

GREEN ENTREPRENEURSHIP IN THE HOSPITALITY INDUSTRY

DORINA NIȚĂ *

ABSTRACT: *The concept of entrepreneurship is extremely popular nowadays, fact motivated in the specialized literature through the positive effects generated by its manifestation and development. The extremely varied fields in which entrepreneurship can be held, have also determined their association with them, encountering today such phrases as green entrepreneurship or social entrepreneurship. Starting from the interdependence relationship that exists between economic development, the climate changes, "the health" of the environment and tourism, an increasing awareness of the effects generated by the development of certain economic sectors, including tourism, can be noticed in recent years, upon the environment, doubled fortunately, as well by an increase in the concerns of finding and implementing effective solutions (legislation, technologies, etc.), through which some sustainability should be ensured of the environment for future generations. The hereby work paper focuses on highlighting the ways in which the tourist reception units, especially hotels, can implement for their activity, aspects related to reducing pollution (reducing electricity consumption, running water consumption, using cogeneration and renewable energy, recycling solid waste), etc.) and the benefits generated by holding the certification of "green hotel" amongst the staff, guests, business partners, local community.*

KEY WORDS: *entrepreneurship, the hospitality industry, green hotels, friendly-environment*

JEL CLASSIFICATION: *F64, K32, L83, Q53*

1. THE RELATIONSHIP OF INTERDEPENDENCE CLIMATE CHANGES - ENVIRONMENT - TOURISM

For the sake of future generations it is no longer acceptable to generate economic growth at any cost. Presently, the preservation of the environment has become a global problem, and ensuring the balance between the economic activity, society and the

* Assoc. Prof., Ph.D., University of Petroșani, Romania, dorinamagda@yahoo.com

environment is considered essential to meet the needs of the present without compromising the ability of future generations to meet their needs.

Climate change, global warming and other global environmental concerns such as access to clean water, population overcrowding and over-development, disposal of non-biodegradable chemicals etc., are today at the top of the priority list of scientists and world leaders. The increasingly acute perception of the effects of the climate changes causes taking the most urgent measures by the authorities, in the direction of adopting some new regulations aimed at protecting the environment. It is believed that worldwide, environmental legislation is likely to become increasingly stringent and strictly enforced, without focusing only on the sectors of production considered energy-consuming or which release harmful or poisonous substances in air, water or soil, but also on other fields of economical activity, including tourism.

The relationship between the climate changes, environment and tourism is reciprocal: economical development based on fossil fuel consumption and the increasing of CO₂ emissions has influences upon the environment (air, water, soil) and implicitly tourism, making it very vulnerable to the effects of climate change; whether it is a winter sports resort, a remote holiday island or other nature-based destination, climate is fundamental to tourism (and the impacts of climate on tourism are likely to intensify); on the other hand, tourism as well, through its development, has a negative impact upon the environment through the fuel consumption involved by the annual displacement of millions of tourists for sightseeing purposes, but also by the consumption of running water, electricity, fuel, chemicals used for cleaning or air-conditioning systems which release harmful emissions to the atmosphere and deplete the ozone layer, the significant quantities of waste generated by the operation of the accommodation units. All of these bring harm to the environment, making hotels and other accommodation units, as part of that industry, that has a key role to play in facing up the responsibilities and takes proper actions.

The "struggle" for a healthier environment, in parallel with meeting the needs of society as high as possible, involves a complex ensemble and numerous set of actions aimed at several plans:

- reducing pollution;
- avoiding waste of resources or using them at inappropriate parameters;
- proper waste management;
- manage climate change;
- reducing/eliminating degradation of ecosystems and loss of biodiversity.

Such a concern is also manifested in those who operate in the field of tourism: many places which are very attractive to tourists, are becoming increasingly threatened by unwanted and increasingly intense natural phenomena, such as floods, vegetation fires, drought, earthquakes, storms and typhoons. Significant changes in climate and weather patterns at tourist destinations can compromise the health, safety and comfort of tourists and ultimately affect their travel decisions. Changing demand patterns and tourist flows will impact on tourism businesses and the local communities, as well as sectors that are linked to tourism income such as agriculture, handicrafts or construction. The ratio between the number of those affected by the climate change and the number of those who do not directly perceive the changes at the expense of the

former, but because these effects are not yet palpable in all areas of the earth, they are considered too insignificant in the fight for the environment or for some other reasons, the interest of those engaged in tourism for the preservation of the environment does not manifest itself at the same pace. Since such a problem as acute as that of managing the climate changes against the backdrop of economical development imposed by the growth of the population of the Earth Globe, the diversification and "sophistication" of the needs to be met, without endangering the right of the future generations to the same conditions, cannot be left at the hand of the economical environment, local authorities and communities, imposing regulations that exclusively target the environment. Thus, at present, well-known are the International Standards promoted by the International Organization for Standardization (ISO) which represents documents that establish certain requirements, specifications, characteristics that can/should be used consistently to ensure that the processes, the products and services are in accordance with and appropriate to their purpose. Organizations/companies can obtain certification and conformity assessment for various services, such as: Quality Management, Environment, Food Safety, Supply Chain Security, Health & Safety management system etc. from institutions authorised to carry out these activities (ISO includes a network of standardization institutions from which 156 countries and amongst them there is Romania). According to the certification structures, the motivations underlying the implementation of an international standard at a company level, derive from a multitude of benefits obtained from the certification, respectively:

- the certificate can be used as a competitive advantage over the competitors, fact which can lead to an increase of the market share;
- increasing the prestige and value of the company;
- the implementation of the system processes that can be made easier and more transparent;
- it is verified that the implementation of an Environmental Management System leads to a reduction of costs and therefore an increase of the company's performance and so on.

ISO 14001:2005 it is responsible for the best-known standard for environmental management, providing a framework for the development of an environmental management system (EMS) and the supporting audit programme (Environment - ISO 14001). The objective ISO14001:2005 is to integrate environmental management into the organization's business processes, strategic direction and decision making, aligning them with other business priorities, and incorporating environmental governance into its overall management system without state specific environmental performance criteria. This International Standard "enables an organization to use a common approach and risk-based thinking to integrate its environmental management system with the requirements of other management systems", regardless of size, type and nature, and applies to the environmental aspects of its activities, products and services that the organization determines it can either control or influence considering a life cycle perspective (ISO 14001:2015).

ISO 14001:2005 specifies the actual requirements for an EMS and applies to those environmental aspects over which the organisation has control and is expected to

have an influence. It enables hotels to put in place an effective EMS, to maintain profitability whilst reducing their environmental impacts and to strive for continuous improvement. Today, many hotels and accommodation providers around the world have attained certification to ISO 14001.

Although the adoption of this international standard "will not in itself guarantee optimal environmental outcomes", involving the compliance of companies to the requirements of this International Standard, that is, assuming obligations consisting in carrying out activities and committing expenses, on the other hand it generates benefits (Environment - ISO 14001):

- gaining and maintaining the market share by promoting a "green" organizational image;
- achieving and demonstrating real environmental performances to all the stakeholders, by a technical and economical management of the environmental issues;
- facilitating the access to bank loans;
- reducing the costs through a more efficient use of the resources and reduction of the environmental accident risks.

Even if for the certification of the activity carried out in the field of Environment, there is a specific international standard ISO 14000:2005, for the hotel activity, there are also other standards such as: ISO 9001:2000 for Quality Management, ISO 22000 for Food Safety and ISO/PAS 28000:2005 for Supply Chain Security. In Romania, according to the Romanian Society for Quality Assurance (SRAC), the standards are considered voluntary, acting as guides, but they become mandatory when they are incorporated into a business contract or certain regulations (SRAC, www.srac.ro).

Other known certification schemes concerning the environmental management in hotels and tourist accommodation services are Europe's Eco-Management and Audit Scheme (EMAS) (which recognises organisations that go beyond minimum legal compliance and continuously improve their environmental performance. Participating organisations are required to regularly produce a public environmental statement that reports on their environmental performance), The EU Ecolabelling scheme, The Global Ecolabelling Network (GEN), the Voluntary Initiatives for Sustainability in Tourism (VISIT) Standards for Tourism or Green Globe.

Worldwide, there are already a number of associations whose purpose is to bring together hotels interested in environmental issues, encouraging, promoting and supporting the greening of the lodging industry, as Green Hotels Association (GHA), International Tourism Partnership, Association of Southeast Asian Nation (ASEAN) and more. For example, ASEAN is an intergovernmental organization comprising currently 10 member states: Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Laos, Myanmar, Cambodia and Vietnam, which has adopted The ASEAN Green Hotel Standard whose main purpose is to promote sustainable tourism practices around the ASEAN through "compiling, adapting and creating the tools and training to engage in ASEAN Green Hotels practices" (ASEAN, <https://nezeh.com/asean-green-hotels/>). This Standard deals with four essential elements of professional Green Hotel operations: Environmental plan, Green product, Human resource and Environmental management.

Feeling the increasing pressure in the direction of introducing stricter regulations and covering an increasing area of issues that need to be solved so that the pace of the climate changes is slowed down, maintaining the current pace of the economical development, efficient managers in the hospitality industry are aware that the preservation / development of the business that they run, implies an anticipation of the changes that may occur in the field of legislation or other external demands. Anticipating legislation that may be forthcoming in the future will allow to make the necessary investment today. This emerging market, the hospitality industry, is growing and wise companies are already positioning themselves to take advantage of it.

Concerning an environmental policy/strategy, the book *Environmental management for hotels. Chapter 1. Policy and management* argues that "an environmental programme needs to include targets and objectives against which business managers can measure performance. A good idea is to base them on last year's performance, and try to achieve a percentage improvement. At the same time, the environmental strategy can take the form of a simple 'values' or mission statement, or it can work through all the environmental impacts and how will address to the stakeholders, employees, guests, business partners and local residents. It also may decide to include more than environmental issues so that it becomes an overall policy for 'responsible business' covering additional issues such as purchasing fair trade products or other socio-economic considerations. To show its efficiency and to become more efficiency, the environmental policy/strategy should be reviewed and updated periodically to take account of the progress and any changed priorities".

The topics that are the subject of an environmental management system can be systematized as follows:

- ✓ manage environmental aspects that derive from activities, products or services that interacts or can interact with the environment;
- ✓ fulfil compliance obligations which can arise from mandatory requirements, such as applicable laws and regulations, or voluntary commitments, such as organizational and industry standards, contractual relationships, codes of practice and agreements with community groups or non-governmental organizations and address;
- ✓ quantifying risks and opportunities connect to the environmental policy etc.

It should be noted that at the level of an organization, there is both the option of creating its own environmental management system, as well as the alternative to take it from existing systems, such as an ecolabel or an international management standard.

2. "GREEN HOTEL" - CONCEPT AND MANAGEMENT

A *Green Hotel* is defined as an establishment care promotează Environmentally friendly and Energy Conservation. According to www.xotels.com, *Green Hotel* is "a hotel that focusses on sustainability in its business practices. It differentiates itself from other hotels with its strong focus on reducing carbon emission, water usage, waste reduction and electricity usage as much as possible. Green Hotels will also be built from sustainable materials and aims to also leave a low or no carbon foot print".

In order to obtain the title of "Green Hotel" an implementation and certification of an environmental management system is required, which implies:

- identify all the environmental aspects of its activities, products and/or services, in all the locations it operates;
- use a logical and objective methodology to prioritize these aspects, based on the importance of their impact on the environment;
- focus its management system towards the improvement and minimization of such significant impacts on the environment.

According to *Environmental management for hotels. Chapter 1. Policy and management*, "building" an environmental management system, but also assessing its efficiency, impose to consider issues surrounding:

- energy (including sourcing and use);
- water (consumption, quality and waste water treatment);
- waste (including opportunities for avoidance, re-use, recycling and disposal);
- air (indoor air quality, air emissions, noise);
- food safety;
- purchasing and supply chains;
- chemicals and other hazardous materials (use, storage and disposal);
- refurbishment activities and care of the grounds;
- compliance with environmental regulations (local, regional or national legislation) that apply to your operation;
- the impact of the hotel on the local community, wildlife habitats and the landscape.

A "green hotel" has environmentally-friendly properties by using more energy efficient technology and methods and encouraging guests to adopt eco-friendly habits as:

- *saving water* - for drinking, cleaning, laundry, swimming pools (for example adding 'Drinking water served on request only' to the menu; using towel rack hangers and sheet changing cards which ask guests to consider using their linens more than once; use in toilets or bathrooms of water-saving devices such as a toilet-tank fill diverter or low-flow showerheads; a water heat recovery device installed under a shower tray or a bathtub; a 1.6 gpm dishwashing valves in kitchens or a 1.5 gpm aerators etc.);
- *saving energy* - electricity or fuel (for example: using fluorescent bulbs, ceiling fans, vapour absorption chiller (VAC) using a biomass-driven boiler, thermal transfer devices capable of transferring heat and energy several hundred times faster than conventional methods such heat pipe system; instaling sub-meters; instaling thermostatic controls and time clocks; using occupancy-linked controls as linen cards or lights out cards; motion sensors for public rest rooms, meeting rooms, exercise rooms; thermostatic radiator valve; occupancy sensor; keycard room activation unit; in-room temperature control etc.). Other ways in which energy consumption can be considered as low are represented by co-

generation and using renewable energy technology as solar photovoltaic (PV), solar thermal, wind, water, wave, geothermal, biomass, biofuels and energy generated from waste;

- *reducing solid waste* (through recycling napkins, towels, glass bottles, spoons etc.; reuse materials elsewhere or avoiding products with excess packaging. when using reuse materials elsewhere or avoiding products with excess packaging. When talking about reuse materials elsewhere you can consider using food and garden waste to create fertile compost used later to fertilize hotel grown or as fertilizer in their own vegetable gardens (for example The Waste-to Wealth Programme implemented by Soneva resorts in the Maldives and Thailand (Green Hotelier, www.greenhotelier.org)) or used to produce biogas for electricity at the PDM power plant, with the electricity then supplied to the grid (for example Savoy Hotel - London or Walt Disney World which has its own biogas facility (www.xotels.com));
- *sustainable food procurement* (thus offering the opportunity to createsome supply chains in the chain of farmers, producers, food distributors and buyers who operate with values of social, economic and environmental sustainability and to develop their businesses);
- *avoiding waste and responsible consumption* (using, for example hair and skin care dispensers which offer guests shampoo and soap at the push of a button on the one hand, and save money on the other).

Currently, there is a multitude of equipment, facilities, technologies and measures through which a hotel can be considered friendly to the environment. Adopting an "environmental culture" involving choosing the step(s) by which benefits are recorded by both parties: both the environment is protected and the financial performance of the hotel is improved.

This active measures, as using efficient mechanical systems and other that were previously mentioned, can also be duplicated by a series of passive measures such as optimizing the design so that natural light can be used for a longer period of the day or improving natural ventilation (Scholz, 2019). In a *green hotel*, guests, staff and management are healthier because they do not come in contact with cigarette smoke, odorants, toxic vapors or poisons from cleaning products. The perception that they work in an environment in which their health and safety is valued, is extremely important for the hired staff because it induces the feeling that they have a positive contribution to society, strengthen the company's prestige and motivate the staff. Motivated employees are more likely to provide a better quality of service to the guests.

The same feelings of concern for health and safety are encountered also in the case of guests, sometimes being a factor taken into consideration when choosing the place for holiday and then for customer loyalty. It has been proven that the highlight of the green hotel degree is an attraction for both those who want to work in the hotel environment because they have the guarantee of a job where there is concern for their health, but also for tourists who already know this phrase; at the same time, draws the attention of those who hear it for the first time and there is the possibility that by

understanding it they appreciate it and try to "take it home" saving energy, water, fuel and thus reducing bills, but also trying to live in the a cleaner environment. Even if not everyone shares this enthusiasm, even the influence of a small percentage of the staff, stakeholders or the millions of tourists who benefit from hotel services is a benefit for the environment. Currently, hotels are ranked based on indices such as the FTSE4Good Index and the Dow Jones Sustainability Index, considering that hotels that achieve a listing on such indices are more likely to attract the segment of investors as well as socially responsible investors.

The complexity of the activities that a hotel can carry out in order to consider itself as having become / will be environmentally friendly includes, in addition to those listed above, with reference to reducing pollution and resource consumption, based on the use of energy forms such as co-generation or green energy, recycling or modern technologies based on low energy consumption or avoiding waste and responsible consumption, and a number of other activities, such as:

- *Education of the team (management and staff)* - which is critical to allow the uptake by staff of the hotels environmental agenda. Hotel's Staff could be trained in various topics of Responsible Business. The training could contain simple examples of how to make habits more responsible and build a culture of Responsible Business. An advanced level of training could be given to the management-level staff.
- *Adapting basic social media platforms* to serve both buyers (farmers, suppliers) and end-users (hotels owners, procurers and chefs) (for example The Virtual Agricultural Clearing House) bringing to the attention of end-users the freshest of available daily products nearby, stimulating the local economy and reducing some imports of products (whose transport can deteriorate their quality and generate fuel consumption) that can be successfully obtained by local agriculture.
- *Using certifications and consumer information tools* to help consumers and procurers to make sustainable choices more easily.

Using certifications and consumer information tools to help consumers and procurers to make sustainable choices more easily. Another aspect that relates to the way the business is managed at the level of a green hotel considered to be necessary to be mentioned, concerns the relationship that the hotel must have with the local community. Hotels and other accommodation providers have relationships with the local community, not only in the light of the fact that the latter is wholly or partially employed and/or constitutes an important source of food supplies and other products/services necessary for the current activity of hotel, but also due to the fact that tourists do not spend all their time inside the hotel, and they want to know the surroundings, to interact with the locals, with the local culture and traditions. A community dissatisfied with the trash generated by the hotel, traffic, noise or other inconveniences, will associate them with the presence of tourists and will probably have a reserved attitude towards them, jeopardizing the future development of the business. At the opposite end, the hotel's demonstration of concern for the community and the environment not only increases the quality of life, but also educates community members to share this attitude. A better

relationship between hotel and local community helps to achieve the criteria and success in green management.

3. CONCLUSIONS

Under the pressure of the climate changes, the impact they have on the development of tourism on one hand, as well as the negative influence on the environment generated by the millions of tourists, the services and tourist reception units, on the other hand, new trends can be highlighted in the evolution of world tourism, making sustainability, environment and socially friendly principles, attitudes and behaviors to become priority.

In hospitality industry is said that the hotel and other accommodation facilities sector have the highest negative influence on the environment. Despite the fact that all hotel managers would admit the role that the environment plays in the development of tourism, at hotel management level it continues to show a disregard for the environmental issues. This may be due to the lack of belief that green investments, often financially important, are not sufficiently compensated for the financial performance obtained from their achievement, and, in Legrand's opinion, Sloan and Chen (2016) (Oancea, 2017), elements such as reducing carbon emissions or conserving biodiversity are difficult to quantify in terms of financial or monetary gains. However, the acute problem of managing the environmental problems has led to an intensification of the efforts of the governors, the academic and research environment in the direction of the imposition of regulations, but also of identifying the most efficient measures, technologies, equipment, through which the future of the next generations will not be endangered by the present attitudes and behaviors of the business environment and the population.

With regard to the hospitality industry, efforts must be focused especially in the direction of awareness at management level of the importance of a healthy environment on the development of the tourist activity, as well as the impact that such development has (through the large quantities of energy, water, fuel consumed, carbon emissions released into the atmosphere or quantities of solid waste resulting from current activities). Hotels and other accommodation units are considered to be one of the most polluting agents in tourism, so that a number of associations / organizations, publications and articles in specialized literature, articles, reports or documentaries presented in the media or on social media platforms, try to provide hotel managers with information on current technology, methods and tools for their activity to become environmentally friendly, convincing on concrete data basis that, despite large investments, the benefits obtained (quantifiable or not) have as an effect the increase of the company's prestige and of its financial performance.

There is more and more talk about the tourists who take into account ecological principles when choosing a vacation location, employees for whom the quality of the work environment is important, socially responsible investors, all these elements forcing more and more hoteliers to adapt to the new trends in the tourism industry with the desire to deal with the fierce competitive environment.

"Green" has become a word associated more and more with some phrases established in the literature of economic specialty, such as economy, entrepreneurship, business, being used not only when it refers to a certain way of organizing the company's activity, to a certain field of economic activity, but also in the business in which the food and non-food waste generated by the conduct of an economic activity or the consumption of the population have become inputs in the production process generating profit or the businesses dedicated to the ecological education.

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