmental sustainability issues (Hillary, 2004; Hoogendoorn, Guerra & van der Zwan, 2015). Another reason is that SMEs face external and internal barriers when trying to address their environmental management issues, but it is the internal barriers that have a more significant role to play in hindering their progress (Hillary, 2004; Klewitz, Zeyen & Hansen Erik, 2012). Further, such business are unsure of the benefits to be gained by engaging in environmental sustainable initiatives and practices (Burrows & Rozier Rich, 2016; Hillary, 2004). For smaller organisations, low awareness and understanding of the concept of environmental sustainability and the absence of pressure from their clientele and other insufficient drivers result in reduced efforts to address environmental sustainability issues (Hillary, 2004; Hoogendoorn et al., 2015; Revell & Blackburn, 2007). Such organisations also face the difficulty of finding and securing good quality advice and information on how to address environmental management concerns. Even if a small business or enterprise commences and embarks on implementation of EMS, the process is quite often interrupted, and resources are diverted to the core activities of the business. For SMEs, often it is also the

lack of human resources with expertise on how to implement environmental management that is important (Iturrioz, Aragón & Narvaiza, 2015; Kasim, 2009). For SMEs, where very often there are multi-functional staff, the chances of interruption to environmental sustainability practices are highly likely, as it may not be considered as a core business area (Burrows & Rozier Rich, 2016; Hillary, 2004).

As noted, one of the key reasons for organisations not integrating environmentally sustainable practices into their daily operations are internal barriers. Some of the internal barriers hindering environmentally sustainable practices are costs and a lack of legitimacy, whereas some of the external barriers include regulation and industry specific barriers (Chan, Okumus & Chan, 2018; Walker, Di Sisto & McBain, 2008). To add to the above barriers identified by Chan (2011), hotel management may fear that they risk losing guests due to a perceived reduction in product and service quality if they provide environmentally friendly products and services, especially those involving reduced water and energy consumption (González-Rodríguez et al., 2019; Rahman et al., 2012). As such, effective environmentally sustainable management is not easily achieved and implemented. The challenge for hoteliers is to develop and implement ESPPs without compromising the service, the product, and the consumers' perception of quality. Implementing such policies and practices clearly requires innovation by hoteliers and the co-operation of consumers (Chen, 2019; Rahman et al., 2012; Revell & Blackburn, 2007) and this research will address solutions to these challenges.

Promoted by the United Nations and many other international organisations and national governments, the green or environmentally sustainable economy has become a new global sustainable development paradigm, which aims to transform the economy towards low carbon, resource efficiency and social inclusiveness (United Nations Environment Programme, 2011).

The green economy advocated by the United Nations has the potential to become an important strategy to manage the concern of environmental sustainability (Bina, 2013). Green economy is economic development in an environmentally and socially responsible manner. Recent studies have suggested that environmental sustainability crises can be overcome by nurturing the concept of green economy. The key mechanisms to implement green economy will involve reducing the usage of resources, increasing resource efficiency, lowering carbon emissions and being socially inclusive (Brand, 2012). To promote green economy, strong regulations will be required (Bina, 2013). The challenge is to incorporate ESPPs into economic development, and subsequently normal business practices. Global environmental problems threaten prospects for the future through climate change, global warming and environmental degradation (Dean & McMullen, 2007; Tasker, 2018). A better understanding of the concerns surrounding climate change, global warming, air and water pollution, ozone depletion, deforestation and loss of biodiversity is emerging; and their understanding is important if the issue of environmental sustainability is to be tackled successfully (Henson, 2019; Weber & Stern, 2011). There are more benefits to be enjoyed as a result of being environmentally committed than just undertaking a good deed (Chan et al., 2018; Segarra-Oña, Peiró-Signes, Verma & Miret-Pastor, 2012; Smerecnik & Andersen, 2011). Businesses gain a competitive advantage when they commit to environmental sustainability. Some of major benefits of this commitment are cost savings, retention of customers, loyalty and commitment of employees, meeting regulatory requirements, demonstrating leadership in the industry, risk management and fulfilling social responsibility (Graci & Dodds, 2008; Schaltegger & Wagner, 2017).

Hsieh (2012) analysed the web pages of 50 of the leading hotel companies in the world for their policies and practices on environmental management. This study identified major environmental focus areas including waste management; reduction of their carbon footprint;

conservation of water; energy efficiency; reduction of noise pollution; eco-system/bio-diversity; green building design and construction; ecological food; environmental education of customers and employees; green purchase and supply chains; environmental partnerships; and air quality in guest rooms. The study concluded that non-chain hotel operations were less engaged in the dissemination of environmental information online, which would also indicate that they are less likely to adopt environmentally sustainable practices in their daily operations compared to larger hotels (Hsieh, 2012). Chain hotels and large hotel companies have more resources to engage in CSR activities (Chen, 2019). For example, implementing quality systems and environmental sustainability in Spanish hotels has occurred more frequently in hotel chains rather than in smaller independent hotels (González-Rodríguez et al., 2019). CSR activities assist hotels to differentiate themselves from their competitors. Hotels can build a positive brand image and reputation through CSR and gain a marketing advantage over their competitors (Serra-Cantalops, Peña-Miranda, Ramón-Cardona & Martorell-Cunill, 2018). This research will utilise the major environmental focus areas utilised in the study conducted by Hsieh (2012) as guidelines to analyse the ESPPs of the Australian hotel industry. The limitation of Hsieh's study with the scope of hotels investigated provides the opportunity for this research to also investigate the involvement of small-scale hotel businesses and independent hotels in environmentally sustainable practices. The following section will discuss the stakeholder theory and its application in sustainability management research to understand corporate environmental and social behaviour and CSR motivations and drivers.

2.8 Stakeholder Theory

2.8.1 *Definition of Stakeholder Theory*

For analysing CSR behaviour of an organisation, three theoretical frameworks are widely utilised. These include legitimacy theory, institutional theory and stakeholder theory.

Legitimacy theory focuses on compliance obligations, the boundaries established by society in order to be respected and requirements of the organisation to meet these requests. This theory is more concerned about the relationship between the society and the organisation, while highlighting that organisations do not exist in isolation but depend on a continued relationship with society (Fernando & Lawrence, 2014).

Institutional theory focuses on the internal practices of the organisation and on the practices that may be undertaken because of stakeholder influences. This theory is more related to development processes and internal structures of an organisation for good social behaviour (DiMaggio & Powell, 1983). All these theories can be integrated to discuss and analyse an organisation's behaviours and motivations for CSR (Fernando & Lawrence, 2014).

Stakeholder theory was first proposed and discussed by R. Edward Freeman (Freeman, 1984). Stakeholder theory is a theory of organisational management and business ethics that addresses morals and values in managing an organisation in such a manner so that the norms and standards of society are preserved by introducing moral considerations based on stakeholder obligations (Freeman, 1984). Stakeholder theory highlights that to be successful and sustainable over time an organisation must keep the interest of stakeholders in mind, as stakeholders can affect and be affected by the actions, objectives and policies of an organisation. This theory defines the organisation as a grouping of stakeholders and that the purpose of the organisation must be to manage the interests, needs and viewpoints of these stakeholders (Mensah, 2014). Freeman (1984) discusses a wide range of groups, finding that the stakeholders that affect or are affected by corporations are often not considered by the business environment. Freeman further states that in the dynamic nature of the business

environment utilising stakeholder theory offers a way to address and manage ever-changing stakeholder demands, which includes management of the environment.

According to stakeholder theory, organisations carry out activities to satisfy their main stakeholders, and by doing so, they garner support and resources to survive in the long term (Alvarez Gil, Burgos Jiménez & Céspedes Lorente, 2001; Freeman et al., 2010). Organisations try to satisfy multiple and conflicting stakeholder's interests and thus strategies to comply with pressures and influences from stakeholders may well be expected (McKenzie, Woolf, Van Winkelen & Morgan, 2009). The management of stakeholders is critical for the success of an organisation's activities as this creates a positive association through the management of their expectations. Stakeholder theory further declares that the success of an organisation is dependent on the management of all stakeholders' relationships (Tang et al., 2014).

Ever since Freeman's work *Strategic Management: A Stakeholder Approach* was published in 1984, stakeholder theory has been used extensively in management literature. Organisations and businesses do not function in isolation but in association with and support of groups and individuals, the stakeholders, for creation of value and trade (Freeman et al., 2010). For this research stakeholder theory will be utilised, as the focus is on a hotel management perspective of stakeholders' influence on implementing ESPPs. When the focus is to investigate the link between the organisation and its stakeholders then it is practical to apply stakeholder theory (Parmar et al., 2010).

Stakeholder theory in the context of organisational management and business ethics considers that an organisation might engage in CSR activities to discharge its accountability towards its stakeholders. Carroll defines CSR as follows:

“...The conduct of a business so that it is economically profitable, law abiding, ethical and socially supportive. To be socially responsible then means that profitability and obedience to the law are foremost conditions in discussing the firm’s ethics and the extent to which it supports the society in which it exists with contributions of money, time and talent. Thus, CSR is composed of four parts: economic, legal, ethical and voluntary or philanthropic.” (Carroll, 1983, p. 608)

According to Freeman and Reed (1983), the core notion of stakeholder theory is that organisations that manage their stakeholder relationships effectively will survive longer and perform better than those organisations that do not, which also includes performing better in the area of environmental sustainability. They suggest that organisations must develop stakeholder competencies and this should include making a commitment to monitoring stakeholder interests, developing strategies to effectively deal with stakeholders and their interests, and ensure that organisational functions address the needs of the stakeholders (Freeman & Reed, 1983). Stakeholder theory is fabricated on the normative proposition that businesses should serve a variety of interests rather than solely those of shareholders, and in doing so businesses will realise superior performance (Barter, 2011). Measuring the performance of an organisation should not be solely on financial grounds. It must also include intangible measures such as the satisfaction of all stakeholders and meeting their expectations. This can be achieved by understanding the effects that an organisation has on its stakeholders. Understanding the values of the stakeholders, societal issues, by having good relationships on the basis of mutual trust and co-operation, and aligning and balancing the organisation’s own interests with the interests of stakeholders can all be a respectable means of measuring the performance on an organisation (Freeman & Dmytriiev, 2017; Lukviarman, 2008). The elementary intention of the stakeholder theory is that an organisation’s success is dependent on the successful management of all relationships which an organisation has with its stakeholders, without whose support the organisation would cease to exist or cannot perform at an optimum

level, or cannot implement its policies and programs sufficiently (Freeman & Reed, 1983), including its environment management policies. Therefore, if hotels are to succeed with environmental sustainability policies they have to work with their stakeholders. Hence, this is a highly appropriate theory to apply for an understanding of ESPPs in the hotel industry.

2.8.2 Stakeholder Theory and the Environment

Stakeholder theory focuses on corporate business responsibilities and postulates that the core of a business lies in building relationships and generating value for its stakeholders. However, when it comes to CSR the concept for the organisation's activities are focused towards society and that also includes its environmental efforts. The similarity between the concepts of CSR and stakeholder theory is that they both emphasise the significance of incorporating societal benefits into business operations. CSR prioritises the social orientation over other business responsibilities. Social responsibility is an important aspect of stakeholder theory but only a part amongst many other corporate business responsibilities (Freeman & Dmytriiev, 2017).

There are four dimensions or components of CSR that affect all stakeholders. They are: economic, legal, ethical and discretionary (or philanthropic) (McGehee et al., 2009). Environmental responsibility appears to be missing or not explicitly mentioned. One reason could be that it is covered under the dimension of ethics but it is high time that this is elevated as part of CSR so that it is more prominent and becomes a new mantra for it to receive attention in thought and action (Hou & Reber, 2011), keeping in mind the focus on sustainability in the environment in recent times. From an ethical perspective of stakeholder theory, managers of an organisation are expected to manage the business for the benefit of all stakeholders (Fernando & Lawrence, 2014; Hasnas, 1998) and this includes the natural environment. The nature of environmental forces is mimetic, normative or coercive. Mimetic forces are self-

imposed, normative forces are exerted by professional associations, industry associations, environmental organisations and academic institutions; and coercive forces are exerted by government and corporate bodies (DiMaggio & Powell, 1983). Drivers of environmental management can also be exogenous drivers such as new environmental regulations and government supervision, while endogenous drivers include top-down directives from upper level management (Kasim, 2007). This research allows hotels themselves to resolve which of these forces and stakeholders are the drivers of and barriers to ESPPs, and capture hotel management's perspective on stakeholders' motivation for influencing the ESPPs of hotels. Implementation of environmental practices in the hotel industry is usually a response to higher stakeholder pressures (Alvarez Gil et al., 2001; Bonilla Priego, Najera & Font, 2011).

Corporations are expected by society to recognise their environmental and social responsibilities, and environmental sustainability is about making responsible decisions that will reduce an organisation's negative impact on the environment (Lindgreen & Swaen, 2010). The literature on the environment highlights some of the drivers of corporate environmental management as stakeholder pressures, regulations, codes of conduct and economic benefits (Bansal & Roth, 2000; Mensah, 2014; Pulver, 2007). A three-dimensional frame-work which includes stakeholders' power, strategic posture and economic performance can be utilised to explain why companies engage in socially responsible behaviour such as addressing the environmental effects of their business (Artiach, Lee, Nelson & Walker, 2010; Ullmann, 1985).

The idea that the planet is the ultimate organisational stakeholder of an enterprise lies at the core of any environmental strategy (Stead & Stead, 2000). Organisations, including hotels, interact with both global ecological systems and specific local environments in their daily operations (Driscoll & Starik, 2004; Kirk, 2010), hence, the subject of sustainability has

worldwide currency (Marin & Jafari, 2002). Driscoll and Starik (2004) believe that stakeholder theory must acknowledge the priority of the natural environment among firms' stakeholders and this is in stark contrast to older shareholder-focused theories that were developed in the 1960s and 1970s.

Management must work with and act as agents of stakeholders to ensure survival of the company and to safeguard the long-time interests of each stakeholder (Mensah, 2014), for without stakeholders there is no reason for the organisation to exist (Elijido-Ten, 2007). While there are economic, ethical and legal implications of undertaking environmental management practices, the influence of stakeholders cannot be overlooked. An improved relationship with stakeholders is one of the most significant external forces that drives corporate environmental initiatives (Lee & Rhee, 2007). The management of organisations has a responsibility to operate their organisations for the benefit of all stakeholders in order to ensure their rights and gain their participation in decision-making. Businesses must identify the needs of the stakeholders, particularly in the area of environmental sustainability, and at least strive to meet their minimum expectations (Kotler, Bowen, Makens & Baloglu, 2016).

Organisations are expected to lead in the area of environmental sustainability as they are considered to have the biggest impact on the environment and are also in a position where they can make a significant contribution to sustainability (Céspedes-Lorente, Burgos-Jiménez & Álvarez-Gil, 2003). In turn, corporations have a responsibility to adjust their business practices (Griffin & Prakash, 2013; Hsieh, 2012; McIntosh, Thomas, Leipziger & Coleman, 2003). With the emergence of CSR as a business paradigm, corporations are becoming more responsible and accountable to stakeholders and now an increasing number of organisations are committed

to reducing their environmental impact and working towards having a positive influence on environmental sustainability (McGehee et al., 2009).

Stakeholder theory has commonly been applied in sustainability management research to understand corporate environmental and social behaviour and CSR motivations and drivers (Hörisch et al., 2014; Orlitzky et al., 2011). It emphasises the accountability of an organisation as well as the rights of the stakeholders and an organisation has to meet the expectations of all stakeholders rather than only those of shareholders (Fernando & Lawrence, 2014). To benefit all stakeholders, balancing social and cultural well-being, economic development, and the appropriate consumption of environmental resources is the outcome of sustainability (Elkington, 1998). Managerial decision-makers have to explicitly treat the non-human natural environment as a primary stakeholder to enhance the effectiveness of the relationships between the organisations and the natural environment (Driscoll & Starik, 2004). If companies work for the benefit of stakeholders then only economic health, environmental sustainability and social welfare can materialise and the future challenges facing the world can be met (United Nations Department of Economic and Social Affairs, 2008).

2.8.3 Stakeholder Theory and Environmental Sustainability in the Hotel Industry

Stakeholder theory is critical to understand and formulate an effective strategy and develop a common ground to achieve effective outcomes by utilisation of constructive and meaningful relationships (Reed, 2008). A diversity of stakeholder perspectives and influences is required to assist in enhancing the value of a concept, and in the case of this research, the concept of environmental sustainability in the hotel industry, as without the guidance of the stakeholders optimum outcomes and value cannot be obtained (Schaltegger et al., 2017). When a business, wants to incorporate environmental sustainability into its agenda and daily operations, it can

affect stakeholders in a variety of ways. As stakeholders are partners in a business (Clarke & MacDonald, 2016), by not involving them, businesses may miss out on valuable input, support and guidance and this can be detrimental to the business as the influence and power of stakeholders can have an effect on success of the organisation's initiatives (Bhattacharya et al., 2009). Involving all the stakeholders of a business in its decision-making process is essential to achieve corporate responsibility and environmental sustainability in the hotel industry so that they are not just beneficiaries of outcomes but also engaged in the creation of the outcomes (Gregory et al., 2012). Understanding how the concept of environmental sustainability is being accomplished and addressed in the Australian hotel industry is the purpose of this research.

Even though hotels look for financial benefits as well as social benefits when adopting and implementing environmental management activities, they are more motivated by economic benefits than social benefits (Dief & Font, 2010; Lee & Park, 2009). Stakeholders exert pressure to improve environmental management activities more to ensure better economic performance than for any other reasons. When stakeholders pay attention to environmentally sustainable activities but do not exert pressure on hotels, the response from a hotel tends to concentrate on the adoption of implicit environment management. When the pressure from stakeholders refers to specific activities, hotels are more likely to adopt concrete practices revealing a growing organisational commitment to the environment (Céspedes-Lorente et al., 2003).

The nature of hotels' environmental policies and practices can have an impact on their long term growth and economic sustainability and can assist them to become more socially responsible and have a positive impact on the health of the environment (Erdogan & Baris, 2007). Discussions on environmental policies and practices have gained importance in the hotel

industry in Australia, evidenced by the desire of tourists to enjoy environmentally friendly accommodation (Dalton et al., 2008); and in an attempt to attract customers and to maintain growth and profitability, hotels are responding to environmentally conscious stakeholders by employing environmentally friendly initiatives (Edwards, 2005). However, many hotels do not have a coherent environmental strategy and policies, but rather implement environmental practices on an ad hoc basis.(Dewhurst & Thomas, 2003).

Furthermore, a hotel operators' primary function is to generate returns for their shareholders. This raises the question of whether they follow ESPPs as a marketing tactic to attract guests by 'falsely' claiming hotels are environmentally friendly (also known as "green washing"), or whether these practices become standard operating, good business policy in hotels (Nicholls & Kang, 2012b) for the benefit of all stakeholders. Greenwashing occurs when a deceptive or unsupported claim about the environmental benefits of a product, practice or service is made. This problem is compounded by negligent enforcement by regulatory agencies. Greenwashing can make an organisation appear to be environmentally friendly than it really is. Organisations use greenwashing to create a more positive image through marketing and also to highlight its CSR policies to its stakeholders (Chen et al., 2019). For hotels, engaging with stakeholders is important to drive a sustainability agenda by obtaining guidance and direction and to avoid green washing.

Some of the motivational factors for hotels to adopt EMS are the concerns of senior management, making cost savings, ensuring the welfare of employees, meeting environmental regulations, expectations of customers and to gain a competitive advantage. These factors indicate that the motivations to adopt EMS are determined by both internal and external forces and influences (Chan & Wong, 2006). A hotel manager is best placed to understand the varied

perspectives of all hotel stakeholders, hence, ESPPs should be coordinated and formulated by the manager of a hotel.

2.9 Hotel Managers' Stakeholder Relations

Decision-makers such as hotel managers may be uncomfortable working with some stakeholders such as owners, shareholders and guests because it could lead to a radical shift in operations and decision-making processes. With the gravity of environmental sustainability related problems, decision makers achieving their own individual goals is not likely to solve the problem. Hence, to address the important issue of environmental sustainability, hotel managers will have to work with the stakeholders and will require their inputs and support (Chan & Wong, 2006; Macharis & Bernardini, 2015).

Hotel management and stakeholders must have a strong and clear understanding of the issues surrounding global warming, climate change and other issues related to environmental sustainability (Sarkis, Gonzalez-Torre & Adenso-Diaz, 2010). Environmental management systems have both a negative and a positive impact on the employees of a hotel, an important stakeholder group in an organisation. As environmentally sustainable policies need to be converted into practices through the employees of the hotel, the commitment of employees to environmental sustainability of the hotel can be enhanced if they are informed of the organisation's motivations for implementing EMS, even if they are not involved in the initial planning stages. If the motivations of the hotel's environmental management policy and programs are not communicated to their employees, many of them may perceive it as a cost cutting measure and as a marketing and reputation building exercise (Chan & Hawkins, 2010). The commitment of employees is adversely affected if the adoption of EMS is perceived as a cost cutting exercise or to attract environmentally conscious customers or to improve the image

of the hotel. This can occur as employees may be suspicious of a hotel's motive for implementing such systems. The job satisfaction of executives and managers of the hotels involved with implementing environmentally sustainable practices is enhanced as they can share their and the hotel's experiences of these practices with other hotels and this can create a sense of prestige, privilege and status. Employees that are empowered to implement environment management practices are more motivated, have enhanced job satisfaction, a sense of achievement, a desire for commitment to a good cause and the drive to participate in beneficial environmentally sustainable practices (Chan & Hawkins, 2010; Kim et al., 2019).

Tourism researchers have applied stakeholder theory in research on sustainable tourism, ecotourism and tourism planning (Byrd, 2007). However, the application of stakeholder theory in hotel environmental sustainability practices from a hotel management's perspective remains very limited, particularly in Australia. One exception is a study by Céspedes-Lorente et al. (2003), who conducted research on stakeholder influence on Spanish hotels' environmental management practices. They reasoned that the demands of the stakeholders on environmental issues through their stakeholder power, the stakeholder use of power to protect the environment and the perceived economic advantages and legitimacy of environmental management policies and practices make hotels and hotel management respond to environmental concerns. The greater the economic legitimacy of environmental practices perceived by an organisation, the greater the likelihood that environmental sustainable practices will be adopted by hotel management (Céspedes-Lorente et al., 2003). There is a positive response to environmentally sustainable practices by hotels and their management if stakeholders can exert influence and authority (Céspedes-Lorente et al., 2003). Management's opinion regarding the extent to which stakeholders exert an influence on hotels is reflected in implementation of ESPPs (Céspedes-Lorente et al., 2003). While this study made a substantial effort in explaining hotels'

motivations to environmental sustainability from a stakeholder's perspective, it did not look further into how different stakeholders play varying roles in influencing hotels' decisions and approach to environmental management policies and practices.

The outlook for the industry suggests that tourism providers, including hotels, must find ways to operate in a way that is sensitive to the needs and interests of all participants and stakeholder theory provides hotels and their management with a conceptual framework for managing new challenges (Jamal & Stronza, 2009; Sautter & Leisen, 1999). Many professionals have discussed stakeholder inclusion in the tourism development process, but it has not been fully realised (Byrd, 2007). The role of stakeholders is becoming more prominent in academia and industry; hence the stakeholder theory lens is an appropriate means to explore sustainability (Waligo et al., 2013).

It is no secret that long-term success in addressing a problem can be achieved by working closely with all key stakeholders (Tompkins, Few & Brown, 2008). At times there are limitations to working with stakeholders to address this issue but the hotel industry and its management has to think outside the box and work with stakeholders in addressing a pressing problem: that the hotel industry is not sufficiently environmentally friendly (Chang, Tsai & Yeh, 2014; Tompkins et al., 2008). There is increasing pressure on the travel and tourism industry from its stakeholders to move towards green growth (Céspedes-Lorente et al., 2003): determining the influence of the stakeholders and how the growth of the Australian hotel industry can be achieved in an environmentally sustainable manner is therefore a critical issue.

2.10 Gaps in Literature and Importance of this Research

The Literature Review has assisted in identifying existing themes and trends in environmental sustainability. It has assisted in identifying and understanding issues that have already been researched and developed in the hotel industry in the area of environmental sustainability and has aided in providing the background information for this research.

Environmental sustainability is a continuously emerging and evolving discipline but there is still considerable uncertainty in aspects of the problems and solutions, even though there has been a significant body of research in this area (Elliot, 2011). This may give rise to complex and differing approaches to managing sustainability (Crane & Matten, 2016), including in the Australian hotel industry. In Australia, studies on environmental initiatives are well documented in the area of general business; however, there are very few studies on the Australian hotel industry.

Hotel manager perceptions and interpretations are the focus of this research, as they have to deliver on ESPPs to make a significant contribution to environmental sustainability in the industry. There is no literature on the development of ESPPs in the Australian hotel industry. There have been some studies on barriers to and drivers of environmental sustainability but once again, there is little information on the existence of drivers and barriers to ESPPs in the Australian hotel industry from the perspective of hotel managers; as it is the hotel manager who is ultimately responsible for making ESPPs occur at a hotel level. Scholarly research has not addressed stakeholder's influence on ESPPs at a hotel level and neither that of hotel management's perspectives.

There is little academic information on how the Australian hotel industry is going to manage the concept of environmental sustainability in their daily operations in the context of the projected growth of the hotel industry. The resolve of Australian hotel industry towards environmental sustainability can be measured by analysing their ESPPs as having formal policies on sustainability and how they are being integrated with the vision and daily operations are an expression of positive intent. Identifying the gaps in the literature on environmental sustainability has assisted in generating the research questions listed in section

Given the importance of the tourism and hotel industry to the Australian economy, it is important to research ESPPs, how they are being implemented, how they will be implemented in the future and the stakeholder influences the industry faces in formulating and implementing them. There is little data regarding environmental initiatives undertaken by hotels in Australia. According to the Australian Trade and Investment Commission (Austrade), the Australian hotel industry is projected to grow by 53,227 rooms by the year 2028 (Tourism Australia, 2019). Inbound tourist arrivals will increase to 9.6 million by 2022 from 6.6 million in 2013 and domestic visitors' total room nights (room night is a measure of occupancy of a hotel, one room night is one room sold) will increase to 308 million in 2022 from 288 million in 2013 (Chen, Bailey, Gillies & Corrie, 2014). The tourism and hotel industry are growing rapidly in Australia and have the potential to grow at an even more exponential rate. Businesses need to look beyond making short-term gains and look at the long-term impact they are having on the natural world. Hence, it is important for Australian hotels to embark on environmentally sustainable measures to limit their environmental footprint whilst at the same time providing satisfactory customer service, customer satisfaction and management of their obligations to other stakeholders. Therefore, the purpose of this study is to research and discover the extent to which Australian hotel companies undertake environmentally sustainable initiatives and

programs, their environmental policies and strategies, and their contribution in response to the demands of socially and environmentally conscious stakeholders (Kirchoff, Koch & Satinover Nichols, 2011; Marken, 1998; Paul, 2008b; Rikhardsson, Andersen & Bang, 2002).

As discussed earlier, according to '*Climate Change: Implications for Tourism*' (a University of Cambridge report based on the 2014 Intergovernmental Panel on Climate Change (IPCC)), while the tourism industry accounts for a lower percentage of global GHG emissions (5%) than its percentage contribution of global GDP (9%), the sector's emissions are forecast to grow by 130% between 2005 and 2035 (University of Cambridge, 2014). As a result, the tourism and travel industry may be under increasing pressure to contribute to climate change mitigation from its stakeholders. With only very limited research currently available in Australia on stakeholders' influence on ESPPs of hotels, further research is needed to explore which stakeholders influence ESPPs, and how they will influence, create drivers and barriers with anticipated future growth and development in mind. From a poll of over 1000 Chief Executive Officers (CEOs) from 100 countries and 25 different businesses, 89% indicated that commitment to sustainability is critical to the success of their business (Accenture Strategy, 2016). This presents an unprecedented opportunity for leaders of the business world to contribute to and support environmental sustainability. With the growth of consumers demanding environmental sustainability, the industry may have to address their concerns when framing their ESPPs. Hotels, by responding to stakeholders' influence, may be able to strengthen their competitive advantage in the marketplace as well improve their reputation and image. Moreover, by responding to their internal stakeholders it may lead to increased employee satisfaction and lower employee turnover (Tang et al., 2014).

The study will also identify trends and gaps in policies, practices and their implementation. The research will investigate if policies and practices can increase productivity of available resources. Most of the existing literature on environmental sustainability in the hotel industry is focused on large chain affiliated hotels. Going beyond a focus on only chain hotels, this research will also involve a range of hotels with different profiles and sizes, and therefore their environmental policies and practices. This research has also looked at ESPPs of small and independent hotels in Australia, as they constitute more than 50% of the total number of hotels in the country (STR Global, 2018). This approach will offer a new perspective of non-chain hotel operations and their implementation of environmental sustainability practices. Hotels are not under regulatory pressure to implement environmental sustainability practices for the benefit of stakeholders (Burby et al., 2013). The implementation of environmental management practices in other sectors of the economy such as manufacturing and transport has been common for many decades, but it remains limited in the hotel sector (Han & Kim, 2010).

Involving hotel management for this research will contribute to enhancing decisions concerning environmental sustainability in hotels because of wider ranging and comprehensive inputs from those connected to and affected by the hotel industry and its operations. When a hotel manager does not have a clear understanding of the concept of sustainable tourism or their responsibility towards environmental sustainability, or has a low-level understanding of this concept, then this becomes a major reason for hotels not contributing to environmental sustainability (Ayuso, 2006; Johnson, 2015). There are also many reasons why managers are not clear on their hotel's contribution towards sustainability. A hotel manager's perception and understanding of environmental sustainability is a major driver for applying environmental management initiatives. Changes in knowledge, beliefs and values of management of hotel

organisations support driving a change towards a more positive culture on environmental sustainability and this needs to be examined.

To some extent, the pressures from stakeholders on organisations (including hotels) including hotels to implement environmental sustainability practices are moderated by the organisation themselves (Delmas & Toffel, 2003; Garcés-Ayerbe, Rivera-Torres & Murillo-Luna, 2012; Sarkis et al., 2010). It is important to investigate and analyse why hotel management moderates these pressures on certain occasions. There is no universal environmental management authority in the Australian hotel industry, and neither is there a uniform set of standards for environmental management and reporting. This study has attempted to develop an industry-wide measure for benchmarking sustainability initiatives. This may assist hotel management's efforts to advance their contribution towards environmental sustainability. There appears to be a lack of literature on the hotel industry which discusses the concept of environmentally sustainable policies. The existing literature also suggests that there is more focus on economic activity and socio-economic development than on environmental sustainability (Schneider et al., 2010).

This leads to the topic of the research and the research questions. To manage relationships between economic, social and environmental sustainability, it is important to find a balance so that all three can co-exist together going forward. Hotel industry management can start the process of creating such balance by having well-defined ESPPs. The concept of sustainability has evolved into a significant practice, and potentially carries more weight than hotel organisations may have originally believed (Parry, 2009; Singh & Houdré, 2012). This study looks at the gaps between environmental sustainability policies reported by hotels and the effectiveness of actual implementation of practices in their daily operations (Buckley, 2012).

2.11 Topic of the Research

The topic of this research is environmentally sustainable policies and practices in the Australian hotel industry with a focus on management perspectives and stakeholder influence.

2.11.1 Research Questions

This research will address the following specific questions:

1. Does the Australian hotel industry develop and implement environmentally sustainable policies and practices?
2. What are the drivers and barriers in the implementation of environmentally sustainable policies and practices?
3. Do stakeholders play a role in shaping these policies and practices?
4. What environmental sustainability policies and practices are planned to be implemented by the hotel industry in the future in the context of projected growth in the hotel industry in Australia?

2.12 Conclusion

This study expects to contribute to the field on the state of affairs of Australian hotels in terms of environmental sustainability and ESPPs. The environmental policy of an organisation summarises its environmental philosophy and principles, and also acts as a parameter for setting its environmental objectives and targets and is essential if environmental action has to be effective (Bunce, 2009). A company that is committed to the environment must have a clear environmental policy to guide its environmental development. Such policies demonstrate a

determination to embrace environmental sustainability (Hsieh, 2012). This researcher is aware of widespread research in the area of sustainability and there is no intention of reproducing it here; instead, the objective is to look at the Australian hotel industry where there has been no previous research into ESPPs and make a contribution to theory by increasing the scope of stakeholder theory to offer a wider resolution in creating equivalent value for all stakeholders for the benefit of society and the environment.

The review of the academic literature on environmental sustainability in hotels, at present, is primarily focused on Europe and North America. Very few studies have analysed the environmental dimension of sustainability in hotels in Australia. The areas addressed in the research questions above have been underexplored and these questions do not appear to have been answered satisfactorily in the literature. The discipline of sustainability, and more so, environmental sustainability, is evolving and emerging (Morelli, 2011). One way of researching this discipline in the Australian hotel industry is to investigate the ESPPs, as policies are a statement of purpose and intent. Stakeholders want business to undertake practices that are responsible and provide information and access to information on such practices and the effectiveness of the efforts undertaken (De Grosbois, 2012). For hotels, engaging with stakeholders is important to further their agenda of sustainability as stakeholders are partners of the business and can contribute to its success (Spitzeck & Hansen, 2010).

The Literature Review has assisted in contributing an up to date understanding of the topic of research, justifies the reasoning behind this research, and assists to establish the theoretical framework and the methodological focus. To obtain the data on environmental sustainability in hotels and to answer the research questions a two-phase approach has been utilised. The first stage of the research begins with an investigation that aims to produce a preliminary

understanding of ESPPs adopted by Australian hotels and an assessment of the extent to which these have been implemented by them. The research analysed the web pages of hotels to obtain an understanding of the state of affairs vis-à-vis sustainability in hotels. The content analysis of hotel websites was followed by the next stage of research involving individual semi-structured face-to-face interviews, comprising open-ended questions with selected representatives of hotels identified in the first stage of the preliminary investigation as having an influence on hotel policies and procedures. This methodological approach has assisted in obtaining responses to the research questions.

Chapter 3: Research Design – Methodology and Conceptual Framework

3.1 Introduction

The purpose of this chapter is to discuss the research design and methods employed for this study. A two-phase process was undertaken in order to obtain the data on environmental sustainability in hotels and to answer the research questions. The first phase of the research began with a review of hotel websites in order to gain a preliminary understanding of the scope and extent of ESPPs adopted by hotels. The second phase involved the conduct of in-depth face-to-face interviews with selected hotel managers identified in the first phase of the preliminary investigation as having influence on hotels policies and procedures. This section discusses the rationale and practical steps undertaken to implement both phases of the research.

3.2 The Pragmatic Worldview and the Theoretical Framework

There are various research methods that can be used for this study, including qualitative, quantitative and mixed methods (Creswell & Creswell, 2017). The philosophical framework is the worldview within which the research is positioned (Quinlan, Babin, Carr, Griffin & Zikmund, 2015). The various worldviews considered for guiding research are post positivism, transformative, constructivism and pragmatism. The post positivist approach is appropriate for verification of theory and favours quantitative methods (Davies & Hughes, 2014). In this philosophy, problems studied reflect the need to identify causes that influence outcomes, such as those found in experiments; and are a good model for scientific inquiry (Patton, 2015). Constructivism is a suitable approach for generation of theory, as it works on the principle that human beings construct knowledge and understanding by means of their experience and reflection, and is well suited to research into learning and education (Fosnot, 2013). The transformative approach is change-oriented and focuses on personal experience as a learning

tool that, in turn, leads to transformation in mindsets, beliefs and behaviours (Christie, Carey, Robertson & Grainger, 2015). Finally, the pragmatism philosophy (or “theory of truth”) is a real-world practice-oriented view underpinned by the view that selection of research methodology must be guided by the nature of the problem being investigated in a research study (Creswell & Creswell, 2017). Pragmatism philosophy asserts that an ideology is true if it works satisfactorily and has practical outcomes. This philosophy entails the understanding that there are many different ways to interpret the world and that one single view is not enough for understanding and there needs to be multiple perspectives to look at a concept for research (Saunders, Lewis & Thornhill, 2009). In short, the pragmatic philosophy dictates that different facets of a research study will demand different methods or a ‘horses-for-courses’ approach (Dudovskiy, 2018).

Pragmatism is a practical and applied research philosophy that supports mixed or multiple methods of social science inquiry (Denzin & Lincoln, 2017). Pragmatism should be understood as a set of philosophical tools that can be used to address practical problems (Patton, 2015). Pragmatism results in problem-solving, action-oriented inquiry framework and process based on a commitment to address the practical issues and values and make progress on these issues (Denzin & Lincoln, 2017). It is a problem-oriented philosophy takes the view that the best research methods are those that help to most effectively answer the research questions (Anfara Jr & Mertz, 2014).

In short, the pragmatic philosophy suggests that different facets of a research study will demand different methods or a ‘horses-for-courses’ approach (Dudovskiy, 2018). This is certainly the case with this particular research study as a review of the research questions (see p. 8) indicates: i) some aspects can only be answered by a straight quantitative analysis investigation; ii) others

demand the elicitation and interpretation of views and opinions; and, finally iii) the study seeks to arrive at findings of practical benefit to both the tourism and hospitality industry, and society in general. As such, it can be said that the study is guided by pragmatic philosophy.

Keeping the research questions in mind and the practical nature of the research to understand ESPPs in the hotel industry, the pragmatic framework for inquiry assisted in understanding the persistent issue of environmental sustainability and how the outcomes of the research can be applied in the hotel industry (Patton, 2015). Pragmatic inquiry may assist in seeking practical and realistic solutions, or may at least provide some direction in managing the concept of environmental sustainability in the hotel industry (Seale, 2017). There is a need for this research in order to gain real-world practical understanding and information on ESPPs. This research seeks beneficial and actionable solutions for environmental sustainability; therefore, a practical and adaptive approach of pragmatism philosophy is useful, as this approach may assist in opening up new opportunities for managing environmental sustainability in the hotel industry (Agar, 2013). There are disadvantages associated with this approach as it sometime produces 'endless answers to never-ending problems' (Pawson, 2013, p. 72). This is because the pragmatic approach attempts to recognise multiple influences to a given situation, many different point of views, multiple realities, and highlights that knowledge and solutions are based on experience and this brings together a variety of perspectives (Creswell & Creswell, 2017; Kaushik & Walsh, 2019). However, as noted, looking at both the advantages and the disadvantages of this pragmatic approach, the outcome of the literature review, the research questions and the researcher's understanding of the hotel industry and environmental sustainability; a pragmatic approach appears to be the most appropriate framework to undertake this research.

3.3 Conceptual Framework

Ever since Freeman published his seminal book, stakeholder theory has been used extensively in management literature. Freeman (1984) argues that wide ranges of groups, the stakeholders, which affect or are affected by corporations, are not always considered by the business environment. He further states that in the dynamic nature of the business environment utilising stakeholder theory offers a means to address and manage ever-changing stakeholder demands. This research will utilise stakeholder theory to explore how it influences and shapes the ESPPs of hotels from the perspective of hotel management.

Figure 3.1 shows the conceptual framework employed for this research. This framework has assisted in guiding this research study and was created after reviewing the literature and formulating the research questions (Reason, 2009). The stakeholder theoretical framework was utilised to investigate the influence of stakeholders on Australian hotel management's perceptions of environmental sustainability, the management's influence on their hotel's sustainability policies and practices and how they will contribute to sustaining the environment in the future. Internal and external stakeholders influence the management of hotels by creating various drivers and barriers to specific proposals, finally resulting in the ESPPs that are adopted. The research investigated ESPPs, future plans and strategies, has identified the drivers and barriers behind them, has examined how different stakeholders have a different influence on various environmental focus areas, how stakeholders exert their influence, and how hotel management respond to their influence.

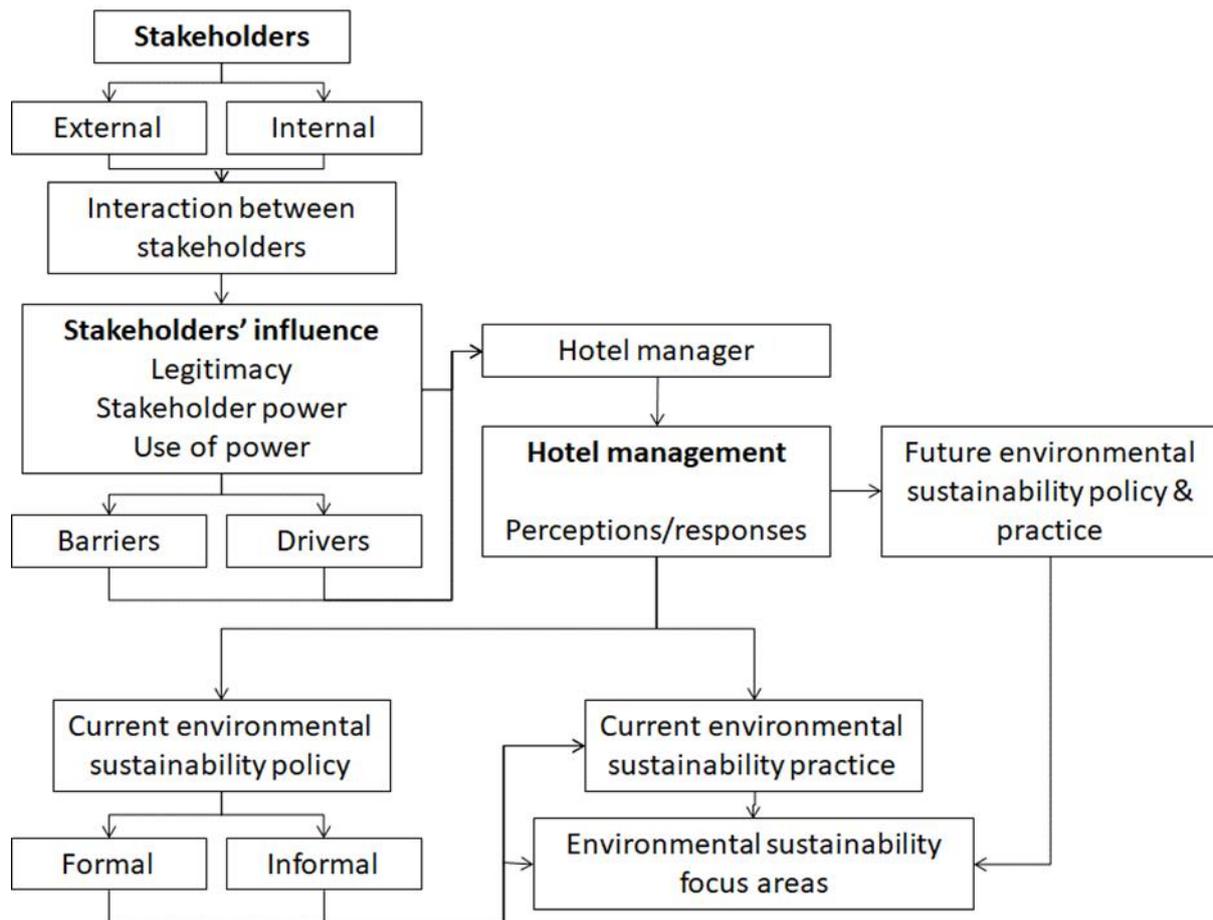


FIGURE 3.1 – CONCEPTUAL FRAMEWORK

The conceptual framework above presents the link between the key study conceptual structures and relationships which are employed to carry out this research and address the research questions (Anfara Jr & Mertz, 2014).

According to Freeman and Reed (1983), the core notion of stakeholder theory is that organisations that manage their stakeholder relationships effectively will survive longer and perform better than those organisations which do not. They suggest that organisations should develop stakeholder competencies and this should include making a commitment to monitoring stakeholder interests, developing strategies to effectively deal with stakeholders and their interests, and ensuring that organisational functions address the needs of stakeholders (Freeman

& Reed, 1983). There are four dimensions or components of CSR that affect all stakeholders. They are: economic, legal, ethical, and discretionary (or philanthropic) (McGehee et al., 2009). Stakeholder theory is built on the normative idea that business should serve a variety of interests rather than just those of shareholders and in doing so a business will achieve superior performance (Barter, 2011). The basic proposition of stakeholder theory is that an organisation's success is dependent on the successful management of all relationships that an organisation has with its stakeholders, without whose support the organisation would cease to exist (Freeman, 1984).

Extending the focus beyond chain hotels, this research also involved a range of hotels with different profiles and sizes and varying environmental policies and practices. This approach offers a new perspective on non-chain hotel operations and their implementation of environmental sustainability practices (Russo & Perrini, 2010), and the influence of stakeholders on these operations.

With the growth of consumers and social demands for environmental sustainability, the industry may have to be cognisant of them when framing their ESPPs (Orlitzky et al., 2011). Hotels in responding to stakeholder influence may be able to strengthen their competitive advantage in the marketplace as well as improve their reputation and image more broadly (Darnall, Henriques & Sadorsky, 2010). Organisations do not respond to each stakeholder individually; they respond to the interaction of multiple influences from the entire stakeholder set (Rowley, 1997). This phenomenon was also investigated in the second phase of this research to determine (from a hotel management perspective) if there is any interaction between the various stakeholders to create drivers or barriers to implementation of ESPPs. The literature suggests that hotel management's perception of and motivation towards sustainability and

stakeholders' influence is a major driver for applying environmental management practices (Ayuso, 2006; Williams & Schaefer, 2013).

The second phase of the research, which involved the conduct of one-on-one in-depth interviews to collect and analyse data on environmental policies and practices of hotels in Australia, provided strong insight into the hotels' stakeholders and the influence of these stakeholders in encouraging ESPPs. The purpose of this qualitative analysis has greatly assisted in gaining a broad overview of the current state of play in terms of environmentally sustainable policies and procedures in Australian hotels.

3.4 Overview of Methodology and Research Methods

The research design is a comprehensive task and plan that draws together all aspects of the research and includes the research method for the collection and subsequent analysis of data relevant to the research questions (Zikmund, Babin, Carr & Griffin, 2013). The following diagram (Figure 3.2) outlines the key stages and methodology of this research.

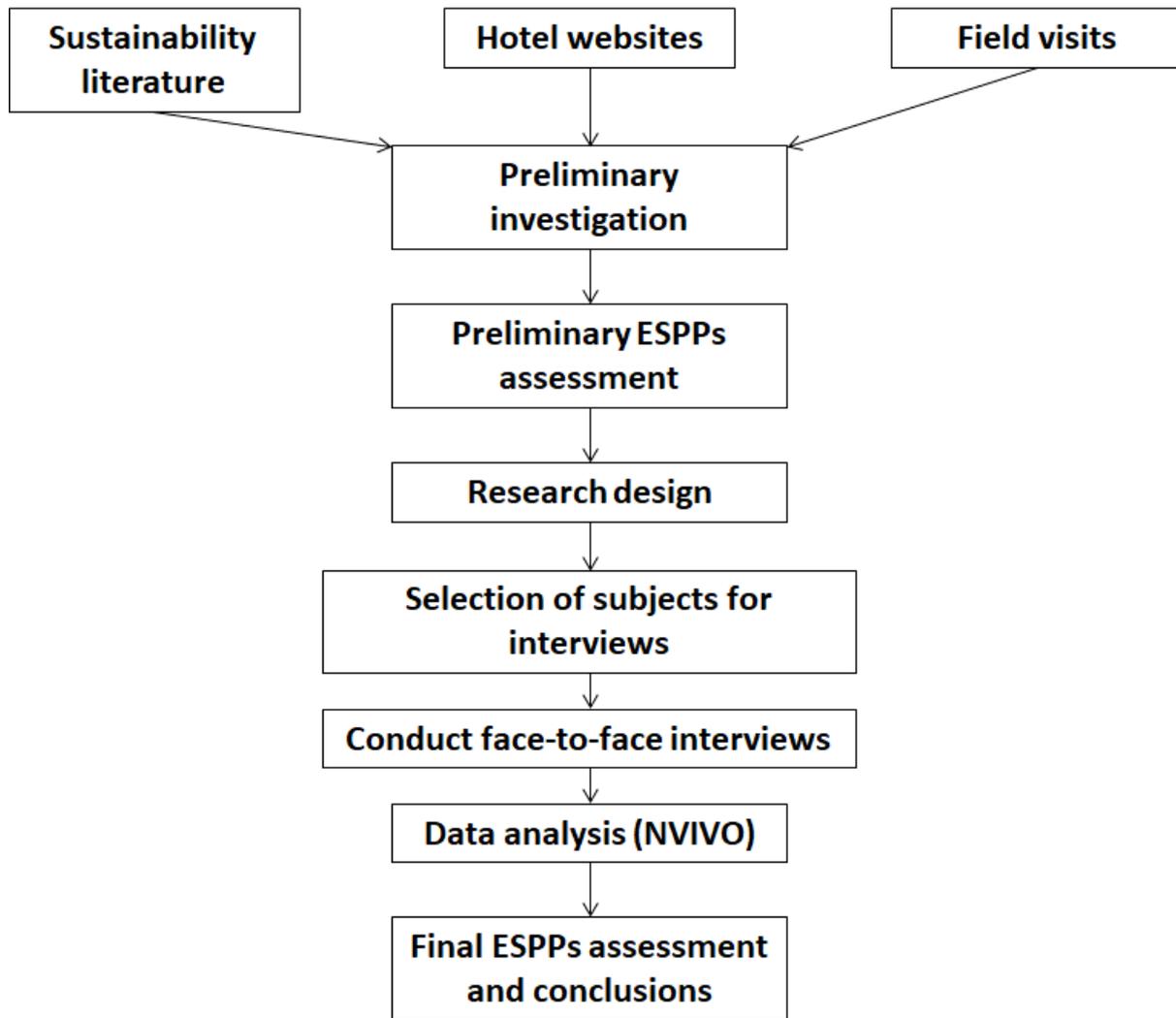


FIGURE 3.2 – PROCESS DIAGRAM OF THE RESEARCH

For this study, the design includes the collection of secondary data via web content analysis to research the ESPPs of hotels in Melbourne, Australia. A systematic review was conducted of hotel websites, with the aim of determining the extent of environmental material provided by international chain affiliated hotels, Australian chain affiliated hotels and independent star rated hotels in Melbourne. Collection of data concluded with the second phase of qualitative research: in-depth interviews with managers of hotels in order to obtain their views on the ESPPs of their respective hotels. Qualitative research is a valuable tool for uncovering hidden

details, by asking open-ended questions and to understand experiences, opinions, feelings, knowledge and perspectives of interviewees (Patton, 2015).

Face-to-face interviews are used extensively for exploratory research, where an in-depth investigation of a phenomena is required (Creswell & Creswell, 2017; Yin, 2011). One of the advantages of this method is that it allows the researcher to obtain a holistic view and understand real life situations (Yin, 2017). Further, data from interviews can be converted and presented in a quantitative format for better interpretation if need be (Flyvbjerg, 2006; Gerring, 2016). However, by utilising this method, the research is able to go beyond quantitative statistical results and understand the behavioural conditions through the participants' viewpoints.

There are disadvantages associated with in-depth interviews; a significant one being that it is time-consuming. Another challenge for the researcher and the interviewee is that an in-depth interview approach can be taxing and attention must be paid to unequal control dynamics between the interviewee and the interviewer as the flow of data is in the direction of the interviewer (Creswell & Creswell, 2017; Flyvbjerg, 2006).

The preliminary web page analysis on ESPPs of hotels websites guided the selection of interview participants' for the second phase of the inquiry (Seawright & Gerring, 2008). The purpose of the interviews was to have respondents elaborate on issues where they were still unclear on opportunities for ESPP adoption and to obtain answers to the research questions. Interviewees were selected from among those agreeing to follow-up discussions on environmental sustainability policies and practices and eight interviews were undertaken.

3.5 First Phase of Research – Sample Size, Data Collection, Data Recording, Data Analysis and Data Interpretations

3.5.1 *Sample Size*

This study sought to examine the extent of reporting of ESPPs on hotel websites as a measure of potential adoption of these policies and practices by hotels. This study utilised secondary data and content analysis to research the ESPPs of hotels in Melbourne, Australia. A systematic review was conducted of hotel websites to reveal the range of reporting of environmental material provided by various star rated hotels in Melbourne.

Content analysis as a research technique can be utilised to make inferences that are valid by coding and interpreting the data. It allows the researcher to look at qualitative information and convert it into quantitative data by systematically going through and evaluating texts (Kim & Kuljis, 2010). Content analysis is a systematic and objective method for developing inferences and the growth of the World Wide Web presents researchers with substantial opportunities (Krippendorff, 2004; Weare & Lin, 2000). With the advent of the World Wide Web, researchers began gaining access to secondary data, which was not as easily accessible as it is currently. Content and data sets have never been as readily available and with the sheer size of data that is available on the World Wide Web, a researcher has to be organised and systematic to get the required information and present it in an easily understood format (Neuendorf, 2016).

Research reporting on environmental sustainability practices of business organisations using the messages they convey on the internet is quite prevalent. Hotels use their websites to disseminate information about themselves, their products and services, but the information these websites include about ESPPs is an emerging area worthy of further analysis (De Grosbois, 2012). The first stage of this study investigated a range of chain and independent

non-chain affiliated hotels of different profiles and sizes to assess the extent to which they report on their ESPPs publicly via the internet. Communities, as a stakeholder, should be aware of the sustainability practices of tourism organisations and this includes hotels (Choi & Turk, 2011), and hotel websites are an easy mode of disseminating this information to the target audience. Content analysis of an organisation's website is therefore a logical starting point to locate information about its activities (Neuendorf, 2016) and information on ESPPs. Organisations utilise their websites to project more socially satisfactory information to their stakeholders (Cho & Roberts, 2010), and a research objective was to assess whether hotels in Australia are doing the same in the area of environmental sustainability.

Website content analysis examined the web pages of hotels to get an understanding of their ESPPs. The hotels selected for content analysis of their websites were sourced through Wotif, a leading online travel agency (OTA) and one of the first OTAs in Australia, as well as Booking.com. Wotif.com and Booking.com do not restrict themselves to any particular hotel categories and, as such, it was considered that collectively their listed hotels would provide a reasonably representative sample of the total Australian hotel population. Moreover, it was deemed that a further restriction to Melbourne hotels only would both make the study manageable and not have an undue, negative impact on external validity. In the end, 220 Melbourne hotels listed on Wotif.com and Booking.com were selected for examination. These 220 hotels selected included international chain affiliated hotels, Australian chain affiliated hotels and independent hotels.

3.5.2 Data Collection, Data Recording, Data Analysis and Data Interpretations

In order to establish 'what' to examine in the website content analysis exercise, various green certification programs associated with the tourism and hotel industry were investigated. The

information provided under each certification program was accessed from their websites. Environmental certification is a process whereby an organisation undertakes to conform to predefined practices set by a certification agency (Nebel, Quevedo, Jacobsen & Helles, 2005). The investigation of the various certification programs showed the major focus areas of these certification programs are energy efficiency, water conservation, waste management, and carbon footprint reduction, environmental education for employees and guests and sustainable sourcing. Ultimately, key focus areas selected for analysis utilised the major environmental focus areas highlighted by EarthCheck's benchmarking and certification program (EarthCheck, 2016), as well as environmental practice categories defined by Hsieh (2012). EarthCheck's program is based on the principles of sustainable development endorsed by 182 heads of state at the United Nations Rio De Janeiro Earth Summit in 1992. The EarthCheck standard is recognised by the Global Sustainable Tourism Council (GSTC) and conforms with the Mohonk Agreement which outlines the guidelines and principles for international tourism certification programs (EarthCheck, 2016).

The key focus areas addressed by EarthCheck's standards for environmental sustainability are the following (EarthCheck, 2016):

1. Greenhouse Gas Emissions
2. Energy Efficiency, Conservation and Management
3. Management of Freshwater Resources
4. Ecosystem Conservation and Management
5. Social and Cultural Management
6. Land Use Planning and Management
7. Air Quality Protection
8. Wastewater Management

9. Solid Waste Management
10. Environmentally Harmful Substances

The environmental practice categories defined by Hsieh (2012) are the following:

1. Green procurement
2. Education for employees and customers
3. Sustainability statements on home page
4. Environmental policy
5. Tracking hotel programs
6. Environmental reports
7. Environmental awards

Integrating both these frameworks, the following features (sustainability mentions) were chosen for examination:

1. Greenhouse Gas Emissions
2. Energy Management
3. Management of Freshwater Resources
4. Ecosystem Conservation and Management
5. Social and Cultural Management
6. Land Use Planning and Management
7. Air Quality Protection
8. Wastewater Management
9. Solid Waste Management
10. Environmentally Harmful Substances
11. Green Procurement
12. Education for Employees and Customers

Content analysis is a technique utilised in research to make conclusions by coding the data collected from texts including documents and information on the internet where qualitative data can also be converted into quantitative data for interpretation and is a demonstrated mode of collecting data for preliminary investigation of a concept (Neuendorf, 2016). Researchers utilise web content analysis to find out how businesses are evolving and revealing their growth and engagement with the external environment (Bingley, Burgess, Sellitto, Cox & Buultjens, 2010).

The content analysis looked at texts on the websites of the individual hotels pertaining to the categories of sustainability mentions (12 features listed previously), sustainability policy, tracking programs for environmental sustainability, environmental reports and environmental awards. As such, the website of each hotel was assessed to determine the following:

- i) Whether ESPPs (or related terms) were mentioned
- ii) Whether details of specific environmental initiatives were detailed
- iii) Whether a policy was detailed
- iv) Whether the hotel had implemented an environmental audit (and associated tracking) programs
- v) Whether the website contained (or pointed to) current and historical environmental audit reports; and
- vi) Whether details of environmental awards won were present.

For Australian and international chain affiliated hotels, their corporate website was examined as well. This research found varying levels of dissemination of ESPPs on individual websites of specific chains as, generally, the display of this information is not a corporate-compliance

obligation. Note that this initial study phase was only concerned with the presence or absence of a particular aspect on websites and not the quality or depth of the material. Furthermore, it was recognised that more comprehensive information on ESPPs that had not been disclosed on the websites of the hotels may well exist. As such, the first study phase aimed to establish a broad, overall perspective, while the second phase (discussed in the following section) aimed to deepen understanding and augment the initial, quantitative survey findings.

3.6 Second Phase of Research – Face-to-Face Interviews

3.6.1 *Sample Size*

The first phase of the study began with an initial list of 220 hotels and this sample included international chain affiliated hotels, Australian chain affiliated hotels, and independent four, three and two star hotels. The first phase of this research, the preliminary analysis of ESPPs of hotel websites, guided the selection of interview participants for the second phase of study research. The aim of the sample and the sample size for the second phase was to ensure representation by different segments of the hotel industry identified in the first phase so that all sectors of the hotel industry could be covered. For practical reasons, Melbourne hotels were selected and examined. Additionally, hotel operations, management structures and hotel ownership arrangements in Melbourne hotels apply to hotels all over Australia and the world (Hayes et al., 2016).

It should be noted that hotel managers sometimes manage multiple properties including the one that they are based at. The selected sample for the second phase of the research comprised of eight hotel managers who manage around 60 hotels amongst themselves and do so based at a hotel property as a manager. This sample included managers of those hotels that are involved with ESPPs as well as managers of hotels that are not committed to ESPPs, based upon results

of the initial website analysis. Managers of three international chain affiliated hotels were interviewed. One of these international chains has more than 400 hotels in Australia. The second chain has 15 hotels in Australia and the third has two hotels in Australia. Managers of two Australian chain affiliated hotels were involved in this study. One of these Australian chains has 70 hotels in Australia and the other has six hotels in Australia. Managers of three independent hotels were also interviewed. When requests were made for in-depth interviews, ten independent hotels (that did not display environmentally sustainable information on their websites) declined to be interviewed for this study, stating that they do not carry out any environmentally sustainable activities and do not plan to do so in the future.

This identification and selection of interview subjects based upon purposeful criteria is appropriate as it assisted in choosing subjects that meet the predetermined criterion of involvement and non-involvement with environmental sustainability (Palinkas et al., 2015). The purposeful selection of a small sample allows the researcher to focus, and gain as much information as possible by allowing the interviewees to talk at length (Davies & Hughes, 2014). There are disadvantages to and challenges for purposeful criteria as, at the outset of the study, the researcher may not be aware of the criteria for selection of the sample (Suri, 2011). However, in this case, the initial study phase (website content analysis) was employed to counter this obstacle. Table 3.1 and Table 3.2 provide a breakdown of the sample utilised for the in-depth interviews.

**TABLE 3.1 – INTERVIEW SAMPLE BASED ON HOTEL TYPE AND SUSTAINABILITY
INFORMATION ON WEBSITE**

Affiliation	Star Rating	Environmental Sustainability
International chain affiliated hotel	5 star	Sustainability information on website
International chain affiliated hotel	5 star	Sustainability information on website
International chain	5 star, 4 star, 3 star, 2 star	Sustainability information on website
Australian chain affiliated hotel	5 star	No sustainability information on website
Australian chain affiliated hotel	4 star	No sustainability information on website
Independent hotel	4 star	Sustainability information on website
Independent hotel	3 star	No sustainability information on website
Independent hotel	2 star	No sustainability information on website

TABLE 3.2 – INTERVIEW SAMPLE COVERAGE

Summary	Number of hotels
International chains	3
Australian chains	2
Independent hotels	3
Sustainability information on website	4
No sustainability information on website	4
5 star	4
4 star	3
3 star	2
2 star	2

3.6.2 Data Collection and Ethics Approval

Data on ESPPs was collected through individual semi-structured face-to-face interviews, comprising open-ended questions, with the selected hotel managers identified in the first phase as having influence on hotel policies and procedures. The advantage of this approach is that it allows participants to describe their understandings without unnecessary restrictions and enables the researcher to better-understand the participants' views (Baxter & Jack, 2008).

Ethics approval for this research was obtained from the Victoria University Human Research Ethics Committee (VUHREC) to ensure that ethical and legal research requirements were met. As a key ethics requirement, all interview participants were given and asked to sign a consent form (see Appendix A), which provided details of the research and the rights of participants. Participants were provided with an explanation of the purpose of the research (see Appendix B) and given a description of the procedures to be followed. Hotel managers were also given a

description of the benefits to themselves, their hotels, the hotel industry and their stakeholders that may reasonably be expected from the results of the study. Participants were provided with a statement confirming the confidentiality of their responses and their right to withdraw at any stage (Orb, Eisenhauer & Wynaden, 2001).

Once ethics approval was granted, the interview questions were tested with a selection of Victoria University academics to ensure the reliability of the questionnaires and their suitability in gathering the information needed. This pilot testing of the interview questions removed ambiguous survey questions and ensured efficient collection of data right from the outset (Jacob & Furgerson, 2012). Additionally, this process ensured that all questions asked during the interviews were essential, the structure of the question did not create excessive demands, there were no leading questions and the questions were easy to encourage answers that did justice to the exploratory research (Merriam & Tisdell, 2015).

The preliminary analysis of ESPPs of hotel websites was utilised to derive the set of exploratory questions to the interview participants. The purpose of the interviews was to have respondents elaborate on issues still unclear and on opportunities for ESPP adoption (Hancock & Algozzine, 2017). To obtain a hotel management perspective of the stakeholders' influence, the discussions during the interviews included:

- how and why do stakeholders influence hotels on their ESPPs,
- what is the benefit to them in influencing hotels on their ESPPs?
- financial benefit to them in influencing the hotels on their ESPPs,
- what multiple and interdependent interactions simultaneously exist in the stakeholder environments,

- what are their strategies for future environmental sustainability in the context of projected growth of the hotel industry in Australia?

The in-depth interviews have further clarified the Australian hotel industry's perceptions of and motivations around environmental sustainability, and their effects on management decision-making. The research specifically investigated widely held beliefs such as "green is expensive", "guests do not care about sustainability", and "some industries can wait to implement sustainable changes" (Han & Kim, 2010).

Hotel managers were encouraged to discuss and answer the questions in more detail as they were made aware that all their answers are confidential (Veal, 2011). Probing research questions were included on the list of questions to elicit clear and elaborate answers (Quinlan et al., 2015).

3.6.3 Data Recording

An important component of qualitative research is to utilise the interviewee's own words to highlight the findings and discussion of the research. To best achieve this and capture the direct quotes, all the interviews were auto recorded (Rowley, 2012). Hence, with the written permission of the interviewees, all the interviews were recorded for transcribing. Open questions assisted in generating longer answers, which require more consideration, thought and discussion (Adams, 2016; Turner III, 2010).

The interview started with outlining and clarifying the purpose of the research with a statement like, "*This interview seeks to gain an understanding of environmentally sustainable policies and practices of your hotel*". Some of the questions asked during the interviews with the hotel

managers were, *“Tell me about your hotel’s environmental sustainability policy”*; *“Does someone in the hotel or head office/corporate office have the responsibility of environmental sustainability?”*; *“What areas are the priorities of this policy?”*; *“Who is responsible for implementing this policy?”*; *“What are the priority focus areas of the practices?”*; *“To what extent do the varying views of different stakeholders present opportunities in the development of future ESPPs?”*. The complete list of questions used in the interviews is presented in the Appendix C of this document.

3.6.4 Data Analysis

The data collected through the second phase of in-depth interviews was transcribed, coded and analysed with NVIVO, a computer aided qualitative data analysis software program (CAQDAS). NVIVO software, a qualitative data management tool was utilised to assist with data storage, data analysis, data linking, coding, build relationship with data and generating themes. The transcripts from the interviews were imported into NVIVO. Before the coding started, transcripts from the interviews were read many times. The more the researcher interacted with the data, more patterns and themes began to stand out. Codes were used to compare, sort and synthesise the data. There were passages that illustrated more than one theme. In total 120 codes were utilised, and 30 themes emerged. NVIVO assisted in building connections between data and assisted in development of complex insights and labelling interviews and passages. It aided in locating particular coded paragraphs and in searching for words and locating coded themes. It assisted in managing the volume of qualitative data to facilitate the analysis. It was utilised to facilitate the work of the analysis and research. Clear research questions made data collection and analysis feasible. The researcher undertook NVIVO training to develop the skill and knowledge to use it effectively.

NVIVO is not a method of analysis but a data management tool to organise the data, hence effective and systematic coding is necessary to draw information for this investigation (Bazeley & Jackson, 2013). NVIVO assisted in organising the interview transcripts for the development of analysis. A computerised analysis system can then more easily be utilised for future additional research (Veal, 2011). Once the coding has been set up, and the transcripts coded, more analysis can be undertaken relatively quickly, resulting in a better-quality output than possible with manual methods. NVIVO was used, in particular, to assist with the derivation of emergent themes during analysis and to aid in establishing relationships between themes (King, 2004; Spencer, Ritchie, Ormston, O'Connor & Barnard, 2014).

Both the first phase and second phase of research assisted in answering the research questions that are listed in Section 3.6.5.

3.6.5 Research Questions

This research has addressed the following specific questions:

1. Does the Australian hotel industry develop and implement environmentally sustainable policies and practices?
2. What are the drivers and barriers in the implementation of environmentally sustainable policies and practices?
3. Do different stakeholders play a role in shaping these policies and practices?

4. What environmental sustainability policies and practices are planned to be implemented by the hotel industry in the future in the context of projected growth in the hotel industry in Australia?

3.7 Conclusion

This chapter has discussed the two-phase approach for the research inquiry. The first phase of the research begins with an investigation that aims to produce a preliminary understanding of ESPPs adopted by Australian hotels and an assessment of the extent to which these have been implemented by them. The content analysis of hotel web sites was followed by the second phase of research involving individual semi-structured face-to-face interviews, comprising open-ended questions with selected hotel managers identified in the first phase of the preliminary investigation as having influence on hotel policies and procedures. The one-on-one interviews addressed the limitations of the content analysis of hotel websites and aided in acquiring comprehensive evidence of the ESPPs of hotels in Melbourne. Diversity in the scale of hotel operations was taken into consideration when selecting the interview participants.

The qualitative method employed for the second phase of the study further clarifies the Australian hotel industry's perceptions and motivations on environmental sustainability, and their effects on management decision-making. Interview participants were purposefully selected so that different categories of hotel were represented (Yin, 2011). Utilising criterion sampling (Coyne, 1997; Palinkas et al., 2015) for this qualitative research, the expected sample size was 8 respondents. Open-ended questions were utilised when conducting interviews as they have the ability to evoke responses that are meaningful and salient to the participant (Veal, 2011). These answers, rather than those forced from a list of responses predetermined by the

researcher, can be rich and explanatory in nature (Yin, 2017). Furthermore, probing gave the participants the opportunity to elaborate upon their answers (Veal, 2011).

Utilising the research design discussed in this chapter, there is an expectation that this research will be developed into knowledge so that it can assist hotel management in improved decision-making in relation to environmental sustainability. An in-depth research study into environmental sustainability has narrowed down a very wide-ranging field of research into a manageable, researchable topic, as the multiple in-depth interview approach is beneficial for a holistic investigation. Analysis of the collected data later in the thesis will address the research questions, to reach meaningful conclusions on the status of environmental sustainability in the hotel industry.

The following chapter presents the results of the first phase of exploratory search of hotel websites. Findings and discussion from the in-depth interviews with the hotel managers are presented in Chapters 5, 6 and 7.

Chapter 4: Content Analysis of Hotels' Environmentally Sustainable Policies and Practices

4.1 Introduction

The purpose of this chapter is to present the findings of an analysis of ESPPs of hotels in the Australian city of Melbourne. The study aims to ascertain the engagement of hotels with ESPPs and provide evidence of their commitment towards meeting the expectations of environmentally conscious stakeholders. A systematic review of 220 hotel websites was conducted to reveal the range of reporting of environmental material provided by variously rated hotels in Melbourne. The aim of the sample and the sample size was to cover all sectors of the hotel industry. The extant literature has not studied the extent to which ESPPs are adopted by hotels at a property level and it is this research gap that the study addresses. Previous studies have focused on chain hotels; this research involved a range of hotels of differing profiles to highlight their environmental policies and practices. Rather than merely examining the corporate websites for ESPPs of hotel companies, it is also important to research what is taking place at the individual property level as that is where the actual policies are implemented. This analysis suggests that environmentally friendly business practices are becoming increasingly prominent in the hotel industry, however, independent non-chain affiliated hotels are yet to adopt ESPPs in any visible way.

4.2 Findings of the Content Analysis

The findings of the content analysis of Melbourne hotel websites are presented in Tables 4.1 through to 4.6. Table 4.1 details the summary of star categories of the hotels and the breakdown of these hotels into chain affiliated and independent hotels. Table 4.2 contains the sustainability information showcased on the individual hotel's own website, Table 4.3 presents the

sustainability information of all chain affiliated hotels only on their corporate website and Table 4.4 outlines the sustainability information of all non-chain affiliated independent hotels on their own websites. Table 4.5 displays combined information on the chain affiliated hotels' corporate websites and non-chain affiliated hotels' own websites and Table 4.6 contains detailed information on the various focus areas of environmental sustainability.

TABLE 4.1 – SUMMARY OF HOTEL TYPES FOR ANALYSIS OF WEBSITES FOR ESPPS

	Hotels	Chain affiliated hotels		Independent hotels	
		No.	%	No.	%
5 star	25	20	80.0	5	20.0
4 star	127	68	53.5	59	46.5
3 star	60	12	20.0	48	80.0
2 star	8	2	25.0	6	75.0
Total	220	102	46.4	118	53.6

From Table 4.1, of the 220 hotels researched, 102 hotels or 46% hotels were chain affiliated hotels and 54% of the hotels were independent hotels. The majority (58%) of hotels were 4 star establishments.

TABLE 4.2 – INFORMATION ON HOTEL’S OWN WEBSITE

	Hotels	Sustainability Mention		Sustainability Policy		Tracking Program		Environmental Reports		Environmental Awards	
		No.	%	No.	%	No.	%	No.	%	No.	%
5 star	25	6	24.0	1	4.0	0	0.00	0	0.0	0	0.0
4 star	127	8	6.3	1	0.8	1	0.79	1	0.8	1	0.8
3 star	60	6	10.0	0	0.00	0	0.00	0	0.0	0	0.0
2 star	8	2	25.0	0	0.00	0	0.00	0	0.0	0	0.0
Total	220	22	10.0	2	0.9	1	0.5	1	0.5	1	0.5

The study examined all text on the websites of the individual hotels pertaining to the categories of sustainability mentioned. As indicated in Table 4.2 above, of the 220 hotels only 22 hotels or 10% included environmental related information on their own websites. Only two, or one percent out of the 220 hotels, had information on their sustainability policy. Only one out of the 220 hotels had any information tracking the success of its environmental sustainability program, hotel environmental reports and/or environmental awards won by the hotel. This information, though not extensive, was displayed on the home page of the hotel website highlighting the indicative importance the hotels sampled placed on environmental sustainability.

TABLE 4.3 – INFORMATION ON CHAIN AFFILIATED HOTELS’ CORPORATE WEBSITES

	Hotels	Sustainability Mention		Sustainability Policy		Tracking Program		Environmental Reports		Environmental Awards	
		No.	%	No.	%	No.	%	No.	%	No.	%
5 star	20	14	70.0	14	70.0	14	70.0	14	70.0	14	70.0
4 star	68	34	50.0	34	50.0	16	23.5	16	23.5	17	25.0
3 star	12	7	58.3	7	58.3	7	58.3	7	58.3	7	58.3
2 star	2	2	100.0	2	100.0	2	100.0	2	100.0	2	100.0
Total	102	57	55.9	57	55.9	39	38.2	39	38.2	40	39.2

As shown in Table 4.3, of the 102 chain affiliated hotels out of the total of 220 hotels researched, 57 hotels or 56% included environmental related information and sustainability policies on their corporate websites. Thirty-nine or 38% out of the 102 chain affiliated hotels had information on tracking the success of their environmental sustainability program and environmental reports on their corporate website and 40 (or 39%) of the chain affiliated hotels had listed environmental awards they had collected.

TABLE 4.4 – INFORMATION ON INDEPENDENT (NON-CHAIN AFFILIATED) HOTEL’S OWN WEBSITE

	Hotels	Sustainability Mention		Sustainability Policy		Tracking Program		Environmental Reports		Environmental Awards	
		No.	%	No.	%	No.	%	No.	%	No.	%
5 star	5	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
4 star	59	1	1.7	1	1.7	1	1.7	1	1.7	1	1.7
3 star	48	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
2 star	6	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total	118	1	0.8	1	0.8	1	0.8	1	0.8	1	0.8

As Table 4.4 shows, only one four star non-chain affiliated independent hotel displayed information about various ESPPs on their website. The rest, 118 hotels, made no mention of environmental sustainability at all. It appears that independent hotels have little interest in promoting sustainability initiatives on their websites. Further research with one-on-one interviews with hotel managers was conducted in the second phase of this research to make a conclusive determination on the commitment of independent non-chain affiliated hotels to environmental sustainability.

**TABLE 4.5 – INFORMATION ON COMBINED CORPORATE WEBSITE AND INDEPENDENT
(NON-CHAIN AFFILIATED) HOTELS’ OWN WEBSITES**

	Hotels	Sustainability Mention		Sustainability Policy		Tracking Program		Environmental Reports		Environmental Awards	
		No.	%	No.	%	No.	%	No.	%	No.	%
5 star	25	14	56.0	14	56.0	14	56.0	14	56.0	14	56.0
4 star	127	35	27.6	35	27.6	17	13.4	17	13.4	18	14.2
3 star	60	7	11.7	7	11.7	7	11.7	7	11.7	7	11.7
2 star	8	2	25.0	2	25.0	2	25.0	2	25.0	2	25.0
Total	220	58	26.4	58	26.4	40	18.2	40	18.2	41	18.6

It can be seen in Table 4.5 that only 58 or 26% of the hotels had any information on environmental sustainability and an environmental sustainability policy, while 40 or 18% of the hotels had information on tracking various environmental focus areas and reports on environmental sustainability. Further, 41 or 19% of the hotels displayed information on the various environmental awards they had won.

Of the 58 hotels that included environmental related information on their websites, 14 were five star hotels, 35 were four star hotels, seven were three star hotels and two were two star hotels. In percentage terms, the majority (56%) of the five star hotels researched included environmental sustainability related information on their websites, 28% for four star hotels, 12% for three star hotels and 25% for two star hotels. This tentatively suggests that higher rated hotels are more involved in displaying this type of information on their websites, which is potentially indicative of their greater adoption of ESPPs.

Information on specific focus areas of ESPPs detailed on the websites of the 220 hotels investigated are listed in Table 4.6 below.

TABLE 4.6 – DETAILED INFORMATION ON THE VARIOUS FOCUS AREAS

		5 star hotels (Total: 25)	4 star hotels (Total: 127)	3 star hotels (Total: 60)	2 star hotels (Total: 8)	Total	Percentage of total 220 hotels investigated
Focus areas	Energy Management	14	29	7	2	52	24%
	Management of Freshwater Resources	14	29	7	2	52	24%
	Solid Waste Management	14	28	7	2	51	23%
	Green Procurement	14	19	7	2	42	19%
	Education for Employees and Customers	10	24	6	2	42	19%
	Environmentally Harmful Substances	14	17	7	2	40	18%
	Ecosystem Conservation and Management	8	10	1	0	19	9%
	Greenhouse Gas Emissions	8	10	0	0	18	8%
	Social and Cultural Management	8	9	1	0	18	8%
	Land Use Planning and Management	8	9	1	0	18	8%
	Air Quality Protection	0	2	0	0	2	1%
	Wastewater Management	0	0	0	0	0	0%

The findings suggest that of the 220 hotels investigated the major focus areas of environmental sustainability were

- energy management (52 hotels or 24%),
- management of freshwater or water conservation (52 hotels or 24%),
- solid waste management (51 hotels or 23%),
- green procurement (42 hotels or 19%),
- environmental sustainability education for employees and guests (42 hotels or 19%), and
- management of harmful substances generated during hotel operations (40 or 18%).

None of the hotels focused on wastewater management because managing the wastewater generated by a hotel's operation is commercially an expensive proposition. If wastewater is managed, then some of it could be recycled and reused within a hotel for purposes such as in irrigation for gardening and toilet flushing.

4.3 Discussion of the Findings

The findings tentatively suggest that the majority of hotels sampled in Melbourne, Australia, use their websites primarily to communicate their role as an accommodation provider and to market their business. Of these 220 hotels, only 26% included any environmental related information on their websites. Of the hotels that did include environmental sustainability related information on their websites, the majority were four or five star establishments, suggesting that reporting of ESPPs is currently mainly confined to high-end hotels. This tentative association finding (that the larger and more highly rated operators have an apparent greater interest in sustainability) is entirely consistent with previous research (Hsieh, 2012).

As indicated in Table 4.2 above, of the 220 hotels only 22 hotels or 10% included environmental sustainability related information on their own property website. As ESPPs are implemented at the hotel level, it appears to indicate an intent and commitment to sustainability for their stakeholders. This argument is supported by Table 4.3, which shows that of the 102 chain affiliated hotels out of the total 220 hotels researched, 57 hotels or 56% included environmental sustainability related information and sustainability policies on their corporate websites. In the case of chain affiliated hotels, environmentally conscious stakeholders may prefer to know about ESPPs at the hotel property level as it is where they are implemented, rather than ESPP information displayed on the hotels' corporate websites only. Hotels themselves, more than their corporate office, are expected to lead in the area of environmental sustainability as they are in a position to have the biggest direct impact on the environment at

the hotel property level rather than at the corporate level. Displaying ESPPs on websites at the hotel level could demonstrate the hotel management's perception and understanding of environmental sustainability and this could be a major driver for applying environmental management initiatives to their property.

The findings revealed different patterns of ESPP reporting by chain and non-chain affiliated hotels at an individual hotel and corporate level. Most hotels that displayed information on ESPPs were owned, operated or affiliated with large multinational hotel companies, undoubtedly receiving direction from their head office on displaying their commitment to sustainability. This may in part reflect their obligation to report such data to their shareholders. Independent hotels may have a differing approach to environmentally sustainable practices, and hotel management may have a direct influence on the ESPPs of the hotel. For smaller independent hotels, however, the findings suggest that information designed to demonstrate to customers and other stakeholders their commitment to environmental sustainability was totally lacking. It can be inferred that small independent hotels have little in house expertise or resources for ESPPs and hence they were not displayed on their websites, which has been suggested by previous studies (Hillary, 2004; Revell & Blackburn, 2007). Previous studies that have focused on chain hotels only, examining corporate websites in the process, have been unable to discern such differences in ESPPs reporting by hotel type, especially by independent non-chain affiliated hotels.

Some websites were informative on hotel products and services, but the sample in general lacked information on specific ESPPs. The hotel industry generally does not make good use of websites as a communication tool for reporting information on environmental sustainability activities and performance to their stakeholders (Jenkins & Karanikola, 2014). This is

confirmed by the current study with only 26% of the hotel websites examined posting specific information about environmental issues including a green purchase and supply chain, environmental partnerships, environmental education for employees and customers, green building design and construction, carbon footprint reduction, waste management, water conservation and energy efficiency. The current findings suggest that the major focus areas of reporting were water conservation, energy management, sustainable sourcing, waste management and education of guests and employees (Table 4.6). Hotels operate in an environment that needs to remain inviting and clean, which can prove to be challenging, as maintaining this environment requires high consumption of water and energy and can generate large amounts of waste.

In examining specific environmentally sustainable practices, most of the large hotel companies had an environmental sustainability policy on their web pages, but the smaller independent hotels did not display such information. It is possible the barriers previously mentioned to independent hotels implementing environmentally sustainable management affected their policy development in this space (Chan, 2008). Again, the larger hotel chains were more likely to have environmental programs addressing issues such as waste management, energy conservation, water conservation and green procurement.

In the process of collecting data for this study, information on environmental sustainability on hotel websites was not easily accessible and was often difficult to find. It was usually located via a link on the bottom of the homepage. It raises questions as to whether potential customers and stakeholders would invest the time and effort to find this obscured information. Some stakeholders may interpret the hidden nature of the information as conflicting with the vision and values of a hotel's environmental sustainability policies.

This preliminary research has found that independent hotels need to take more initiative in respect of ESPPs and increase customer and other stakeholders' awareness of their environmental management practices. Further research is needed to explore the guiding principles of hotel chain companies that make them inclined to support sustainability while ensuring that they maintain profitable hotel operations. It can also be determined that chain hotel companies provide more online environmental information as the corporate offices of the chain affiliated hotels have a major influence on their affiliates in the implementation of ESPPs. There was also a strong indication that larger hotel companies are more engaged in disseminating environmental information on their websites for the benefit of their stakeholders. These findings are consistent with studies on corporate social responsibility indicating that large companies disclose more information related to their environmental policies and procedures (Hsieh, 2012).

The second phase of research, face-to-face interviews with the hotel managers will assist in determining the barriers independent hotels face in implementing ESPPs. It is possible these hotels have ESPPs but are not communicating them via their websites. The next stage of this study involving interviews with hotel management will clarify some of these assertions. Further study can also examine the motivations for hotels to include information on ESPPs on their websites. These hotels need to increase their efforts to communicate their ESPPs to the public including their stakeholders (Jenkins & Karanikola, 2014). Hotels can benefit by displaying their ESPPs on their websites to satisfy environmentally conscious stakeholders (Hsieh, 2012) as websites are generally now the first point of call for those seeking information on this type of performance by organisations and companies.

This research has found that there are varying levels of dissemination of ESPPs through hotel websites, which may be precipitated by a lack of compliance obligations related to environmental management and reporting. In Australia, the setting of the current study, there is no national ESPP authority for the hotel industry itself, nor is there a set of mandated standards for hotel ESPPs. As such, hotel management have an important role to play in determining the extent of ESPP adoption and they may fear a reduction in occupancy if environmental protocols lead to a perceived reduction in product and service quality, especially in relation to hotel operations involving water and energy consumption (Rahman et al., 2012)

Various researchers (Graci & Dodds, 2008; Han et al., 2011; Hawkins & Vorster, 2014) have suggested that an increasing number of hotel customers value ESPP commitment highly when selecting a hotel and are willing to pay a premium for this if necessary. If this were the case, then this preliminary analysis would suggest that this message (i.e. the promotional value of ESPPs) appears to have little influence beyond a corporate level and should be embraced by managers and operators of independent hotels. This issue is examined in more depth in the qualitative phase of this research, where more detailed information on ESPPs was sought, with a major focus on resources committed to these at both the corporate and individual hotel property level.

4.4 Conclusion, Limitations and Future Research

The purpose of this chapter has been to analyse the ESPPs of 220 Melbourne hotels as disclosed on their websites, thereby discerning the extent to which hotels disseminate their ESPPs to stakeholders using their websites and their major focus areas in relation to ESPPs. The analysis revealed that the major focus areas of environmental sustainability for the hotel properties

sampled were energy efficiency, water conservation, waste management, environmental education for employees and guests, and sustainable sourcing.

The general public, environmentalists, consumers and other stakeholders are increasingly wanting hotels to adopt environmental management practices (Tang et al., 2014). This study researching 220 hotels in Melbourne found that only 26% of the hotels sampled included environmental sustainability related information on their websites. This appears to be a missed opportunity to showcase the environmental efforts of hotels in response to consumer and stakeholder demand. It can be concluded that most of the hotels sampled did not use their websites to disseminate or effectively disseminate environment related information. It is possible that a lack of or poor-quality information on ESPPs on hotel websites deters potential guests - a very important stakeholder - from staying in these respective hotels. This line of enquiry would provide practical advice to hotels that are not disseminating information about their environmental sustainability initiatives on their websites to commence using this forum to start engaging with environmentally conscious customers.

Additionally, the research identifies a tentative link between higher star rated hotels being more likely to display environmental information on their websites although further research needs to be undertaken to reveal why lower star rated hotels do not disseminate information as actively on their websites and how this relates to their actual practices. There are clear indications that chain affiliated hotels were more engaged in disseminating environmental information on their websites. Further research could determine whether these larger hotel companies face internal and external pressures from various stakeholders to demonstrate environmental responsibility. The findings of the study suggest that there is a positive

relationship between the size and affiliation of the hotel and their website based environmental disclosures, which requires further research to confirm.

There were several limitations of this study. A major limitation is that the hotel websites researched may not display all of their ESPPs. It is possible that some of the hotels sampled had established ESPPs that were not disclosed on their websites. Indeed, it has been previously noted that disclosure of information on websites can be de-coupled from actual performance on environmental sustainability (Cho & Roberts, 2010). In addition, website information may change, and new information can be added at any time. Hence, the findings of the study are tentative and confined to a point in time. They need to be replicated and triangulated with other research methodologies. Furthermore, there is a need to obtain the views of all hotel stakeholders to obtain a deeper understanding of the reporting requirements for environmental sustainability information on hotel websites and establish first-hand from hoteliers the motivations and barriers to adopting and disseminating information on ESPPs. To address the limitations and to acquire comprehensive evidence about the ESPPs of hotels in Melbourne and Australia, the next phase of the research was conducted, which was a number of in-depth interviews with hotel management. The first phase of this research, the preliminary analysis of ESPPs on hotel websites guided the selection of interview participants for the second phase of the research. The findings and discussion of the in-depth interviews are presented in Chapters 5, 6 and 7.

Chapter 5: Environmentally Sustainable Policies and Practices

5.1 Introduction

The aim of this chapter is to present and analyse the findings of face-to-face in-depth interviews conducted with managers of research sample hotels in relation to the first of four key research questions that guide this research: “*Does the Australian hotel industry develop and implement environmentally sustainable policies and practices?*”. The complete list of research questions, the means by which they were derived, and the study methodology are presented in detail in Chapter 3. In brief, the first stage of the study involved a website analysis while the findings presented in this chapter contain the results of the second stage: eight face-to-face interviews with selected senior hotel management, with open-ended questions informed by the website analysis results. Environmentally Sustainable Policies and Practices will be separated and discussed separately as environmentally sustainable policies and environmentally sustainable practices to gain a better understanding of this concept from the viewpoint of hotel managers.

This chapter is structured as follows: the following section, Section 5.2, presents interview findings relating to hotels’ environmental policies, while Section 5.3 presents a discussion of the findings relating to hotels’ environmental policies. Section 5.4 presents the interview findings relating to hotels’ environmentally sustainable practices. Section 5.5 presents a discussion of the findings relating to hotels’ environmentally sustainable practices. The findings of the research question are directly followed by a discussion of these findings for easy reference and continuity.

5.2 Findings of Interviews on Environmental Sustainability Policy

The purpose of this section is to review findings that refer to environmental policy. These findings result from one of the first interview questions: “*Do you have an environmental sustainability policy?*”. If the answer was in the negative, then the question and discussion moved to environmental sustainability practices (as discussed in Section 5.4).

If the answer to the first question (of having an environmentally sustainable policy) was in the affirmative, the next question was “*Where is this environmental sustainability policy formulated?*”. If further clarification of this question was needed, then it was articulated by continuing “*Who formulates this policy or is the environmental sustainability policy formulated at a hotel level or is the environmental sustainability policy formulated at a corporate level?*”. As stated in Chapter 3 earlier, it should be noted that hotel managers sometimes manage multiple properties including the one that they are based at. The selected sample for the second phase of the research comprised of eight hotel managers who manage around 60 hotels amongst themselves and do so based at a hotel property as a manager. For better understanding and to give equal weightage to responses, every manager interviewed has been linked and counted as manager of one hotel for this study.

Figure 5.1 illustrates a summary of the responses of the hotel managers interviewed to the question “*Do you have an environmental sustainability policy?*”.

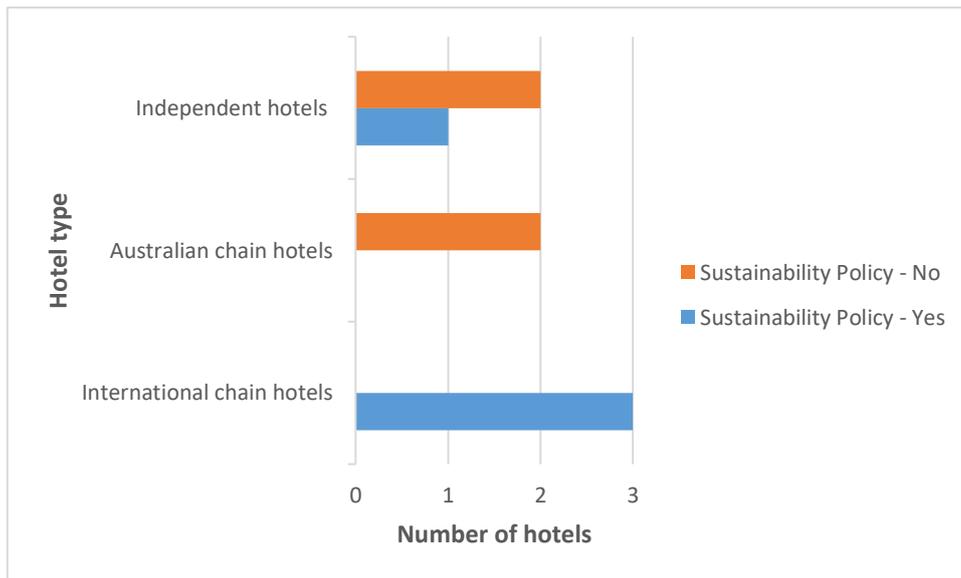


FIGURE 5.1 – SUSTAINABILITY POLICY OVERVIEW FOR VARIOUS HOTEL TYPES

Within the study sample of eight managers, it was found that independent two star and three star hotels did not have a policy on environmental sustainability. Among the independent, non-chain affiliated hotels, only the four star independent hotels had a formal written policy on environmental sustainability. This was also the case with the Australian chain affiliated hotels which did not have an environmental sustainability policy. All three international chain affiliated hotels had a formal policy on environmental sustainability. For the independent four star hotel, the environmental sustainability policy was formulated by the hotel manager. For the international chain affiliated hotels, this policy was formulated at a corporate level and passed down to the hotel level to be implemented. Sections 5.2.1 to 5.2.3 contain details of interview findings in relation to independent, Australian chain and international chain affiliated hotels respectively.

5.2.1 Independent Hotels

The purpose of this section is to discuss the findings on the environmental sustainability policies of independent hotels. As aforementioned, other than the one independent four star

hotel, the other two independent two star and three star hotels did not have a formal written policy on environmental sustainability. The following discussion presents some of the details relating to drivers behind policy development and implementation.

Firstly, the responses from the manager of the four star that has a formal policy on environmental sustainability suggests that environmental policy is contingent on first ensuring that guest satisfaction is met, and secondly, in that there are financial benefits. Hotel managers do not want to compromise the quality of products and service by implementing environmentally sustainable initiatives for the fear of losing guests and revenue (Rahman & Reynolds, 2016). Interestingly, while all interviewees were highly-experienced managers with extensive tenure in the hospitality industry they appeared to view their economic results as a ‘zero-sum’ game and not as a part of an overall “triple bottom line” approach (Rendtorff, 2019).

“... So, our policy is first of all, in simple terms, not the policy as it reads, but in simple terms, our policy is about a), being the best four star hotel, because we are rated under the current Australian system, which is soon to be defunct, as a four star hotel. Our aim is to be the best four star hotel, and to do everything that our guests require of this. As a secondary function, we seek to do all of that in a more sustainable way where possible. So, we try and look at our decisions about any activities that we are, changes in the way that we do things (sic). First of all, what is the impact on the guest? Number one question. Number two question, what is the impact on our financial status? So, is it either an increase in cost, decrease in cost, increase in revenue or decrease in revenue? And then the third thing is what is the environmental impact? So, the ideal project for us is positive for the guests, positive on our financial performance, and positive for the environment.”

It should be noted that of all the hotels interviewed for this research, only this four star independent hotel formulated their own policy on environmental sustainability at a hotel or property level. It is also the most awarded hotel in Australia in terms of environmental sustainability. The hotel manager is also directly responsible for policy formulation:

“...We are independent; we are not part of any chains or groups. Consequently, I report to the managing directors of the business, which is a very small structure. But that does mean that anything and everything that happens within the hotel from an operational point of view, safety right through to guest complaints, everything comes through to me, in some way. The signature on it is our director as head of the company. But the policy has been written by myself.”

Potential reasons for this stance are that the hotel is not a chain affiliated hotel, has a small organisational structure and hence the manager has taken responsibility for formulating the policy. In independent hotels that support environmental sustainability it is usually the hotel manager that assumes the responsibility of managing this commitment (Bruns-Smith, Choy, Chong & Verma, 2015). The formal environmental sustainability policy of this independent four star is accessible to all stakeholders including the public on their hotel website.

5.2.2 Australian Chain Affiliated Hotels

The purpose of this section is to discuss the findings of the environmentally sustainable policies of Australian chain affiliated hotels. Two Australian chain affiliated hotels interviewed for this study did not have a formal written policy on environmental sustainability. The manager of an Australian chain affiliated hotel reflected on CSR and noted that they believed that there was no firm framework to manage it.

“...we don't have to have a corporate social responsibility program, as such. There is someone at head office that we send the amount of green cleans to every month that we do.... I am not sure if there is anyone exactly responsible for it. So, someone at head office does run that. But I would have to find out exactly. I don't think we have someone specifically in charge.”

The manager of another Australian chain affiliated hotel detailed the lack of policy driving their environmentally sustainable initiatives.

“...No, do not have any environmentally sustainable policy. But we are doing all the how to save energy and everything to keep the environment in good. Good for the environment, we are doing everything for the good of the environment.”

Both these hotel chains are privately owned, and the companies are not listed on the Australian stock exchange. Privately owned organisations and companies do not have public and shareholder demands and expectations in comparison to publicly listed companies (Mirfazli, 2008). It appears that if a hotel or hotel organisation is not a public listed company, it is less likely to have a CSR policy. A reason for this may be that privately held companies do not disclose more than is required to avoid scrutiny. It seems, such companies do not have a clear social mission instead support the quest for shareholder value at all cost. This conclusion, however, does need to be treated with some caution as other studies have found little or no evidence of a link between hotel ownership type and environmental policy (González-Rodríguez et al., 2019).

5.2.3 International Chain Affiliated Hotels

The purpose of this section is to explore the findings of the environmentally sustainable policies of international chain affiliated hotels. All three international chain affiliated hotels interviewed had a formal written environmental sustainability policy. This policy was formulated at the corporate/head office level, which are all located overseas, and was passed down to all the individual hotels in the chain to be implemented at property level. These formal policies are accessible to all stakeholders including the public on their websites.

The following statement from the manager of an international chain affiliated hotels emphasises the commitment and leadership their management demonstrates in supporting environmental sustainability.

“...The company has a sustainable policy, in terms of hotels, do not have individual policies, and that we follow the company’s policy, the worldwide policy. And, so it has been written by the team in the head office, or consultants who work for them, one of the two. One of the things that I love about working for this international hotel chain is because of this, it comes from the top, and that is why it works, because our CEO believes in this, our area president, believes in this. And he does not just believe in this to get a media shot, he believes, and I know he believes because we see him donating his time. You know, people are walking the talk. So, I think in the areas where it does not get much traction, it is because leadership simply hasn’t bought it, they don’t care, they are doing it to tick the box.”

Another international chain that has hotels in all star categories in Melbourne notes the top down public approach of its management to environmental sustainability and its public availability.

Respondent: “...It ultimately comes out of ... (Head Office).

It is global policy. This document brings together all of the activities that we do in Australia which includes the global stuff. So, this is available on a website, I just don't remember which website it's on because we, of course, exist, the global website; but we've provided this to media, we've provided this to all of our hotel owners. So, it is publicly available, just whether it exists, where it exists on a website, I am not sure. But all this content on a global basis absolutely exists on a website.”

Interviewer: “Do you have your own individual sustainability policy for this hotel?”

Respondent: “No, we feed off the whole group.”

The manager of another international chain affiliated hotel explained that their role in supporting the environmental sustainability practices of their property was part of a wider group effort.

“...So essentially, we have a role that’s based out of the head office in Hong Kong, and she is responsible for sustainability across the hotel group, so we have hotels in Australia, in New Zealand and across Asia. So, her role is to facilitate and constantly drive sustainability. So, there is a lot of different aspects to that sustainability and every hotel has a Champion, so I am the champion for Melbourne, and we have a committee that is based here. So, we are constantly

talking about sustainability, environmental focuses and that meeting is conducted every month.”

International chain affiliated hotels in this research sample have a formal written environmental policy and this policy is formulated by their corporate offices which are located overseas.

Multinational organisations are more likely to have formal and written environmental sustainability policies than local corporations (Chen, 2019; Lal Joshi & Gao, 2009). One of the major reasons that multinational organisations invest in having a clear policy on environmental sustainability is to advance their reputation (Aguilera-Caracuel, Guerrero-Villegas & García-Sánchez, 2017). It must be noted though, that mere existence of such statements does not necessarily provide solid evidence of real environmental commitment: rather, in many cases, it might be more suggestive of the so-called ‘green washing’ phenomenon, as greenwashing can make a business organisation appear to be environmentally friendly than it really is. (Chen et al., 2019).

5.2.4 Responsibility for Environmental Sustainability Policy within Hotels

This research sample indicates that international chain hotels have a designated position at the corporate level to oversee their environmentally sustainable policy and the implementation of practices. Australian chain hotels and an independent hotel did not have a dedicated person to look after or monitor sustainability in their respective hotels. Other than, the four star independent hotel where the manager of the hotel had taken it upon himself to guide and manage the environmental sustainability policy and practices of the hotel, other managers of hotels interviewed were directed by their superiors when it came to environmentally sustainable initiatives. Incidentally, this independent hotel is the most awarded hotel in Australia in terms of environmental sustainability policies and approaches. None of the

managers of the international chain affiliated hotel mentioned that they or other stakeholders were consulted in formulating the policy.

Large and multinational organisations have a dedicated person to manage environmental sustainability and CSR in their businesses (Siva, Gremyr & Halldórsson, 2018). This position is often a relatively new position in organisations, unlike the position of a marketing officer, which has often existed for a long period (Hsieh, 2012). The presence of a dedicated position or person to manage and direct environmental sustainability demonstrates that the hotel is committed to and serious about contribution to such initiatives.

Following are the responses of the managers of the three international chain hotels to the research question asking if there was a dedicated or designated person to implement and monitor ESPPs.

“... There’s a designated manager that sits in corporate office that runs that.”

“...essentially, we have a role that’s based out of the head office and the role is responsible for sustainability across group, and this role is to facilitate and constantly drive sustainability.”

“...and so, the group in the US and in Asia Pacific, who disseminate that, and take that approach. There are also two senior level champions of each region, two senior level champions of each region who are responsible for chasing hotels, for monitoring performance of hotels, and asking the right questions if that performance isn’t there.”

The comments of the two Australian chain hotels that were interviewed on ESPPs suggested a less than formal approach.

“... CSR is an interesting one, because we are not actually listed on the stock exchange, so we don’t have to have a corporate social responsibility program.”

“... There is no policy in head office, nothing. But they are very keen on everybody saving energy.”

The interview response of the manager of an independent three star hotel stated that there was no position driving their policies or practices.

Interviewer: “So, you do not have a person driving it in the properties?”

Respondent: “No. No, no. There are no champions.”

The following statement from an independent four star hotel demonstrates an intent to pursue environmental sustainability. Hotels can successfully embrace sustainability practices when there is intent on the part of management of the organisations to do so.

“...because it’s part of the way we do business. It is part of our DNA. Sometimes I have to remind myself this is what we do. It just happens. It is built into the way. Our procedures, policies, our training program is just this is the way.”

This research sample of independent hotels reveals that they do not have a dedicated person to manage environmental sustainability in their property. However, in the sample of international hotel chains, all have a dedicated person in the corporate office to drive environmental sustainability in their affiliated hotels. The sample of Australian-owned hotel chains also does not have a corporate level dedicated person or position to drive sustainability in member hotels.

5.3 Discussion of the Findings on Environmental Sustainability Policies

The statements above clearly highlight a trend in environmental sustainability policies in this research sample of international hotel chains. There is a tendency for international hotel organisations to have formal policies on environmental sustainability and to disseminate this information on their websites (Aznar, Sayeras, Galiana & Rocafort, 2016). The international chain hotels have a formal written policy on environmental sustainability, with the policy formulated at the corporate level and passed down to all properties in the chain to implement. The three international hotel chains in this research sample are publicly listed companies and listed on foreign stock exchanges. One reason they have a formal environmental sustainability policy and disclose it on their corporate websites is because it is a legal requirement for a publicly listed company (Gao, 2011; Rowbottom & Lymer, 2009). International hotel chains interviewed for this research have a dedicated department that focuses on environmental sustainability and sustainable development programs. This suggests the tentative conclusion that having a dedicated department demonstrates a strong sense of responsibility and can assist the organisation to distinguish itself for their competition. It can also improve the brand reputation of the hotel organisation (Chen, 2019).

Some researchers have suggested that shareholders of such publicly listed companies place pressure on management to not only address social and environmental issues, but to report on them as well (Friedman & Miles, 2001). That is, stakeholders pressure multinational organisations to engage in social and environmental sustainability (Orlitzky et al., 2011), and this may include international publicly listed hotel and hospitality chains. However, there was no evidence of this phenomenon in the interviews conducted. Shareholders are fractional owners of corporations and that includes pension funds and institutions. These shareholders have started using the power of shareholder resolutions to address environmental sustainability

and climate change. This movement is driven by socially responsible investors who want environmental sustainability policies as a cornerstone for their investment practices (Rendtorff, 2019). Private companies that are not listed on a stock exchange are not obliged to report on or disclose if they have environmental sustainability policies. The Corporations Act of 2001 in Australia does not dictate that CSR information be disclosed in the annual reports of publicly listed companies and reporting on sustainability is voluntary in Australia (Rankin, Windsor & Wahyuni, 2011). It can be argued that if the Australian Government is increasingly committed to environmental sustainability it could pass legislation requiring all companies including companies that are not publicly listed to engage in and publicly disclose their environmental sustainability policies and practices to their stakeholders. Change in laws for doing business will result in change in the way a business operates as following rules and regulations become compulsory (Environment Planning and Sustainable Development Directorate, 2018).

If the findings from this research are used as a guide, corporate offices of international hotel companies that are located overseas develop policies and the hotels that are part of this international chain must implement these at a hotel level. Other than the four star independent hotel in the research sample, which was a standout as the most awarded hotel for environmental sustainability initiatives, Australian chain hotels and independent hotels do not have formal written policies on environmental sustainability. It appears that these hotels are not availing themselves of the opportunity to implement environmental sustainability for the benefit their business as well as the environment. Hotels do not comprehend the advantages of having an environmentally sustainable policy, and they cannot recognise that such a formal policy can assist them to meet their economic as well as their social responsibility (González-Rodríguez et al., 2019). Not having a formal policy on environmental sustainability is an indication that this concept is not ingrained in the organisation's business philosophy. The challenge for these

independent hotels may simply be to know where to start in addressing this important concept. Researching and developing a formal policy on environmental sustainability can be a good base from which hotel companies can start. Hotel companies could engage specialist consultants on environmental sustainability to assist them in developing such policy. It may also be a sound business strategy to have a formal environmental sustainability policy which articulates its many benefits for the business (Revell & Blackburn, 2007). Environmental sustainability is an issue that is confronting many organisations at present and embracing it can lead to multiple benefits including increased long-term profits (Doppelt, 2017). This can be achieved by the resolve of stakeholders to work together in supporting and contributing to environmental sustainability.

Government policy could legislate for all small and independent businesses to have minimum environmental sustainability guidelines built into their day-to-day operations (Driessen, Dieperink, van Laerhoven, Runhaar & Vermeulen, 2012). Encouraging compliance in environmental sustainability by introducing legislation can benefit both organisations that have previously not reaped the benefits of this concept as well as the environment. A primary economic and social responsibility of a business is to operate it profitably. Some hotels do not see the benefit of having an environmentally sustainable policy, and they cannot comprehend that such a formal policy can assist them to meet their economic and social responsibility. The nature of hotels' environmental policies and practices can have an impact on their long term growth and economic sustainability and can not only assist them to become more socially responsible, but also have a positive impact on the health of the environment (Erdogan & Baris, 2007). Environmental sustainability initiatives has a twofold advantage of maximising profits as well as sustaining the environment (González-Rodríguez et al., 2019).

Environmental sustainability policy demonstrates the commitment of an organisation towards environmental management. An organisation that does not have a policy does not have guidance systems or policies to make and implement decisions and this can lead to unpredictability in decision-making (Rodriguez, Williams & Hall, 2014). Senior management cannot always be present for day-to-day operations and such a policy ensures that staff have direction in their day-to-day duties. These policies assist in clarifying the aims and aspirations of an organisation and increasing efficiencies within it. The creation and existence of environmental sustainability policies is evidence of an organisation that is proactive and forward thinking. Absence of a clear policy shows lack of clear intent and the presence of a policy is a sign of positive intent. A clear policy on environmental sustainability policy is a purpose statement demonstrating what the organisation wants to achieve. Policies outline certain actions that are expected of the organisations in a clear and consistent manner across the organisation and provide a clear framework for delegation of decision-making and communicating the direction of the organisation (O'Toole Jr, 2000). Policies are only valuable if they are implemented and monitored (Newig & Koontz, 2014). One arrangement of monitoring policy is by identifying the critical difference between planned and actual implementation, by identifying barriers to and facilitators of the implementation, by recording and relating variations of the policy and thereby improving the implementation process and future policy development.

Based on the interviews in the research sample, it can be inferred that Australian hotels, which do not develop their own environmental sustainability policies, have not engaged with or addressed this concept. It was found that other than one four star independent hotel, which formulates its own policy on environmental sustainability, the remainder only had a policy if it was formulated by a corporate office overseas. Where policy is developed at the corporate

level of international hotel chains and with hotels that are part of the chain implementing the policy at the property level, it suggests that the corporate office has not empowered the individual hotels in Australia to address environmental sustainability. For Australian hotel chains interviewed in the research sample, there is no formal environmental sustainability policy. Independent Australian hotels once again had not developed an environmental sustainability policy. This research confirms the literature review in finding that it is large international chains which have formal policies on environmental sustainability, and independent hotels generally do not have such formal statements to guide their environmental commitments (Chan, 2011; Hsieh, 2012; Radwan et al., 2012).

Some of major benefits of the commitment to environmental sustainability are cost savings, increased competitive advantage, retention of and repeat customers, the loyalty and commitment of employees, meeting regulatory requirements, demonstrating industry leadership, risk management and fulfilling social and corporate responsibility (Graci & Dodds, 2008). Businesses gain a significant competitive advantage when they commit to environmental sustainability. To maximise the benefits of addressing the concept of environmental sustainability there needs to be a formal and structured approach, and such a structured approach can start with having a written policy (Abell, 1980; Epstein & Buhovac, 2014; Iribarren, Hospido, Moreira & Feijoo, 2010). Taking a step further, there is usefulness in evaluating policy implementation to provide insights into the execution of the policy, gain an understanding of the stakeholders' perceptions, barriers to implementation, and successes. Even if some parts of the environmental sustainability policy are less than successful, being truthful and open is a smart approach as it shows that the establishment is aiming for improved results and will continue to be principled and responsible.

Environmental sustainability, to be successfully implemented, requires the support and commitment of an organisation's leadership. (Elmualim, Shockley, Valle, Ludlow & Shah, 2010; Epstein & Buhovac, 2014; Linnenluecke & Griffiths, 2010). This commitment can be demonstrated by having a formal written policy on environmental sustainability and environmental sustainability practices as part of the organisation's culture. A company that is committed to the environment should have a clear environmental policy to guide its environmental sustainability development. (Hsieh, 2012; Wagenaar, 2006). There is evidence in this research that having a formal environmental sustainability policy is most likely to occur as a result of affiliation with a publicly listed international hotel chain. It also establishes that independent hotels do not see any competitive advantage in having such a policy. Hotel management's perception and understanding of environmental sustainability can be major driver for applying environmental management initiatives, especially in the case of independent non-chain affiliated hotels (Scholz, 2018).

Having a formal policy on environmental sustainability is a logical method of addressing these issues in a hotel's operations and a lack of this can demonstrate a lack of interest or intent. A systematic approach is a good tool for management of environmental sustainability, while having a formal written policy assists in formulating a framework for achieving its objectives, highlighting areas of importance and guiding the operations of organisations (Schneider & Sidney, 2009). Having a formal and clear environmental sustainability policy can assist a hotel organisation with its environmental commitments. A formal written policy on environmental sustainability can be an effective communication tool for educating and embedding environmental sustainability into the culture of the hotel organisation. Independent hotels could enhance their commitment to environmental sustainability and embrace it by forming a green

committee consisting of a representative from each department of the hotel or by nominating a senior manager in the hotel to drive the agenda of environmental sustainability (Chan, 2013). It can be presumed that in the absence of a formal policy on environmental sustainability there is a lack of concern for or understanding of the concept of environmental sustainability. Having a well-written and documented policy demonstrates the manner in which an organisation conducts and approaches environmental sustainability. A policy highlights an organisation's goals, vision and values and it also gives credibility to the organisation (Feltus, 2008; Weimer & Vining, 2017). Several features of the CSR policy may not be legally required, but they make respectable commercial sense, as well as being an advantage for an organisation's sustainability and ethics. Policies assist the organisation to guide its operations and a lack of clear policy can demonstrate little interest in the area (Paquette, 2003; Wildavsky, 2017). This is where the stakeholders of a hotel or the hotel chains can get involved, particularly stakeholders of hotels and hotel chains that do not have a written and formal policy on environmental sustainability. Stakeholders should work together to set out clear roles and responsibilities for implementing the policy without ongoing intervention. This is important, as the policy of an organisation is its predetermined path of action and acts as guide for its objectives, strategies and governance (Howlett, 2005), for the benefit of all stakeholders. Taking this path will assist in implementing environmentally sustainable practices in a systematic manner instead of an ad hoc fashion.

If organisations are convinced that a certain element of the business needs to be adhered to then a written policy will ensure its implementation on most occasions (Kapsali, 2011). None of the managers interviewed for this research mentioned the involvement of other stakeholders in formulation of formal policy on environmental sustainability. For hotels to have a formal policy on environmental sustainability the senior managers and stakeholders of the hotel must demonstrate strategic commitment (Iraldo, Testa, Lanzini & Battaglia, 2017). To enhance the

concept of environmental sustainability it will be beneficial for the hotel to gather a diversity of perspectives, input and support from its various stakeholders, as this guidance will make it more feasible to achieve optimum outcomes. Enactment of ad hoc sustainable practices is not adequate to ensure stakeholders work together and to educate them on the value of contributing to environmental sustainability, whereas prescribed policies can assist in clarifying the purpose and ambitions of the organisation (Schaltegger et al., 2017).

Concerns about the environment have resulted in the introduction of policies in many industries and have brought about a focus on action to be taken to mitigate environmental damage (Moldan et al., 2012). Hotels that do not have formal policy on environmental sustainability should introduce them. To undertake a path that leads to environmental sustainability, the primary action a hotel organisation and independent hotel must undertake is to establish a statement of purpose or policy that relates to environmental sustainability. Policy can be utilised by stakeholders to challenge the hotel to integrate environmental sustainability as an essential business value.

5.4 Findings of Interviews on Environmental Sustainability Practices

The previous section presented interview findings and discussion relating to hotels' environmental sustainability policies, while this section presents interview findings and discussion relating to hotels' environmental sustainability practices.

As discussed in Chapter 1, environmental sustainability practices are those that are environmentally friendly and responsible and meet an organisation's obligations towards the environment (Rusinko, 2007). This occurs if an organisation recognises the significance of

caring for the environment and attempts to minimise the impact of its work practices on the environment.

Figure 5.2 below displays information on hotels that have a formal environmental sustainability policy and hotels that have environmentally sustainable practices.



FIGURE 5.2 – SUSTAINABILITY POLICY AND PRACTICES OVERVIEW FOR VARIOUS HOTEL TYPES

Sustainability practices are implemented by all hotels interviewed for this research even if some of the hotels implementing the practices did not have a formal or informal environmental sustainability policy. All eight hotels that were interviewed implemented environmentally sustainable practices, even though only four out of the eight hotels had a formalised environmental sustainability policy. The major reasons cited for this were the economic benefits that can be gained by implementing such practices. Responses from management of research sample hotels as to why they implement environmental sustainability practices are detailed below.

The following is a comment from the manager of a two star independent hotel without a formal policy on environmental sustainability on why they implement environmentally sustainable practices in the hotel.

“...Well I think the main, it’s hard to say, probably the main reason is obviously to save on costs as well, on money, because obviously electricity and water is quite expensive, so anything to do to try and save money in that sort of area. I think it’s more about the saving rather than the environmental...”

“... If owners want to undertake these practices then we do it. They make the decisions for financial and economic reasons...”

The manager of an independent three star hotel when asked about major focus areas for environmental sustainability noted the correlation between practices and cost savings. (This hotel does not have a formal sustainability policy).

“...Well I guess for us, anything that costs us money, so power wastage, whether that be, you know, in terms of hot water or electricity, because that has an impact straightaway on the property. And then rubbish and water use I guess would be the next two, because again, the more bins we have to empty, if they fill the bins up with cardboard boxes, they cost me the same to empty as if they are, the cardboard boxes go off and get flattened into a baler, I empty half as many bins, it costs me half as much. So that’s where it has an impact.”

Taking a different approach was important to the manager of a four star independent hotel with a formal policy on environmentally sustainable practices.

“...Whereas we have taken a different approach. Consequently, that is one of the reasons we stand out, because we are one of the few that are quite overt in what we do. And our program works on both sides, both guest-facing and internal back of house type of areas.”

The manager of an Australian chain affiliated hotel that has no environmental sustainability policy but does implement environmental sustainability practices commented that their practices although informal were aimed at supporting environmental sustainability.

“...They don't have any really sustainable policy, but all the members of the hotel group, sample group; they are doing the right things to save energy and all good for the environment. They recycle and everything, as much as possible save electricity, gas and water.”

A manager of an international chain affiliated hotel observed that environmentally sustainable practices at the hotel gained them financial benefits but also had marketing outcomes.

“... I mean, you would have to be silly not to think that there is definitely some motivation behind the financial. But the upsides, there's many upsides, so you can just say, great, we are saving money, less electricity, less water but the upside is, it helps you attract your guests, so it's that passive marketing. It helps you attract employees, because this is a really great story to tell people, you know, so, also, I think the holding company, the overarching holding company is publicly listed, so they are accountable for results such as this, so they have to report that way as well. So, I think, it's all of it, I think there's a financial motivation, but I do think there is a sustainable motivation, there's a colleague motivation, there's a guest.”

Sustainability practices are implemented by hotels even if some of the hotels implementing the practices did not have a formal or informal environmental sustainability policy. It appears from the aforementioned statements that management of hotels embark on sustainable practices with financial reasons being the primary motive. Managers can bring a systematic approach to implementing environmentally sustainable practices by having formal policies formulated by working with stakeholders, especially owners and shareholders. If these policies are well documented and accessible to the staff and managers of the hotels, it becomes easy to implement as they provide direction and a roadmap, which can benefit hotels that do not have currently have such policies (Weimer & Vining, 2017).

5.4.1 Major Focus Areas of Environmentally Sustainable Practices

This section will discuss the responses of hotel management when asked to consider the major focus areas of environmentally sustainable practices. Figure 5.3 below highlights the major focus areas of environmentally sustainable practices.

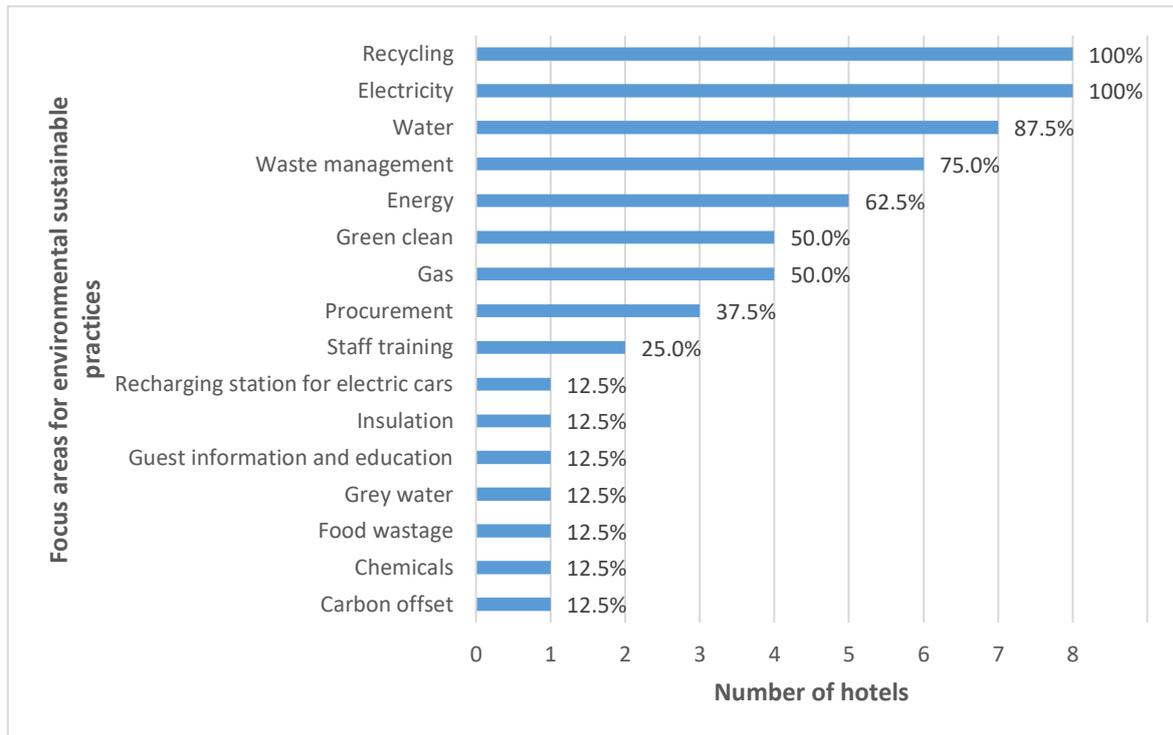


FIGURE 5.3 – MAJOR FOCUS AREAS OF ENVIRONMENTALLY SUSTAINABLE PRACTICES

The major focus areas of environmental sustainability practices are recycling, electricity, water management, waste management, green clean and energy. All these focus areas appear to be relatively easy to implement in the day-to-day operations of these hotels without significant capital investment. The initiatives that require capital investment or may affect the comfort of the guest experience were not prevalent, such as guest and staff education and grey water management. One popular focus is being ‘green clean’, which entails advising customers that if they do not want a change of bed or bathroom linen, they can advise staff via an easy method. There did not appear to be any major focus on other practices that could assist in environmental sustainability, such as educating clientele, reviewing food wastage and use of grey water.

Waste reduction was a priority according a manager of international chain affiliated hotel on the focus areas for environmental sustainability in the property.

“... Waste reduction is a big priority area, and presently we seek that our hotels should have 75% of their waste falling into the recyclable category, and only a maximum of 25% as hard waste that would go to landfill. And that is something that, well that is a standard benchmark that is not easy to achieve. We are presently sitting at 76% as recyclable for this hotel, so we are slightly above that, but we work hard at it. So, I would suggest that hotels that do not work hard at it would struggle to hit that number. So, waste is certainly an area, or when I talk about waste, I am talking about garbage, but there is also a focus on – and we have to report monthly on that – there is also a focus on water waste. So, we look at the water consumption, and we benchmark against similar hotels in the chain, and we also benchmark against our own historical performance, and that’s required to be reported monthly, and analysed at the property level, and we get alerts if our water use, or our garbage use, or our electricity use is, for want of a better term, red flagged. So, yeah, we have our own goals set, and if we are not meeting those goals then we are getting alerts, which forces senior management, who might otherwise be consumed with running the hotel business, to pause and have a look at this area, because we are not hitting the numbers. So, there was waste, there’s water, and there’s also electricity, so we have to report the kilowatt hours used, as well as the cost attached to that. So, in the areas of waste, and in the areas of water, and in the areas of electricity, we are required to do monthly reporting, which goes in the system up to the head office in USA.”

The response above highlights focus areas and mentions that there are key performance indicators that have to be met by hotels affiliated with this international hotel chain. There is a direct reference to the stakeholder corporate office/ head office that influences the practices of this international chain affiliated hotel.

5.4.2 *Independent Hotels*

The response of a manager of an independent two star hotel gives some indication of the intentions and motives of an independent hotel on environmental sustainability.

Interviewer: “Does your hotel have any environmentally sustainable practices?”

Respondent: “What do you mean by that?”

Interviewer: “By practices I mean, do they do anything in your hotel operations to protect the environment, use less resources, like saving water, saving energy?”

Respondent: “So we have water efficient shower heads in all rooms. Most of our lights, where possible, are LEDs to reduce, obviously, electricity. We do recycle our printer cartridges and we also do, where possible, recycle paper, cardboard and that sort of thing.”

Interviewer: “So you do it on your own without any policy?”

Respondent: “That’s correct.”

This hotel does not have a formal environmentally sustainable policy and it is possible the hotel is undertaking these practices from a financial point of view and their contribution to environmental sustainability is simply a by-product of their financial motives.

A manager of an independent three star hotel appeared to have not given much thought to green initiatives that can be implemented in a hotel.

“...in the rooms we do have signs in the bathrooms to say if you would like to, for the environment, to minimise washing the towels and the linen, if you need them washed leave them on the floor, if you are happy to reuse them just hang them on the towel rail. It’s hard to say what else we could possibly do.”

A manager of an independent non-chain affiliated three star hotel noted their broad but generally unfocused approach to environmentally sustainable practices. This hotel has a formal policy on environmental sustainability.

“...Well, the policy itself is fairly broad. It really talks about in that general terms. We will do things where can that impact the guests positively and the environment positively. We do not really talk about very much in specifics. However, generally we talk about reducing our resource use in the case of energy, water and waste. These are the three significant factors that we focus on. And the outcomes of almost all of our environmental programs have an impact on energy, water or waste.”

This response suggests that the hotel will undertake environmentally sustainable practices only if they do not affect the guests in a negative fashion, with guest comfort and their wellbeing taking precedence over sustainability. Significantly, this hotel is the most awarded hotel in Australia when it comes to its contribution to environmental sustainability. The challenge for hoteliers is to develop and implement ESPPs without compromising service, the product, and consumers' perception of quality. Implementing such policies and practices will clearly require innovation by hoteliers and the cooperation of consumers. Hotel managers fear that they may risk losing guests due to a perceived reduction in product and service quality if they provide environmentally friendly products and services, especially those involving reduced water and energy consumption. These findings suggest that holistic sustainable tourism theories have had little impact on hotel management operations where there is low recognition that environmental sustainability can co-exist with economic and social sustainability (Rendtorff, 2019).

5.4.3 Australian Chain Affiliated Hotels

Below is the response of the manager of an Australian chain affiliated hotel when questioned on environmentally sustainable practices. They note the major areas of focus for the hotel and that there is no indication of a formal policy within the chain.

“...Actually, I have not seen whether we have anything exactly in writing. We do have several things that we do. We do something ... which is a card that we put on the bed for the guests, and if they wish us to have a green clean, they are (sic) to leave it on the bed. That involves you clean (sic) without electricity or chemicals. So, we do not vacuum the room, we will not use any chemicals, we will just use water, and we will not change the sheets. We also do not change the sheets every night on a guest stay, we will change them every second night. And like the majority of hotels now, if you hang the towel back up on the room, we do not replace it. So that's our environmental green policy that we have, and that's audited, and we count how many we do every month.”

Hotels that did not have a formal policy on environmental sustainability were undertaking these practices for reasons other than contributing to environmental sustainability. It is possible that these hotels which do not have a policy operate with a reactive mindset. This may be a flawed approach, as they do not realise that a proactive policy will assist them to ensure improved financial returns, their prime business objective (González-Rodríguez et al., 2019). It is possible that companies can have the view that policies are inactive reference documents; however, it is then also likely that these companies do not comprehend that these policies are a trademark of organisational development and maturity and provide a strategic vision for the organisation. Such policies are significant as they present a foundation for these organisations to examine how to move from their current position to one, they want to be in and to assist in identifying the extant gaps and opportunities for improvement.

5.4.4 International Chain Affiliated Hotels

The manager of an international hotel chain with a formal policy on environmental sustainability, which was developed at the corporate office and passed down to the hotel for implementation, explained why they implement their environmental sustainability policies.

“...Well we need to be a good global citizen. We operate in 95 countries, and that is just genuinely global of course. We have an obligation then to be reducing our global environmental footprint. The question could be why ... because we think its long term to be sustainable. It is a short-term approach to say that we will offer our care for the environment and our care for the community that we operate in. So, we do it because it is for our long-term viability. That is part one. Part two is that as a people intensive industry, we employ a huge amount of people that expect that of us. So, if we do not do it then our employees will be less engaged, less enthusiastic, less inclined to work with us.”

This statement demonstrates the multiple reasons for, and multiple benefits gained by having environmentally sustainable practices in a hotel.

5.5 Discussion of the Findings on Environmentally Sustainable Practices

Environmentally sustainable practices can result in operations that are more efficient and this in turn assists with conserving resources for a hotel and reducing costs by limiting the use of energy and water, potentially resulting in higher profitability. This further serves the overall purpose of the business, to make profits and at the same time appear to stakeholders as a responsible business (Orlitzky et al., 2011). It appears from the statements above that owners, shareholders and managers of hotels embark on sustainable practices for financial reasons and then utilise the secondary marketing benefits of these practices to project an image of being environmentally conscious (Schaltegger & Wagner, 2017). As guests of hotels become more conscious of the effects their activities have on the environment, having green friendly practices creates a positive image in the minds of guests and potential hotel guests (Berezan et al., 2013). Sustainability practices are implemented by hotels in the research sample even if some of the properties implementing the practices did not have a formal or informal environmental sustainability practice. Reducing costs via energy and resource conservation appears to be the major reason why hotels have environmental sustainability practices, especially those that do have a formal policy on environmental sustainability. A contribution to the environment is a by-product of the financial gains made from environmentally sustainable practices (Kurapatskie & Darnall, 2013). The literature has shown that even though hotels look for financial benefits as well as social benefits when adopting and implementing environment management activities, they are more motivated by economic benefits than social benefits (Dief & Font, 2010; Lee & Park, 2009). As such, a hotel that is environmentally friendly can achieve a marketing advantage over its competition and also increase profit from cost reductions. This in turn can create a positive image of the hotel, attract and retain customers as well as increase employee loyalty (Claver-Cortés et al., 2007; Graci & Dodds, 2008; Hsieh, 2012; Hu, 2012; Newman & Breeden, 1992; Tzschentke et al., 2004).

Hotels will undertake environmentally sustainable practices only if they do not affect the guests experience in a negative manner. Guest comfort and their wellbeing takes precedence over sustainability. The challenge for hoteliers is to develop and implement ESPPs without compromising their service and product, and consumers' perception of quality. Hotels may be able to get support by educating the guests of the hotel about it's environmentally sustainability initiatives and why they are being implemented. There is a likelihood that informed guests may perceive a lesser reduction in the comfort of their stay and also assist them in meeting their obligations towards the environment (Dolnicar et al., 2019). Implementing such policies and practices will clearly require innovation by hoteliers and the cooperation of consumers. Hotel managers fear that they may risk losing guests due to a perceived reduction in product and service quality if they provide environmentally friendly products and services, especially those involving reduced water and energy consumption (Rahman et al., 2012). Hotel managers should recognise that some travellers have a positive attitude towards sustaining the environment and do care about the welfare of the environment, even when they are on holidays and will support environmentally sustainable initiatives (Dolnicar et al., 2019).

Both researchers and practitioners agree that it is difficult for hotels to achieve and implement effective environmental sustainability management (Rahman et al., 2012). When using hotel services, most consumers expect uncompromised quality of products and services, such as an ample supply of water and showering facilities, freshly laundered linen, a good supply of towels and a variety of food and beverages (Rahman et al., 2012).

Implementation of EMS by SMEs has been very low. One of the reasons for this is that a large majority of SMEs remain unconvinced of the need to tackle environmental sustainability (Hillary, 2004). Hotels that have such policies are owned or operated by or affiliated to large

multinational hotel companies and receive direction from head office on their commitment to sustainability. International hotel chains have a chain wide framework, which is followed by chain affiliated hotels. The head office for chain affiliated hotels sets chain wide goals on areas like waste management, water and energy savings. There are very few instances of chain affiliated hotels that have adopted and implemented an environmentally sustainable practice without the involvement of the chain's head office. Independent hotels may have a differing approach to environmental sustainability practices and the hotel management may have a direct influence on the ESPPs of the hotel. A company that is committed to the environment should have a clear environmental policy to guide its environmental practices and development. Such a policy demonstrates a commitment to embracing environmental sustainability (Hsieh, 2012; Price, Pitt & Tucker, 2011).

One of the more significant investigations is that of Hsieh (2012), who found that non-chain hotel operations were less engaged in the dissemination of environmental information online, which would also indicate that they are less likely to adopt environmentally sustainable practices in their daily operations compared to larger hotels. Hsieh's study was focused on the corporate websites of 50 major international hotel chains. However, many hotels do not have a coherent environmental strategy and sometimes implement environmental practices in an ad hoc manner (Dewhurst & Thomas, 2003). This is also the finding of this research. Independent hotels have an ad hoc approach towards sustainability initiatives and practices and implement them primarily for financial reasons. It is only the international chains that have a dedicated person to manage and guide sustainability practices through a formal written policy. Australian owned hotel chains once again do not have a dedicated person to drive sustainability in their member hotels. If sustainability practices are seen to be ad hoc or add-ons then it is not a sign of commitment and long term ongoing focus by management; formal environmental

sustainable policies and practices are needed to demonstrate the intent and commitment (Elmualim et al., 2010).

Previous studies have identified a combination of factors that compel hoteliers to consider their environmental practices more carefully. These factors include a need to cut costs, fiercer competition, increasing media coverage and publicity, rising consumer awareness, new regulations, and mounting political and institutional pressures (Nicholls & Kang, 2012a). In contrast, research by (Chan, 2011) finds that small and medium-sized hotels are hindered by internal barriers such as a lack of knowledge, skills, resources and maintenance costs when contemplating implementation of EMS. Additionally, these barriers may play a significant role in hindering consideration of EMS by a hotel operator. (Chan, 2011).

Hotels can successfully embrace sustainability practices when there is a commitment on the part of the organisation's management to do so. It is quite often that hotels, partly due to a lack of motivation and decisiveness, make decisions on management of environmentally sustainable practices in an ad hoc manner instead of being systematic in their approach due to lack of formal policy (Bonilla Priego et al., 2011). Their intent can be measured by having understood the importance of having formal policies on sustainability and they are being integrated with the vision of the company (Abreu, 2009). If sustainability practices are seen to be ad hoc or add-ons, then it demonstrates a lack of commitment and long-term focus by the managers. Formal ESPPs are needed to demonstrate such an intent and commitment (Elmualim et al., 2010). Stakeholders can play a role in ensuring formal policies are established for the benefit of all.

5.6 Conclusion

Other than the independent four star independent hotel, the research sample's Australian chain affiliated hotels and independent hotels do not have formal environmental sustainability policies. International chain affiliated hotels have a formal written environmental policy and this policy is formulated by the corporate office. The corporate offices of these international hotel chains are located overseas. Overall, the Australian hotel industry does not develop and formulate environmentally sustainable policies. Where policies are formulated at a corporate office level of international chain affiliated hotels, they are then passed down to be implemented at a hotel level. For Australian chain affiliated hotels there are no policies on environmental sustainability at a corporate or hotel level. One reason for this may be that these hotels are part of privately held companies and they are not under any legal obligation to disclose such policies to shareholders. When it comes to environmentally sustainable practices, these practices are implemented by all hotels interviewed for this research, even if some of the hotels implementing the practices did not have a formal or informal environmental sustainability practice. All eight hotels that were interviewed implemented environmentally sustainable practices, though only four out of the eight hotels had a formal policy of environmental sustainability.

Given this low level of ESSP adoption, the role of government becomes important to encourage sustainable hotel management practices. Legislation will assist hotels and other organisations to enhance their commitment to the environment thus reducing their impact on the environment by adopting practices that utilise resources sustainability. Organisations are proficient in managing financial and economic sustainability. Legislation may assist these organisations to become adept in environmental sustainability as well. As has been adopted elsewhere, a governance code might influence hotels to meet their obligations towards the environment

(Environment Planning and Sustainable Development Directorate, 2018). Such steps become particularly important in the context of current and recent crises including the COVID-19 pandemic and bushfires. These crises offer an opportunity to rethink and reset the approach to environmental sustainability so that further damage to the environment by the tourism industry of which hotel industry is a part does not add to this transformation in a negative manner (Higgins-Desbiolles, 2020) .

It can be concluded from the above statements that owners, shareholders and managers of hotels primarily embark on sustainability practices for financial reasons and then utilise the secondary benefits of the practices as a welcome by-product. Even hotels that do not have formal environmentally sustainable policies implement these practices as it results in more efficient operations and this in turn assists with conserving resources for the hotel. It also reduces costs by limiting the use of energy and water, resulting in higher profitability. This serves the business well in terms of meeting profitability targets as well as demonstrating to stakeholders their role in being a good corporate citizen (Carroll & Shabana, 2010). Hoteliers in Australia need to embrace environmental sustainability in a more robust fashion by taking control of formulating policy at a hotel level, with a need to adopt this approach to take control of their contribution to environmental sustainability (Burrows & Rozier Rich, 2016). All stakeholders can access environmental sustainability policies on the corporate website of international hotel chains. For the independent four star hotel in the research sample, its formal policy and practices can also be accessed from its website. Not having a policy on environmental sustainability demonstrates that it is not part of a hotel's objectives and strategy. A policy identifies the vision of the organisation and the absence of one indicates such vision to be lacking. Policy assists employees of the organisation to understand the team's responsibilities on sustainability. For hotel organisations, having formal policies on

environmental sustainability and CSR can have a positive influence on attracting higher quality workforce as such policies may appeal to experienced and competitive applicants. Such employees want to work for responsible and ethical organisations (Kim et al., 2019). To advance the agenda of environmental sustainability it is important to engage stakeholders in formulating ESPPs as stakeholders are partners of the business and can assist in contributing to the success of the business. Engaging with the stakeholders in the decision-making process can also assist in meeting the challenges of hotel operations. By engaging with this, stakeholders are not only beneficiaries of the outcomes of the hotel operations but are also involved in creating the outcomes (Gregory et al., 2012). A detailed discussion on the drivers and barriers to implement ESPPs will be discussed in the next chapter.

Chapter 6: Barriers and Drivers for Environmentally Sustainable

Policies and Practices

6.1 Introduction

The aim of this chapter is to present the findings and a discussion of face-to-face in-depth interviews conducted with managers of the hotels in the research sample in relation to the second of four key research questions that guide this research, which is to ascertain the barriers to and drivers for implementing ESPPs. This chapter will explore the second research question *“What are the drivers and barriers to the implementation of environmentally sustainable policies and practices?”*.

The chapter is structured as follows: the following section, Section 6.2, presents interview findings relating to hotels’ barriers to implementation of ESPPs. Section 6.3 is a discussion exploring the interview findings relating to hotels’ barriers to implementation of ESPPs. Section 6.4 examines the findings on drivers of ESPPS and Section 6.5 presents a discussion of these findings. The findings of the research question are directly followed by a discussion of them for easy reference and continuity.

6.2 Findings on Barriers to the Implementation of Environmentally Sustainable Policies and Practices

This section will present the research findings, analyse and discuss the current drivers and barriers to the implementation of environmental sustainability policies and practices established by in-depth interviews with hotel management.

The interviews conducted with hotel managers found that there are numerous barriers preventing implementation of ESPPs. Some of these were time pressures, financial demands, lack of resources, the age of the hotel property and the views of owners and shareholders of the hotels. Figure 6.1 below lists and highlights the major barriers encountered by the hotel managers in implementing ESPPs.

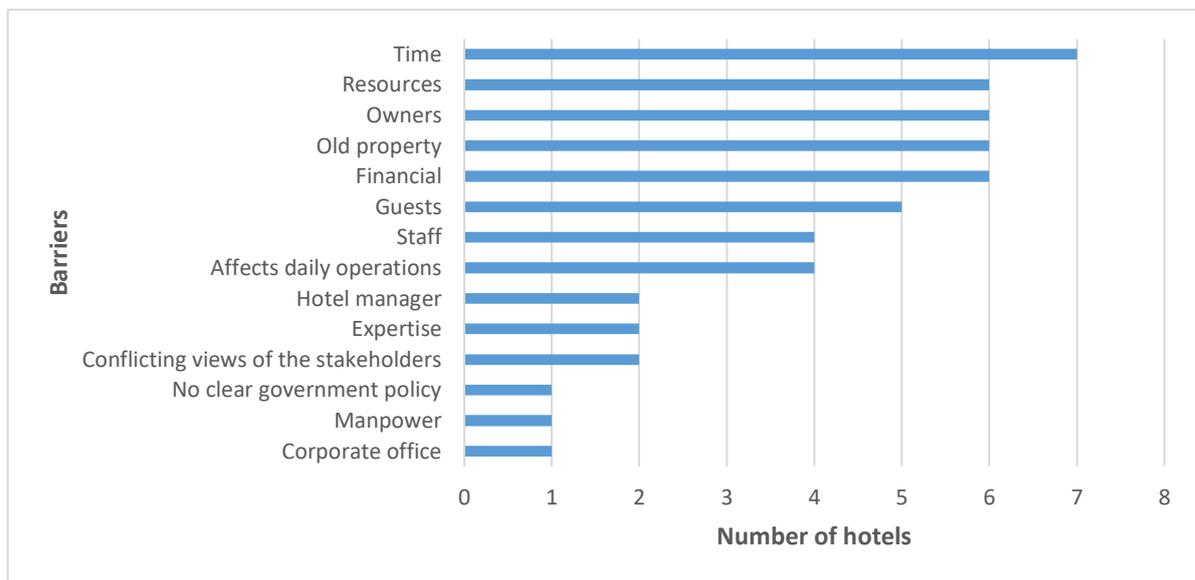


FIGURE 6.1 – BARRIERS FOR ENVIRONMENTAL SUSTAINABILITY

The major barriers to implementing ESPPs are discussed below.

6.2.1 Barrier – Time

The major barrier for hotels to implement ESPPs is time, which is summarised by the interview response of a manager of an Australian chain affiliated hotel which does not have a formal policy on environmental sustainability.

“...If it comes from the head office or from higher management then we do it. And if we get time from daily operations. Also, not enough resources, busy with day-to-day stuff.”

The manager of a three star independent hotel also saw time as the primary barrier.

“...it’s just a matter of finding the time to and find out what is involved in and what can be done more than what we are doing. So, I very much doubt that there would have any roadblocks, or put up any barriers, but as I said, it is trying to find a time to sit down and figure out what to do.”

Lack of time amidst running day-to-day operations appears to be the major barrier. This highlights the need for clear written formal policy to be implemented as part of day-to-day operations so that hotels are not dependent on ad hoc directives to pursue environmental sustainability initiatives and practices. Having a clear written policy can provide direction and may empower managers to commit time and resources to engaging in environmental sustainability practices (Pollitt, 2008). This highlights that for environmental sustainability to be successfully implemented there is a need for backing and commitment from the leadership of the organisation and the provision of resources for the practices. Having a well-formulated policy is a good start. As policies assist the organisation to guide its operations, a lack of clear policy demonstrates a lack of focus in the area. Policy will assist the managers and employees of the hotel to understand it and the team’s responsibilities without waiting for directives.

The following statement from the manager of an Australian chain affiliated hotel, which does not have a formal policy on environmental sustainability, believes time pressures and a related need to undertake staff training and education on environmentally sustainable practices were the major barriers.

“...It is no time from (sic) daily operations. Also, a lot of people in the hotel do not know what it is and how to do it and what benefits to do this are. Everyone is busy with own stuff (sic) and no one wants to do it as not part of the role.”

A manager of an independent three star hotel, which does not have a formal policy on environmental sustainability, reflected on the difficulty in communicating to staff and resourcing ESPPs.

“...Probably the biggest barrier is communicating what we are trying to achieve, and what we are doing, because if staff do not understand why they have (sic)... So, communication is probably the key. Then there is (sic) no time and resources, no money from the owners, how to do it and the owners themselves.”

Both these statements again highlight that having a clear written policy on environmental sustainability can be a communication tool, which can go to a considerable length in giving clear direction to hotel operations for implementing environmentally sustainable practices. Such direction increases the likelihood that hotel operations will allocate time for these as they make it part of their daily operations.

Even international chain affiliated hotels, which have clear formulated policy at the corporate level, also find time a barrier. The responses from the managers of three international chain affiliated hotels emphasised this challenge.

“...Finding the time from the daily operations of the hotel. And understanding the benefits of doing it.”

“...But in the hustle and bustle of day to day life, when you have to produce a GOP [gross operating profit], you are not going to give it a second thought, until you have spent enough time to understand it properly.”

“...It is having the time from the daily operations of the hotel. There needs to be understanding of what benefits to do this are and how to do it.”

Seven of the eight hotels interviewed for this research identified time as a barrier to implementing ESPPs. For international chain affiliated hotels, policy on environmental sustainability is formulated at the corporate office level and empowering an individual hotel to develop their own policies may assist the property in finding time to support ESPPs, as ownership can rest with the management of the individual hotel; becoming less of a directive from the corporate office, senior management or owners and shareholders.

6.2.2 Barrier – Stakeholders

Figure 6.1 demonstrates that owners, guests, staff, the corporate office and hotel management themselves can be a barrier to implementing environmentally sustainable practices. For analysis in this section, they have been grouped as stakeholders as they all have an influence on the hotel and its operations. Stakeholders are both drivers and barriers to implementing environmental sustainability (Dolores López-Gamero, Claver-Cortés & Francisco Molina-Azorín, 2011).

Differences of opinion between key stakeholders - especially the owners and the operators of a hotel - can be a major barrier. The following is a statement from an international chain affiliated hotel manager. This hotel chain has a clear policy on environmental sustainability and practices, which is formulated at the head office. However, having clear policy may not always provide a straightforward path to implementing these practices with barriers still existing.

“...More often than not it needs ownership support, because our owners are our partners, we are appointed on behalf of the owners to manage their asset for them. So, if it is permitted within the chain’s guidelines to do, or if it is not forbidden within the chain’s guidelines, then you know an owner can turn around and say, “OK, well we do not want to spend an extra \$20,000 a year on laundry because you want to move to a more sustainable plastic. Forget it.” And then

that's the end of that, because they are business partners at the end of the day, and that's just a business reality.”

Often a hotel that is affiliated with an international chain is managed by the international hotel company for the owner of the property who is charged management fees. The hotel chain organisation acts as a management company and appoints management from its chain to oversee the day-to-day operations of the hotel for its fee. The hotel may have single or multiple owners. If the hotel owners do not want to pursue environmentally sustainable initiatives, and the managing company has a clear policy formulated at the corporate office, conflict can be created between the owner and the hotel chain. In such cases, there may be benefits to indicating to owners the additional indirect benefits (some of which may eventually manifest themselves in financial gains) of sustainable practices (Hanley, Shogren & White, 2006). Lack of understanding of environmental sustainability, its benefits, how to successfully implement the practices and how to manage the change that comes with implementing environmentally sustainable practices are some of the barriers presented by owners (Baddeley & Font, 2011).

The following observation is from the manager of an independent three star hotel, a stakeholder himself who wants to contribute to environment sustainability but cannot do so without the support of the owner.

“...Well, I think it is good. A lot of hotels that I used to work at do subscribe to the green approach and obviously you need to meet certain standards and certain requirements to get classified as a ‘green hotel’, certain things, obviously, changing light globes and water restrictions, flow restrictions, recycling of everything and trying to keep wastage down as well. So, I know hotels do it, and it's something that I would like to implement here, but then that's up to the owners as well, so we can try it, but at the end of the line, it is the owners who decide.”

The statements of the hotel managers in the research sample indicate that hotel owners can be a barrier to environmental sustainability. It is important to note that it is not only independent hotels, but also international chain affiliated hotels, who face challenges in working with owners when it comes to convincing them of the benefits of implementing environmental sustainability practices.

The below responses are from the managers of three international chain affiliated hotels reflecting on the challenges presented by owners.

“...We have some owners that don’t give a shit. Oh yeah, no question! When it comes to business, they want a business outcome, many of them, they want a commercial outcome.”

“...I think we have got to continue to communicate what we do; I think we can all do a better job of that to the guest. And I know, when you are in a five star environment feedback is very important and we monitor the feedback from guests all the time, and you can have a great result then all of a sudden you get a couple of bad lists of feedback and you can drop, so we have to balance that very closely of making sure we’re five star, but also communicating though, still within that luxurious environment, we can still be doing some really positive things for the environment at the same time. So, it’s getting that communication right.”

“...Absolutely. Owners create barriers, and it is up to us to try and get over them. There are some examples, whenever we want to do something, for example recycling cardboard, we might need to spend \$10,000 of CAPEX [capital expenditure] to buy a cardboard baler, and that might not be a popular decision with the owner, who would rather see new carpet in the club lounge, because that will help the guest experience, and increase revenue. So, you know we have to convince the ownership group.”

The interviews found that guests can be both drivers of, as well as barriers to environmental sustainability, as tourists and the travelling public often welcome environmental sustainability initiatives, but they generally reduce their commitment to environmental sustainability

practices while taking holidays (Juvan & Dolnicar, 2014b). The concept of sustainability sounds good to them on paper, but guests tend to care about their own comfort and luxury and look for other features in a hotel when making a booking rather than solely focusing on sustainability initiatives. When on holidays and vacations, tourists and travellers change their mindset and want to reduce or break away from their daily responsibilities and behaviours, which results in a lower level of environmental sustainability support (Juvan & Dolnicar, 2014b).

Below is the response of a manager of a two star hotel, which does not have a formal policy on environmental sustainability when questioned on environmentally sustainable practices and their barriers.

“...But obviously, you cannot tell a guest that the shower only works for three minutes, because that does not work. It is hard with the hotels, because at home you can make a general, conscious effort to have minimal showers, only use as less water as possible, but hotels, guests do not care, they come in, they will run their shower for half an hour. Well they are not paying for the water, they are not paying for the heating, they are not paying for anything, so that’s the whole thing about staying at a hotel, you have got this luxury, you can just relax and, you know.”

The manager of an independent four star hotel also identified the challenges posed by meeting customer expectations.

“...There are scenarios whereby we might say positive for the guest, neutral financial, positive for the environment. Then this project would probably go ahead, yes. But if it is negative for the guests, it really does not matter what the financial and or sustainable outcomes are, it is very, very unlikely that we would do that. Because why would we as a hotel do something that’s going to be negative from the guests’ experience point of view?”

The manager of an independent four star hotel also concurred, observing that guests can be a barrier to environmentally sustainable initiatives.

“...The shareholders and guests would be the two. Guests from the perspective, if we were going to wholly solely (sic) go on environmental sustainability as our major goal; we would do anything despite what the impact on the guest is. So, the guest is a barrier to environmental sustainability, by the fact that we cannot do absolutely everything on the environmental side, because it would negatively impact on the guest. I guess we have applied that rule ourselves, but if we take the guests out of the equation, then we would be doing a lot more on the sustainability program.”

An independent four star hotel manager was candid about the challenges provided by combining environmentally sustainable practices with guest needs.

“...I think as an industry the barrier is the guest, and the hotel industry being scared. Scared that if they do this, the guest will see it in a negative light. Very true, that’s been expressed to me in the past by a number of hoteliers that they do not want to scare their guest off. I think this is a big barrier. I think the other thing is that status quo. Those hotels or those businesses are doing OK, and they can’t foresee the significant upside to their business.”

This is further reinforced by a manager of an international chain affiliated hotel, which has a formal policy on environmental sustainability.

“...That focus is on the guest all the time. But we are responsible, as a collective group, to be constantly thinking about the ways we can drive, you know, minimal waste for instance - green initiatives, sustainable resourcing, things like that.”

Stakeholders need to work together to drive sustainability, especially stakeholders operating and utilising hotels, i.e. owners, hotel management, guests and staff. The following response from the manager of an international chain affiliated hotel highlights the sensitivities around managing guest expectations when it comes to environmental sustainability.

“...There’s a communication to the guests, which is in the room, which is always something you have got to handle sensitively, ‘cause you don’t want the guests to think they’re just trying to save money. It’s actually not about that. It’s actually about we want to save water, so it’s things like do you want fresh towels every day, or can you use those towels again for the second day. To limit shower time, all of those things.”

One of the international chain hotels interviewed was attempting to introduce a food waste management environmental initiative. One hotel manager succinctly characterised why staff in the kitchens are a barrier to these measures.

“...Measuring food waste is a pain in the arse and will be disruptive for the kitchens, and the kitchens won’t like it.”

Staff are a barrier to implementing ESPPs; this may occur because staff are primarily trained to look after guests and taking part in other activities distracts them from the main role they have been hired to perform. Another reason for this may be if they have not been clearly briefed on the importance of environmental sustainability and how to accomplish it (Smerecnik & Andersen, 2011). For SMEs, where very often there are multi-functional staff, the probability of environmental sustainability practices being interpreted as interrupting their daily tasks is likely, as it may not be considered as a core business area (Hillary, 2004).

The influence of stakeholders on ESPPs has been discussed in detail in the next chapter.

6.2.3 *Barrier – Financial*

This section will discuss financial and commercial barriers to environmentally sustainable practices. This is one of major barriers to implementation of ESPPs. The manager of an international chain affiliated hotel identified financial barriers as a clear challenge.

“...So, if we go to them with an issue that’s going to cost them money, we have got to be very clear on why they should be spending money. Some owners it is all about costs. So, if it’s not cheaper I don’t want to do it.”

Even though some environmental sustainability practices and initiatives have short term benefits, hotels should recognise that investment made in sustainability is a long-term commitment, as creating significant and lasting change requires resources and sometimes the returns for such investments are intangible (Kirk, 2010). It appears that short term or even immediate returns on resources applied to achieving sustainable practices is one of the most significant barriers to environmental sustainability. Changing the terminology to strategy instead of initiatives and to investment instead of spending or costs could lead to changes in thinking and philosophy on long-term environmental sustainability (Van den Bergh, 2011).

The manager of an independent four star hotel notes the barriers to obtaining funding for environmentally sustainable practices.

“...Only in a sense that I would like them to spend more money on it. But that is because I have a personal interest in doing everything, we can help the hotel stand us more and more as a green hotel. But when it gets to a question of, everything is a limited resource. Our planet is a limited resource, and our shareholders have limited cash resources. So, there is only so much we can put into it. So, accessing those funds are a barrier.”

Hotels that are making steady progress on environmental sustainability, based on this research sample, are international chain affiliated hotels, due to possessing clear written policies, strategies, practices for implementing them and the allotment and availability of the necessary resources. Policy is a statement of intent and purpose and is used to articulate the vision and objectives of the business (Wildavsky, 2017). It clarifies the actions that an organisation intends to undertake and guides the practices and decision making for all dimensions of business

operations, including ESPPs (Weimer & Vining, 2017). Policy communicates the desired corporate direction, providing guidance and a point of reference to managers and their organisations (Birkland, 2015). Policy statements relating to ESPPs are therefore indicative of the relative importance placed on environmental protection by companies. Policy can assist in providing concrete indication of proposed practices. Having a formal policy on environmental sustainability is a manifestation of affirmative intent. Implementation of ad hoc sustainable practices is not sufficient to contribute to environmental sustainability and formal policies can assist in clarifying the ambitions of the organisation. Management cannot be present for all day to day operations, hence a clear formal written policy may assist in providing direction for the employees who are keen to contribute to a sustainable operation. Independent hotels can also make progress if they approach and reflect on the positives for marketing opportunities, contribution to environmental sustainability and long-term profits (Kiron, Kruschwitz, Haanaes & Velken, 2012). Financial barriers can be mitigated as the biggest challenge for sustainability for independent hotels if the owners and shareholders look at the additional benefits of sustainability in their overall business model rather than focusing only on economic growth and profitability (Fotiadis, Vassiliadis & Rekleitis, 2013). The absence of a policy is likely to mean that sustainability is not considered in the business strategy. One reason may be a lack of understanding of this concept and the benefits it can bring to the business. A significant barrier, managers believe, is that implementing sustainable practices increases the cost of doing business, but it may also enhance the financial performance of a business in both the short term and long term and can make the hotel more competitive in marketing terms. The literature has also found that one of the major reasons why organisations do not integrate environmentally sustainable practices are the internal barriers, such as costs (Häkkinen & Belloni, 2011; Walker et al., 2008).

Factors such as the effects of climate change are not being considered in the long-term strategies of hotels. This can result in missed opportunities to improve the economic performance of the hotel through establishing a point of difference or unique selling proposition. Even though hotels look for financial benefits as well as social benefits when adopting and implementing environment management activities, they are more motivated by economic benefits than social ones (Céspedes-Lorente et al., 2003). Customers will revisit a hotel that is environmentally friendly or green if other factors like quality of service, satisfaction with the stay and overall image of the hotel have been positive on the previous visit, i.e., guests will not revisit a hotel only based on the hotel being green or environmentally friendly (Han & Kim, 2010). Hotels should not market themselves solely on their green features but also highlight other elements of product and service quality to encourage positive customer assessments and assist in forming favourable attitudes towards a green friendly hotel.

There are several studies that indicate economic benefits of having environmentally sustainable initiatives can be achieved with no or very little extra capital outlay, as going green gives a hotel a competitive advantage and the hotel may gain loyalty from environmentally conscious guests, hence increasing brand value (Fukey & Issac, 2014). Hotels, be it chain affiliated or independent, can then use this platform to their advantage.

6.2.4 *Barrier – Expertise*

Research by Chan (2011) found that small and medium-sized hotels are hindered by internal barriers such as a lack of knowledge, skills and resources in addition to increased maintenance costs when contemplating implementation of EMS. Additionally, these barriers may play a significant role in hindering the consideration of EMS by the operator of the hotel (Chan, 2011).

The following response of the manager of a two star independent hotel when questioned on the availability of expertise for implementing ESPPs observed that such resources are a barrier.

“...Bigger chain hotels, or bigger hotel companies have got more resources to implement.”

Meanwhile the manager of an Australian chain affiliated hotel argued that they did not have appropriate resources or knowledge to undertake environmentally sustainable practices.

“...A lot of people in the hotel do not know what it is and how to do it and what benefits to do this are. Everyone is busy with own stuff and no one wants to do it as not part of the role.”

The manager of an independent three star hotel felt that staff not being aware of the value of taking such initiatives would lead to them taking the path of least effort or resistance.

“...What we are doing, because if staff don't understand why they have to collect soap, it's easier for them to throw it in the bin. If they don't understand why we have to separate rubbish, then it's simpler to throw it in the bin, whichever one's in front of them.”

This research also found that this is more evident in smaller hotels due to their lack of skills, knowledge and resources. However, once a hotel implements EMS and they become part of their daily operations, then operations become more assured and capable and this assists in overcoming the aforementioned barriers. As hotels become more operationally efficient, it assists them with cost savings and projecting a better corporate image (Chan, 2008; Epstein & Buhovac, 2014). It is possible expertise as a barrier can be managed by having a clear policy on environmental sustainability as it sets a framework for decision-making. It is an essential tool for effective communication within the organisation and with its external stakeholders. Policy also provides tangible evidence of intended practices. It also assists in setting out roles

and responsibilities. This can then lead to improved operations for the hotel and benefit internal stakeholders including management and staff.

6.2.5 Barrier – Old Property

The majority of the interviewed hotel managers commented on an old property being a major barrier for not implementing major environmentally sustainable initiatives (as presented in Figure 6.1). The key reasons being practicality, disruption to stakeholders (especially the guests) and financial costs. The following are responses from hotel managers on old hotel properties.

“...Have a look at this building here. It is an old office building. It’s 30 years old. It is not environmentally sustainable at all, in any way, and it is hard to change that now. It’s a very expensive thing to try and change some of these buildings into sustainable ones.”

“...Yeah, pretty much they are old buildings, so there need to be... a lot of things need work, and I guess, the only thing that would be... the only road blocks or barriers that they would put up is if it was a cost to them. So obviously with old buildings, you have got old pipes and old infrastructure and if it meant rewiring or redoing pipes and things like, or major construction, that would be the only thing that they would probably say, ‘that’s not going to happen’. But if it was something that was just one, it did not cost anything, or was minimal at cost then they would probably go for that.”

It may be possible that the nature of the hotel building is such that there is no room or capacity to make changes, for example, there is no place to put a grey water tank or install a new energy efficient air-conditioning system that consumes less energy. It is unsurprising that costs are a major issue in influencing the acceptance of sustainability initiatives, especially in old hotels. Moreover, a further barrier is the challenges that are involved in replacing standard hot water systems in old properties with solar ones. It may take considerable time to undertake such a

conversion and guest comfort and service can be affected as a result, which may be detrimental to the reputation of the hotel and, in turn, its revenues.

The manager of a four star independent hotel indicated a commitment to environmental sustainability despite the hotel operating in an old building structure.

“...So, it was built just over 100 years old, redeveloped into a hotel just over ten years ago. And during that redevelopment phase, as the building was being reconstructed or the interior was being reconfigured, double offset stud walls, instead of one stud wall connected, two separate stud walls, which leaves a void between the two walls. And able to therefore fill that full length and full height with insulation. Increase the insulation from room to room and obviously to the outside environment. It reduces the energy consumption within that room, particularly at low occupancy. Because if you have one room occupied and heating or cooling is being used in this room, and the next room is not occupied, you want to minimise the bleed of energy or the loss of energy going out of that room into the adjoining room. And equally, guests sometimes have different needs. One person may be from Singapore and say on a warm day like today at 26 degrees, they might be saying, this is pretty cold. They may in fact have the heating on in their room, whereas the person from Tasmania might be saying gee, it is really hot here, I need the cooling on. So, you may even have different rooms operating at different levels. So, this is very important. On the same basis, double glazed windows on all our external glazing. Or in a couple of cases, triple glazing, on a couple of rooms. The good thing from that of course, it provides both that insulation on interior adjoining walls and double glazing on the exterior glazing, provides noise insulation as well, which is a great impact for a guest. So, we are getting a double benefit. We are getting a guest experience impact and we are getting an environmental impact.”

This is a holistic approach to environmental sustainability. The manager's undertakings benefit all stakeholders: guests, owners, shareholders, the environment and business returns (dos Santos et al., 2017). Key stakeholders of hotels that are not undertaking environmental sustainability initiatives yet can be educated on this holistic approach to managing hotels and their operations.

6.2.6 Other Barriers

Following is the advice of a manager of an international chain affiliated hotel to hoteliers that do not have resources to implement environmentally sustainable initiatives.

“...Look, I am very lucky that I am in a company that has that kind of technology behind it. But any advice I would offer to colleagues perhaps less fortunate would be just because the sophisticated systems aren't in place doesn't mean that it can't be done.”

During interviews, some of the hotel managers mentioned that they themselves are barriers to environmental sustainability, especially when there is a lack of direction due to the absence of a formal policy on sustainability. Another important reason for not implementing environmentally sustainable practices is that it may affect daily operations of a hotel and in turn it may take the focus away from servicing the guests which can be counterproductive in a service intensive business such as a hotel (Bowen & Chen, 2001). Another reason mentioned is that the conflicting views of the various stakeholders of the hotel can again create a barrier to sustainability (Hemmati, 2002; Kuvan & Akan, 2012). Lack of expertise and a lack of resources for implementing environmentally sustainable practices is an additional reason, especially in independent non-chain affiliated hotels. This is consistent with findings in the literature (Kasim, 2009). For SMEs, many of whom have staff which work across all facets of the business, the consistency with which they engage with environmental sustainability practices can be limited, as it may not be considered as a core business area (Hillary, 2004).

6.3 Discussion of the Findings on Barriers to Environmental Sustainability

Some of the major barriers to environmentally sustainable practices found in this research were time, financial, resources, owners of the hotel, and guests. One angle to observe the concept of environmental sustainability in a positive way is to position the guest at the centre of it. If these

sustainability initiatives can improve the guest experience, it can in turn contribute to sustainability and the bottom line. This may be achieved through education if hotel owners are presented with a proposal to invest in sustainability by highlighting the benefits to them and their business. For example, owners might display more interest in investing in an old hotel building to make it more sustainable, energy and resource efficient if it could be demonstrated that this may assist in attracting new guests to the hotel and ensuring return patronage - thus delivering a return on investment.

The major barriers to effecting EMS in hotels are the cost of implementing them, a lack of professional expertise, lack of resources, lack of skills and knowledge and the uncertainty of the outcomes post-implementation (Chan, 2008). This emphasises the value of having a well-documented policy on sustainability communicated to all staff of the hotel, along with the benefits associated with this, which may be able to assist in easing the barriers to implementing environmentally sustainable practices. A further means of overcoming barriers is to align the goals of the sustainability team with the goals of the financial team. Divergent priorities of these two teams' objectives can result in the business looking at environmental sustainability initiatives and financial benefits independent of each other. One way of removing this barrier is to start utilising environmental sustainability as a unique selling point, as a point of difference and as a long-term strategy by investing in technology and systems and communicating this to stakeholders. This approach may assist in investment in sustainability initiatives and profits (Leonidou et al., 2013).

To overcome these barriers, changes in the operations of hotels are required, guided by a well-formulated policy on environmental sustainability and practices. Without these, an organisation does not have guidance systems to make and implement decisions and this can also lead to

unpredictability in decision-making, ultimately creating barriers to implementing environmentally sustainable practices. Senior management cannot be present for all day-to-day operations and policy on environmental sustainability ensures that staff have direction and can have an impact on ESPPs in their day-to-day duties. Ad hoc implementation of practices is not sufficient to contribute to environmental sustainability, and this can also be financially challenging, hence becoming a barrier. There needs to be a major shift in thinking if independent hotels wish to pursue an environmental sustainability strategy and utilise this to the benefit of their business. Hotels, their employees and management should be supported by their owners and shareholders if they are to meet the challenge of transforming hotel organisations into environmentally sustainable business units.

Major stakeholders of the hotel industry should be educated that environmental sustainability is not about being a devoted environmentalist, nor it is about philanthropy. Rather, it is about taking responsible decisions that may cost very little, or if a more significant investment is made, deliver significant returns. One of the easiest investments for substantial return would be to engage with staff on this concept. As environmentally sustainable policies should be converted into practices by hotel employees, garnering their support for a hotel's environmental sustainability initiatives can be achieved through education even if they are not involved with the initial planning stages. If a hotel's motivations for environmental sustainability initiatives aren't communicated to the employees, they may perceive it as a cost cutting and/or marketing exercise (Chan & Hawkins, 2010).

The literature has also found that despite the need for hotels to implement environmental sustainability policies and practices in their daily business operations, the hotel industry lags far behind other sectors such as manufacturing and transport in this field (De Grosbois, 2012;

Hsieh, 2012; Moldan et al., 2012; Reynolds, 2013). The hotel industry cannot fall for the myth that environmental sustainability is someone else’s problem nor can it be achieved by the hotel industry itself; hence demonstrating the need for collaboration between all stakeholders.

6.4 Findings on Drivers of Environmentally Sustainable Policies and Practices

Drivers of some environmentally sustainable practices directly correspond to the barriers discussed in the previous section: specifically, those revealed during in-depth interviews were financial, and support from shareholders, hotel managers and guests. Even hotels that did not have a formal policy on environmental sustainability were supportive of environmentally sustainable practices: the major reason being the financial benefits of environmentally sustainable practices and a range of other reasons that can be observed in Figure 6.2 below which shows the major drivers for ESPPs.

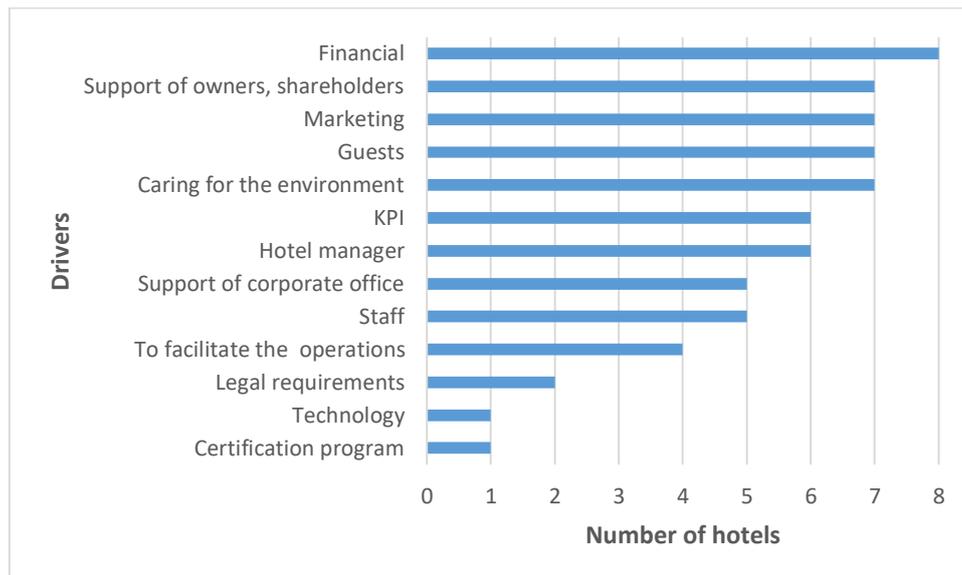


FIGURE 6.2 – DRIVERS FOR ENVIRONMENTAL SUSTAINABILITY

6.4.1 Driver – Financial

Financial reasons are a major driver of ESPPs as seen in Figure 6.2. It is also seen as a major barrier. If practices are financially challenging, then it becomes a barrier and if it assists in reducing costs and generating profits then it becomes a driver. It can be argued that commercial outcomes are a primary focus of hotel operations. If environmentally sustainable practices benefit hotels commercially, then they are more likely to be implemented.

A manager from an international chain hotel when asked about profit as a motive for sustainable practices was emphatic in their response.

“...Is it a major reason? You cannot... we are a profit-making company so you cannot remove the profit motive from the overall operation of business, and this is an element of operating the business. Every one of our hotels could have zero environmental impact, theoretically, and that would require higher operating costs and higher capital costs and we obviously do not do that because we still have to make a profit. But what we do is take a responsible commercial approach to delivering the high impact environmental things. And there are things that we would not do, right? There is stuff like polluting the local environment that we would not, that we would never do, regardless of the profit impact. So yes, profit has a role to play of course.”

The manager of an independent four star hotel with a formal policy on environmental sustainability agreed on the importance of financial benefits as a driver of environmentally sustainable practices.

“...So, the ideal project for us is positive for the guests, positive on our financial performance, and positive for the environment.”

The manager of an independent three star hotel with no formal policy on environmental sustainability also concurred with finance as a primary driver.

“... Well I think the main, it’s hard to say, probably the main reason is obviously to save on costs as well, on money, because obviously electricity and water is quite expensive, so anything to do to try and save money in that sort of area. I think it is more about the saving rather than the environmental. The major driver is money that can be saved by doing such environmental stuff. Yeah, look it is definitely a driver. For someone like me whose KPIs rely around the control of, you know, the flow of monies, more in, less out, it is an important factor. That I would say, it is one of the foundation pillars, the fact that we can save some money by implementing some of these practices, and we need to implement some of these practices to satisfy some of our customers, or we cannot earn money. They are probably equally important as drivers in making sure that these policies exist, and that the practices are undertaken.”

The manager of an independent two star hotel with no formal policy on environmental sustainability agreed that financial outcomes were a primary driver.

“...If owners want to undertake these practices then we do it. They make the decisions for financial and economic reasons.”

Managers of the other two international chain affiliated hotels in the research sample had the following to add.

“...To keep the stakeholder group of owners happy for example, the water saving looks at the, not just the litres of water used, but looks at the bill, and it spits out a number of dollars that you have saved this year. So that helps to keep the ownership group happy.”

“...I mean, you do have to be silly not to think that there is definitely some motivation behind the financial (sic).”

Even hotels that did not have a formal policy on environmental sustainability were implementing sustainable practices, suggesting that their motive is primarily financial gain and there are commercial reasons for implementing these policies and practices rather than environmental concerns.

The manager of an Australian chain affiliated hotel that does not have a formal policy on sustainability made no mention of environmental sustainability as a driver for implementing practices; rather it is solely for financial reasons. It appears that environmental sustainability is a by-product of these financial drivers and a matter of coincidence rather than a planned contribution.

“... For the electricity, they are doing many things. The lights, they change all the lights to LED. All the chillers and boilers, they are changing to very modern chillers, like Powerpax to save energy, and as the boilers, they put now this condensing boiler. These things previously we had like three boilers, one is 600KW, and the other two is like 500KW each. Now they change it to 16 condensing boilers only 150KW each. In this way, this boiler for 150 it works as it requires, so they save so much gas. Actually, now, we save something like one third of the consumption minimum. Sometimes we save more than 50% on the consumption.”

There is a relationship between environmentally sustainable practices and programs, and hotel financial performance because if these practices and programs have a positive financial influence they are implemented (Alvarez Gil et al., 2001; Rexhäuser & Rammer, 2014).

A manager of an international chain affiliated hotel noted that collating the water and energy consumption data and benchmarking it with other properties in the hotel chain drives competition and financial performance of the hotels in the chain as well as contributing to environmental sustainability.

“...We have a portal that all hotels monthly have an automatic upload of water consumption, electrical consumption, gas consumption, and it’s all being processed as part of a benchmarking review. We can then... we call it the portal... it’s called Open, and Neil, he manages that for the region, so he monthly gets all of the data, and can identify where properties are not performing well on a benchmark basis or on a self-comparative basis. So, we track the evolution of each of those items, we can see whether improvements are being made. So then, when we put in an initiative such as a power saving initiative with lighting, for example, you can then see how the electricity consumption goes down over time because we track it. In actual fact we have separate metering so that we can track daily movements. Of course, what you measure, you can manage. So, we measure it, we report on it, and that allows us to manage it.”

A manager of another international chain affiliated hotel stated that it works in similar way, driving competition and financial performance of the hotels in the chain as well as contributing to environmental sustainability. This approach is something that independent non-chain affiliated hotels can avail themselves of to drive better operational and environmental performance.

“...There is an online portal where we go on to, and we enter data. We enter data on, you know, consumption of kilowatt-hours in peak times, non-peak times, so bills, we enter water consumption data. We enter lots of different data, certainly the waste tonnage and that sort of stuff. And that is taken up centrally, but it also feeds into our own property dashboard, and the dashboard tells us how we are performing, both against our self, against our targets, and against the other hotels in the chain. There are also two senior level champions of each region, two senior level champions of each region who are responsible for chasing hotels, for monitoring performance of hotels, and asking the right questions if that performance is not there. And those people are not coordinators; they are general managers, like me, of other hotels. So, the company has elected to appoint senior level people in these sorts of honorary roles, for want of a better term, to monitor their peers, because they have found that it's too easy for general managers like myself to dismiss a more junior member of the organisation if they are asking those sorts of questions.”

6.4.2 Drivers – Owners and Shareholders

This section will discuss owners and shareholder as drivers for implementing environmentally sustainable practices. Owners and shareholders can have a major impact on implementing ESPPs. In an independent hotel company, decisions around environmental sustainability can be taken and implemented quickly as the organisational structure is often lean, whereas with international and national hotel chains there are multiple stakeholders to be managed and brought on board for environmental sustainability initiatives to be implemented.

The response of a manager of an international chain affiliated hotel sums up the approach of owners and shareholders of hotels.

“...When it comes to business, they want a business outcome, many of them, they want a commercial outcome. So, if we go to them with an issue that is going to cost them money, we have to be very clear on why they should be spending money. Many owners will just... all they care about is a commercial outcome. Some of our owners are very environmentally and community aware and they just accept it. Whatever the cost, you have to do the right thing. Some owners it is all about costs. So, if it is not cheaper, I do not want to do it. So, we then have to work to demonstrate to them why, and most things most of the time we can demonstrate that to owners. On the things that we believe in, we make them do what they need to do.”

The response of a manager of an independent two star hotel also confirmed the challenges involved in garnering owner and shareholder support for environmentally sustainable practices.

“...If owners want to undertake these practices then we do it. They make the decisions for financial and economic reasons.”

“...It is run by a family, so, it's a family run business, so, they are very, obviously, conscious of where money goes and what they need to do and spend money on. Whereas, the big chains, they have a core, they have got hundreds, or thousands of hotels around the world so, they can pool all their resources and they generally have environmental practices in place where they make sure that every hotel, they have got set standards for every single hotel, regardless of the star rating or what sort of style of hotel, and that is across the board. So, it's much easier, there's obviously more resources, more money and they can implement big changes.”

The manager of an Australian chain affiliated hotel felt that there was significant support by the hotel's owner for such initiatives.

“...The chairman, the owner likes these things; he enjoys how to save energy, how to keep (sic) the environment, everything. Yeah, everyone is like, in the company, it's a habit and it's a practice now that everyone saves energy and give whatever's required to save this energy.”

This hotel company does not have an environmental sustainability policy and hence it can be argued that the motive for the practices is more for commercial outcomes than for

environmental ones. It appears from these responses that hotel owners support the practices more from a commercial point of view rather than for environmental reasons.

6.4.3 Driver – Marketing

This section will discuss marketing as a driver for implementing environmentally sustainable practices. Hotels understand and utilise environmental sustainability as a marketing strategy and a medium to develop relationships with their customers (Chan, 2013; Lee et al., 2010). This can give them an advantage over competitor hotels, indicating that the relationship between environmental sustainability and its marketing is developing. Hotels have started recognising that guests support environmental sustainability initiatives. (Chan, Hon, Chan & Okumus, 2014). Further, a hotel operator's primary function is to generate returns for their owners and shareholders and if they can do so via better marketing, then environmental sustainability serves this purpose as well providing environmental benefits. Environmental sustainability is an ethical issue, but it can also be used as marketing tool as it can provide a commercial edge or unique selling point for hotels in marketing themselves. Hotels promote themselves as engaging in environmentally sustainable practices and even hotels that do not have an environmental sustainability policy are using it as a marketing tool, developing a close relationship between the concept of environmental sustainability and marketing (Robinot & Giannelloni, 2010).

The manager of an international hotel company with a formal policy on environmental sustainability declared that the hotel is bound to practice environmental sustainability in order to win accommodation contracts from government and corporate clients.

“...We then have many corporate accounts, a number of global corporates and government accounts in particular, that demand as part of their RFP [request for

proposal] require us to show evidence of our environmental performance. If we can't, then we will be de-ranked (sic) in terms of contract.”

A manager of an independent hotel further agreed that marketing served as a driver for environmental sustainability.

“...If it's not costing us more money, and that we can do without affecting the company as a whole. It makes us look better from a PR (public relations) point of view as well.”

The response of the manager of a four star independent hotel, which has a formal policy on environmental sustainability, articulated the value of environmental sustainability practices as a marketing tool.

“...But to be very honest, and to be fair, a big part of the reason we go down that path was the fact we are a small, independent hotel. How can we stand out from all the other chain groups marketing power, and all the other independent hotels? What makes us different or unique? Sustainability is one of those factors. So, it is an unashamed marketing or PR tool. And we use it as part of our PR and marketing to help differentiate us. The biggest way and the positive way, that marketing aspect. The number of people who say, one of the reasons I chose your hotel was because of your sustainability practices. Or when people check out, I love what you are doing with the hotel and the way that you are doing something.”

The response of a three star independent hotel, which although it has no formal policy on environmental sustainability, noted again that winning accommodation contracts or tenders, requires compliant environmental and CSR policies.

“...One of the major reasons for the policy being implemented was a lot of companies that we contract to, in their RFPs [request for proposals], their request for proposals, each year want to see your environmental policy and your CSR policies. And that has probably been a push over about the last decade I guess, which is why they were developed in the first place, and then because they make sense.”

The manager of a two star independent hotel, which has no formal policy on environmental sustainability felt that environmental initiatives had marketing value.

“... Well the benefits are that you can actually promote yourself as a ‘green hotel’ and it is maybe not as important to a lot of people that have stayed, but if you can promote and advise people that that’s what we do there are a lot of people who would like to stay in a hotel that actually does take the time to look after the environment.”

A hotel that is environmentally friendly can achieve a marketing advantage over its competition and profit from increased revenues, cost reduction, improve the corporate image of a hotel, attract and retain customers, as well as increase loyalty from its employees (Claver-Cortés et al., 2007; Graci & Dodds, 2008; Hsieh, 2012; Newman & Breeden, 1992; Tzschentke et al., 2004). Organisations should use environmental sustainability as a marketing strategy when they incorporate it into their day-to-day operations, but this is not a suitable strategy for many organisations. Stakeholders are influencing companies to adopt environmental sustainability as part of their marketing strategy as they realise its importance in the contemporary business world in providing an edge to its products and services in a competitive market place (Kumar, Rahman, Kazmi & Goyal, 2012). There are organisations that are using and emphasising sustainability as a leveraging opportunity for their communication and marketing strategies when it comes to sustainable practices and initiatives, but this is not always consistent with what is happening at an operational level. Such companies are over promising and under delivering on sustainability (Baldassarre & Campo, 2016). Not having a formal policy on environmental sustainability but leveraging the practice for marketing purposes raises doubts about an organisation’s genuine commitment to the environment. Organisations should use sustainability as a marketing strategy when they incorporate it into their normal operations, but the latter may not always occur (Rahman, Park & Chi, 2015).

6.4.4 Driver – Environment

This section will discuss environmental awareness as a driver for implementing environmentally sustainable practices. The following is the response from the manager of an international chain affiliated hotel when asked why environmental sustainability is a driver for them.

“...Well we need to be a good global citizen. We operate in 95 countries, and that is just genuinely global of course. We have an obligation then to be reducing our global environmental footprint.”

The following is the response from the manager of an independent four star hotel.

“...It would have to be a very, very strong driver on the financial side to make that work. Consequently, positive for the guest, and positive financially, negative for the environment, this would be a challenge we would have to look at, because we would be saying, it meets our primary goal, our secondary goal being a business. We are very honest. We are a business like any other business, and our game is to be profitable. So, we did be meeting those two goals. But if it was significantly detrimental to the environment, this is very unlikely to go ahead there. We did have to weigh those factors up. So, that is the summary of it. But the policy as written, which you may have found online in any case, I can give you a copy of that, talks about effectively this is what we do.”

The manager of an Australian chain affiliated hotel felt that environmental awareness as a driver for environmental sustainability practices was also entwined with financial and marketing outcomes.

“...Probably three reasons. One is its good for the environment. I would like to think that is an actual reason that we do it for. Two, it makes us look better from a PR point of view as well. Guests want to know that that is now an issue that we face, and they can feel that they can help somehow as well. And three, green cleans are a lot cheaper than a proper clean. So, there’s always a financial aspect.”

A manager of an Australian chain affiliated hotel, which does not have a policy on environmental sustainability, was succinct in the reasoning for their stance on environmental awareness.

“...Number one is to save money and as well as the environment.”

Many types of businesses, not only the hotel industry, are utilising green initiatives as a marketing tool (Chan, 2013). It benefits the organisation by projecting responsible corporate citizenship and more importantly can increase revenues and profit. The marketing department of a hotel has found an ally in environmental sustainability. It is beneficial for businesses and the environment when organisations adopt green initiatives and practices and are genuine about it when using it as a marketing tool (Babiak & Trendafilova, 2011). It should also be noted that there is a high likelihood of green wash, a potential side effect occurring as a result of using environmental sustainability as a marketing tool and in the long run green wash can discredit the green movement and a company's reputation (Lyon & Montgomery, 2015). Green washing can be said to have occurred when there is an unsupported or deceptive assertion about the environmental benefits of a practice, product or service (Rahman et al., 2015). Green washing can make a business appear more environmentally friendly than it really is. Green wash can thus be counterproductive and can lead to negative repercussions for a business, lower revenues and profits as a result of dissatisfied guests.

6.5 Discussion of the Findings on Drivers for Environmental Sustainability

Barriers to environmental sustainability can be turned into drivers to suit hotel owners, shareholders and management. The major reason for this occurring is for the commercial benefit of a hotel. This also indicates environmentally sustainable practices are not valued as much as commercial gains and thus financial and environmental strategies are not always

aligned (Clarkson, Li, Richardson & Vasvari, 2011). The major drivers for environmental sustainability are owner and shareholder support, financial, marketing, guest preferences and environmental awareness. This research on drivers highlights that for environmental sustainability to be successfully implemented it needs the backing and commitment of owners and the leadership of an organisation.

Hotels that did not have a formal policy on environmental sustainability implement such practices if the directive comes from the corporate office, senior management or owners. It is quite possible that owners and shareholders support environmental sustainability initiatives as it helps them achieve their primary objective of maximizing profit for their hotels. Thus, it appears that environmental sustainability has the dual benefit of maximizing profits and as well as sustaining the environment. In addition, owners and shareholders may perceive supplementary benefits of creating improved product value, projecting a responsible corporate image and nurturing positive guest relations through sustainability initiatives. As reiterated throughout the literature, a hotel operators' primary function is to generate returns for their shareholders (Nicholls & Kang, 2012a) and they embrace sustainability practices that assist them in achieving these primary goals. Stakeholders encourage companies to adopt sustainability in their marketing strategy as they realise its importance in the contemporary business world through providing an edge for the organisation in a competitive market place (Kumar et al., 2012). Embedding environmental sustainability throughout an organisation and having a dedicated person to drive the initiative can assist hotels in creating a culture of sustainability. Moreover, setting clear and measurable targets for sustainability initiatives can further assist in driving a culture of sustainability.

6.6 Conclusion

The research sample of interviews highlights that the major barriers to environmental sustainability are time, financial, a lack of resources, and the owners and shareholders of hotels. Even though some practices and initiatives have short term benefits, hotels should recognise that an investment made in sustainability is a long-term strategy, as creating significant and lasting change requires resources and often many of the returns are for such investments are intangible. It appears that short term or immediate returns on investment in environmental sustainability are one of the most significant barriers to environmental sustainability. Rethinking the terminology to strategy instead of initiatives and investment instead of spending or costs could lead to changes in thinking and philosophy on long-term environmental sustainability.

Another major barrier is organisational senior leadership, as without direction and commitment from them it is difficult for managers and employees at a property level to implement environmentally sustainable initiatives. Industry barriers include technical information, capital costs, configuration of current operations, competitive pressures and industry regulations. Organisational barriers include factors such as employee attitudes, communication challenges, past practice and inadequate senior management leadership. Research by Chan (2011) found that small and medium-sized hotels are hindered by internal barriers such as a lack of knowledge, skills, resources and maintenance costs when considering implementation of EMS. To use the adage “you cannot manage what you cannot measure”, measuring the outcomes of sustainability practices will assist in adopting them more readily. Businesses may overestimate the time, cost of and difficulty of measuring and monitoring their environmental sustainability practices and this creates a barrier.

Hotels are utilising the practice of environmental sustainability as a strategy for marketing and this has evolved over time as more stakeholders see value in it. Owners, shareholders, and other stakeholders can create both drivers and barriers to environmental sustainability. It can be observed from statements by hotel managers in this research that owners act as a barrier to, as well as a driver of, environmental sustainability. It is important to note that it is not only independent hotels, but also international hotel chains which have a challenge in dealing with owners when it comes to convincing them to implement environmentally sustainable practices. Owners, financial considerations and guests can be both barriers to and drivers of environmental sustainability.

Chapter 7: Stakeholder Influence and Environmental Sustainability

7.1 Introduction

The aim of this chapter is to present as well as discuss the findings of the research sample of face-to-face in-depth interviews conducted with hotel management, to ascertain the engagement of stakeholders with environmental sustainability, and to answer the third research question “*Do stakeholders play a role in shaping environmentally sustainable policies and practices?*”. This chapter will also provide insights into the respondents’ plans and commitment to environmental sustainability and will address the fourth research question “*What environmentally sustainable policies and practices are planned to be implemented by the hotel industry in the future in the context of projected growth in the hotel industry in Australia?*”. The findings and discussion in this chapter will assist in further examining the level of engagement with environmental sustainability in the hotel industry in Australia.

The chapter is organised as follows: the following section, Section 7.2, presents interview findings relating to stakeholders’ role in shaping ESPPs. Section 7.3 presents a discussion of the findings on stakeholder influence on ESPPs. Section 7.4 presents findings and discussion on ESPPs in the future. The findings of the research question are directly followed by a discussion of the findings for easy reference and continuity.

7.2 Findings on Stakeholders' Influence in Shaping Environmentally Sustainable Policies and Practices

The question to be analysed and discussed in this section is: “*Do different stakeholders play a role in shaping ESPPs?*”. A summary of the responses of hotel managers on stakeholders' influence on ESPPs is presented in Figure 7.1 below.

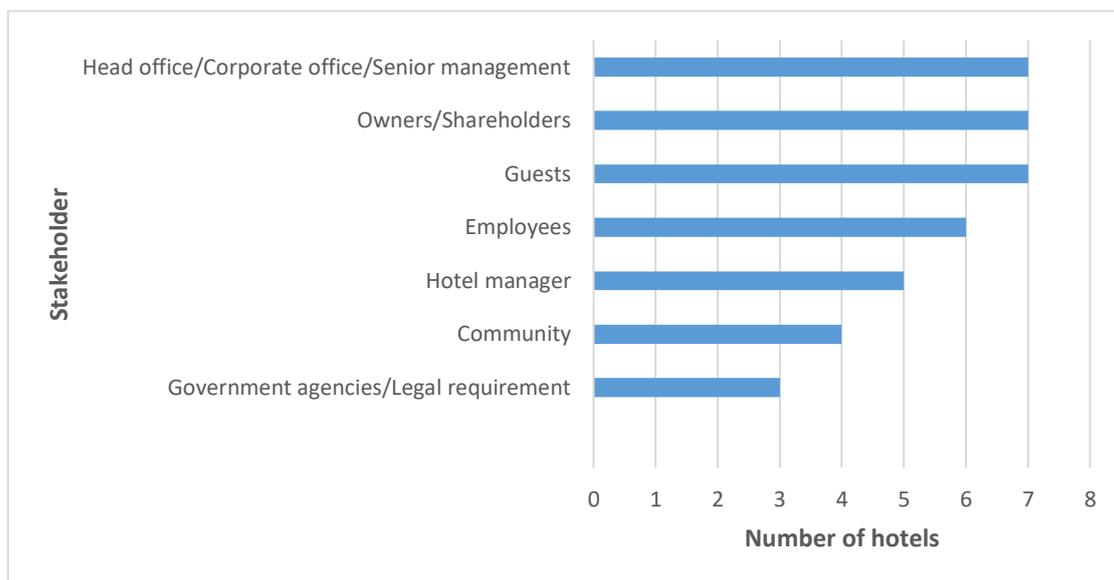


FIGURE 7.1 – STAKEHOLDERS THAT INFLUENCE THE ESPPS OF HOTELS

Managers of seven of the eight hotels that formed this research sample mentioned owners and shareholders of the hotels and head office/corporate office/senior management of the hotels as having a major influence on their ESPPs. It is evident that head office/corporate office/senior managers have a major influence on the ESPPs of a hotel as their policy on environmental sustainability is formulated at a corporate level, as discussed in the previous chapter. For independent hotels, it is senior management who channel the owners' wishes to hotel managers. Almost all managers interviewed mentioned that guests also have a major influence on ESPPs. From Figure 7.1 above, it can be observed that employees and hotel managers themselves also have a degree of influence on ESPPs in their properties.

The below responses of managers of two different Australian chain affiliated hotels demonstrate the varying influence and priorities of stakeholders.

“...Dollars, and possibly the ownership structures. In all hotel companies. There are few hotel companies now own all the hotels (sic). They are owned by different owners or investors or strata, etcetera. You have got a lot more people and a lot more stakeholders there that need to decide how their money gets spent, and are they willing to spend their money on environmentally sustainable policies that cost a lot up front?”

“...We are doing it because, first, the chairman, the owner likes these things; he enjoys how to save energy, how to keep the environment, everything. Yeah, everyone is like, in the company, it's a habit and it's a practice now that everyone saves energy and give whatever's required to save this energy.”

The response of a manager of an Australian chain affiliated hotel on the influence of various stakeholders on ESPPs highlighted the challenge posed when there were many owners of a hotel building.

“...My hotel is owned by the family that owns the company. It makes it a little bit easier. But when I was at Mantra, you have 130 owners upstairs. And if you want to go and put in different key locks or environmentally sustainable light bulbs, you have got to go to all the owners and get permission.”

There are instances, such as the experience of this manager at Mantra, when there are multiple owners of a hotel. When this is the case, it is challenging to implement hotel-wide environmentally sustainable initiatives.

Managers of international chain affiliated hotels emphasised the support required from owners to affect ESPPs.

“...More often than not it needs ownership support, because our owners are our partners, we are appointed on behalf of the owners to manage their asset for them.”

“...In this part of the world it’s less about the owners. I believe in the US it is more about the owners. In this part of the world a lot of our ownership groups are from country environments that do not care as much about the sustainable area as, for example, the Western world might. So, sure, they drive the financial, but some of the things that we do don’t always yield a saving.”

The manager of an international chain affiliated hotel when reflecting on owners’ influence on ESPPs observed that owner support is critical.

“...So, if it is permitted within the (hotel name removed) guidelines to do, or if it is not forbidden within the (hotel name removed) guidelines, then you know an owner can turn around and say, “OK, well we do not want to spend an extra \$20,000 a year on laundry because you want to move to a more sustainable plastic. Forget it.” And then that’s the end of that, because they are business partners at the end of the day, and that’s just a business reality.”

The manager of an independent two star hotel felt that getting owner support for ESPPs often ran into financial barriers.

“...Well with the smaller hotels and if it’s an individual hotel owned by one person or a company, you know, they are obviously trying to maximise their profit, one, so, their outlay, they don’t want to be spending too much on, and unfortunately it is, setting up policies and implementing, or making changes to become environmentally friendly.”

Meanwhile, the hotel manager of an independent three star hotel found that it was a balancing act with no specific order in accommodating the influence of owners, shareholders, staff and guests on ESPPs.

“...No, there is no order. You are constantly balancing those. You need them all happy, and sometimes it is a compromise. Sometimes you do something that

makes staff a little bit unhappier, but it might make customers much happier, and then the staff get used to it and it just becomes part of their day, and you do something else for them that makes them happier. But you have to make the owner money, at the end of the day this is an investment for him, he has put his money in, he has to be happy. So, we are always balancing those three things.

So, what I would look at, at any environmental initiative or any environmental policy, and it wouldn't just be environmental, it would be any request for expenditure outside of the normal, I would look at it and I will say what is the ROI; who is going to be happier, you know? Sometimes it's the law, sometimes it's a regulation change, we have to make changes, that's forced upon us, so, we have to do that, but when it's discretionary, as most of the environmental stuff is, I will say who's going to be happier? Will staff be happier; will customers be happier; will the owner be happier? If really it's one person who's, it's their bugbear and they are driving it, and they are the only one who's going to be happier, I will say, "Let's spend the money somewhere else, where we have a bigger impact, we will make more people happier," whether it's by making a greater profit, or returning better services to staff or customers.

So, that's a question I am always asking, can we spend that money better; can we invest it more wisely?"

The hotel manager of an independent three star hotel described the staff as stakeholders and noted how they contribute to environmental sustainability.

"...It is departmentally it's done. So, you know the chef is making sure that within his department that, you know, the oil is recycled, that it's not tipped down the sink or anything; that the rubbish is, you know food scraps etcetera go to one place, and all the empty milk bottles and juice bottles and all the plastics go into different bins, and then they go out into the comingled. Same in the bar, the restaurant bar manager has to make sure that they have got the two bins, one for all their empty bottles, one for general rubbish, so that we can keep them separated. Housekeeping manager looking after the things in the rooms, the toilet paper, the soaps, the shampoos, etcetera. So, each departmental manager is responsible for the policy within an implementation, or within their department."

When it comes to owners of hotels, especially in case of independent hotels, there can be multiple owners and hence it is a challenge for hotel management to deal with multiple owners who may all have different perspectives and directives for them. It can be seen from Figure 7.1 that staff can have significant influence on ESPPs. It is important to involve staff as they are

the front-line employees and deal with operational elements that can contribute to environmental sustainability. Hence educating them on the importance of this concept can provide an important framework for implementing environmentally sustainable practices successfully (Colicchia, Marchet, Melacini & Perotti, 2013).

The manager of an international chain affiliated hotel felt owners, guests and staff all had an equally valuable influence on ESPPs.

“...Because we firmly believe that they matter to all three of our key stakeholder groups. They matter to the ownership group, because it does often reduce costs, but not always, sometimes they push them up. We believe it matters to our guests, you know, they care, they want to stay with an organisation that has the same values as them, and that is socially responsible. And we know that it matters to our team members, because we surveyed them. In our annual team member survey one of the areas that rates the highest in this hotel, as well as the last hotel I was at, is that our team members’ care about the way the company treats the environment, and they care about the way the company treats the community, too. That comes out very, very strong. And we researched team member opinions on a whole range of things, from their compensation and benefits, to sustainable attitudes, to whatever else, and so this comes through stronger than a lot of areas as something that our team members care about. So, we believe that good team members care about the same things that we do, and they are aligned with our values. So, it’s important for us, because it does tick all of those boxes – it doesn’t tick one of the boxes, it ticks all of the boxes.”

Employee engagement with ESPPs was essential according to the manager of an international chain affiliated hotel in their role as stakeholders.

“...Is that as a people intensive industry, we employ a huge amount of people that expect that of us. So, if we do not do it then our employees will be less engaged, less enthusiastic, less inclined to work with us.”

“...Our employees expect us to do it, and when we demonstrate to them that they are happy that we don’t do it or if we are not genuine in certain things, then they hold us accountable.”

Following are the responses of the managers of various international chain affiliated hotels confirming that external stakeholders do have an influence on their ESPPs, but they themselves as managers are proactive in managing ESPPs.

“...They do. Of course, stakeholders do, but again, our program is pretty well advanced, so they are not pulling us along, we are pushing them along.”

“...We then have many corporate accounts, a number of global corporates and government accounts in particular, that demand as part of their RFP [request for proposal] require us to show evidence of our environmental performance. Just government procurement in general. If we want to do business with government, and what I am talking about them as an account, just like any other corporate account, we need to demonstrate our environmental credentials.”

“...If we can't, then we will be de-ranked (sic) in terms of contract. And it depends: no one influences it more than we do. So, we are ahead of where any stakeholder is.”

The following observation by the manager of an international chain affiliated hotel on involving the staff with environmental sustainability underscores the need for ongoing engagement and employee challenges.

“...One thing that I would underscore, that I think is very healthy, has been the requirement to have three ongoing projects, because what I have found is that typically we get toward the end of a project and everyone's going, “Oh God, what are we going to do next?” And it forces you to sit down and brainstorm and think how can we improve what we do? Whereas ordinarily we would have just patted ourselves on the back because we moved from 74% of recycled waste to 76% of recycled waste. But that's not enough, because we have got to have three projects, so it forces you to challenge your team, and find new ways to get better.”

Five of the eight hotel managers interviewed mentioned that they undertake ESPPs of their own accord as well.

7.3 Discussion of the Findings on Stakeholder Influence

Owners of hotels usually deal with the operational managers of hotels through senior management. Senior managers appear to pass directives received from owners and shareholders down to the managers of the hotel at an operational level. The managers of a hotel have multiple reporting lines including owners, corporate offices, guests and their expectations as well as staff. He or she has ultimate responsibility for the success of hotel operations and hence has a significant influence on ESPPs, albeit more on practices than on policy.

Owners influence the ESPPs of hotels, as they want to ensure resources utilised for ESPPs assist in making financial gains. There is a close link between owners influencing the ESPPs of hotels and improved financial returns. To better understand the influence of owners, shareholders, senior management and the corporate head office it is helpful to understand the ownership structure of the hotel industry for chain branded hotels. There are hotels that are franchisees where the owner and operator of the hotel has gained the right to affiliate themselves with a hotel brand, use the franchisor logos and have access to their channels of distribution and marketing. Even though the franchisor is not involved in managing the hotel, the owner of the franchise must ensure that minimum brand standards are met. In most chain affiliated hotels, the hotel chain manages the hotel for the owner with its own brand and for a management fee. A management company manages and operates a hotel with its own hotel brand (for example, Hilton and Hyatt), operational policies and procedures and that includes ESPPs. Another operational structure is where a party/operator leases a hotel from its owner and operates it as an independent hotel or offers it to a management company or becomes a franchisee. In this case, to introduce environmentally sustainable practices the lessee may have to deal with the owner of the hotel or the management company. Thus, the various complex ownership and operational structures of hotels, different categories of owners and shareholders

as stakeholders, can make it difficult to formulate and implement ESPPs. Understandably, owners and shareholders are the biggest influencers as stakeholders as their investment takes primary importance and other stakeholders have a secondary role in influencing the ESPPs of hotels (Crilly, 2011). As noted in the literature, organisations try to satisfy multiple and conflicting stakeholder interests and thus strategies of partial conformity to comply with pressures and influences from stakeholders may well be expected (McGehee et al., 2009).

The owners of a business largely determine the direction of the business, including the ESPPs, and hotel managers must act in the interest of the owners and shareholders. In independent hotels, owners can have a direct influence on hotel management (Haktanir, 2011). In hotels managed by a hotel management company, the owners and shareholders influence the management of the hotel through the corporate head office and the senior management team (O'Neill & Carlback, 2011).

Decision-makers such as hotel managers may be uncomfortable working directly with owner stakeholders because it could lead to a radical shift in operations and decision making processes, but this has to be maintained for better inputs and support to address issues of environmental sustainability (Chan & Wong, 2006; Macharis & Bernardini, 2015). There is an additional challenge for a hotel manager when dealing with senior hotel management and their corporate office. Owners and the corporate office see the operations of a hotel from a macro level whereas the hotel manager who is involved in the day to running of the hotel sees and manages the hotel on a more micro level. This includes interacting with another key stakeholder of a hotel, its guests. Owners of hotels influence and provide direction to a hotel manager by devising policies and this can include policies on environmental sustainability (Melissen, van Ginneken & Wood, 2016). Interests of the various stakeholders may be in conflict at times and

whenever there is a conflict, the influence of the most significant stakeholder prevails. The most important stakeholder for a business are its owners and shareholders and their motive for running a business is generally financial returns or profits, or returns on investment (Davis, 2014). If other stakeholders of the business can assist in meeting these objectives then they can work harmoniously for all stakeholders (Harrison & Wicks, 2013).

Implementing environmental sustainability in the hotel industry is a complex task due to the presence of many stakeholders with differing agendas and objectives. It is sometimes difficult to find a balance due to conflict between the standards and operating policies of a hotel or chain and the financial goals of the owners and shareholders (Xiao, O'Neill & Mattila, 2012). There is a need to educate and communicate to all hotel stakeholders the challenges posed by environmental degradation and why the hotel industry should do its part in minimising its impact. The hotel brand or chain may want to implement an energy efficient air conditioning system, but hotel owners may be unwilling to proceed if they decide that the present system is functioning sufficiently and there is no need to invest in what they perceive to be an unnecessary and expensive new system. A hotel owner may not recognise or be unwilling to recognise the fact that energy costs saved by the investment in a new and efficient air conditioner system will provide a return on the cost of the new system as well as making an added contribution to environmental sustainability. Educating the owners of hotels on how ESPPs can work to their financial advantage as well as that of the environment can lead to mutual benefits (Scanlon, 2007), although independent and lower rated hotels are more sensitive to this approach (Upadhyay, Pomponi, Vadam & Mohan, 2016).

7.3.1 *Legislation as a Factor Affecting ESPPs*

This section will discuss legislation as an influence on ESPPs. Only three out of eight interviewed managers named legislation as an influence on ESPPs. The following response from a manager of an international chain affiliated hotel on how legislation affects the implementation of ESPPs is telling.

“...OK. I guess the easiest, before it starts getting complicated, the easiest one is if it’s legislation, that’s easy, because we just wheel the legislation cart out and say, “Look, I am sorry, Mr Owner, or Mr Guest, or whoever you might be, this is the change in legislation, and that’s what we are going with.”.”

The following blunt observation by a manager on an international chain affiliated hotel on the question of legislation to manage environmental sustainability demonstrates how it can easily become politicised.

“... The government could very easily make a bigger impact, obviously, at the moment they are inclined not to. Most businesses seem to be happy to not have a carbon tax. The politicisation of it is the reason. It was owned by the Labor Party with Kevin Rudd [former Labor Prime Minister] and the carbon tax if you like. And the moment Turnbull [former Prime Minister from the Liberal Party] got rolled by Abbot [former Liberal Prime Minister] it became political and once something like that becomes political, 50% of the population wants it, 50% of the population does not. It does not matter what the issue is, once it becomes political, you have lost half the population: that is the issue. Now it does not actually matter who you vote for, the impact on the environment is the same, right? So, it is an absurd position and corporate should take a bigger leadership role. But it is not just hotels, it is all industry, we have all gone missing really. The important thing is that we are driving an agenda and each year that agenda gets bigger and expects more.”

There is no major legislation regulating the hospitality and tourism industry that may require hotel management to implement ESPPs. From the above response it can be ascertained that the major political parties (in Australia) have to work together in order to address the management of environmental sustainability. If the Australian government is committed, it may need to

introduce legislation to compel businesses including hotels to become more environmentally sustainable. The Australian government may refer to the Environment Protection and Biodiversity Conservation Act of 1999 in seeking a precedent, which provides a legal framework that covers important fauna, flora, places of heritage and ecological communities that are of national environmental significance. However, this act does not cover hotels and many tourism destinations in its scope. Another relevant act of significance is the Environmental Protection Act of 1997. Every state has its own version of this Commonwealth Act. The objective of this Act is to protect the environment by placing checks on pollution, advocating for clean production technology, adopting re-use and recycling of materials and initiating waste minimisation programs. The codes of these acts are quite basic and largely incorporated into the daily operations of a hotel. These acts in their present form approach environmental sustainability at a macro level. There is a need for legislation on environmental sustainability that is adhered to at a micro level to make a significant impact.

The current environmental regulations applicable to the hotel industry are mainly focused on waste and hazardous waste management, which are standard practices in hotel operations. There appears to be a growing need for new legislation that supports sustainability in the hotel industry amongst others. Being compliant with existing legislation does not seem adequate as it is not currently advancing the cause of environmental sustainability, at a time that environmental degradation is accelerating (Pink, 2010). An approach similar to extended producer responsibility (EPR) policy to manage waste would be a positive contribution to environmental sustainability. The concept of EPR was developed by the Organisation for Economic Co-operation and Development (OECD) to require the producers of goods to be responsible for the management of post-consumer waste and remove the primary onus from local municipalities (Hickle, 2014). This was developed to encourage manufacturers to produce

goods that result in more environmentally friendly post-consumer waste. A similar approach to encourage hotels to support sustainability would be to offer incentives to encourage them in this direction. One government initiative could be supporting the installation of biogas generators at the hotel property or hotels sending food waste to third-party bio renewable facilities. These practices can utilise to produce low emission energy and assist in reducing and reusing food waste. Further initiatives could entail integrating green specifications into hotel building codes and operating regulations (Hwang & Tan, 2012).

7.3.2 *Hotel Associations and ESPPs*

This section will discuss hotel associations as stakeholders and how they can support ESPPs. Hotel associations can play an important part and can be a key stakeholder in educating the hotel industry and its members on the importance of environmental sustainability and provide support to hotels that lack expertise in this area. None of the hotel managers interviewed in this research mentioned the industry body, the Australian Hotel Association (accommodation division) a stakeholder for influencing ESPPs.

The manager of an international chain affiliated hotel was not convinced that the Australian Hotel Association (accommodation division) makes much of a contribution to environmental sustainability.

“...As an industry there’s not a lot, to be honest. The industry does not lead very well on sustainability. Ad-hoc, piecemeal.”

A manager of an Australian chain affiliated hotel felt that hotel associations in Australia did not provide strong leadership on wider issues such as environmental sustainability.

“...No, the focus was on what was going on around town. It was a bit of a, I found it was a bit of a very loose association. They got together once a month for drinks and canapés and sort of enjoyed that. But apart from that, they really weren't.”

The manager of an independent four star hotel on the subject of hotel associations was also less than enthusiastic.

“...But I do not think they do. I don't think they do.”

Demonstrating leadership on environmental sustainability has been a missed opportunity for hotel associations, according to the manager of an international chain affiliated hotel.

“... an excellent area of opportunity, because I think there are varying degrees in our very fragmented industry of commitment to this important area. It would be great to see some industry benchmarks, which were endorsed by, say the Australian Hotels Association, or Tourism Accommodation Australia, where members undertake or commit to observing practices, and they could not be punitive, they would have to start off moderately, and then be slowly increased. But I think there are certainly areas which would not be difficult for hotels.”

It appears from the responses of these hotel managers that hotel associations can be an important stakeholder in guiding environmental sustainability in the hotel industry in Australia. The main hotel association in Australia is active with hotels but tends to operate with a focus on commercial activities. The major role of hotel associations is to progress the interests of its members and the industry in general and can provide a catalyst for developing standards or a certification program to lead the industry forward in terms of environmental sustainability (Peiró-Signes, Verma, Mondéjar-Jiménez & Vargas-Vargas, 2014). As a peak body, the hotel association is well placed to understand hotel operations and can assist the hotel industry to contribute to sustainability by developing a hotel industry focused environmentally sustainable certification program. Hotel associations are an important stakeholder of the hotel industry and

can play a major role in driving environmental sustainability certification programs in it. Environmental certification gives an indication to guests and consumers that a hotel is environmentally conscious (Geerts, 2014). Hotel associations can assist in framing a certification program tailored to the needs of the industry. Hotel associations can then assume the role of the awarding body for the certification program and issue an Eco label. A peak body awarding certification gives assurance to both consumers and the industry in general. A key objective of the hotel association can be to develop a sustainable hotel industry for Australia and drive the adoption of green practices, technologies, design practices and operations of green hotels. Independent hotels, in particular, could benefit from such initiative by hotel associations in Australia.

7.4 Findings and Discussion of Environmentally Sustainable Policies and Practices in the Future

This section will explore the findings and discuss the responses of hotel managers to the following research question: *“What environmental sustainability policies and practices are planned to be implemented by the hotel industry in the future in the context of projected growth in the hotel industry in Australia?”*

The responses of the hotel managers to the above question are presented in Figure 7.2 below.

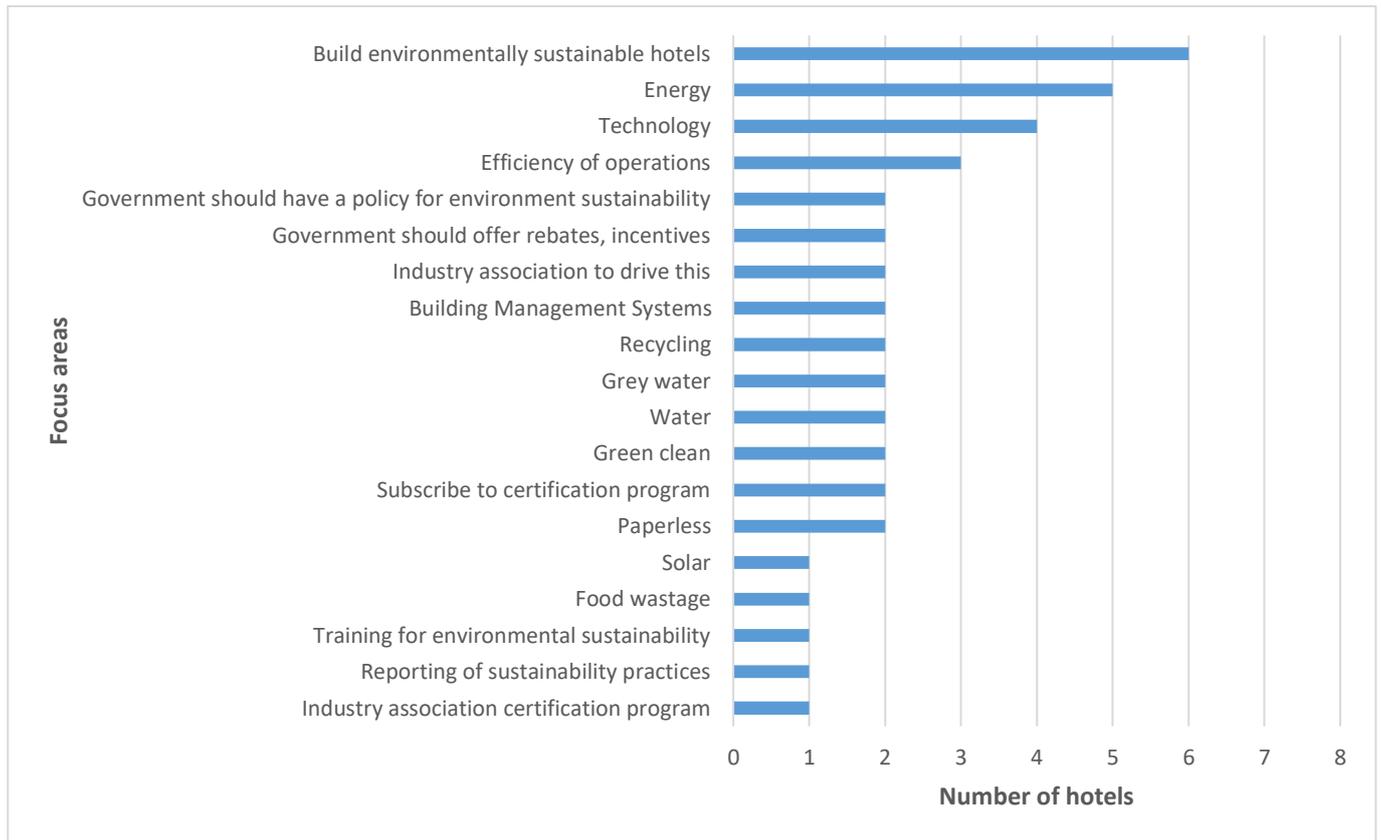


FIGURE 7.2 – MAJOR FOCUS AREAS FOR FUTURE ENVIRONMENTALLY SUSTAINABLE PRACTICES

Most of the future areas of focus for sustainable practices listed in Figure 7.2, such as water management, energy and recycling have been utilised in the hotel industry for some time and hotels are likely to continue this focus going forward. These responses from interviewees demonstrate that there needs to be more innovative approaches taken if the hotel industry is to make a significant contribution to environmental sustainability. One of the reasons it appears that hotel managers interviewed do not mention new and innovative future initiatives and approaches, is because they are not involved in formulating policy on environmental sustainability.

It can be observed from the table above that six out of the eight managers interviewed mentioned building environmentally sustainable hotels from the ground up or as a greenfield project as a recommended initiative.

A manager of an international chain affiliated hotel reflected on future approaches that the industry could take and felt that environmentally sustainable building initiatives were key.

“...It’s a hard question. Guess the best thing that we can do as a global company, is make sure that we are looking across the horizon and we are helping investors and owners build hotels from the ground up that are much more environmentally responsible. It is much easier to do that if the hotel is built for purpose rather than try and retrofit stuff, you get a better outcome. And you think of the environmental impact on construction, it is massive. So, that’s probably the biggest thing that we can do is lower impacting hotels that build from the ground up.”

A manager of another international chain affiliated hotel reiterated the importance of building such approaches to environmental sustainability into new buildings.

“...Going forward, when a new hotel is built, maybe they should build all this sustainability stuff into the hotel. Well I think that they definitely should, but I think that operating hotels should be, you know, more accountable for what they do, because these are areas of waste.”

The manager of an independent four star hotel, the most awarded hotel in Australia when it comes to environmental sustainability, also felt that there were significant ways that hotel design could support environmental sustainability.

“...But I firmly believe, on the basis of the success of what we are seeing here, and we have probably gone past this point, so we can still achieve it, a hotel that is built, is designed, obviously looks environmentally sustainable, is covered in external green walls, does have solar panels on the roof, or even something a bit more exciting like veranda covers or external balcony covers that are also photovoltaic, to create energy. So really smart, innovative design. A bit of a building cost.”

The manager of an independent two star hotel, who appeared by the end of interview to understand the need for ESPPs but was uncertain as to how to approach them, felt that building environmentally sustainable elements into hotel buildings was important.

“...is we need to start doing it; we need to take, obviously, environmental practices quite seriously. With all the new homes that get built now, they all have to have water tanks, they all have to have grey water, and I think, if we can use grey water for the toilets and things like that, then that would be of benefit. How, logistically, that can be done I am not sure, but definitely grey water could be used for flushing of the toilets and things like that. Any water saving, you know, look at the drought that we had, and everyone was on water restrictions, so having the three-minute showers and things like that, it would be great to have something like that, but obviously you can't tell a guest that the shower only works for three minutes, because that doesn't work. It is hard with the hotels, because at home you can make a general, conscious effort to have minimal showers, only use as less water as possible, but hotels, guests don't care, they come in, they will run their shower for half an hour.”

Other than discussion on building sustainable hotels from the ground up, it appears that little philosophical thought has gone into sustainable initiatives that can be implemented in the future. Four hotel managers mentioned that technology should be used to make hotels more sustainable in the future; however, despite thought being given to building design, it appears that hotel management are subject to directives from the stakeholders, i.e. owners, senior management and corporate offices for future environmentally sustainable initiatives. Individual hotel managers are generally not formulating policies on environmental sustainability and the policies they implement are passed down from the corporate office of international hotel companies and senior management. Thus formulating policy is not in the hotel manager's sphere of responsibility, and therefore little thought seems to be given at the hotel level to future environmental sustainability plans (Roxas & Coetzer, 2012).

The response of the manager of an independent three star hotel on future areas of focus for environmental sustainability initiatives further referred to the value of building these initiatives in to a building from the ground up.

“...I think again a lot of it comes down to the base architecture, putting together properties that are built efficiently from the ground up; tools, like building management systems that enable you to see immediately where, you know, on one computer screen, you can look and see where the air conditioning is on, where it isn't on, what rooms are drawing power, etcetera. We have nothing like that, a 35-year-old building.”

Two managers of two different Australian chain affiliated hotels further concurred with this approach to environmental sustainability in the future.

“...No, it is something I think we are concentrating on a lot more, but it is a slow burn, a really slow burn. I would like to do a lot more. I would like to eliminate one thing hotels use a lot of, is paper. Paper everywhere. We print out folios, we print out reg [registration] cards, we send notes up to rooms. If I was building a hotel tomorrow, it would be set up so that all your notes go onto TVs; all your menus are on TVs. You sign in via an iPad. Everything is electronic. More of a setup cost, but you will easily make that money back.”

“...Have a look at this building here. It is an old office building. Its 30 years old. It is not environmentally sustainable at all, in any way, and it is hard to change that now. So, we just have to make sure that the new buildings that come in, whether its solar panels, whether it is AC, the irrigation systems, gardens on the balconies and in the roofs and that sort of stuff. So, I think there needs to be a massive focus on that, as these new hotels build a lot more self-sustainable.”

A manager of an international chain affiliated hotel felt that future areas of environmental sustainability focus would need to address existing hotel infrastructure.

“...In terms of general policy direction, but in terms of a specific action, maybe. Maybe they will come across something that is more energy efficient and they will draw up that, potentially. Energy efficiency is a challenge because that is where the big CAPEX [capital expenditure] is. So, you look at elevators, really hungry in terms of energy usage, particularly the older hotels, 30 or 40-year-old

hotels have very energy inefficient elevators. Whereas new hotels, the owners, when they are building hotels, they typically want to invest in stuff that is energy efficient, for obvious reasons, it is cheaper, they want to invest in green rated buildings and those kinds of things. The challenge is more when you want to retro fit or upgrade and that is hard; and we don't always win the argument on saying, well you need to invest \$500,000 in upgrading the lifts, because it's going to be cheaper \$20,000 a year on electricity. That is a hard argument to make. But we might not win that argument or win an argument on another area. So, the net impact overall is showing improvement."

Meanwhile, another manager of an international chain affiliated hotel also reiterated the need for infrastructure initiatives in the future.

"...So, you feel maybe going forward, when a new hotel is built, maybe they should build all this sustainability stuff into the hotel."

The manager of an independent four star hotel argued that government policy on environmental sustainability could offer more incentives to business.

"...There's probably not the incentives or the programs that are suitable for us. There is a number of incentives and programs and so forth. Solar rebates, we can't access because of our position that is unique to us. And we are not alone in that area. But there could be more. From that perspective, as people, we always say governments should do more. The government should give me more money; the government should tax me less. Everyone says this. And as a business, we would say the same thing. Yeah, we would like someone else to do more for us, if they can. Where does that resource come from? Where does that cash come from? It's got to come from somewhere."

However, the manager of an Australian chain affiliated hotel was succinct in summarising the cost involved in making changes to hotel infrastructure.

"...It's a very expensive thing to try and change some of these buildings into sustainable ones."

The reason that six out of the eight hotel managers interviewed highlighted building environmentally sustainable hotels is because it is easier to build an environmentally sustainable building ground up rather than trying to incorporate environmentally sustainable features into an existing hotel. It not only saves on operational costs but also does not affect day-to-day operations that may affect the stay of a guest at the hotel.

A manager of an international chain affiliated hotel felt that managing environmental sustainability in the future would be far easier in relatively new properties compared to ones that struggled with older infrastructure.

“...Well, I think that they definitely should, but I think that operating hotels should be, you know, more accountable for what they do, think there should be, you know, a lot more reporting about what we do, and it should be public. You know, if organisations are not making enough effort that should be evident. But of course, that is difficult, too, isn't it, because it is easy for me to say that in a seven-year-old hotel, what about my colleague in a 30-year-old hotel, who clearly does not have the same type of infrastructure, the chillers are less efficient, the taps or plumbing is less efficient, so the taps are not water saving taps. All of our taps and showers are water saving taps and showers, so we are going to have less water consumption than a hotel down the road that does not have that. And they might have an ownership group that just simply does not care. So, but you know, maybe the ownership group would be made aware of.”

The hotel building itself has a major impact on environmental sustainability in its use of energy and water. There was consensus among the hotel management interviewed that planning and building a sustainable hotel from the ground up is a better approach to making a major contribution to environmental sustainability than a bit by bit approach within an existing operating hotel. The latter can still make a valuable contribution to sustainability in a complex dichotomy of hosting guests in day-to-day operations and trying to contribute to sustainability, as these two concepts do not necessarily go hand-in-hand in the hotel industry. Future approaches towards sustainability in hotels should be able to contribute to the comfort of guests

as well as environmental sustainability. Hotel buildings of the future should be designed, built and operated in an environmentally sustainable manner to make a major contribution to environmental sustainability (Akadiri, Chinyio & Olomolaiye, 2012). A new purpose built environmentally sustainable hotel should be energy and resource efficient, reduce GHG and CO₂ emissions, mitigate noise pollution, have improved indoor air quality and prevent pollution (John, Clements-Croome & Jeronimidis, 2005); with the objective of conserving resources, reducing pollution and emissions, operating cost efficiently and being designed to adapt to guests and their comfort. If this approach is presented to owners and shareholders, the major stakeholders influencing ESPPs, then there is a likelihood that they will support this concept as it serves both the hotel bottom line and their guests, the main contributors to the bottom line.

Buildings, especially older varieties, are large consumers of energy used for lighting, ventilation systems, cooling and heating. In hotels, cooling and heating, depending on the time of the year, is required for 24 hours a day. Technology can assist with environmentally sustainable practices in hotels. These systems can adjust the temperature within the hotel based on the outside atmospheric temperature to ensure guest comfort. By utilising technology in the form of a building management system, a holistic approach can be undertaken to reduce the consumption of energy; maximising cost savings, ensuring guest comfort and contributing to environmental sustainability. This holistic approach will benefit all major stakeholders i.e. hotel management, guests, owners and shareholders and the environment. An Australian chain affiliated hotel manager felt that a holistic approach to environmental sustainability was beneficial to all concerned.

“...Well, we keep on making happen whatever can save the environment and also save money to the hotel, they are very, very supportive and yeah, I don't think there will be a problem. Everyone who will be there will try to save money

and also save the environment. So, from the guest's point of view through to the managers and to the owners, it's the same thing, they are all very helpful and they enjoy saving money and at the same time saving the environment and look after the guests as well."

Only one manager, of an Australian chain affiliated hotel, spoke in detail about how technology can assist in environmental sustainability through the appropriate use of a property management system or building management system.

"...building management system (BMS), which you can program even in your house, you can do the adjustment of the temperature, you can program all the operation of equipment, you can change – you are very flexible - let's say the ambient temperature outside is low, you can save energy by adjusting the chiller settings, they chilled water temperature. If it is heating same thing, you can adjust whatever you want to save, gas and everything, without affecting the comfort of the guests. As well as water, everything is done without affecting the guests, this is the main thing. All the guest satisfaction in there. Every room has an occupancy module, when they left the room after ten minutes the air-conditioning shuts down, there is no air-conditioning there, there is no light, and when they come back, especially during summer and winter, it's a bit cold, and when you explain to the guest it's to save the environment, we are saving and at the same time save the environment, and they are very cooperative as well, they understand and it's not an issue."

Managers of hotels interviewed for this research are mindful of the potential benefits of ESPPs, but they need to consider the mutual benefits for the environment and the bottom line. There was no mention by hotel managers in the interviews of planned future areas of focus such as utilising Leadership in Energy and Environmental Design (LEED), an extensively utilised rating system for buildings worldwide that has been developed by United States Green Building Council (USGBC). There was no mention of National Australian Built Environment Rating Systems (NABERS), a rating system that measures the environmental performance of buildings in Australia. Following the NABERS rating system can assist hotels to enhance the productivity and the efficiency of their operations. Technology such as using occupancy sensors, which turn off and on lighting, cooling and heating based on the presence of a guest

in a room can all contribute significantly to saving energy costs. A surprising omission in interview responses was that of involving guests and staff (Figure 7.2) more prominently in planning future environmental sustainability initiatives, as they are two significant stakeholders influencing ESPPs.

Re-use of bed linen and bathroom towels took many years to become a common and best practice initiative. While the industry waits to build sustainable hotels from the ground up, there needs to be an acceleration of new innovative initiatives that can become best practices in terms of furthering the environmental sustainability agenda. Without any formal environmental sustainability guidelines for the hotel industry to draw on, any operator can currently label themselves eco-friendly with minimal effort, without encountering legal issues or accusations of false marketing as this terminology is legally meaningless (Parguel, Benoît-Moreau & Larceneux, 2011).

Another area that was not discussed extensively by hotel managers in the research sample was management of food waste. A valuable link between social and environmental sustainability could be demonstrated if surplus food is redistributed to people in need. One reason this initiative is not a focus in the industry is because of strict food safety laws that need to be adhered to in redistributing waste food, which may require additional resources of time and manpower, two resources in short supply in the context of hotel operations.

A reduction in bureaucracy in food safety laws will be required to utilise surplus food for social sustainability and this can also assist in contributing to environmental sustainability. The development of further initiatives that go past simple sustainability initiatives of hanging up a towel or a green clean are required to embark on more innovative and sophisticated strategies.

Hotel owners and investors should take a long-term view when they invest in sustainability in hotels, as there is already a broad understanding in the hotel industry of the benefits to be achieved from cost saving measures via lower usage of gas, electricity and water if an investment is made in sustainability practices.

One of the key future areas of focus mentioned by managers in interviews is electricity and energy. The cost of energy and electricity makes up to six percent of the operating cost of a hotel's operations and may account for 60% of the hotel's CO₂ emission. These costs are expected to increase by 25 to 30% over the next decade due to the growth and demands of electronic equipment in hotels (Upadhyay et al., 2016). Air conditioning, hot water and heating represents around 70% of a hotel's energy consumption (Upadhyay et al., 2016). Some factors that influence the cost of energy and electricity for a hotel are the layout of the building, the size of public areas, the size of rooms and characteristics of the building that affect heating, air conditioning and hot water consumption. To change these piece by piece for better sustainability outcomes is often not financially feasible for a hotel, hotel owners and hotel management, but it may also severely affect hotel operations. Hence, hotel managers as stakeholders largely suggest building an environmentally friendly hotel ground up as the most practical future environmentally sustainability initiative.

7.4.1 Why Implement ESPPs in the Future?

One of the last questions asked during the interviews with hotel management was why they may want to implement ESPPs in the future. Figure 7.3 lists the answers and reasons why hotels intend to implement ESPPs in the future.

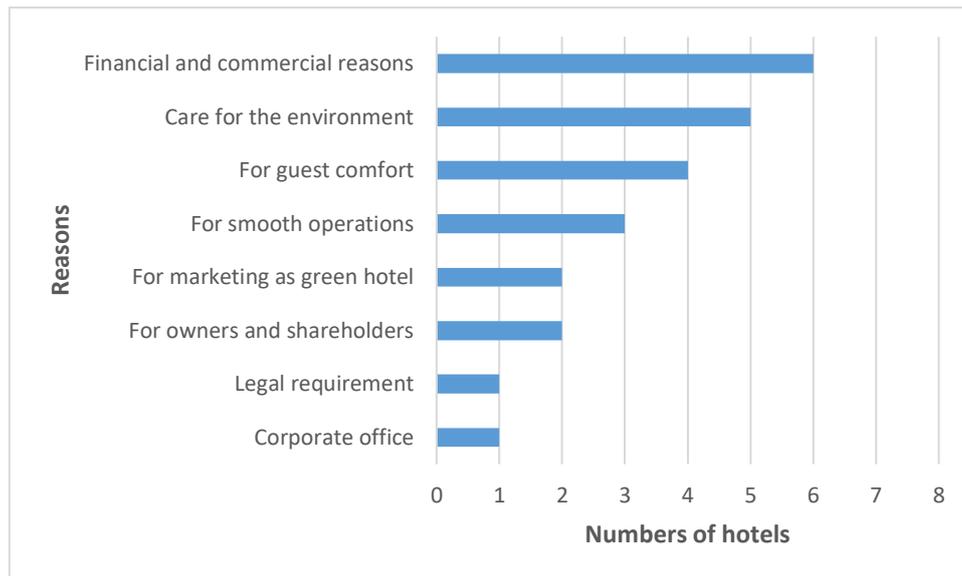


FIGURE 7.3 – WHY IMPLEMENT ESPPS IN THE FUTURE?

It can be seen in Figure 7.3 that the major reasons for implementing ESPPs in the future are for financial and commercial reasons, environmental awareness, guest comfort and to contribute to efficient hotel operations. Responses from managers of the hotels in the research sample to the research question varied.

The manager of an independent two star hotel that does not have formal policy on environmental sustainability felt that it would have a double-headed effect.

“...So, you think you will have the double, you will have the marketing and maybe save a bit as well?”

The manager of an Australian chain affiliated hotel that does not have formal policy on environmental sustainability felt that environmental sustainability and cost savings going hand in hand would ensure such initiatives were embraced well into the future.

“...Well, we keep on making happen whatever we can to save the environment and also save money for the hotel, they are very, very supportive and yeah, I don’t think there will be a problem. Everyone who will be there will try to save

money and also save the environment. So, from the guests' point of view through to the managers and to the owners, it's the same thing, they are all very helpful and they enjoy saving money and at the same time saving the environment, and the guests as well."

The savings generated by ESPPs were a prime reason for many hotels to continue their focus on such initiatives into the future, according to the manager of an Australian chain affiliated hotel that does not have a formal policy on environmental sustainability.

"...I reckon nowadays, because everything is expensive, especially the electricity, the gas and water, I think every hotel must think about how to make everything... how to make savings and to get all the best equipment that can save energy, save gas, save water and I think everyone's already in that trend, even the guests now believes that this should happen to save the environment, so I don't think, in my opinion, everyone is doing the same thing now."

Indeed, environmental sustainability initiatives are an ongoing focus according to the manager of an Australian chain affiliated hotel that does not have formal policy on environmental sustainability.

"...Well, when they improve their profit and everything, I think everyone will be, even the owner or any general manager or whatever, financial control, they will be very happy to do it. Yeah, everyone is thinking about now how to save energy and everything without affecting the guests comfort. This is the main thing, like in our group, everything we are doing is to make profit and as well to improve the comfort of the guests and yeah, it's no real issue, it's like our trend now. It's very helpful to everyone, to the owner and to the guest as well, because we brought new equipment and everything and we maintain it very well, so it will save energy and no breakdown as well, so yeah, it's helping."

The manager of an independent four star hotel that has a formal policy on environmental sustainability is realistic about the challenges of attracting industry wide backing for such initiatives, particularly outside of larger cities.

“...I think it would be very successful. It would be unique; I think it would be interesting; it would be financially sustainable in the long term. It is fairly large, but it is a matter of looking at it differently and saying let us take away the glitz and the glamour. Let us turn the gimmick into something that is a little bit more realistic. I think there is great, but you could not retro fit that, you would have to start fresh. But I think if you went out, here is an environmentally sustainable hotel, in your face, here it is. If you want sustainability, this is it. If you do not want sustainable, you know what? We actually do not want you as a guest; we are for the greenies - full stop. I think that would be a successful business in a large city. Maybe not in a very small city, because of the market. But a city the size of Melbourne, Sydney, any world class city, there's enough space, there's enough interest for something like that.”

The manager of an international chain affiliated hotel that has a formal policy on environmental sustainability made an interesting observation, drawing parallels with environmentally sustainable initiatives and community engagement, arguing that both were similar if not the same entities.

“...I mentioned a few times that environmental and community, we really wrap the whole thing up as one piece. So, we do not really see it as environmental being different than a community engagement. We see that the community is the environment and vice versa.”

The community element of environmental sustainability was also observed by the manager of an international chain affiliated hotel that has a formal policy on environmental sustainability, noting that their property measured and shared the results of their initiatives with other hotels within the affiliation.

“...We have to report it on every month. So, there's that old saying, what gets measured gets done, you know, so because we have to report on it and it feeds into a report that goes back to Hong Kong, we are conscious of improving our results all the time. So, we want to beat Sydney, we want to beat Auckland, Auckland lead the way at the moment, they are very good performers. So, there's this healthy competition to be the greener hotel.”

The researcher sensed as the interviews progressed that hotel managers gained a better understanding of the benefits of going green. Financial and commercial reasons were cited most frequently within the hotel manager sample as the major reason for promoting ESPPs in the future. With ESPPs, there lies an opportunity to make hotel operations more efficient, reduce operating costs, gain a reduction in energy costs, develop further marketing strategies, gain new market segments and project responsible corporate citizenship. All of these should contribute to increased profits, the leading objective of a business. There was frequent mention of environmental awareness as another major reason for hotels supporting ESPPs, even if they did not have a formal policy on environmental sustainability. As this was one of the last questions asked in the interviews the researcher feels that hotel managers by the end of the interview had gained a better understanding of the concept of environmental sustainability and better understood its significance and hence mentioned it as an important reason for future sustainability initiatives and practices. An overall concern for the environment seemed to be lacking at the start of the interviews. It can therefore be reasoned that an important start to furthering support for ESPPs is educating the hotel industry on the concept of environmental sustainability, the benefits of these policies and practices and how this contribution to the environment may assist the business to achieve its primary goal of commercial and economic gains (Epstein & Buhovac, 2014).

7.5 Educate Stakeholders to Work Together on Environmental Sustainability

It is highly likely that in a world much consumed with the debate over climate change and the closely related issue of environmental sustainability that stakeholders keep abreast of these as a focus area of national governments and international agencies. Hotels can build on the information stakeholders already have through education and a hotel manager can play a significant part in facilitating this. The importance of educating customers on a hotel's

environmental sustainability initiatives and how they can also contribute to them during their stay will assist in promoting the benefits of these alongside stakeholders including owners, staff and shareholders (Dolnicar et al., 2019). This will assist in reconciling the commercial and the social perspectives that can be achieved through having a formal policy on environmental sustainability.

This researcher is willing to approach and work with the Hotels Association of Australia to assist in educating the hotel industry on the importance and benefits of environmental sustainability. Engaging all stakeholders of the hotel industry on environmental sustainability is challenging as the concept of environmental sustainability is complex and all stakeholders have diverse attitudes to it. This research has found that some stakeholders are recognised to be more important than others who are perceived to have less value or importance and whose absence from the decision-making process may result in their inability to contribute equally. There is a need to have a systematic approach to engaging all stakeholders and a hotel manager appears to be the logical party to drive this. A hotel manager is also best placed to understand the varied perspectives of all hotel stakeholders and hence ESPPs should be coordinated and formulated by the manager of a hotel. Hotel managers leading the creation of the policy in consultation with all stakeholders will enable the implementation of sustainable practices as a result of a better understanding of all stakeholders and their objectives. Hotel managers can in turn be guided by hotel associations and peak bodies. Hotel associations, a key stakeholder, are best placed to understand the hotel industry and are well positioned to take a leadership role in educating the hotels industry. Hotel associations can play an important part in educating the hotel industry and its members on the importance of environmental sustainability and how to manage and involve all stakeholders of the hotel, but it appears that this is not yet a priority for them. These associations are best placed to understand hotel operations and are well positioned

to formulate hotel industry focused certification programs that contribute to sustainability and raise awareness of the concept.

Hotel managers can educate stakeholders of the marketing advantages and benefits that result from a firm and public commitment to ESPPs, while also demonstrating tangible profit results from the implementation of these policies. Environmentally sustainable practices can result in more efficient operations, with this in turn assisting to conserve hotel resources reducing costs by limiting the use of energy and water, significant costs that can potentially result in higher margins (González-Rodríguez et al., 2019).

An undertaking to educate and align all stakeholders requires a formal written policy to create vision and value and support procedures developed by hotel managers in consultation with all stakeholders of the business. This will create a clear strategy for all stakeholders and to understand what is required to make a real and valuable contribution to environmental sustainability. This will also show that the hotel is striving to make a difference. A written policy on environment sustainability and embedding it in the culture of the hotel organisation will reflect its values. As education and guidance principles of a hotel organisation, these will demonstrate an ongoing commitment to environmental sustainability through formal policies and procedures. Correctly implemented and supported, these will strengthen the resolve of stakeholders to work together in supporting and contributing to environmental sustainability. Such guidelines for these policies will also assist in training and guiding employees and further assist them to embrace them. It can also strengthen the business relationship between all stakeholders. This researcher is willing to approach and work with the Hotels Association of Australia to assist in formulating a hotel industry focused certification program. Hotel associations can work with hotels to collectively develop more innovative initiatives such as

vocationally based training and certification on environmental sustainability for future implementation. Guests are one of the most important stakeholders of a hotel as the prime focus of the services that a hotel provides. Sharing with customers a hotel's environmental sustainability values through hotel websites and in-hotel and in-room information offers advantages in being able to educate them on why a hotel has chosen to take such initiatives in a one to one setting. Such endeavours not only can build rapport with guests who are more likely to share environmentally sustainable values if they understand the reasons for them, but can also be effective in building a strong base of guests who are return visitors because they share the aforementioned values (Chen, 2019).

A formal written policy on environmental sustainability can be an effective communication tool for educating and aligning stakeholders on environmental sustainability as policies can be seen by all stakeholder as not only part of a business strategy but also a framework for decision making and to provide a concrete evidence of commitment and intended practices. Implementation of ad hoc sustainable practices is not sufficient to ensure stakeholders work together and to educate them on the value of contributing to environmental sustainability, whereas formal policies can assist in clarifying the purpose and ambitions of the organisation.

7.6 Conclusion

The general public and stakeholders are aware of and have been exposed to environmental issues for a significant period of time and with that increased knowledge comes the need to adapt environmental management practices (Tang et al., 2014). Stakeholder theory views both internal and external stakeholders as an important element that influence organisations to adapt environmental management policies and practices, and this includes hotels (Neubaum, Dibrell

& Craig, 2012; Tang et al., 2014). Globalisation and improved communication technology have caused a drift from traditional owner and shareholders hierarchies of power and control to an era in which other stakeholders are increasingly playing an important role (Freeman, 2010; Werther & Chandler, 2006). Stakeholders are acknowledged as having significant influence on company decisions and performance (Amran, Zain, Sulaiman, Sarker & Ooi, 2013). It is important to consider that the behaviour of an organisation is subject to diverse parties residing within its environment (Tang et al., 2014), and without the support of stakeholders, the organisation will struggle to implement such strategies and initiatives (Cummings & Patel, 2009; Eljido-Ten, 2007; Tang et al., 2014).

Amongst all hotel stakeholders, hotels themselves and more so hotel chains are best placed to engage with and implement environmental sustainability policies and practices due to their organisational scale; specifically, their training and operational resources. The major stakeholders that influence the ESPPs of hotels are owners and shareholders, head office/corporate office/senior managers and guests of the hotels. The owners and shareholders have the biggest influence on the policies and practices due to their financial interest in the hotel, and the business' profit objectives. Hotel managers themselves also have some influence on the ESPPs. As environmental problems are increasingly recognised as persistent, global, and directly connected to a wide range of human stakeholders, businesses adopting stakeholder management initiatives will need to view the non-human stakeholder - the natural environment - as the most important organisational stakeholder. The major reasons for implementing ESPPs in the future are for financial and commercial reasons, environmental awareness, guest comfort and to benefit hotel operations. Unsurprisingly hotels are seeking to implement sustainability practices in the future to meet their commercial and economic goals, with other environmentally sustainable objectives and outcomes a secondary consideration (Wilson &

Post, 2013). Hotel associations can play an important part in educating the hotel industry and its members on the importance of environmental sustainability, but it appears that this is not yet a priority for them. Hotel associations best understand hotel operations and are well positioned to formulate hotel industry focused certification programs to assist the hotel industry contribute to sustainability and raise awareness of this concept. There is currently not any major legislation that may empower hotel management to implement ESPPs in Australia.

Focusing on sustainable practices in the future, other than discussions on building sustainable hotels ground up, it appears that not much consideration has been given to other innovative sustainability practices that can be implemented. The research sample interviews give the impression that environmental sustainability processes and strategies focus on wider industry objectives, but they are conspicuously fragile at the micro or hotel level. Since hotel managers are not formulating policies on environmental sustainability at an individual hotel level and such policy is coming from the corporate office of the international hotel companies, not much thought appears to have gone into these plans at a hotel level.

Most of the future areas of focus of sustainable practices listed in Figure 7.2, such as water management, energy and recycling, have been utilised for some time and hotels will want to continue to focus on them going forward. These responses demonstrate that there needs to be more innovative approaches if the hotel industry wants to make a significant contribution to environmental sustainability.

Sustainability practices of the future should lead to increases in productivity at an operations level, greater employee satisfaction, improved guest satisfaction with the product and services of the hotel, while also providing them with best value. These practices should also eliminate

and minimise emissions, waste and pollution, while reducing use of energy and resources, and minimising water use. The ultimate objective should be delivering products and services that build long-term relationships with guests, as well as focusing on building them with all stakeholders. This approach can lead to enhanced competitiveness for the hotel, increased profitability, guest satisfaction with the hotel and its services, as well as contributing to the environment. This collaborative approach will successfully engage all stakeholders while delivering environmentally sustainable outcomes. Strong collaboration amongst stakeholders is required going forward to achieve environmental sustainability (Epstein & Buhovac, 2014).

Chapter 8: Conclusion, Limitations and Further Research

8.1 Introduction

The purpose of this chapter is to revisit the research questions of this study, summarise the findings of the research and discuss the findings in relation to the literature. The chapter further reflects on the practical and theoretical contribution of the research, its limitations and possibilities for future research in the area of environmental sustainability in the hotel industry. As the managers of the hotel are the ones that implement ESPPs, the focus of this research has been on the Australian hotel industry and its managers' perspective on ESPPs and the influence of the stakeholders.

8.2 Aims of this Research and the Research Questions

The aim of the research was to examine the implementation of ESPPs in the Australian hotel industry from hotel managers' perspectives and the influence of the various stakeholders on their decisions.

This study set out to find answers to the following research questions:

1. Does the Australian hotel industry develop and implement environmentally sustainable policies and practices?
2. What are the drivers and barriers in the implementation of environmentally sustainable policies and practices?
3. Do stakeholders play a role in shaping these policies and practices?

4. What environmental sustainability policies and practices are planned to be implemented by the hotel industry in the future in the context of projected growth in the hotel industry in Australia?

8.3 Overview of the Study

This study has found that overall independent and Australian chain affiliated hotels investigated in this study do not have formal environmental policies, either at the corporate or property level. This is in contrast to international chain affiliated hotels, which do have formal policies on environmental sustainability, albeit ones developed and formulated overseas at a corporate level for individual hotels in Australia to be implemented. These international hotel chains are publicly limited companies and listed on foreign stock exchanges. One reason they have a formal environmentally sustainable policy and disclose it on their corporate websites is that it is a legal requirement for a public limited company to do so (Gao, 2011; Rowbottom & Lymer, 2009). There was no mention in the one-on-one interviews conducted with hotel managers in this study of stakeholders in their property being consulted in formulating policy on environmental sustainability. Involving and engaging the hotel stakeholders in formulating policy on environmental sustainability can assist in obtaining support and understanding of this cause. This could be a key in implementing environmentally sustainable initiatives.

However, environmentally sustainable practices are implemented by all hotels that are subject of this study, even though some did not have formal policies on sustainability. Overall managers believe that environmentally sustainable practices can result in operations that are more efficient and this in turn assists with saving and conserving resources, reducing costs and limiting the use of energy and water, which can result in higher profitability. This achieves commercial outcomes for the business through increased profit and the impression it gives to

stakeholders as a responsible business (Orlitzky et al., 2011). There is evidence that stakeholders influence the implementation of environmentally sustainable practices. This research has found that key stakeholders are shareholders, owners and managers of hotels and these hotel properties embark on environmentally sustainable practices on an economic and financial basis and make use of the ancillary benefits of these practices to demonstrate that they are environmentally friendly rather than vice versa.

The analysis of the websites of hotels for the first stage of this research highlighted that chain affiliated and larger hotels exhibit greater levels of commitment to environmental sustainability, primarily as they have more resources and information to share as a result of their affiliation. In addition, the size of the hotel plays an important part in an organisation's environmental activities, with management of environmental sustainability activities directly proportional to the size of the hotel and its chain affiliation.

Large chain hotel companies featured more revealing environmental information on their websites than that of smaller chain hotels. This potentially indicates the environmental commitment and engagement of these hotels. This research revealed that most chain affiliated hotels in the lower star category and most independent hotels do not utilise the websites to provide information on environmental sustainability.

The major focus areas of environmental sustainability practices are recycling, electricity, water management, waste management, green clean and energy. All of these focus areas appear to be relatively easy implement in the day-to-day operations of a hotel without significant capital investment. Initiatives that require capital investment or may affect the comfort of guests were not prevalent, such as guest and staff education and grey water management. One popular focus

is being green clean, which is advising guests that if they do not require a change of bed linen or bathroom linen, they can simply indicate that; and it will be left for re-use. There did not seem to be a major focus on other practices that could assist in environmental sustainability such as guest education, food wastage minimisation and implementing the use of grey water. Engaging stakeholders can assist in receiving and sharing new innovative ideas and obtaining support for implementing environmentally sustainable initiatives swiftly. For hotel management, by understating the expectations, interests, motivations, needs and wants of the stakeholders can be a good approach to engaging them.

Hotels will undertake environmentally sustainable practices only if they do not adversely affect guests. Guest comfort and their wellbeing consistently take precedence over sustainability. The challenge for hoteliers is to develop and implement ESPPs without compromising service, the product, and consumers' perception of a quality experience. Implementing such policies and practices clearly require innovation by hoteliers and the co-operation of consumers. Hotel managers fear that they may risk losing guests if there is a perceived reduction in product and service quality if they provide environmentally friendly products and services, especially those involving reduced water and energy consumption (Rahman et al., 2012).

The major barriers to environmental sustainability are time, financial considerations, resources, hotel owners and shareholders, and guests. The major barriers to not effecting EMS in hotels were the cost of implementation, a lack of professional expertise, a lack of resources, lack of skills and knowledge and uncertainty as to the outcomes of implementing these (Chan, 2008). The research found that these barriers are more pronounced in independent hotels. If these independent establishments find it a challenge to implement environmentally sustainable

practices, making them part of their daily operations can give them more confidence and capabilities in overcoming these barriers.

The age of a hotel building appears to be a major barrier to ESPPs. As the research found, the structure of a building is often such that it is not physically possible or financially feasible to make major changes and to install systems that are more efficient. Even if structural efficiencies are implemented, they may not be economically feasible if looking solely at the implementation costs. One means of approaching these issues is to look at return on investment and the time required for this to eventuate after taking into consideration the savings made on energy and other operating costs. This change in mindset can occur by educating owners and shareholders as to the benefits that can be derived from viewing it as a financial investment with the added intangible benefits of contributing to environmental sustainability.

This emphasises the importance of having a well-documented policy on environmental sustainability that communicates its benefits to all stakeholders, which may assist in overcoming the barriers to implementing such practices. A further means of overcoming these barriers is to align the goals of sustainability with the goals of financial stakeholders. Divergent priorities of these two teams can result in a business looking at environmentally sustainable and financial benefits independent of each other.

Drivers of environmental sustainability in hotels are important if hotels are to contribute to the environment. As found in this research, the major drivers for environmental sustainability are the support of owners and shareholders, finance and marketing teams, guests and an overall concern for the environment. The discussion on drivers highlights that for environmental sustainability policies and practices to be successfully implemented they require the backing

and commitment of owners and the organisation's leadership. Even hotels that did not have a formal policy on environmental sustainability were found to be implementing sustainable practices. This suggests that their motive is more for financial gain and commercial reasons rather than a concern for the environment. One way of looking at the concept of environmental sustainability is to place the guest at the centre of it. If environmentally sustainable initiatives and practices can improve comfort and service levels for guests, this can in turn contribute to both sustainability and the bottom line.

This study found that guests are both drivers as well as barriers to environmental sustainability practices (Kasim & Ismail, 2012). Adoption of environmental sustainability policies and practices appears noble, but guests tend to care more about their own comfort and luxury when they are travelling and may not look for environmentally sustainable initiatives in a hotel when selecting one for a stay (Juvan & Dolnicar, 2014b). Tourists and the travelling public generally have a positive attitude towards environmental sustainability, but they generally reduce their level of environmental consciousness when taking holidays. When on holidays and vacations, tourists and travellers change their mindsets and want to be relieved of their daily responsibilities and these behaviours result in reduced environmental consciousness (Juvan & Dolnicar, 2014b). Thus, guests are both drivers of and barriers to environmental sustainability.

Hotels with a formal policy on environmental sustainability implement practices for environmental sustainability if the directive comes from the corporate office, senior management or owners. It is likely that owners and shareholders support environmental sustainability initiatives if it helps them achieve their primary objective of maximising commercial returns for their properties. This approach has the dual benefit of maximizing profits as well as sustaining the environment. In addition, owners and shareholders perceive

the supplementary benefits of creating improved product value, an enhanced company image and nurturing positive guest relations through sustainability initiatives as further adding value to their investment. As emphasised in the literature, a hotel operators' primary function is to generate returns for their shareholders (Nicholls & Kang, 2012b) and they support sustainability practices that assist them in achieving this goal. Stakeholders are influencing companies to adopt environmental sustainability as part of their marketing strategy as they realise its importance in the modern business world and giving an organisation an edge in a competitive market place (Kumar et al., 2012).

Of the major stakeholders influencing the ESPPs of hotels, owners and shareholders have the biggest influence on environmental sustainability policies and practices as they have a financial interest in the hotel and are in business to generate financial returns. Hotel management also have some influence on the ESPPs. Major reasons uncovered in this research for implementing ESPPs in the future are for financial and commercial reasons, concern for the environment, improving the guest experience and to contribute to more efficient hotel operations. Unsurprisingly, hotels want to implement sustainability practices in the future to meet commercial and financial goals with the remaining objectives and outcomes a supplementary benefit (Wilson & Post, 2013).

When focusing on sustainable practices in the future, other than building sustainable hotels from the ground up, little thought has been given by the interviewees of this research to sustainable practices that can be implemented in the future. It forms the impression that environmental sustainability processes and strategies focus on wider industry objectives, but they are conspicuously absent, or little considered at a micro or hotel level. As such, policy is

directed from the corporate office of international hotel companies, while limited consideration appears to go into plans at a hotel level.

The age and size of a hotel, the chain affiliation, operational management and the demands of the stakeholders influence the degree of implementation of environmental management practices by a hotel. The absence of strict regulation on environmental sustainability in hotels can lead to pressure from stakeholders as a driving force behind environmental management considerations. Hotels with older facilities have less extensive environmental management programs than hotels that are newer and with facilities that are more modern. This is because techniques required to implement environmental management programs and practices necessitate newer equipment. Economies of scale play an important role in environmental sustainability programs as bigger chain affiliated hotels can spread the cost of new programs and equipment across number of hotels while independent hotels have to solely bear the cost of such implementation (Alvarez Gil et al., 2001; Rahman et al., 2012). Chain affiliated hotels can share resources and take advantage of these economies of scale, which could include sharing of external consultant costs and information. This is a driver for an increased level of environmental sustainability practices. Chain hotels may have stakeholders in their corporate offices that can guide and influence the deployment of environmentally sustainable practices and initiatives, which once again is not the case for independent hotels (Garay & Font, 2012). Corporate offices of chain affiliated hotels can impose a minimum level of practices and initiatives to be implemented at a hotel level. At an operations level or a hotel level for both independent hotels and chain affiliated hotels, the leadership of the hotel manager is required for environmental management programs to take place. There is a key relationship between environmentally sustainable practices and programs and a hotel's financial performance. If

these practices and programs can effect a positive financial influence then they are implemented (Alvarez Gil et al., 2001; Ameer & Othman, 2012).

8.4 Contribution to Theory

According to Freeman (1984), stakeholder theory is a theory of organisational management and business ethics that addresses morals and values in managing an organisation, in such a manner so that the norms and standards of society are preserved by introducing moral considerations based on stakeholder obligations. To achieve success and sustainability over time, an organisation must engage the interest of stakeholders as they affect and are affected by the actions, objectives and policies of an organisation. Stakeholder theory defines the organisation as a grouping of stakeholders and the purpose of the organisation should be to manage the interests, needs and viewpoints of these stakeholders (Mensah, 2014).

While the focus of stakeholder theory has largely been on individuals and groups who are dependent on an organisation in order to achieve their own goals and on whom the organisation is dependent for its existence (Hörisch et al., 2014), the gravity of the challenges involved in achieving environmental sustainability, however, suggest that the achievement of individual goals is unlikely to resolve such challenges. There is an inherent need to explore and connect the positive links that exist between stakeholder interests. However, there is also an opportunity to expand the scope of stakeholder theory to offer a broader purpose in creating equal value for all stakeholders in order to benefit society and the environment. This requires a shift from short-term economic benefits or accounting-based profit for the broader benefits of society and the environment.

The findings of this research directed the researcher to look at stakeholder theory from this angle. Based on the results, this study can modify stakeholder theory to a degree and argues that stakeholders need to co-operate further to drive sustainability, especially stakeholders that interact more frequently in the day-to-day running of hotels, i.e. owners, hotel managers, guests and staff. The ethical implications for a business should not be considered separately but rather linked to the core business of an organisation. This reconceptualises stakeholder theory so that the creation of value for a hotel is done in a responsible and suitable manner. These major stakeholders of the hotel industry can be challenged to understand that environmental sustainability is not necessarily about environmental commitment, nor is it about philanthropy and asking them to forgo profits. Hotels should be challenged by their stakeholders to integrate environment sustainability as a core business value. It is essential to create synergy between the different values of the business and this should also include a contribution to environmental sustainability to make this a core challenge for all stakeholders with a mutually beneficial outcome for all concerned. This broad grouping of stakeholders can appreciate that it is about making responsible decisions, which will often cost very little; or if there is an initial investment, then there can be cost benefits as well as other less tangible outcomes and returns achieved as a result. One of the simplest and lowest cost investments that provides a substantial return is to engage staff in understanding the concept of environmental sustainability. A strategic approach to the concept can begin with formulating a formal policy on environmental sustainability. Hotels are accountable to their stakeholders and this accountability is increasingly being influenced by the environmental sustainability concerns of these stakeholders, particularly hotel owners and guests.

Stakeholders of hotels should attempt to understand each other's concerns when it comes to environmental sustainability and engage with all parties instead of attempting to influence hotel

management independently of each other. Although a challenge, creating a synergy between profits and environmental sustainability is the need of the hour. The short-term views of stakeholders should be complemented by a long-term perspective to deliver value for the environment and society (González-Rodríguez et al., 2019). Stakeholder theory remains open to the outcomes of interactions between stakeholders, with these interactions requiring further focus on a contribution to the environment and society. It should be noted that this change in thinking and focus is unlikely to occur within a short timeframe in organisations, although with the growing importance and time pressures on the challenges presented by the need to address environmental sustainability levels, one way to mitigate these pressures is to reconfigure the attitudes of stakeholders. The focus needs to be on engagement, finding common ground and mutual benefits to serve the interests of each other whilst also addressing environment concerns. Stakeholder engagement with each other should become a crucial part of environmental sustainability if it is to gain more influence in Australia's growing hotel industry.

This research has found that some stakeholders are much more important or are primary stakeholders, and that others are less important stakeholders or are secondary stakeholders. This notion has to be changed with all stakeholders being considered as primary stakeholders to drive momentum in the area of sustainability by removing the varying levels of importance (Castka & Prajogo, 2013). It will be beneficial if barriers between primary and secondary stakeholders are removed and all stakeholders engage on equal footing. Stakeholder theory is far from a simple concept within the contemporary world and the views of shareholders and owners are no longer sufficient (Jang, Zheng & Bosselman, 2017); rather a synergy of all stakeholders is required in the context of the hotel industry. There should ideally be no distinction between stakeholders' importance. Environmental sustainability can be more

effectively achieved by making all stakeholders of a hotel equitable. It is a basic understanding of organisations to appreciate that shareholders, owners, reduced costs, increased profits, addressing risks and liabilities all add value to an organisation; however, a dimension of contributing to sustainability is now part and parcel of managing an organisation. However, stakeholders now have an obligation to engage on a multitude of social and environmental outcomes rather than just commercial objectives (York, O'Neil & Sarasvathy, 2016). There is a necessity to overcome many of the inherent trade-offs and conflicts as part of a growing recognition of the importance and value of good corporate and environmental citizenship. Managing the inherent conflict between ethical and environmental responsibility, and commercial outcomes can only be achieved by all stakeholders working together.

Another barrier to the engagement of stakeholders is the diverse level of importance that hotels place on different stakeholders. An understanding of each other's perspectives can provide a basic platform when engaging stakeholders in contributing to environmental sustainability. One method of achieving this can occur by addressing mutual interests and demands of various stakeholders. Stakeholders working together can develop environmental sustainability solutions that are integrated and stakeholder oriented. Achieving this can turn the barriers discussed earlier to drivers, for mutual benefit. Capitalism, for example, brings stakeholders together (Freeman, 2010), and while it may not always deliver mutually beneficial outcomes for everyone, this is a framework that may be explored for mutually beneficial contributions to environmental sustainability. It should also be understood that it is not easy to create mutual interests and benefits for all stakeholders (Hörisch et al., 2014), but an attempt has to be made to create a mutually beneficial outcomes for the benefit of society. Stakeholders can further engage with each other by treating sustainability as a shared challenge that needs to be addressed.

When it comes to environmental sustainability, the focus of stakeholder theory needs to shift from protecting the rights of major stakeholders (in this study of hotels in Australia, owners and shareholders) to ensuring the rights of all stakeholders. This research contributes to this challenge in finding that stakeholders should not look to derive benefits individually from a business but instead focus on engagement with other stakeholders to drive the organisation forward and obtain collective benefits. This requires a shift in focus from generating profits only to generating profits through engaging in socially responsible and environmentally sustainable initiatives. The approach should be for stakeholders to work together to try and engage with environmental sustainability challenges while also pursuing the bottom line (Camilleri, 2016). Further consideration should be given to reciprocal benefits for all stakeholders and the organisation, instead of benefits for only the dominant and external stakeholders. While working together to contribute to environmental sustainability without affecting the primary interests of each party, different stakeholder groups will not always share common purposes. However, a gradual shift in emphasis from individual perceived obligations and outcomes is required to mitigate or avoid conflict between various stakeholders. Optimal performance by the organisation can be achieved if the participation of stakeholders is equitable. Based on this study, the researcher believes that there is unequal division of environmental sustainability benefits derived by the stakeholders of an organisation in the present application of the theory. A common understanding between all stakeholders of their respective rights and obligations can assist in working together in contributing to environmental sustainability.

Stakeholder theory states that the purpose of a company or organisation is defined by those affected by the company; therefore, a further evolution should include those who can contribute to the success of the company. The commercial purpose of every stakeholder is different and

negative customer outcomes are detrimental to owners and shareholders. Prioritising the desired objectives of one stakeholder will not assist in sustainable environmental outcomes. Stakeholders benefiting from an organisation without making a significant contribution will not guarantee optimum results. A greater positive contribution to environmental sustainability is likely to transpire if there is more equitable involvement of the stakeholders with ESPPs of hotels. A positive but challenging and testing approach would be for stakeholders to collectively define the success of a company primarily in non-financial terms rather than independently deriving benefits from it. As an organisation is an association of stakeholders, the focus of the stakeholders should be to contribute to environmental sustainability through improved inputs and should go beyond just commercial outcomes.

There is a growing need for all stakeholders to work together for a combined mutually beneficial outcome instead of an individual good (Freeman & Dmytriiev, 2017). Stakeholder theory does not necessarily highlight how stakeholders should be represented and it can be reconfigured to suggest that the purpose of an organisation should be decided by those who contribute to it. The flaw with stakeholder theory lies in the fact it gives express rights and responsibilities to those who benefit from the success of an organisation. This should be modified to argue that these should also lie with those who contribute to an organisation and society. The complexities of all stakeholder theory approaches cannot be resolved in the context of environmental sustainability, but their rights and obligations should be considered in a manner that can contribute to environmental sustainability.

Optimal benefits for an organisation cannot be achieved if one stakeholder wishes to derive more than their share of benefit from an organisation, hence the need for joint interests, which

can be another challenging proposition. This also warrants consideration of the role of governments to legislate for such co-operation between stakeholders on ESPPs.

8.5 Implication for Practice

From a hotel manager's perspective, the interviews conducted highlighted that the key stakeholders for independent hotels are the owners and shareholders. For chain affiliated hotels the key stakeholders are once again the owners and shareholders, as well corporate office/head office, guests and employees. Hence, it will be a beneficial approach to educate these major stakeholders on the benefits and importance of environmental sustainability. Hotel associations, a key stakeholder, best understand the hotel industry and are well positioned to take a leadership role in educating the hotels industry. The hotel industry needs to have a mission to plan, develop, guide and implement initiatives that benefit the environment as well as at the same time serving the needs of its customers.

8.5.1 Engaging and Educating Guests

Guests may choose not to take part in sustainability practices of a hotel because this will not assist in improving their experience and satisfaction, qualities they look for when they are travelling. As such, hotels must implement environmentally sustainable practices that encourage their involvement. Hotels may choose to offer monetary rewards to guests or even propose to donate to a charity organisation to encourage guests to participate in their green initiatives. The major opportunity for guests to participate in hotel sustainability initiatives is through declining room cleaning and reusing bed and bath linen. There is a need to encourage guest participation in environmental programs of hotels and for them to not only want environmentally sustainability initiatives from hotels but also to also themselves take more responsibility (Moscardo & Hughes, 2018).

Managers may consider whether sustainability practices of a hotel may affect the guest experience as some green initiatives may inconvenience their stay and experience. Such guest experiences may contribute to negative perceptions affecting purchase decisions of potential and future guests, as well as contributing to unfavourable online reviews of a hotel property. One way of preventing this is by educating guests about the sustainability initiatives of the hotel and why these initiatives are being undertaken. For example, if hotels are utilising low energy light sources in the rooms they can inform guests that additional lighting is available on request (Kim, Hlee & Joun, 2016). Guests and potential guests, as stakeholders, can be made aware about the environmentally sustainable practices of the hotel and the website of a hotel is an easy means of disseminating this information to the target audience. There could be benefit for the hotel in sharing their ESPPs on their websites and on booking platform profiles to attract environmentally conscious guests as these are becoming the first call for those seeking information on hotels before rooms and facilities are booked.

Though green initiatives are beneficial for the environment, such initiatives and practices may increase operating costs for hotels and in turn costs to clientele (Baker et al., 2014). To contribute to environmental sustainability hotels could accept lower profitability margins as a result of increased operating costs or share these additional costs with customers. This would serve as an example of guests and investors, owners and shareholders as stakeholders collaborating and contributing to environmental sustainability. A major aspect of products and services offered by hotels have an intangible element of experience built into them. Potential guests or customers searching for these intangible experiences often turn to online reviews and information generated and shared on the internet about providers of these intangible services to ascertain the quality of these elements before experiencing them for themselves. Such online

reviews and comments may wield significant influence on the purchase decisions of the potential guests.

The frequent theme which research on green and environmentally conscious consumers has found is that there is a gap in attitudes and behaviours of hotel guests (Dolnicar et al., 2019). The research also highlights that support for environmental sustainability and being green fails to translate into practice when they are travelling or when they have to purchase green products, services or participate in green initiatives (Peattie, 2010). As a result, hotels may be reluctant to implement green practices and initiatives as this may affect the perceived levels of comfort and service in the minds of the guests (Rahman & Reynolds, 2016). Guests may feel that the hotels are implementing cost-cutting practices at the expense of their comfort and experience. One approach for hotels to get support for environmentally sustainable initiatives is by sharing the monetary savings gained from implementing such initiatives with guests.

On the other hand, there is a likelihood that if guests are informed of environmental sustainability initiatives implemented by the hotel, they may perceive a lesser reduction in the comfort of their stay in light of the contribution they themselves are making towards sustainability. If hotels engage with their guests in environmental sustainability practices, it can have a significant impact in addressing the issue from a hotel's point of view as more and more guests share environmental concerns. Hotels that are committed to environmental sustainability can provide information on green initiatives to empower travellers and tourists to have a minimal impact on the environment (Barber & Deale, 2014). This can assist the travelling public to meet their obligations towards the environment. As most of a hotel's resources are consumed by guests in their rooms, it is practical to share messages regarding conservation of resources in guest rooms (Dolnicar et al., 2019). Educating guests can take

place by informing them of hotel environmental sustainability initiatives through a welcome letter, in addition to signs located in strategic locations in guest rooms and throughout the hotel. Hotels can also give an overview of their commitment to sustainability via the TV in the hotel room. Further initiatives could involve placing a timer in the shower and changing the default level of the in-room thermostat. Other than the technical aspects of contributing to sustainability, the behavioural efforts on the part of guests will form a significant contributing factor to environmental sustainability as a hotel stay and experience is centred around guests (Warren et al., 2017).

It is likely that over coming years, guests will become more conscious of and educated about environmental sustainability and may base their decision to stay at a hotel based on its environmental sustainability policy along with other considerations. Once hotels understand the benefits of ESPPs, and how they serve a business to make profits and at the same time create a positive public image by being a responsible business, ESPPs will be implemented by an increasing number of hotels (Carroll & Shabana, 2010).

8.5.2 Educating Employees

One important characteristic of the success of environmental sustainability programs in a hotel is the requirement for an active awareness and education program providing employees at all levels of the business with a strong understanding of the rationale for ESPPs and how the environmental effects of a hotel's operation can be mitigated by their contribution. Change in the workplace is very difficult without the participation of employees and participation is not possible without understanding what it is for (Bernstein, 1992). One of the simplest and lowest cost investments that provides a substantial return is to engage staff in understanding the concept of environmental sustainability. Understanding environmental concerns will permit

employees at all levels to participate in and implement ESPPs of their hotel if they feel part of the change and that they are contributing to it. For hotels to have a more sustainable approach to their operations one of the most important aspects is training of its employees. One of the elementary ways for any business to change its culture and behaviour is to involve employees. Involving the employees of the industry in greening the business has multiple benefits. First, it may lead to a more dynamic, involved and productive team that feels it is contributing to a good cause. More importantly, front line employees are the ones that come in contact with guests and hence being passionate themselves about environmental sustainability can lead them to interact in more positive manner with customers to assist them with the hotel's environmental sustainability initiatives. This also offers staff an opportunity to make decisions based on the wellbeing of the environment. During the orientation of new employee, time spent discussing the ESPPs of the hotel will empower them to make decisions on greening operations of the hotel. Purchasing managers should be empowered to screen products for procurement to ensure that they meet the hotel's environmental policy standards.

Hotels can make environmental awareness training mandatory for all levels of employees, similar to workplace health and safety, and food hygiene training. Through this training, employees can learn how they can make a positive contribution to the environment and assist in changing the behaviour and attitude of employees towards environmental sustainability through this engagement. Hotels should treat this training and awareness program as an investment just like any other investment, bearing in mind that such training will produce both tangible and intangible returns. There may also be value in hotel employees as a medium for giving and receiving feedback on the sustainable policies and practices of the hotel, how they can be improved and to create better value for customers and guests (To, Lam & Lai, 2015). Staff can also further assist the hotel in demonstrating to guests the genuineness of their

commitment and efforts toward environmental sustainability. Many major hotel organisations are committed publicly to environmental sustainability and report their commitment on their websites, but what better way to display this commitment than through guest contact with the front-line staff of the hotel?

8.5.3 Certification Program

Hotels and hotel companies that do not have resources and expertise in environmental sustainability can use a certification program to contribute in this area. There are multiple benefits for hotels using such a certification program. The ecolabels that hotels can display in their public spaces inform guests that the hotel's products and services have been verified by a third party and the hotel is using best practices to contribute to environmental sustainability.

Environmental certification is a procedure involving environmental guidelines where an organisation can voluntarily elect to follow predefined practices set by a certification agency (Nebel et al., 2005). Most certification programs have a logo, also known as 'Eco labels', which can be applied to products or services certified under their standards. This is seen as a form of CSR permitting organisations to address their commitment to lessening the detrimental impact of their activities or operations on the environment by willingly following a set of externally established and measured aims. The motivation for many organisations to choose environmental certification schemes is to provide an ethical product or service to its customers, project an image of corporate responsibility, generate a competitive advantage and to advance a better relationship with its stakeholders while in turn increasing profits (González-Benito & González-Benito, 2005).

Certification is “the process of providing documented assurance that a product, service or organisation complies with a given standard” (Font, Sanabria & Skinner, 2003, p. 213). Black and Crabtree (2007) define it as a voluntary procedure that assesses, monitors and gives written assurance that a product, process, service or management system conforms to specific requirements and norms. A certification awarding body gives assurance to consumers and an industry in general. Environmental certification is a means of informing guests that a hotel undertakes environmentally sustainable practices. ‘Greenwash’ (the practice of making a misleading or unsupported statement about the environmental benefits of a service, product or company practice) is an issue discussed in the hotel industry and environmental certifications confirm that hotels are meeting standards while implementing sustainability initiatives.

Environmental certification also gives hotels an opportunity to demonstrate their commitment to sustainability (Black & Crabtree, 2007; Geerts, 2014). The outcome of such certification is generally a certificate and the right to use of an Eco label. The objectives of environmental certification are to promote implementation of sustainability practices amongst hotels; offer the potential to enhance the bottom line and to also provide guests assurance that environmental sustainability is practiced by the certified hotel (Geerts, 2014). There are multiple reasons for hotels to acquire environmental certifications. Environmental certifications give hotels an opportunity to implement sustainability practices of their own accord, while contributing to the profitability of certified hotels which can then also be seen as environmentally aware in the eyes of potential guests (Geerts, 2014; Peiró-Signes et al., 2014).

Since certification is a voluntary instrument, hotels that are hindered by internal barriers (such as a lack of in-house knowledge, resources, skills and expertise on how to implement environmental sustainability management), a certification program can assist them with getting

a start to meet their obligations towards environmental sustainability. There is no universal environmental management authority in the Australian hotel industry, and neither is there a uniform set of standards for environmental management and reporting. The researcher has contacted the Australian Hotel Association and will endeavour to develop an industry-wide certification program in conjunction with them for benchmarking sustainability initiatives.

8.5.4 Educating Owners, Shareholders and Government Action

Shareholders and owners should take notice that for an extended period of time, the emphasis has been on social and economic sustainability in the community; however, the focus is now shifting to environmental sustainability. Another means of achieving success with environmental sustainability programs in a hotel is an active awareness and education program that provides owners and other stakeholders information on environmental concerns and how these can be mitigated by their contribution (Melissen et al., 2016). One method of approaching these issues could be by engaging owners to consider an investment and return period through the savings made on energy and other operating costs. This change in mindset can be made by educating the owners and shareholders to see such measures as an investment rather than a cost, with added tangible benefits such as marketing opportunities and intangible benefits such as contributing to environmental sustainability. One of the reasons it seems, that hotel managers interviewed for this research do not mention new and innovative initiatives and approaches to take in the future is because they are not involved in formulating environmental sustainability policies. These managers are not involved in the decision-making process and are waiting for direction from owners, shareholders and their corporate offices. By involving managers in formulating policy on environmental sustainability, their senior stakeholders can instil a sense of responsibility. This may also assist in building mutual trust and transparency. Involving

more stakeholders may develop more innovative ideas and initiatives as their feeling of being a valuable part of the organisation is enhanced.

The Director Sentiment Index (DSI) conducted by the Australian Institute of Company Directors (AICD) in 2018 found that for the first-time directors of companies nominated climate change as their number one concern, ahead of ageing population, energy policy, tax and infrastructure and want this to be addressed. The AICD suggests that government needs to participate in addressing these issues. The AICD also noted that ASX listed companies in Australia are facing pressure from institutional investors to lower carbon emissions. DSI findings also rated renewable energy sources as the top area of importance for infrastructure investment (Tasker, 2018). This may start to drive top down pressure from institutional investors and stakeholders in hotel chains and the industry to embrace environmental sustainability in their investments. This could also lead to a focus on hotel projects that are committed to the natural environment and sustainability.

8.5.5 Educating Hotel Managers

Since environmentally sustainable practices are implemented at a hotel or property level, a strategic approach is to educate hotel managers on the benefits on this concept both from a commercial as well as environmental consideration (Mandip, 2012). Managers should be more involved with the formulation of policy as they understand the day-to-day operations of their hotel better than all other stakeholders. Involvement with formulation of policy will demonstrate the commitment of the hotel manager toward environmental sustainability as well as the organisation. The manager of a hotel is the critical link between the vision of the owners, the corporate office of the hotel and the staff and guests, hence the importance of involving them in the formulation of policy. External assistance be should obtained to train managers on

sustainable business practices and environment management, especially for managers of independent hotels as these hotels often do not have adequate resources compared to chain affiliated hotels. Involvement with the formulation of policy will make it easier to implement them into sustainable practices because of a deeper understanding of the foundation and purpose of the environmental policies. Some managers may still not be aware of the impact their decision-making has on the local and global eco-system (Jang et al., 2017). There is an opportunity for this research to increase awareness in the hotel industry and to inform the development and implementation of ESPPs in ways that meet the current and future needs of the industry. It should be understood by business organisations and hotels now that delivery of their services and products is affecting the environment and they need to do their part in mitigating this.

8.6 Recommendations

The aim of this research has been to investigate current sustainability policies and practices of the Australian hotel industry, how these are implemented and managed in the complex environment of hotel operations, and the challenges and barriers encountered by hotel management. Following are some recommendations that can assist the hotel industry to contribute to the environmental sustainability.

1. To demonstrate commitment to the concept of environmental sustainability and to contribute to it, the primary step a hotel organisation or independent hotel has to undertake is to establish a statement of purpose or policy that relates to environmental sustainability. A good set of policies will assist in reinforcing environmentally sustainable practices. Specialist consultants can be employed by independent hotels that lack the resources to establish these ESPPs.

2. Hotel managers at the property level should be involved with formulation of ESPPs.
A hotel manager's involvement in the creation of the policy will make it easier to implement sustainable practices because of a better understanding of the foundation of the environmental policies. This will benefit all stakeholders as well as the environment.
3. An improved relationship among stakeholders is one of the most significant forces that can drive environmental initiatives and practices.
4. Hotels organisations and their stakeholders should work for mutual benefit by addressing ESPPs collectively. This will assist in mitigating the barriers to and enhancing the drivers for environmental sustainability.
5. The hotel industry should address environmental concerns and show leadership through proactive environmental sustainability management. Hotel associations best understand hotel operations and are well positioned to formulate hotel industry focused certification programs to assist hotels, especially independent hotels that do not have the resources that chain affiliated hotels have access to. The researcher is willing to approach and work with the Hotels Association of Australia to assist in formulating a hotel industry focused certification program. Hotel associations should work with hotels and collectively develop more innovative initiatives on environmental sustainability that can be implemented in the future.
6. A holistic approach to environmental sustainability should be undertaken so that the environment, guests of a hotel, owners, shareholders, managers, corporate offices,

staff and financial returns can all benefit. This can be achieved if all key stakeholders work in unison.

8.7 Limitations of the Research and Scope for Future Research

This study interviewed hotel managers in Melbourne to collect qualitative and some of the quantitative data. It would be fair to assume that hotel managers from different parts of Australia may have a different approach to environmental sustainability, especially when it comes to small and independent hotels. They may also encounter different types of guests, which could also affect their views. One further limitation of this study is that a number of independent hotels declined to be interviewed for this study; hence, their views on environmental sustainability could not be fully incorporated. Moreover, there is a need to garner the views of all hotel stakeholders to obtain a greater understanding of the motivations and barriers to adopting ESPPs.

One area of future research could investigate how to engage all stakeholders with each other on equal footing to create drivers for hotels to addressing environmental sustainability and how the distinction between the primary and secondary stakeholders could be removed with all stakeholders having an equal say. This research could interview owners, shareholders, policy makers at the corporate/head office guests and hotel managers, as they were found to be to be the primary stakeholders of hotels in this research.

The next project of the researcher is to educate the major stakeholders of hotels that have yet to embrace environmental sustainability on a holistic approach, with this approach benefiting the guests, owners, shareholders, management, the environment and the profitability of the business.

8.8 Conclusion

Environmental sustainability is one of the most important issues facing the planet. In recent times, there has been a heightened awareness of the well-being of our planet. Nations, governments, commercial and non-commercial organisations and communities in general are increasingly working together to address environmental concerns. This has led to an emphasis on the need to exist in harmony with the environment and attempts to reduce the effects of our existence on it. Motivated by climate change, decreasing water supplies, population growth, the need for extra resources, and growing scientific evidence of environmental degradation has led to an increased awareness of environmental sustainability. The tourism and the hotel industries have a vested interest in environmental sustainability as the environment is at the core of their product and services. Much has been done by business organisations to contribute to environmental sustainability and the hotel industry is part of this phenomena. The hotel industry, as part of the world's largest industry, tourism, places significant pressure on the natural environment. Hotel guests may not intentionally or directly harm the environment, but the products and services provided by the hotels may. Nonetheless, it is beneficial for organisations to view sustainability as an opportunity.

It is recommended that government legislation/intervention occur to reduce the environmental impact of the hotel industry as measures and initiatives used by the industry are far below the expectations of best practice. There is a need to have a wider level of regulatory and legislative approaches to reduce the impact of hotel organisations on the environment.

The hotel industry has a significant effect on the environment through the consumption of water, energy and by the creation of solid and water waste. Research has established that there is a compelling rationale for the hotel industry to be environmentally sustainable. Some of the

major reasons are to reduce operating costs, enhance the social reputation of the organisation and enhancing relationships with stakeholders. Becoming environmentally sustainable requires an ongoing commitment and organisational and behavioural change on the part of the hotel industry; however, there is currently no set code of practice in the Australian hotel industry to encourage or monitor environmentally sustainable practices.

The hotel industry has to do away with the myth that environmentally sustainable operations are more expensive and that customers are not concerned with environmental sustainability. An obvious start to strengthening the commitment towards environmental sustainability is to create a green team or an environmental team/committee. A cross section of employees and expertise should be represented in this team and the presence of hotel management in it will assist in quick decision-making. Successful implementation of ESPPs will depend on the involvement and engagement of its members. The major concern for the hotel industry on going green is the effect it will have on the guest experience. Stakeholders of the hotel industry should be informed of the benefits of going green and how they can continue to provide quality guest experiences in doing so. They can be educated on the economic and brand image benefits of having environmentally sustainable operations, which are further areas of concern for hoteliers. Hotel organisations that are proactive and forward thinking are reaping significant benefits from their ESPPs. These organisations are more innovative and continually looking at ways to improve on their environmental contributions. In contrast, hotel organisations that are not proactive are often independent hotels that do not have the resources and expertise to approach this problem. It should be noted that the issue of environmental sustainability is confronting all hotel organisations today, no matter the size or location of their business.

There are also disadvantages for hotel organisations to go green. An initial cost in the form of capital investment is often required to become environmentally sustainable. The reduction in costs as a result of going green may also not be sufficient to offset the initial upfront costs of the investment. If it costs more to produce goods and services that are environmentally friendly, it is therefore less worthwhile financially and may necessitate additional effort and time than the resources and expertise the organisation has its disposal.

Organisations realise that stakeholders are concerned about environmental sustainability and inefficient operations. This challenge will increase with population growth and increases in consumption leading to depletion of resources and climate change, with significant implications for the hotel industry. Business organisations worldwide are addressing environmental sustainability as a serious challenge and the hotel industry has to make it a long-term focus instead of a short-term operational one. There is a need for corporations not to be just profit generators but also agents of positive change. Stakeholders can drive the organisation's dedication to environmental sustainability by reminding the organisation of its importance and by understanding that they themselves are and will be affected by environmental degradation. While organisations are accountable to their stakeholders for their financial performance, there needs to be similar accountability for environmental sustainability and for improving the quality of life on the planet. While there is no denying the fact that organisations primarily operate for the economic benefit of investors and shareholders, they must now look at the environment as another major stakeholder. If organisations see the multiple benefits of environmental sustainability such as improved image and branding, competitive advantage, reduced costs and improved productivity, operating under legislation that is easy to comply with, reduced waste and resource consumption, employer of choice branding and last but not the least, improved profits, they will significantly benefit from being

a green organisation. It is a definite win-win for all stakeholders including investors, shareholders, employees and clientele.

Just having environmentally sustainable policies and agendas or good intentions by themselves are insufficient. These policies need to be broken down into smaller measures that can be readily implemented. The policies should lead to good practices and initiatives that are understood by stakeholders to create drivers for change.

Extensive consumption driving uninterrupted economic growth has transformed the thinking of the corporate world and has relegated sustainability to a reduced status as it is seen to be in conflict with economic sustainability (Epstein & Buhovac, 2014). It is timely that the hotel industry makes environmental sustainability a priority, notwithstanding the last few years seeing an increase in emphasis in this area. Organisations now realise that contribution to environmental sustainability is not only a desirable trait but also an essential action that holds them responsible for their actions and makes them accountable to their stakeholders. The solutions to the challenges we face are not essentially modest and upfront, but they are also not as difficult as perceived if the motivation to resolve them exists. It is essentially about a change in behaviours and rationale. To achieve environmental sustainability in the hotel industry requires close cooperation between all stakeholders and re-orientation of the relationship between them and hoteliers.

Most of the focus area of sustainable practices such as water management, energy and recycling have been utilised for some time but despite efforts in most of the future focus areas listed above, uses of energy are quite significant and there needs to be simpler and more innovative

environmentally sustainable initiatives which can save costs and provide environmental benefits.

International chain hotels generally have a designated position at the corporate level to oversee the environmentally sustainable policy and the implementation of practices. Australian chain hotels and the surveyed independent hotels in this research did not have a dedicated person to look after the sustainability in their respective hotels.

It can be presumed that if a hotel has no formal policy on environmental sustainability then this demonstrates a lack of awareness of environmental sustainability. Having a well-written and documented policy demonstrates how the organisation conducts and approaches the area of environmental sustainability. A policy highlights an organisation's goals, vision and values and it also gives credibility to the organisation (Feltus, 2008; Weimer & Vining, 2017). Policies assist the organisation to guide its operations and a lack of clear policy demonstrates a lack of focus in the area (Paquette, 2003; Wildavsky, 2017).

Australia is a popular tourist destination and its tourism and hotel industries are projected to grow significantly in the future. How this growth can take place in a sustainable manner has been investigated. The intention of this study was to make a significant contribution to the existing body of knowledge on hotel environmental sustainability by providing an insight into current and future trends in the Australian hotel industry's implementation of environmentally sustainable initiatives. This research addressed this knowledge gap as well as providing a comprehensive understanding of the current state of policies and practices.

Utilising stakeholder theory, this research has investigated if the Australian hotel industry develops and implements ESPPs. This study has also examined gaps, challenges, drivers of and barriers to implementation of ESPPs, whether various stakeholders play a role in shaping these ESPPs and which ESPPs are planned to be implemented by the hotel industry in the future, in the context of the projected growth in the hotel industry in Australia. Knowledge gained from this research may assist in stimulating reflection and highlighting the importance of environmental sustainability in the hotel industry in Australia, especially for those stakeholders and hotels that still have significant progress to make before they embrace the cause of environmental sustainability. If the Australian hotel industry is to progress and be a world leader in the area of environmental sustainability, a set of standards and guidelines would need to be formulated and implemented.

Participating hotels will receive a summary of the findings of this study. This will allow them to gain insight into ESPPs in the hotel industry in Australia and inform them of the sometimes-varying importance other hotels assign to stakeholders. Policy makers and practitioners can use the results of this study to improve and reorient their plans so that they can increase their participation in corporate social responsibility.

8.9 The Research Journey

The researcher undertook this PhD journey on the topic of environmental sustainability in the hotel industry as he is passionate about environmental sustainability and the hotel industry. No previous study on ESPPs in the hotel industry had been undertaken in Australia. The aim of the study was to investigate the challenges associated with the implementation of ESPPs in the hotel industry. While undertaking this journey, the researcher encountered obstacles which he had not envisaged contending with. These included challenges such as being away from family

and the time constraints imposed by also working a full-time job. The length of the PhD journey did create a dip in motivation, morale and confidence at times. However, the researcher learned the significance of remaining optimistic through discussing the journey with the supervisors. Their constructive feedback, support and encouragement was invaluable, without which the researcher could not have completed his journey. The researcher also thanks the research office at Victoria University for their administrative guidance with the journey.

At the start of the PhD, the desire was to change the world upon completion of the research. The researcher managed this expectation as the journey progressed. He set himself realistic expectations and goals and this is the advice he has for students who want to start on this journey. There were times that the researcher doubted himself and whether he would be able to complete the journey but is glad that he continued. The researcher learned and believes that one should undertake a PhD journey for their passion for research and this should be the fundamental driving force. The good relationship with the supervisors was an important factor and contributed to a progressive journey during the research. Family members were an integral part of the support network for the completion of this journey. For many of the reasons mentioned above, the PhD journey is a test of character and about mastering ways to navigate the challenges by learning to be calm and remaining focused when things appear to be falling apart around you.

In summary, the researcher feels fortunate that he has completed meaningful and complex research which will contribute to environmental sustainability in the Australian hotel industry. It has been a journey of passion for research and has been ably supported by the supervisors. It has also been a journey of patience, courage and perseverance, which has led to an increase in confidence and communication skills. On final completion of this journey, the aim is to work

with the hotel industry in Australia to assist them with environmental sustainability management.

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Appendices

Appendix A – Consent form (data collection process)



CONSENT FORM FOR PARTICIPANTS INVOLVED IN RESEARCH

INFORMATION TO PARTICIPANTS:

We would like to invite you to be a part of a study into “Environmentally sustainable policies and practices (ESPPs) in the Australian hotel industry: Stakeholder influence and implications for projected industry growth.”

Aims of the study- The central aim of this research is to investigate stakeholders’ influence and hotel management’s perceptions and responses to it in the implementation of ESPPs in the Australian hotel industry in the context of the dramatic projected growth by 2020.

Procedures- Participants will be requested to answer questions on environmentally sustainable policies and practices and time involved will be about one hour.

Nature of the project-

A two-phase process has been undertaken in order to obtain the data on environmental sustainability in hotels and to answer the research questions. The first phase of the research began with a review of hotel websites in order to gain a preliminary understanding of the scope and extent of environmentally sustainable policies and practices (ESPPs) adopted by hotels. The second phase involved the conduct of in-depth face-to-face interviews with selected hotel managers identified in the first phase of the preliminary investigation as having influence on hotels policies and procedures.

Risks involved- There are no risks to consider in the conduct of this research as the focus is on hotel managers and the main research method is one-on-one interviews. The hoteliers will also be interviewed on their property and responsible occupational health and safety guidelines will be followed. This is low risk research in the context of occupational health and safety.

CERTIFICATION BY PARTICIPANT

I, "[Click here & type participant's name]"
of "[Click here & type participant's suburb]"

certify that I am at least 18 years old* and that I am voluntarily giving my consent to participate in the study: “Environmentally sustainable policies and practices (ESPPs) in the Australian hotel industry: Management’s perspective and the stakeholders’ influence.” being conducted at Victoria University by:

PROF MICHAEL MCGRATH

I certify that the objectives of the study, together with any risks and safeguards associated with the procedures listed hereunder to be carried out in the research, have been fully explained to me by:

Ajay Khatter

and that I freely consent to participation involving the below mentioned procedures:

- Participants will be requested to answer questions on environmentally sustainable policies and practices and time involved will be about one hour.

I certify that I have had the opportunity to have any questions answered and that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me in any way.

I have been informed that the information I provide will be kept confidential.

Signed:

Date:

Any queries about your participation in this project may be directed to the researcher:

Professor Michael McGrath
Tel-61 3 9919 4627
email-Michael.McGrath@vu.edu.au

If you have any queries or complaints about the way you have been treated, you may contact the Ethics Secretary, Victoria University Human Research Ethics Committee, Office for Research, Victoria University, PO Box 14428, Melbourne, VIC, 8001, email Researchethics@vu.edu.au or phone (03) 9919 4781 or 4461.

Appendix B – Information to participants form (data collection process)



INFORMATION TO PARTICIPANTS INVOLVED IN RESEARCH

You are invited to participate

You are invited to participate in a research project entitled:

“Environmentally sustainable policies and practices (ESPPs) in the Australian hotel industry: Management’s perspective and the stakeholders’ influence.”

This project is being conducted by a student researcher, Ajay Khatter as part of a PhD Study at Victoria University under the supervision of PROF MICHAEL MCGRATH from Victoria University, College of Business.

Project explanation

Environmentally sustainable policies and practices (ESPPs) in the Australian hotel industry: Management’s perspective and the stakeholders’ influence.

What will I be asked to do?

Participants will be requested to answer questions on environmentally sustainable policies and practices and time involved will be about one hour.

What will I gain from participating?

Participating hotels will receive a summary of the findings of this study. This will allow them to gain an insight into ESPPs in the hotel industry in Australia and inform them of the importance other hotels assign to stakeholders. Policy makers and practitioners can use the results of this study to improve and reorient their plans so that they can increase their Corporate Social Responsibility (CSR) participation.

How will the information I give be used?

The central aim of this research is to investigate stakeholders influence and hotel management’s perceptions and responses to it in the implementation of ESPPs in the Australian hotel industry in the context of the dramatic projected growth expected by 2020.

What are the potential risks of participating in this project?

There are no risks to consider in the conduct of this research as the focus is on hotel managers and the main research method is one-on-one interviews. The hoteliers will also be interviewed on their property and responsible occupational health and safety guidelines will be followed. This is low risk research in the context of occupational health and safety.

How will this project be conducted?

Title of the Project - Managers' perspectives of environmentally sustainable policies and practices in the Australian hotel industry

Research design

A two-phase process has been undertaken in order to obtain the data on environmental sustainability in hotels and to answer the research questions. The first phase of the research began with a review of hotel websites in order to gain a preliminary understanding of the scope and extent of environmentally sustainable policies and practices (ESPPs) adopted by hotels. The second phase involved the conduct of in-depth face-to-face interviews with selected hotel managers identified in the first phase of the preliminary investigation as having influence on hotel policies and procedures.

Data Collection

Data collection will be through one-on-one in-depth interview with the management of the hotels in the research sample. Content analysis of the websites has given a good insight of the various hotels and will assist in selecting the various categories of hotels and approaching the study in an unbiased and flexible manner. The advantage of one-on-one interviews is that will give a good level of narrative by talking to the managers to answer the research question.

Keeping the research questions in mind, this is a relevant approach to get an in-depth understanding of the ESPPs. This method will assist in a better and in-depth understanding of contemporary activity in the area of environmental sustainability and plans for the future. By utilizing multiple interviews there will be multiple sources of evidence and the research will be to gain a broad overview of the current state of play in terms of environmentally sustainable policies and procedures in Australian hotels and how they are influenced by the stakeholders.

The format of the interviews comprises a series of open-ended questions, with the selected hotel managers as respondents elaborate on issues for ESPP adoption. It is anticipated that around 8 interviews will be undertaken. The hotel managers' perception and motivation towards sustainability and the stakeholders' influence is a major driver for applying environmental management practices. The research looks into the extent their environmentally sustainability practices have been implemented effectively. It clarifies the stakeholders' influences, the hotel managers' perceptions and motivations on environmental sustainability, challenges and barriers faced in implementation, and their future strategies on environmental sustainability, bearing in mind the anticipated growth in the hotel sector and the increasing attention being paid to the importance of environmental management, sustainability practices, and most importantly, stakeholder considerations.

Interview participants will be purposefully selected so that different categories hotels are all represented. Open-ended questions will be utilised when conducting interviews as they have the ability to evoke responses that are meaningful and salient to the participant. Furthermore, probing gives participants the opportunity to elaborate upon their answers. Again, diversity in the scale of hotel will be taken into consideration when selecting the case study participants.

Who is conducting the study?

Title of the Project -

"Managers' perspectives of environmentally sustainable policies and practices in the Australian hotel industry"

Chief Investigator- Professor Michael McGrath- **Tel**-61 3 9919 4627- **email**-Michael.McGrath@vu.edu.au

Student investigator- Ajay Khatter **Tel**-0437562944 – **email**-ajayk@angliss.edu.au

Any queries about your participation in this project may be directed to the Chief Investigator listed above.

If you have any queries or complaints about the way you have been treated, you may contact the Ethics Secretary, Victoria University Human Research Ethics Committee, Office for Research, Victoria University, PO Box 14428, Melbourne, VIC, 8001, email researchethics@vu.edu.au or phone (03) 9919 4781 or 4461.

Appendix C – List of questions asked of respondents in the research sample

- 1 Can you please tell me about your role and responsibilities with the hotel?
- 2 Tell me about your hotel's environmental sustainability policy (green policy).
- 3 Is it a written formal policy? Is the policy accessible to the public? Does someone in the hotel or head office/corporate office have the responsibility for environmental sustainability policy or practices? What areas are the priorities of this policy? Tell me about who is responsible for implementing this policy.
- 4 Tell me about the environment sustainable practices in your hotel. Does someone have responsibility for this at the hotel or at head office/the-corporate office? Tell me about who is responsible for implementing these practices.
- 5 What are the focus areas of the practices?
- 6 Why do you implement the policies and practices?
- 7 How do these policies and practices affect you and in what ways?
- 8 Do you measure the success of ESPPs (environmentally sustainable policy and practices)? If so, in what ways do you do this? Where do you report the outcomes of these practices?
- 9 What are the barriers to implementing environmentally sustainable policies and practices?

- 10 What are the drivers to implementing environmentally sustainable policies and practices?
- 11 Who influences ESPPs and why? To what extent do the different stakeholders agree or disagree on the implementation and value of these ESPPs? What are current levels of execution, patterns/trends, gaps, issues, challenges, opportunities, barriers and motivations in the implementation of environmental sustainability policies and practices?
- 12 To what extent do the varying views of different stakeholders present opportunities in the development of future ESPPs? How do different stakeholders play a role in shaping these patterns and trends? How do they interact among themselves to create opportunities/drivers and barriers?
- 13 Does the hotel association or accommodation association guide you on ESPPs?
- 14 Given that there is projected growth for the hotel industry, what do you think will be the trends for ESPPs in the next few years? What environmental sustainability policies and practices are planned to be implemented by your hotel/hotel company/hotel industry in the future?