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# An assessment of green practices in a hotel supply chain: A study of UAE hotels



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#### ABSTRACT

The purpose of this paper is to develop a framework for green assessment across a hotel supply chain. The proposed framework was derived from the theory of "value creation" with a focus on green awareness, green know-how, and green implementation. These aspects are further explored using a structured research method and specific research questions. The study was conducted in selected hotels in the United Arab Emirates (UAE). The study has identified the currently used green practices across the supply chains of the surveyed hotels. Study results have confirmed the familiarity of UAE hotels with green practices and the awareness of green value. However, there was a gap in the green know-how in terms of the effective implementation of green techniques across the supply chain and the impacts of the adopted green practices. The study has also identified the obstacles of adopting green practices across the hotel supply chain. Literature indicates a growing awareness of adopting green practices in the service sector in general and in the hospitality industry in particular. However, despite the viability of the topic, it appears that comprehensive theoretical and analytical frameworks for assessing green practices in hotel supply chains are still underdeveloped. Thus, the proposed framework can be subsequently used by practitioners and researchers in conceptualization and assessment of green practices across hotel supply chains in the UAE and the region. Results also provide insight and guidance for adopting green practices across the supply chains of hotels globally.

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#### 1. Introduction

A supply chain is often viewed as a network of critical links that connects organizations (stakeholders and partners) together and links each organization's inputs to its outputs. As defined by Bowersox, Closs, and Cooper (2002), the supply chain refers to "all those activities associated with the transformation and flow of goods and services, including money and information flows, from the sources of materials to end users." Such topology is no longer limited to the supply chains of manufacturing firms. Service supply chains (e.g., hospitality, healthcare, finance, education, etc.) can be also viewed and analyzed in a similar manner (Fig. 1 depicts the main components of a service supply chain). For example, a hotel supply chain is a network of organizations engaged in delivering different hotel services to customers. Such network functions

through the flow of information (e.g., reservations), monetary transactions (e.g., payments and charges), and physical items (e.g., food and drinks). The term of "reverse logistics" which indicate the backward flow of material from customer to sources (e.g. recycling and reuse) is also gaining ground across hotels supply chains. Details of forward and backward flow across different supply chain components and functions can be found in Fredendall and Hill (2000).

While the service supply chains, including in the hospitality sector, continue to grow, they are facing several challenges that may limit their potential. These challenges mainly include the growing cost of supply chain operations, the stricter environmental regulations and legislation, and growing competition. Such challenges have forced service supply chains to minimize their wastes and improve their resources' efficacy in order to meet the requirements of environmental standards and regulations while remaining competitive and profitable. As noted by Huang, Song, Huang, and Lou (2012), hotels are one of the most energy intensive building types due to their multi-usage functions and around the clock operations. Consequently, reducing the energy

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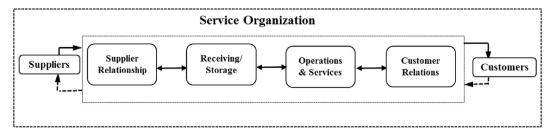


Fig. 1. The main components of a service supply chain.

consumption across the hotel supply chain often leads to less operational cost and lower environmental impacts. Hu, Parsa, and Self (2010) also mentioned that hotel supply chains are increasingly recognizing their ability to make an environmental contribution by reducing their consumption of solid waste, water, energy, and so on.

Green Supply Chain Management (GSCM) has emerged as an important organizational strategy to minimize waste and improve ecological efficiency across supply chains (Li, 2011). As defined in Sarkis, Zhu, and Lai (2011), GSCM refers to "integrating the environmental concerns into the inter-organizational practices of supply chain management including reverse logistics." This concept applies to both manufacturing and service supply chains including the supply chain of hotels. GSCM also greatly contributes towards supply chain sustainability which refers to "an integration of social, environmental, and economic responsibilities within the Triple Bottom Line (TBL) model" (Elkington, 1997). However, and as noted by Styllos and Vassiliadis (2015), although the issue of sustainability in service supply chains has been extensively explored in body of literature, the concept has only recently started coming under examination within the area of hotel supply chains.

Thus, and in addition to their direct link to waste reduction, green initiatives and practices could become a competitive advantage for a hotel supply chain. This particularly evident as GSCM is taking on an important strategic role in the hospitality industry and the growing awareness for green products and services amongst hotels guests and across the sector. As noted by Kang, Lee, and Huh (2010), tourists are nowadays willing to pay more for environmental friendly products and services such as hotel accommodation. This calls on the industry to further analyze the wastes and the environmental impacts across the supply chain and to acquire the know-how of adopting green practices and to extend their application to suppliers and customers. This paper contributes to research supporting these two objectives.

The reviewed research on GSCM in the context of hotel supply chains did not outline green management in terms of waste analysis and green practices; see for example Hu et al. (2010), Teng, Horng, Hu, Chien, and Shen (2012), and Chou, Chen, and Wang (2012). Only fewer studies, including Gray and Bebbington (2001), Mensah (2006), Horovitz (2008), and Chung and Parker (2010), have identified different types of waste (water, food, electricity, papers, etc.) at a restaurant level. Some studies have investigates the issue of green management with traditional statistical approaches to the internal factors of the hotel industry (e.g., Li, 2011). As noted by Chou et al. (2012), however, the assessment of practical green practices and waste problem across hotel supply chains require qualitative information. Finally, as noted by Wang, Chen, Lee, and Tsai (2013), most of the reviewed literature on green standards for hotels (green restaurant associations, green seal, green table network, etc.) have focused on western countries with only few studies conducted in developing countries.

As noticed by Vlachos and Bogdanovic (2013), while waste analysis is not new to hotels, their identification and assessment requires a systematic approach or framework and a specific knowhow. This paper attempts to address this research opportunity by developing an assessment framework of green practices across hotels supply chains. As mentioned earlier, the reviewed literature lacks comprehensive theoretical and conceptual assessment frameworks that cover the entire hotel supply chain. The proposed framework is developed based on three aspects of green management (awareness, know-how, and implementation) and each aspect is further investigated through specific research questions. To collect empirical data, a survey-based explorative study was conducted in selected UAE hotels. A Supplier-Input-Process-Output-Customer (SIPOC) structure of the hotel supply chain was used as a platform for the analysis of green practices. The survey results provided answers to the study research questions and the study findings provided guidance and insight for green assessment in UAE hotels and in the industry at large. The UAE hotel industry is estimated to be worth \$14.6 billion and it is growing at 16% annually (Gulf News, 2015). Total contribution of the travel and tourism sector to the UAE's gross domestic product (GDP) will reach 8.5% this year with a 4.5% year-on-year rise to AED122.6 billion.

The remainder of this paper is organized as follows: section 2 provides a survey of the relevant literature, section 3 presents the details of the theoretical framework and the research method, section 4 describes the study plan, section 5 presents results analysis, and section 6 provides a discussion of study results and implications.

#### 2. Literature review

This sections provides a briefing on the literature of GSCM in general and in hotels in particular. The literature also present a briefing on previous studies that outlines wastes and green practices across hotels supply chains. The objective is to identify gaps and link this paper to current research.

#### 2.1. Green supply chain management

The new global reality that has emerged from the latest economic crisis has called for supply chains to be more sustainable and cost effective (Malik, Abudullah, & Hussain, 2016). In addition, and due to stricter regulations and increased community, legislation, and consumer pressures, companies need to effectively integrate green initiatives and programs into their regular logistics and supply chain operations. The integration of green with SCM (i.e., GSCM) is, therefore, increasingly emphasized in almost all industries through the collaboration of various stakeholders including regulators, suppliers and customers. GSCM aims to reduce wastes and harmful environmental impacts across the supply chain while maintaining effectiveness and profitability (Hussain & Malik, 2016). The scope of green supply chain ranges from reactive monitoring of general environmental management

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