Environmental certification schemes: Hotel managers' views and perceptions

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ABSTRACT

This paper contributes to research into environmental certification schemes in the hospitality industry, by discussing three objectives of such schemes: (1) promote the implementation of sustainability practices in the hospitality industry; (2) increase profitability; and (3) provide more accurate information to guests. This paper provides a first insight into the perception of managers towards certification schemes. Interviews with 21 London managers from a range of star-rated hotels, and an analysis of 196 websites of London hotels, indicates that these objectives are not all achieved. It is discussed how certification schemes provide knowledge to hoteliers and helps against claims of 'greenwash'. The effect of certifications on profitability, however, is questioned, and due to limited communication of certifications by hotels, certifications are failing to provide guests with more accurate information. Implications, recommendations and limitations of the research are discussed.

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1. Introduction

Increasingly, companies are implementing corporate social responsibility and sustainability practices, either as 'stand-alone' commitments, or integrated in an environmental management system (Segarra-Oña et al., 2012). Research into the reasons for, and effects of, such environmental commitments has mainly focused on manufacturing industries (Brunnermeier and Cohen, 2003; Johnstone and Labonne, 2009), but increasingly also investigates the role of environmental concerns in the service industry (Cainelli et al., 2011), and particularly the tourism and hospitality industry (Erdogan and Tosun, 2009; McNamaraa and Gibson, 2008; Segarra-Oña et al., 2012; Tzschentke et al., 2004, 2008). Hotels are increasingly implementing environmental policies and practices, and pursue official certifications for their initiatives.

An environmental certification can be defined as a "voluntary procedure that sets, assesses, monitors, and gives written assurance that a business, product, process, service, or management system conforms to a specific requirement. A marketable logo (sometimes called an ecolabel) is given to those that conform or meet the criteria, with the standard at least meeting, but generally being above, any regulatory requirements" (Black and Crabtree, 2007, p. 20). In regards to the tourism and hospitality industry,

it could be argued that environmental certifications have three objectives (Black and Crabtree, 2007; Buckley, 2001; Font, 2001, 2002; Parguel et al., 2011). Firstly, certification schemes promote the voluntary implementation of sustainability practices amongst hospitality providers. Secondly, the schemes, and related implementation of sustainability practices, have the potential to enhance the profitability of certified member hotels. Thirdly, the schemes provide potential guests with more accurate information about the environmental performance of hotels during the booking process.

This paper explores the perceptions of a group of London hotel managers towards environmental certifications, and investigates whether and how these three objectives are achieved. Discussions in existing literature have, in differing measures of intensity, focused on all three objectives, but there has been little focus on the perceptions and views of hotel managers. Three research questions were formulated to guide the research process:

Research question 1: According to hotel managers, do environmental certification schemes encourage and help the hospitality industry to implement sustainability practices?

Research question 2: According to hotel managers, are environmental certification schemes enhancing the profitability of member hotels?

Research question 3: According to hotel managers, are guests aware of the meaning of environmental certification schemes and actively looking to stay in certified hotels?

This paper is based on 21 interviews with London hotel managers representing different star-rated properties, and on

an analysis of hotel websites for information about certification scheme membership, to acquire an insight into the importance assigned to environmental certification schemes by hotel management. After reviewing existing literature and explaining the research design, the perceptions of hotel managers regarding the three objectives of environmental certification schemes will be discussed, and recommendations and limitations will be provided.

2. Literature review

2.1. Sustainability practices in the hospitality industry

Increasingly, hotels are implementing corporate social responsibility (CSR) practices in an effort to promote their environmental and social commitments to their guests, employees, the local community and other stakeholders. CSR can be defined as "the economic, legal, ethical, and discretionary expectations that society has of organisations at a given point in time" (Carroll, 1979, p. 500). CSR is a contested and dynamic concept (Crane et al., 2008), but corporate responsibilities are generally divided into three areas: economic, social (or socio-cultural), and environmental responsibilities. In the hospitality industry, however, the main focus has generally been on environmental commitments (Epler Wood and Leray, 2005), which are generally referred to as 'sustainability practices'.

There are different reasons for hotels to pursue environmental sustainability, based on factors such as a manager's disposition (Park et al., 2014), the location of a hotel (Bohdanowicz, 2006), or a hotel's chain affiliation (Bohdanowicz, 2005). Hotels could implement policies in response to public scrutiny, to enhance employees' job satisfaction and commitment, to improve investor relations, or for moral reasons (Rahman et al., 2012). Yet, particularly the financial benefits and increased competitiveness are often pointed out as primary reasons for hotels to implement sustainability activities (Claver-Cortés and Pereira-Moline, 2007; Kang et al., 2010; Kim and Han, 2010; Molina-Azorin et al., 2009; Rahman et al., 2012; Segarra-Oña et al., 2012; Tarí et al., 2010). There seems to be a growing understanding amongst hotel managers that certain sustainability policies can result in considerable cost savings, especially in the case of building and utility costs. The American building-certification organisation LEED, for example, found that constructing a building in accordance with their certification regulations would cost an extra $4 per square foot in comparison with traditional building methods, but would generate a cost saving between $48 and $67 per square foot in 20 years (Tierney, 2007). Furthermore, by making minor changes in the construction, building management and use of technology, energy usage can be reduced by 20 percent in existing buildings and 50 percent in new buildings (ibid), water usage can be reduced by 40 percent, and better management of waste disposal can result in a cost saving of 25 percent (Hawkins, 2006). These are significant numbers when it is considered that the energy and water consumption per hotel room per day ranges from 15 to 90 kWh and 200 to 450 l respectively (Budeanu, 2007). Due to taxation increases, alternatives to non-renewable resources, like solar panels and geothermal generators, are also becoming financially appealing (Hawkins, 2006). There are over 200 directives on environmental issues in the European Union (Middleton and Hawkins, 1998), which incentivises the implementation of sustainability practices.

Many hotels' focus on policies that can financially benefit the company, and this has not come without criticism. Many hoteliers decide to solely implement the measures that have low start-up costs, or those that can make a profit (Kirk, 1995), and the current economic recession has resulted in many hoteliers cancelling or postponing major investments into environmental initiatives (Kang et al., 2012). Furthermore, sustainability practices are mainly implemented in back-of-house areas (i.e. areas where hotel guests have no access), which neglects the opportunity to involve and encourage guests to reduce their environmental impact. There are some exceptions, with hotels increasingly encouraging guests to reduce their electricity and water consumption through information stickers in bed- and bathrooms. The most commonly used sustainability practice that involves guests is the towel and linen reuse programme (El Dief and Font, 2010; Goldstein et al., 2008; Shang et al., 2010). This, however, can once again save the hotel considerable costs on electricity, water and cleaning products. As a result, the tourism industry is known as one of the least developed industries in regards to the implementation of sustainability policies (Smith and Feldman, 2003), and leading European hotel chains are accused of lagging behind comparably sized corporations from other industries (PriceWaterhouseCoopers, 2006).

2.2. Sustainability and environmental certifications

Environmental certifications offer hotels an opportunity to showcase their environmental commitments, and communicate their status as 'frontrunners' of the hospitality industry (Black and Crabtree, 2007). In the introduction to this paper, three objectives of environmental certifications were set out and used to shape research questions. Existing literature regarding these three objectives will be briefly discussed below.

Firstly, environmental certification schemes promote the voluntary implementation of sustainability practices in hotels. After paying a membership fee, hoteliers get access to the expertise of the certification body, and hotels will generally be provided with customised information regarding the implementation of sustainability practices (Black and Crabtree, 2007). An official third-party certification furthermore helps reduce claims of 'greenwash', with 'greenwashing' defined as "tactics that mislead consumers regarding the environmental practices of a company or the environmental benefits of a product or service" (Parguel et al., 2011, p. 15). Companies that 'greenwash' attempt to build positive corporate images by selectively disclosing positive information, while neglecting to publish negative information (Lyon and Maxwell, 2011). Several studies have indicated, however, that consumers are becoming more aware of 'greenwashing', and are becoming increasingly sceptical about information provided by companies (Chen and Chang, 2013; Horiuchi and Schuchard, 2009; Pomering and Johnson, 2009). Obtaining third-party certifications gives credibility to claims of environmental commitments and initiatives made by hotels. Through conformity assessments – which means that the certification body establishes pre-defined rules or goals and assesses if the audited hotel conforms to them (Font, 2002) – it is guaranteed that hotels have made the necessary commitments to be certified. In many cases different tiers of certification can be achieved (e.g. bronze to gold, or 1–3 stars) to further promote the implementation of sustainability practices in hotels, and to incentivise hotels to achieve a higher rating at future audits.

Secondly, environmental certification schemes can have a positive impact on the profitability of certified hotels. Acquiring environmental certifications has seen increased prevalence in the hospitality industry, and is often discussed in the hospitality literature as an additional marketing or PR tool to draw customers (Font and Buckley, 2001; Mycoo, 2006). Environmental certifications can improve the image of a hotel, result in cost savings, and lead to a competitive advantage (Bernardo et al., 2009; Chan, 2009; Font and Buckley, 2001; McKeiver and Ganenne, 2005; Segarra-Oña et al., 2012). Chan (2009) discuss how the environmental management system ISO 14001 can enhance economic competitiveness for hotels. Comparisons of financial data from Spain by Segarra-Oña et al. (2012), for example, found that hotels with an ISO 14001