

Business Case study for AVANI Central Residences Melbourne

**Implementing Green Certifications (ISO14001 and EMAS) in AVANI Central
Residences Melbourne**

By

Mr. Sahan Fernando (Duty Manager, AVANI Central Residences Melbourne)

Date – 10/08/2018

❖ **Hotel and Hospitality Management**

The increased demand on the supply of energy increased challenges in solid waste management and water, air and soil pollution are among the many adverse environmental effects in the hospitality industry (Mbasera, Du Plessis, Saayman & Kruger, 2016). Considering these effects, there is substantial uncertainty regarding the long-term implications of these effects, especially those associated with global climate change (Rogerson & Sims, 2012). This calls for the implementation of green practices in the hotel and hospitality sector and the development of carbon-neutral accommodation at various destinations (Mbasera et al., 2016). Accommodation is one of the most important segments in the hospitality industry (Ottenbacher, Harrington & Parsa, 2009). Hotels are characterized by several activities that have significant effects on the global resources. The environmental effects of hotels contribute to the challenges which have an international scope, with the main one being climate change (Bohdanowicz, Zientara & Novotna, 2011). The operations in hotels emit greenhouse gases which are released into the atmosphere, especially carbon dioxide and chlorofluorocarbons. According to research by Han, Hsu and Sheu (2010), all commercial buildings, including hotels have the greatest negative impact on the environment. Estimations show that a hotel releases an average of 160 kg to 200 kg of carbon dioxide per square meter of room floor area annually and the water consumption per person per night. It is with this regard that hotels are urged to adopt green practices to minimise the adverse effects to the environment. The main aim of this study is to explore the implementation of green practices in the Hotel AVANI Central Residences Melbourne and discuss the benefits of implementing environmental safety certifications such as ISO14001 and EMAS.

Implementing Green Certifications (ISO14001 and EMAS) in AVANI Central Residences Melbourne by Sahan Fernando

❖ Literature Review

With the rise of sustainability debate, the association between tourism and environment has been emphasised as one with a great significance. The environmental and social impact of tourism has emerged as a topic of discussion since the Rio Earth Summit of 1992 (Graci, 2009). The rapid deterioration of natural resources around the globe fuelled the agreement among global leaders that sustainable development should be the primary target of businesses and governments. Vast literature has revealed that in many parts around the globe, accommodation-based sewage and waste materials are discharged directly into rivers, lakes and seas without any kind of treatment, hence, creating adverse health hazards and unpleasant environment (Timothy & Teye, 2009). As part of tourism, the hospitality industry plays a substantial role in ecological deterioration, although its impact has not been as intense as those of the automotives, cruise ships and airlines (Timothy & Teye, 2009). However, it is imperative to note that the increased challenge of solid waste has become an extra environmental impact of the operations of hotels. It is, therefore, essential for hotels to act with regard to effects of hotels on the environment as this will demonstrate a good ecological stewardship. This can be achieved by implementing green practices in every business operations in all sectors.

Hotels, which act as the main providers for accommodation, play a crucial role in hospitality and their operations impose significant ecological and economical impact on environment. Considering the fact that hotels impose negative effects to the environment, it is crucial for hotel managers to take action that would help in mitigating such impact on the environment. Some studies have emphasized on the hotel management measures in order to

effectively deal with the issues that arise from their operations (Hsieh, 2012, Timothy & Yeye, 2009).

❖ **Green Practices in Hotel AVANI**

Hotel AVANI is known for its contributions to the community in many ways. AVANI provides support to the community by awarding scholarships to students through the Heinecke Foundation (Minor Hotels, n.d.). The properties of the hotel are designed in such a way that they do not pollute the environment. The hotel participates in environmental and social initiatives aimed at supporting the local charities in various destinations as well as sustainable practices in the operations and development which has been a focus in the Minor Hotels portfolio. The most outstanding green practice that Hotel AVANI established is the decision to ban the use of plastic straws in all its branches in ASIA by the 1st of January, 2018 (Anantara Hotels, 2017). The hotel has plans to extend the ban globally by the end of 2018. Different biodegradable and reusable alternatives are being introduced, some of which include stainless steel and bamboo. The single-use practice of resources such as the plastic straws has led to these products being the top polluters of the environment.

While plastic is one of the greatest inventions in human history, its adverse environmental effects cannot be denied. According to a study by Miller, Watts, Winslow, Galloway and Barrows (2017), about 300 million tons plastics are produced annually across the globe and approximately 8.8 million tons are discharged into the ocean. The study further revealed that Americans alone use over 500 million straws on a daily basis while the total number of the same product across the world is so large that it cannot even be estimated

(Miller et al., 2017). AVANI has amazing structures all of which have some sense of environmental sustainability.

❖ **Benefits of Implementing Green Certifications such as ISO 14001 and EMAS in Hotel AVANI**

Many companies and organizations are currently implementing Environmental Management System (EMS) (Heras, Arana & Molina-Azorin, 2009). This is a practice that has been adopted widely across the world, particularly in the European Union (EU) as well as in Asia (Heras, Arana & Molina-Arizona, 2009). The EMS is a process that firms and other organizations apply in order to execute and implement policies, goals and responsibilities as well as regular auditing of its components (Cascio, 1996). Environmental Management Systems are mainly based on international reference models and the mostly used one being the international ISO 14001 standard.

There are many benefits that hotels can get from implementing green certifications. The EMS assists companies to identify, manage, monitor and control their operations in a holistic way. There are several reasons why organizations have opted to develop strategies to improve their environmental performance (Organization Internationale de Normalization, n.d.). Implementation of ISO 14001 in hotel AVANI helps in demonstrating compliance with current and future statutory and regulatory requirements. Another benefit of implementing ISO 14001 is that it increases leadership involvement and employees' engagement which is a good practice for any reputable organization. When a company implements ISO 14001, it increases its reputation and stakeholders' confidence through strategic communication (Chan

& Wong, 2006). Hotel AVANI will also be able to attain strategic business objectives through the incorporation of environmental issues into business management (Chan & Wong, 2006).

With the increasing need for environmental sustainability, there is a need for businesses to adopt the green practices. The implementation of green certifications serves as a basis for competition. Businesses that practice green strategies tend to be competitive in the entire world (Darnall, Rigling Gallagher, Andrews & Amaral, 2000). AVANI will accrue the benefits of having a competitive edge among the many companies in the hospitality sector as consumers have also begun to be sensitive to matters regarding environmental conservation (Corbett & Kirsch, 2001). AVANI will also benefit from its recognition as a company that encourages the ecological performance of suppliers through the integration into the business systems of the organization (Chin, 1999).

❖ **Suggestions for Hoteliers to improve Environmental Impacts Management**

The increasing need for sustainability has fueled the proliferation of several strategies to ensure business operations minimise their impact on the environment. One of the strategies that AVANI and other hotels can apply is to apply energy-saving technologies. According to Chin (1999), about 75% of the environmental impacts caused by the hotel are associated with excessive consumption, especially energy. It is, therefore, essential for hoteliers to install energy-efficient technologies such as lighting, appliances and cooling systems. This will make a significant difference for the hotel's bottom line. Another strategy that hoteliers can

apply to improve environmental impact management is to adopt recycling. Recycling is regarded as one of the key initiatives that can result in long-term differences.

Hotels can also reduce environmental impact by supporting the locals and practising sustainable business. The hoteliers should make smart choices. AVANI hotels and other hotels should ensure that they only purchase products that are environmentally friendly. Local purchases are also another strategy that would substantially minimize the impact on the mankind. Alternative sources of energy are another recommendation that hoteliers should embrace. Switching to least portions of energy usage to alternative sources is likely going to yield great results. The alternative sources of energy include solar energy which is used for water heating and signage. Water is the most crucial natural resource in the world. Hotels use a lot of water for laundry, cooking and other uses. It is vital for businesses to save water by adopting various water-saving initiatives. Some of these initiatives include waterless laundry machines, installation of toilet tank fill diverters in older toilets which can significantly save water per flush.

❖ **Conclusion**

Environmental management systems are processes that every business and individual should implement. There are various advantages that a business will enjoy as a result of implementing this project. The entire hotel industry is currently concerned about the environment, and this has motivated many players in the industry. The implementation of the strategies outlined will substantially minimise environmental impacts.

❖ References

- Anantara Hotels. (2017). Anantara and Avani hotels resorts to end the use of plastic straws. *Press Release*. Retrieved from <https://www.anantara.com/en/press-releases/anantara-and-avani-hotels-resorts-to-end-the-use-of-plastic-straws>
- Bohdanowicz, P., Zientara, P., & Novotna, E. (2011). International hotel chains and environmental protection: an analysis of Hilton's we care! programme (Europe, 2006–2008). *Journal of Sustainable Tourism*, 19(7), 797-816.
- Chan, E. S., & Wong, S. C. (2006). Motivations for ISO 14001 in the hotel industry. *Tourism Management*, 27(3), 481-492.
- Chin, K. S. (1999). Factors influencing ISO 14000 implementation in printed circuit board manufacturing industry in Hong Kong. *Journal of Environmental Planning and Management*, 42(1), 123-134.
- Corbett, C. J., & Kirsch, D. A. (2001). International diffusion of ISO 14000 certification. *Production and operations management*, 10(3), 327-342.
- Darnall, N., Rigling Gallagher, D., Andrews, R. N., & Amaral, D. (2000). Environmental management systems: Opportunities for improved environmental and business strategy?. *Environmental Quality Management*, 9(3), 1-9.
- Graci, S. (2009). Examining the factors that impede sustainability in China's tourism accommodation industry: A case study of Sanya, Hainan, China. *Journal of Hospitality Marketing & Management*, 19(1), 38-55.

- Han, H., Hsu, L. T. J., & Sheu, C. (2010). Application of the theory of planned behavior to green hotel choice: Testing the effect of environmental friendly activities. *Tourism management, 31*(3), 325-334.
- Heras, I., Arana, G., & Molina-Azorín, J. F. (2009, August). Motivations and benefits for implementing the green global standard. In *International conference Quality and Service Sciences, 12th QMOD and Toulon-Verona Conference* (pp. 27-29).
- Hsieh, Y. C. (2012). Hotel companies' environmental policies and practices: a content analysis of their web pages. *International Journal of Contemporary Hospitality Management, 24*(1), 97-121.
- Mbasera, M., Du Plessis, E., Saayman, M., & Kruger, M. (2016). Environmentally-friendly practices in hotels. *Acta Commercii, 16*(1), 1-8.
- Miller, R. Z., Watts, A. J., Winslow, B. O., Galloway, T. S., & Barrows, A. P. (2017). Mountains to the sea: river study of plastic and non-plastic microfiber pollution in the northeast USA. *Marine pollution bulletin, 124*(1), 245-251.
- Minor Hotels. (N.d.). AVANI. Retrieved from <https://www.minorhotels.com/en/sustainability/avani>
- Organization Internationale de Normalization (n.d.). ISO 14001 Key Benefits. Retrieved from https://www.iso.org/files/live/sites/isoorg/files/archive/pdf/en/iso_14001_-_key_benefits.pdf
- Ottenbacher, M., Harrington, R., & Parsa, H. G. (2009). Defining the hospitality discipline: A discussion of pedagogical and research implications. *Journal of Hospitality & Tourism Research, 33*(3), 263-283.

Rogerson, J. M., & Sims, S. R. (2012, September). The greening of urban hotels in South Africa: Evidence from Gauteng. In *Urban Forum* (Vol. 23, No. 3, pp. 391-407). Springer Netherlands.

Timothy, D. J., & Teye, V. B. (2009). Tourism & lodging sector UK-Oxford Elsevier INC, *Tourism*, 2 (1): 1-11. DOI, 1495901001, 485689.