
Understanding the Sustainable Development of Tourism

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Sustainable Operations Management

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Sustainable Operations Management

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Rationale

Unlike many business sectors, tourism is an amalgamation of various industries offering products and services ranging from airline and cruise ship travel and accommodation to restaurant meals, entertainment, souvenirs and gifts, park services, recreational vehicles, resort development, safaris, leisure and recreational opportunities.

There is growing recognition that established management practices have led to undesirable social and environmental impacts, some of which, in turn, threaten the sustainability of tourism operations. It is consequently the management of tourism operations, at the local and individual level, that has major implications for sustainability. It is essential that forces of change begin with company policy and actions at the organisational level.

The aim of this chapter is to introduce, discuss and analyse sustainable tourism as applied to real tourism operations. This chapter will introduce students to the principles of sustainable operations, will explore the ways in which tourism operations can progress to limit their negative impact and play a more responsible part in tourism sustainability.

Learning objectives

After reading this chapter, students should be able to:

- ◆ Understand key sustainability principles as they apply to operations management in tourism
- ◆ Identify the potential socio-cultural, environmental and economic impacts of tourism businesses
- ◆ Identify strategies to balance environmental and socio-cultural sustainability with economic viability
- ◆ Implement key sustainability practices in tourism operations; and
- ◆ Evaluate performance in achieving sustainable practice in tourism operations.

Identification

International agencies such as the United Nations World Tourism Organization (UNWTO) and the United Nations Environment Programme (UNEP) have called upon the tourism industry to develop environmentally, socially and culturally

Industry insight: Accor

For many years, Accor has been committed to sustainable development and has received a number of awards for its activities, such as an award for the best environmental information tools in support of sustainable development in December 2000. Accor's sustainable policy is incorporated in every level of its businesses. Actions taken under this policy include:

Cooperation with destinations:

- ◆ \$1 per reserved room at Accor's Homebush Bay Novotel and Ibis hotels (Sydney) goes to support WWF.
- ◆ Financial support for five restoration projects of UNESCO program 'Memories of the future'.
- ◆ Financial support to develop small and micro enterprises in developing countries. These projects are carried out by the ONG Groupe Développement.

Customer awareness

- ◆ A leaflet for guests staying in its Red Sea hotels provides information on precautions that should be taken to preserve the coastal and marine environment.
- ◆ A comic book for children raises awareness of environmental issues.
- ◆ Support of ECPAT (End Child Prostitution, Child Pornography And Trafficking of children for sexual purposes) campaign against sexual tourism involving children.

Internal management:

- ◆ The charter is supported by an environmental guide for hotel managers to use as a training tool for hotel staff.
- ◆ Through the Academy Accor, all employees are trained on Accor's environmental policy by a six-minute video and a poster campaign.
- ◆ Development of a training guide on the rational use of electricity, water and gas for the hotels staff. The aim is that they reproduce best practices actions at home. 'A l'hôtel comme à la maison'.

Supply chain management:

- ◆ Accor has developed an Environmental Hotel Charter to be implemented in all its property hotels. The charter includes 15 actions to improve practices in waste management and recycling, technical controls, architecture and landscape, as well as awareness raising and training.
- ◆ For the Olympic Games in Sydney, Accor opened a 327-room hotel complex on the Olympic site in Homebush Bay. Its environmental features included the recycling of most of the rainwater and wastewater and 250 sq. m of solar panels on the rooftops, which produce 60% of hot water required for hotel bathrooms.
- ◆ Development of the use of renewable energies in many hotels.

Accor works in close collaboration with Groupe Développement, an international solidarity organisation set up in 1973 at the initiative of Air France, which is working towards sustainable development through microeconomics. Accor gave financial support to five projects on the development of small and micro enterprises in developing countries to fight against poverty. The projects are located in Egypt, Mali, Senegal, Chad, Colombia and Romania (Tour Operators Initiative for Sustainable Tourism Development, 2010)

Codes of conduct

'A code is a set of expectations, behaviours or rules written by industry members, (often interchangeably) with an emphasis on accreditation of operators' (Newsome et al., 2002: 223–230). Examples include:

- ◆ Code of Ethics and Guidelines for Sustainable Tourism (Tourism Industry Association of Canada)
- ◆ Code of Sustainable Pratique (Tourism Council Australia)
- ◆ Environmental Codes of Conduct for Tourism (United Nations Environment Programme)
- ◆ Sustainable Tourism Principles (Worldwide Fund for Nature and Tourism Concern)
- ◆ Code for Sustainable Tourism (Pacific Asia Travel Association)
- ◆ APEC/PATA Code for Sustainable Tourism
- ◆ Declaration of Earth Friendly Travelers (Japanese Travel Association)
- ◆ Agenda 21 for the Tourist and Travel Industry (promoted by the World Tourism Organization, the Earth Council and the World Travel and Tourism Council).

Globally, many tourism industry sectors have responded to sustainable development through the establishment of voluntary initiatives. Historically, adoption of sustainable initiatives by industry has been slow for a number of reasons:

- ◆ Many SMEs, especially in developing countries, are simply not aware that such codes of practice exist.
- ◆ The documents do not find their way to the desks of small business operators.
- ◆ The language used in the documentation is intimidating for small business.
- ◆ The size of many SMEs restricts their ability to implement recommended guidelines and initiatives.
- ◆ SMEs, already too burdened with their day-to-day operations, have little time for locating and familiarising themselves with the relevant codes of practice.
- ◆ The codes often provide only generic principles, and businesses find it difficult to translate them to an operational level.

Certification, education and awareness programmes

For many years, management of the environment and natural resources in tourist areas has been ad hoc or based on a legislative approach through the issuing of compulsory regulations. This method alone, however, has often proved to be inefficient. Certification is just one in a wide range of tools that seek to encourage sustainable business performance.

Synergy (2000) found that tourism certification programmes generally provide a logo to those companies that exceed (or claim to exceed) a baseline standard. A recognisable logo primarily allows businesses or destinations to demonstrate their environmental credentials directly to consumers and offers potential competitive advantage to those businesses that display it. Unfortunately, certification programmes

tend to encourage tourism businesses to focus on operational areas (e.g. energy conservation and water management) before addressing conservation initiatives.

To date, certification programmes have focused predominantly on the development of criteria for the accommodation sector and, to a lesser extent, tour operators and visitor attractions. Transport operations, which some critics would consider to have the largest ecological footprint, have not been addressed by many certification initiatives (Synergy, 2000).

Regrettably, there has been a proliferation of eco-labels with different standards, scope and cover which has led to confusion for tourists in their holiday choices. However, these programmes are a powerful form of moral persuasion, and scrutiny may be directed at businesses that do not consciously pursue sustainability.

Monitoring and evaluation

Monitoring is an essential component of any planning or management system and 'is the process of repetitive observation of one or more elements or indicators according to prearranged schedules in time and/or place' (Newsome et al., 2002: 259).

Monitoring and evaluation are undertaken in order to assess the major activities of an operation and determine cost-effectiveness; economic, social and environmental impacts; and visitor satisfaction levels.

This section focuses on the monitoring and evaluation of an operation in particular monitoring systems and methods of assessment.

Baseline information is necessary to enable informed decisions to be taken on any issue. In general, baselines are established to provide a measurement of significant change over time or between spatial areas at a given time. However, this depends on there being a baseline against which change can be measured. An evaluation of the impacts is often hampered by a country's or a community's lack of historic data and by the natural variability of a country's conditions.

Monitoring and evaluating an operation

Monitoring is an often-neglected activity in operations management, but it is essential where operations are required to report on the outcomes of their activities. Monitoring specifically aids in:

- ◆ The evaluation of an operation's effectiveness
- ◆ Providing information for management to assist with accountability and transparency
- ◆ Providing information for successful marketing and interpretation
- ◆ Avoiding unforeseen negative impacts arising from an operation's actions
- ◆ Incorporating changes that may occur in an operation's external environment.

'While management experience is an important element of decision-making, the results of systematic monitoring provide a more defensible basis for management actions' (Eagles *et al.*, 2002: 151). Specifically, Eagles *et al.* identify four areas managers should focus on when monitoring their operations.

- 1 Areas where problems are most acute and/or where staff or visitors have indicated concerns. These are likely to include places where: conditions are at the limit or violate existing standards; specific and important values are threatened; conditions are changing rapidly.
- 2 Areas where new management actions are taking place (e.g. if the management plan introduces a wilderness zone with the aim of reducing visitor numbers or modifying visitor behaviour, managers should consider monitoring in that area to determine how the policy is working).
- 3 Areas where the effects of management are unknown (e.g. how recreation variables influence soil, vegetation and camp-site conditions).
- 4 Areas where information is lacking, and a monitoring programme will provide data on tourism and social and environmental conditions and trends (Eagles *et al.*, 2002: 151).

A monitoring programme should be established at the outset of an operation's development and it is critical that baseline information be developed on initial conditions. This will ensure that subsequent monitoring will observe changes compared to baseline data and allow for early warning of future changes (Eagles *et al.*, 2002). A monitoring programme should involve management and staff, visitors, suppliers and the community and should be undertaken in an organised and systematic manner.

It has been argued that the most comprehensive approach to achieving sustainable operations (i.e. to integrate economic, environmental and social thinking into core business activities) is the Triple Bottom Line (TBL) approach (Dwyer, 2005; Dwyer and Faux, this volume). TBL is a planning and reporting mechanism and decision-making framework used to achieve sustainable development of the organisation – an internal management tool as well as an external reporting framework.

Environmental audits

An environmental audit is a management tool comprising a systematic, documented, periodic and objective evaluation of how well an organisation is performing, with the aim of helping to safeguard the environment (European Commission, 1999). Such an audit is undertaken to identify a company's environmentally sensitive activities, services and products and to evaluate compliance with environmental legislation. Environmental audits should review the progress of the organisation's initial plan and analyse if the series of projects initiated in their environmental policy have been fruitful.

Establishment of baseline information can be particularly useful for an operation to analyse the impacts of its activities on the environment. The analysis stage can identify and describe:

- ◆ The key attributes of a site from the tourists' perspective
- ◆ Locals' attitudes towards those key attributes
- ◆ The nature of attributes according to season, as locals and holidaymakers may value the same attribute differently at different times of the year

- ◆ The status of air, water, soil and biodiversity at the proposed site
- ◆ The range of tourist activities that can be sustainably undertaken at the site.

A year-on-year appraisal is an excellent way of measuring performance, which can then be compared to national data. For example, the Australian Institute of Hotel Engineering has established benchmarks to assist hotel operations to assess their hotel property compared to the average. Furthermore, hotels can make comparisons with other hotels of the same class, size and facilities to measure their own performance. The Australian Hotels Association (AHA) in 1992 introduced the Environmental and Energy Awards to promote environmental awareness and enable hotels to compare their results, and to reward excellence.

An operation may choose to hire external consultants to advise on management of environmental issues, set up an environmental management system and conduct periodical audits. This may be useful if the operation lacks the necessary internal expertise or manpower. Alternatively, audits can be conducted internally. This will usually be done by the engineering/maintenance department. These audits may vary from extensive quantitative measures to more qualitative assessments.

The monitoring system should:

- ◆ **Contain meaningful variables** that are useful in identifying changes in activity;
- ◆ **Be a reliable system** that draws on accurate results to form reliable conclusions;
- ◆ **Be affordable** – in that the operation must be able to resource and carry out recommended procedures
- ◆ **Be easy to implement** – making sure that procedures are in line with the nature of the operation
- ◆ **Be appropriate to management capability** – and implementable within the operation's capacity.

Future challenges and issues

It seems certain that economic, environmental and socio-cultural pressures will lead to increasingly stringent legislation and taxation designed to encourage people to act more considerately towards the environment (refer to Dwyer and Edwards, Chapter 3 of this volume). Therefore, the best businesses will anticipate such action and minimise their impacts well in advance. Self-management practices will increase through the adoption of codes of practice and certification schemes. It will also minimise compliance costs.

The significance of planning for sustainable tourism operations through management practices cannot be overemphasised. The monitoring of management practices against performance indicators and baseline measures will be an increasingly influential component of tourism operations. Operators will need to identify their own indicators and set them within the context of their broader environments, working in partnership with their communities and matching their business objectives with community objectives.

As explained at the beginning of this chapter, operations impact cumulatively on their environment, so there is a need for tourism operations to see themselves as part of a larger sustainable development system, where every element affects other elements. A number of gains have been made in the accommodation, tour operators and visitor attractions sectors but it is time for accreditation programmes and codes of conduct to broaden their scope to include conservation and socially aligned activities. This is why tourism operations of the future must become more interested in broader sustainable development issues.

Review questions

- 1 Identify the ways in which cost reduction measures are compatible and incompatible with the ideals of sustainable tourism operations.
- 2 Explore how improved environmental performance can contribute to successful business operations.
- 3 Evaluate how a hotel, tour operator, resort and tour guiding operation could implement the 10 Rs. Give examples where possible.

Useful websites

Centre for Environmentally Responsible Tourism <http://www.c-e-r-t.org/>
 Convention on Biological Diversity <http://www.cbd.int/tourism/>
 CRC for Sustainable Tourism <http://www.crctourism.com.au>
 Department of Resources Recycling and Recovery <http://www.calrecycle.ca.gov/>
 Global Reporting Initiative <http://www.globalreporting.org/>
 Green Globe <http://www.greenglobeint.com/>
 Greenhotelier www.greenhotelier.org
 Institute for Sustainable Development <http://www.iisd.org/>
 International Tourism Partnership <http://www.tourismpartnership.org/>
 Tour Operators Initiative for Sustainable Tourism Development <http://www.toinitiative.org/>
 United Nations Environment Programme <http://www.unep.org/>
 World Tourism Organization <http://www.world-tourism.org/>
 World Tourism and Travel Council <http://www.wttc.org/>

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