

# ECO INNOVATION AND SUSTAINABILITY OF THE HOSPITALITY COMPANIES- A CONCEPTUAL UNDERSTANDING

Mr. George Jaison

(Head of the Department, Department of Hospitality Management, Mahajanna Post Graduate Centre)

‘Doing good while doing well’, is a central business mantra of the 21st century. For this reason, sustainable operation is vital for competitiveness, economic advantage, and for addressing social issues in general. Sustainability and innovation have become increasingly important topics of interest for academe, society, organizations, and governments. By merging innovation and sustainability through a focus on “eco-innovation,” as part of corporate, social, and environmental responsibility, one can create added value for all stakeholders while concurrently reducing environmental impact.

Hospitality companies are cognizant of the importance of innovation and a proactive environmental approach to successful operation. Consequently, hospitality and tourism organizations are striving to be eco-friendly while maintaining their competitive edge financially. The hospitality industry is seeking research that helps hospitality organizations, create sustainable solutions that make best use of core resources and improve organizational efficiencies while reducing our collective carbon foot print. Hence the need for the research that helps hospitality and tourism organizations become operationally productive, socially responsible and proactively ‘eco-innovative’ citizens of the society is highly encouraged

## **The concept of innovation**

The term "innovation" was widely disseminated after Schumpeter developed a whole theory about this idea which he defined as "new ways of doing things, or [as] better, unique combinations of the factors of production" (1934, p. 84), being this activity the most important for any business in a competitive environment. The innovation can be in five main areas:

1. Generation of new or improved product
2. Introduction of new production processes
3. Development of new sales markets
4. Development of new supply markets
5. Reorganization or restructuring of the company

For Drucker (2007), innovation is “the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service” (p.17).

## **Innovation for sustainability**

As observed by Willard (2002), Sustainability has now become another parameter to measure the competitiveness of companies, due to a direct relationship between, for example, good environmental practices and the reduction of fixed costs of the company, also implying an increase of consumption of products and services offered by the company. Esty & Winston (2006) call it as competitive advantage or eco-advantage which is directly related to a growth of the market of ecological, green or environmental friendly products.

Companies that innovate by adopting sustainable business models have higher incomes and are more attractive to investors and beneficial to its stakeholders.

Lozano (2015) rightly observed that Sustainability should not only be seen as a corporate image improvement strategy, but as an essential element to improve business performance in all its aspects, as well as an improvement to the working environment and the relationships with other external stakeholders of great importance, such as government, the community and other companies in the sector.

Little (2004), defined “sustainability-driven” innovation as “the creation of new market space, products and services or processes driven by social, environmental or sustainability issues” (p. 3).

Creation of sustainable business models has spread in practically all sectors of the economy, and as a consequence, every day more companies are seen following this philosophy, including, of course, the tourism and hotel industry.

## **Sustainable innovation in hospitality**

According to Doody (2010) “the concept of environmental sustainability has become a very serious and deep issue within the hospitality arena in the last decade. This is mainly due to the rapid pace at which customer needs and expectations are changing.”

Eco innovations should focus on reducing energy use, water and solid waste production to reduce the waste footprint and input footprint which is the outcome of the tourism activities resulting in the deterioration of the ecological balance and environmental degradation. The participation of stakeholders who can contribute directly or indirectly in creating and shaping innovations that can lead the hospitality companies to a sustainable development path. As a conclusion, it can be stated that sustainable oriented innovation must be

seen as an opportunity to do more business in a greener market, cutting costs and being more competitive, fulfil the demands of stakeholders related to sustainability and also have a better inner environment.

## Testing of the Concept

### First Stage

1. Choose three hotels that are part of the sustainable hotel program as case studies
2. Apply a compliance guide with a total of 122 items divided into five different departments of the hotel that are fundamental for its operation:
  - a. housekeeping (29 items),
  - b. food and beverage (16 items),
  - c. laundry (13 items),
  - d. maintenance (38 items) and
  - e. management (26 items).

This compliance instrument should contain according to the program “Sustainable hotels of Mysore” all the aspects that were considered susceptible to be innovated in the company to achieve sustainability, including: processes, product and even paradigm, as it includes aspects that correspond to the usual behaviours derived from corporate values of the employees more than the obligations acquired.

3. All of these elements of the innovation process required by the program has to do with the core of the sustainable thinking like the well-known three “r’s”:
  - a. reduce,
  - b. recycle,
  - c. reuse.
4. The results of this instrument are divided
  - in a positive or “yes” answer for a visible innovation,
  - negative or “no” answer for a non-compliance of the innovation required or a “partial” compliance answer when the innovation is not fulfilled completely.

The Second stage involves interviewing

The concept of Eco Innovation in Hospitality Companies is proved in its application only when the following is realized:

1. “raising awareness” and “opening the mind” of employees towards sustainability.
2. most important innovation for sustainability has been successfully implemented in this hotel:the paradigm innovation.

## Conclusion

It should be noted that the sustainability is more than a business model, is a philosophy, a way of thinking, a set of values that will lead the life of a given company that embraces it. This new trend in business demands not only product innovation but paradigm innovation as well in order to change the usual behaviour that are less accepted by the market, communities and the official sector.

## References

1. Berno T. & Bricker B. (2001). Sustainable tourism development: the long road from theory to practice. *International Journal of Economic Development* 3, 3, 2001, pp. 1-18.
2. Brazdauskas, M., & Gaigalaite, L. (2015). Sustainable Hotels as Learning Organizations: Innovative Approaches towards Employee Training. *Innovation*, 1.
3. Butler, R. W. (1980). The concept of a tourism area cycle of evolution: Implications for the management of resources. *Canadian Geographer*, 24, 5–12.
4. Charter, M & Clark, T, (2007). Sustainable Innovation. The Centre for Sustainable Design. UK.
5. Chesbrough, H. W. (2003). Open Innovation. The new imperative for creating and profiting from technology. Harvard Business School Press. Boston MA.
6. Cohen, W. M. & Levinthal, D.A. (1990). Absorptive Capacity: A New Perspective on Learning and Innovation. *Administrative Science Quarterly*, Vol. 35, No. 1, Special