

## Barriers in Sustainable Management Practices of Hotel's Event Venue in Bangkok, Thailand

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อุปสรรคในการจัดการอย่างยั่งยืนในทางปฏิบัติของสถานที่จัดกิจกรรมประเภทโรงแรมในเขตกรุงเทพมหานคร

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### Abstract

The purpose of the research was to explore the barriers to the implementation of sustainable event management (SEM) practices faced by 5-star hotel venues in Bangkok. Five semi-structured interviews were conducted to collect data from four hotels located in the business district in Bangkok, Thailand. The results indicated that two different types of barriers between hotels that adopted sustainability as their core value and those that did not have much sustainable experience. The findings suggested that these barriers could be alleviated through education and stakeholder involvement.

**Keywords:** barriers, sustainability, sustainable event management, MICE venue, hotel venues, venue management, Bangkok

## บทคัดย่อ

งานวิจัยนี้มีวัตถุประสงค์เพื่อศึกษาอุปสรรคในการดำเนินงานด้านการบริหารจัดการของสถานที่จัดกิจกรรมประเภทโรงแรมอย่างยั่งยืน (SEM) ของโรงแรมระดับ 5 ดาวที่กรุงเทพมหานครกำลังเผชิญอยู่ โดยมีการจัดทำการศึกษาแบบกึ่งมีโครงสร้างเพื่อรวบรวมข้อมูลจาก 4 โรงแรมที่ตั้งอยู่ในย่านธุรกิจของกรุงเทพมหานคร ผลการวิจัยชี้ให้เห็นถึงอุปสรรคสองประเภทที่แตกต่างกันระหว่างโรงแรมที่คำนึงถึงความยั่งยืนเป็นคุณค่าหลักและกลุ่มที่ไม่มีประสบการณ์ในเรื่องของความยั่งยืนมากนัก ทั้งนี้ข้อเสนอแนะว่าอุปสรรคเหล่านี้อาจได้รับการบรรเทาโดยการเสริมด้านการศึกษาและการมีส่วนร่วมของผู้มีส่วนได้ส่วนเสียในการบริหารจัดการของสถานที่จัดกิจกรรมประเภทโรงแรม

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## Introduction

Thailand is known as one of the world's popular destinations, not only among leisure travelers but also business travelers. They visit Thailand for different purposes, including MICE travel. Thailand Convention and Exhibition Bureau [TCEB], the government leading-edge agency, has been trying to promote Thailand as Asia's leading destination for business events since 2004 (TCEB, 2017a). In 2016, International Congress and Convention Association [ICCA] ranked Thailand as 24<sup>th</sup> meeting destination worldwide, while Bangkok's global ranking was 12<sup>th</sup> place among cities during the same year (ICCA, 2017). Additionally, the meetings, incentives, convention and exhibition (MICE) activities have increased in importance as a revenue source for Thailand over the past few years; with MICE's overall economic impact on Thailand's economy totalling approximately 113.5 billion Baht in 2015 and 154.5 billion Baht in 2016 (TCEB, 2017b). TCEB (2017b) further indicates that among all cities in Thailand, Bangkok and Metropolitan area is the most popular MICE destination with 62.4 million Baht of economic contribution to the country. Over 60% of the events planned for the second half of 2017 will also take place in Bangkok (TCEB, 2017a).

Although MICE industry has brought substantial amounts of revenue to the country, it consumes large amounts of resources, generates pollution, waste, and leaves high ecological footprint (United Nations Environment Programme [UNEP], 2012). As a consequence, several sustainability standards have been created and adopted in order to help event organizations achieve their sustainability ambitions. In 2015, TCEB launched "Thailand Sustainable Events Guide" to expand the understanding of innovative Green Meetings Guideline onto more practical approach. Later in 2017, TCEB announced

‘SMART MICE’ strategy, to be in line with the government’s Thailand 4.0 Policy (TCEB, 2017c). The SMART MICE comprises of five key elements, one of which is sustainability (TCEB, 2017c). This element focuses on societal, community and environmental impacts, as well as community engagement (TCEB, 2017c). One of the sustainability standards that TCEB strongly encourages organizers and venues to adopt is ISO 20121 (SGS, 2014). In 2013, The Plaza Athénée Bangkok became the world’s first ISO 20121 accredited hotel, certified for sustainability event management system for planning and delivery of sustainable meetings (SGS, 2014).

Even though the non-traditional event venues became alternatives for event organizers, hotel venues remain one of the most popular choices for hosting business events due to location, capability and availability for accommodation. About half of venues listed in “Venue Collection 2016 Thailand”, by TCEB, across 19 types of venues were in hotel’s or resort’s (TCEB, 2016).

Similar to other businesses, following the sustainable development practices can bring benefits to the hotels. According to UNEP (2012), adopting sustainable practices in venue management leads to financial advantages and positive brand image. Considering Bangkok is one of the world’s top MICE cities, and business events are often hosted in hotel venues, it is important for hotel venue managers to pursue the sustainable management practices while recognizing the barriers to their implementation. Therefore, this research aims to explore the barriers to the implementation of sustainable event management (SEM) practices by 5-star hotel venues in Bangkok.

## Literature Review

The concepts of sustainable development and sustainability are not new to the 21<sup>st</sup> century. UNEP’s timeline of “sustainable development” history starts with 1950s. It was the decade when the first concerns over the relationship between the environment and mankind were communicated internationally (IISD, 2012). Those concerns were expressed a decade later in two “paradigm-breaking” works, i.e. “Silent Spring” by Carson (1962) and “The Tragedy of the Commons” by Hardin (1968). The epochal events in 1970s, i.e. Founex Seminar on Development, Environment and United Nations Conference in the Human Environment and Cocoyoc symposium, all further contributed to the development of the concept. It should be noted that the contributors to the concept introduction were not restricted to politicians. Intellectuals, e.g. Schumacher or Club of Rome, continued to boost the discussion by introducing new strands of thoughts. “Sustainable development”

became a catchphrase in 1980s in the disciplines of environmental management and international development. However, the concept was still largely ignored by social scientists and practitioners, who tended to exclude environmental dimension from their decisions.

However, as both terms “sustainable development” and “sustainability” were used, in the discussion, there was a difference in meaning between them. “Sustainable development” was seen as a process, while “sustainability” was an aim, ability or characteristic of a system. It was stressed repeatedly that “sustainability” was not a middle ground between profit and preservation, but rather a departure in the new direction, rooted in both profit and preservation, while recognizing their respective limits. It should increase the dependence on renewable resources, reduce contamination, provide habitats for wildlife, conserve the resources for agriculture, and, in developing countries, include livelihood component (Redclift, 1992).

“Our common future” was a report that brought “sustainable development” to the attention of the wider audience, although not of the general population. “Our common future” defines “sustainable development” as follows:

*Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.* (WCED, 1987, p.16)

The definition of “sustainable development”, suggested in the report, is still widely used today as a basic description for the concept. Therefore, its impact was immense, with the major attributes of the concept and its contradictions being consolidated. “Our common future” transformed the notion of “sustainable development” from the obscure term in environmental sciences and international development into a concept that would grow in its importance. Introducing “sustainable development” to the world of business and economics is the main merit of the Brundtland Commission. Based on the report, three major principles are evident as central to the discussion on the concept, i.e. intra- and inter-generational equity, holistic, long-term planning, protection of the heritage and biodiversity, economic growth.

MICE by its nature is a highly resource-intensive industry with potential for both negative and positive environmental, social and economic impacts, for host destination in particular (Black, 2016; Liang et al, 2016). Greenhouse gas emissions, noise, air and light pollution, overcrowding and congestion, energy and water consumption, transport, fuel usage, procurement of food and beverage, and waste are some of the main environmental issues accompanying MICE (Dickson & Arcodia, 2010; STB, 2013). Properly managing and

incorporating sustainability into MICE organisers' strategic management would bring positive effects on cost effectiveness and brand reputation (Dickson & Arcodia, 2010; STB, 2013). Increasingly events and MICE venues have to undergo environmental impact assessment as part of their planning (Dickson & Arcodia, 2010; Lee & Slocum, 2015). As for the social dimension of the events, those aspects of MICE include communications, human resources, suppliers, communities, wellbeing and quality of life, legacy, labour practices, human rights, training and education (Dickson & Arcodia, 2010; Yolal et al, 2016). Reaching out to stakeholders, engaging local community and event attendees, as well as employing locals and partnering with local suppliers allows MICE industry to leave a positive imprint on the host locations (STB, 2013). As for the economy, MICE should not only provide income for the organisers but also create financial and educational benefits for host destinations and local stakeholders (Dickson & Arcodia, 2010; STB, 2013).

Singapore tourist board identifies seven MICE industry categories: audio-visual companies, event and activity organisers, exhibitions, conference and convention organisers, food and beverage companies, transport, venues and hotels (STB, 2013). Most of the discussion on sustainable event management in MICE in the industry and academic literature is concerned with the events themselves, from small fundraising functions at local community centres to mega-events such as Olympics (Dickson & Arcodia, 2010; Laing & Frost, 2010). However, there is a distinct lack of an academic discussion on sustainable events, juxtaposed against the increased interest in sustainable event management (SEM) of the MICE industry (Laing & Frost, 2010; Lee & Slocum, 2015). Where events are discussed, the authors concentrate on the social and economic impacts, in particular social and destination sustainability, with environmental ones being largely ignored (Dickson & Arcodia, 2010). Dickson & Arcodia (2010) suggest that CSR is used as a perspective to include sustainability into events and insists that the managers in the industry need to adopt an accreditation programme to better incorporate sustainability into event management.

Event industry has developed a range of policies and standards to incorporate sustainable development into its management, e.g. ISO20121 by the International Organization for Standardization, the APEX-ASTM Environmentally Sustainable Meeting Standards, and the Global Reporting Initiative (GRI) Event Organizer Sector Supplement (EOSS). ISO20121 has been applied successfully to a number of mega-events, from 2012 Olympic Games in London to Eurovision 2013 in Malmo (BSI, 2017). However, the other elements of MICE, i.e. incentives, meetings and conferences seem to lag behind when it comes to sustainable development implementation. In particular, not much literature has been produced on the sustainable event management specifically in hotel venues.

UNEP (2012) referred to sustainable event management (SEM) as a process in which an event is delivered in such a way that minimizes its negative impacts, while enhances its positive impacts for the host/local community and stakeholders. However, the concept was often perceived to be difficult to understand, which leads to the obstacles in implementing sustainable practices (Sloan et al., 2013). The barriers to staging green events that Jaing & Frost (2010) state are mostly operational: accessibility to reliable public transport, waste management, availability of power options, logistical issues, audits, and working with stakeholders. They notice that there is a tendency for disconnection between green intention and operational implementation (Jaing & Frost, 2010).

Tinnish (2012) identified several barriers to adopting sustainable development practices in events. Those include prevailing traditional economic models (e.g. traditional management and value), system complexity (e.g. complexity of sustainability), challenge of stakeholder engagement (e.g. business structure and perceptions of stakeholders), transitory nature of event (e.g. local capabilities, training and knowledge of temporary staff), and data collection challenges (e.g. acquiring particular data for particular event). Sloan et al. (2013) added that investing in sustainable hospitality was often perceived as a higher cost for investment comparing to unsustainable solutions. These findings were based on large-scale venues, nevertheless the research on the hotel event venues is still scarce.

### **Research Methodology**

This study was designed to explore the barriers to the implementation of sustainable event management (SEM) practices faced by 5-star hotel venues in Bangkok. The researchers used a purposive sampling strategy and approached ten hotels in Bangkok that have event venues. Those hotels shared the common characteristics of being five-star hotels offering five-star services. The selection of hotels was based on their reputation, their experience in event venue management and their locations. The target samples of this research were located in a business district and a common geographical area in Bangkok, namely Silom and Sathorn. However, the size of the property differed from one hotel to another. Four hotels out of ten agreed to be interviewed for this research; five interviews were conducted. Five participants of this research interviews included those who worked in the following positions (1) Coaching coordinator, (2) Sales and catering coordinator, (3) Quality and continuous manager, (4) Assistant director of event management, and (5) Director of meetings and events, as they had key responsible roles in the hotel event management in their respective properties.

This research adopted the semi-structured interview approach. The interview format included open-ended standardized questions, with follow-up probing questions. The pre-designed set of main interview questions helped the consistency of the areas covered by the interviewer with all the participants. Interview questions were developed based on the literature review and linked to the research question, aiming to explore the barriers in practicing sustainable development. Prior to the interview, a pilot study was conducted to ensure the construct reliability. The interview questions and probes were revised based on responses of the pilot test. Five semi-structured interviews were conducted in Thai by phone and in person. Each interview lasted about 30 minutes. The interviews were audio-recorded, transcribed verbatim and back translated to English for analysis.

The data analysis for this research used inductive approach and open coding to find themes and patterns associated with the barriers to the implementation of SEM practices. Themes were generated based on responses from different participants and patterns were found by looking at responses across interview questions. Investigator triangulation strategy was used to increase reliability by using multiple researchers to analyze the data and later to compare the findings.

## Results

All four respondent hotels had the following characteristics when it came to event management capacity and facilities:

Respondent Hotel	Function/Meeting & Event Venue	Approximate Total Space (sq.m.)	Maximum Capacity	Guestrooms
1	11	2,500	800	684
2	12	1,200	420	327
3	12	1,300	400	403
4	12	1,500	400	243

The main target market of the hotel venues were corporate and government sectors. The findings indicated that the four hotels could be categorized into two groups, one which adopted sustainability as their core value, and the other which did not. Both groups experienced different sets of barriers to implementation of SEM.

The first group comprised of two hotels that adopted sustainable development as one of their core values. The findings indicated that this group faced the barriers stemming predominantly from the external factors. Those included the following:

1. The sustainability practices of the hotel were not supported by the government's municipality acts. For instance, waste separated by the hotels was lumped together again during the waste collection;

2. Ineffective communication by the government on the matters of refund and tax deduction that made the hotel lose benefits on capital investment. The benefits from tax deduction could have been used to re-invest in new equipment and machinery to enhance sustainable performance;

3. Stakeholder engagement was a complex issue, e.g. customer demand. Aesthetics, not sustainability, of the solutions were often of primary importance to clients, e.g. foam backdrop were preferred to paper backdrop;

4. System complexity was also found to be one of the barriers when the hotels were trying to implement the higher level of sustainable management standards.

The second group of the hotels that did not have sustainability as a core value faced the barriers mostly presented by internal factors, and by external factors to a lesser degree. Those included:

1. The firm's objective of profit maximisation making sustainability not a priority for the organization, as there was no understanding how SEM could contribute to the company's financial objectives;

2. Limited knowledge on SEM and sustainable development, as the employees were not educated about the topic.

## Discussion

The findings were consistent with the barriers mentioned in the literature review found by Tinnish (2012); Sloan et al. (2013) as well as Laing & Frost (2010). The first group of the hotels faced barriers from the initial investment cost, system complexity, stakeholder engagement and data collection challenge. Installing innovative machinery and equipment resulted in a high cost of the initial investment. Rules and regulations could help stimulate sustainable development. As the hotels tried to achieve a higher level of SEM standards, they also faced complexity in the system as higher standards required higher results. Stakeholders were also difficult to influence, with respect to inefficient government facilities. Consequently, lack of rules and regulation in waste management in Thailand is one cause of the problem. For instance, recycling in responsibility of the Thai local government, while in Ireland, 50% of the waste is recycled at the household level (Indaver, 2014).

Barriers that the second group faced were the prevailing economic model and the challenge of stakeholder engagement. Traditional hotel business models aims to maximize financial profit; hence, sustainable management practices are often neglected (Sloan et al., 2013). The lack of knowledge and understanding of sustainability concept means it is difficult for the company to implement SEM fully. For instance, in this research, the term “sustainability” was often associated with the act of preserving the environment or the so-called ‘green actions’, whereas, the importance of, social and economic, was often neglected. Being a five-star hotel offering full services, it is difficult to compromise between the sustainable efficiency and highest customer satisfaction (Sloan et al., 2013). The hotels could not reduce the consumption of the resources of offer more efficient options, as customers expected full services in return for their payment.

However, transitory of nature of the event and data collection barriers as mentioned by Tinnish (2012) were not found in this research. As the hotel venues had different characteristics from Tinnish’s research, with full-time staff and immovable venues, they did not require specific data collection, or did not perceive that the required to collect the data.

### **Limitations of the Study**

The limitations of this study were the time constraints, sample size and accessibility. Limited time frame led to a smaller sample size; additionally, the role responsible person was often undefined which caused difficulties to obtain precise information for the research. Future research may consider to compare barriers for venues among different types and/or scales in adopting sustainable practices.

### **Conclusion**

To conclude, the findings indicated that the group with experience faced the barriers mainly coming from external factors, i.e. supports from government sector and customer’s expectations, while those who did not have experience face more barriers coming from internal factors, i.e. employee’s knowledge.

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