

# HOSPITALITY INDUSTRY **OPPORTUNITIES, CHALLENGES AND PERSPECTIVES'21**

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ARTICLE DIGEST



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RIGA, 2021

HOTEL SCHOOL  
— ★ ★ ★ ★ ★ —  
HOTEL MANAGEMENT COLLEGE





**“Hospitality Industry:  
Opportunities, Challenges and Perspectives’21”  
Article Digest**

**Riga, 2021**

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## Foreword

Dear colleagues, please, welcome the collection of articles from the 3<sup>rd</sup> International Applied Research Conference “Sustainability in Hospitality Industry” organized by HOTEL SCHOOL Hotel Management College and already for the second time held online on 9 April, 2021. The conference provided an opportunity to discuss the issues, challenges, opportunities and findings of sustainability research.

Sustainability plays a vital role in the hospitality industry. With the right leadership, hospitality organizations can adopt sustainable business strategies. Sustainability-minded hospitality leaders can also improve efficiency and attract a growing number of customers looking for environmentally and socially responsible products and services. An overwhelming majority of millennials and Generation Zers are ready to pay more for products and services that are not detrimental to nature, and that do not deplete natural resources, or negatively affect the lives of people or wildlife. Sustainable practices make hospitality organizations stand out and we hope that you have found the issues covered at the conference important, relevant and helpful.

The conference consisted of two parts including the presentations by the hospitality industry stakeholders, universities and researchers from Switzerland, China, Portugal, Estonia, Belarus, Latvia, and the students’ research presentations in the second part.

The speakers have discussed smart hospitality tendencies, Covid-19 impact on sustainable hospitality, as well as plastics ban and waste handling related practices by the hospitality companies. For example, HS guest lecturer from Belarus, Ilona Beliatskaya, presented a very interesting topic “Marketing of Sustainable Values in Hospitality”, while Dr. oec. Maira Lescevic from Vidzemes Augstskola (Latvia) devoted her speech to principles of circularity. Ana Rita Seirôco from Brigada do Mar (Portugal) discussed waste handling practices. Of particular interest was the presentation by Triin Eljas (Estonia), who demonstrated out-of-the-box sustainable solutions in Hektor Container Hotel. In her turn president of NGO “Creative future ideas” (Lithuania), Silva Blažulionienė, was speaking about smart innovations for hospitality sector future. Finally, Professor Fang Xiangyang from Suzhou Vocational University (China) outlined Suzhou accommodation industry and presented research on its development orientation.

In their turn, the students’ research contributed collectively to our knowledge and understanding of the problems related to sustainability’s issues in hospitality sector in terms of staff awareness, sustainable leadership, guest’s satisfaction levels, waste management and recycling, and, of course, Covid-19 impact. These topics were explored on the basis of such

hospitality-related enterprises as Hilton Garden Inn Riga, Pullman Riga Old Town Hotel, Rosinter Restaurants Holdings, Amberton Hotel Klaipeda, Mcdonald's, Radisson Blu Daugava, etc.

Our special thanks to our dearest partners from B.H.M.S. Business & Hotel Management School (Switzerland) for long-lasting cooperation and for invaluable advice in terms of how to teach sustainability.

So, we are very thankful to the organizing committee, HOTEL SCHOOL management, all the participants of the conference, as well as all the authors who submitted papers and are looking forward to the opportunity to discuss new challenges and perspectives of hospitality industry at the next conference. Thank you all!

*Yours faithfully,*  
*Chief Editor, Catherine Koryuhina*

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# **RESPONSIBLE BUSINESS AS THE MAIN APPROACH FOR THE SUSTAINABLE FUTURE IN THE HOSPITALITY INDUSTRY: HILTON GARDEN INN RIGA CASE STUDY**

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**Abstract.** The purpose of this research is to describe how the corporate social responsibility affects the hospitality industry and as well whether or not it is the future for hospitality. Corporate Social Responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (“Triple-Bottom-Line Approach”), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy (Unido, 2021). In research author has used the combination of both methods – primary and secondary research. There were two groups of involved participants – general public (survey to 30 respondents with 15 questions) and industry specialist (Human Resource Manager from Hilton Garden Inn Riga Old Town). To make a literature review, official websites, and reports from industry specialists and hospitality – related books were used. For the future research, author is going to make an interview with employee from privately owned hospitality enterprise which are not participating in any CSR related issues and the second interview will be made with the employee from chain hotel which are participating in social responsibility to compare HR managers point of view from Hilton Hotel Group and, for instance, Radisson Hotels Group representatives opinion.

*Key words:* sustainability, sustainable hospitality, Triple Bottom Line (TBL), Corporate Social Responsibility (CSR)

## **Introduction**

In recent years the hospitality industry has faced a boom in tourism arrivals, nights spent in different accommodation services and as well customers become aware of a more sustainable oriented lifestyle, which also includes the hospitality industry.

Financial market breakdowns, severe economic declines and food shortages required immediate responses. It seemed that climate change finally received due attention, with growing recognition of critical consequences without a significant change in the course. More and more entities are using corporate non-financial reporting, encompassing the social, environmental and economic impact of the company’s operations, not just as an accountability tool but to drive strategy, unlocking new sources of revenue and growth (Lungu et al, 2011). Hospitality industry is consuming so many resources, that the hotels must think about ways of how to become more socially responsible towards nature and stakeholders.

The hospitality industry alone created 1,6 million jobs in Europe between 2013 and 2016 taking its workforce from 10,3 million employees to 11,9 million, while the number of enterprises raised from 1,82 to almost 2 million. Turnover also increased by 20% from 507 to 607 billion Euros over the same period (Hotrec, 2018).

The Crisis of Covid -19 pandemics has had such a dramatic influence on the hospitality industry that it is going to be even more crucial to be a socially responsible business afterwards. Therefore, the author has chosen such an important topic for research, to see whether or not CSR is the main approach for the sustainable future of the hospitality industry. The author is going to use different reports, interviews with Human Resource Manager in Hilton Garden Inn Riga Old Town and a survey which is made for potential guests on the hospitality industry to prove that socially responsible business is the main approach for the sustainable hospitality industry.

### **Literature Review**

The author of the work totally agrees with the quote written by Klaus Schwab, Executive Chairman of the World Economic Forum, that *“corporate social responsibility is measured in terms of businesses improving conditions for their employees, shareholders, communities, and environment. But moral responsibility goes further, reflecting the need for corporations to address fundamental ethical issues such as inclusion, dignity, and equality”* (TRVST, 2020). The main focus is in how each company treats its stakeholders, and only afterwards, the socially responsible company can be made.

As reported by Ewa Chojnacka and Jolanta Wisniewska, a correct and above all effective process of reporting by a socially responsible company should also specify a manner of conducting a dialogue with stakeholders and at the same time reply to it. Increased awareness and competence of individuals preparing CSR reports concerning the dialogue with stakeholders will translate directly into the development of the practice of involving stakeholders in the reporting processes, and thus into the quality of content for reporting (Chojnacka & Wisniewska, 2017).

A social report submitted to external and internal stakeholders is the end product of the process of reporting social activities performed by the organization (ibid.). In the correct dialogue between socially responsible business and stakeholders, such points should be included: the interrelationship between stakeholders, managing different risks and cultural diversity aspects, finding out the right information about company, its stakeholders, ethical

and other standards, the identification of customer needs and their expectations should be clear to better understand guests “black box”, trainings and development of ethical and respected dialogue between each other should be created.

As stated by Even Friedman, corporate image has an impact on business—and that management should address it if it poses a threat to the performance of the business. Companies take risks when they violate the rules and needs of the communities and environments in which they operate. Many have learned this lesson the hard way over the last few decades. It’s not only the behavior of the business itself that matters. Stakeholders will evaluate its relationships with suppliers and channel partners, and their actions will shape the brand. For instance, fashion brands are held responsible for how their contract manufacturers treat employees and the environment. And retailers must vouch for the safety of products they place on the shelf (Smith, 2007). Some of the common risks are financial, operational, customer related and strategic (Oracle White Paper, 2011).

Crane, A. and Matten, D. have explored the domain of business ethics education. They argued that the business ethics curriculum could enable managers and corporations to shape the rules and norms against which they are judged. The issue based model was intended to structure the curriculum according to specific ethical issues, so that each class considers different business ethics problems including bribery, discrimination, and advertising to children and so on. The function-based model, purported that the subject could be broken down into ethical issues as they pertain to different business functions; such as marketing, procurement, operations and accounting (Crane, et al 2013). The ethics is another significant part in the CSR and the main topics were explored already before 17 years, since then such topics as cultural diversity, human rights, same employment possibilities and the possibility to move up to the career ladders have been added to the existing topics.

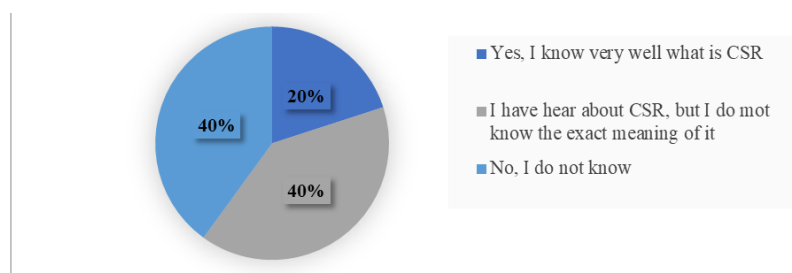
To sum up, the CSP theory maintained that businesses were responsible for the social problems they caused. These responsibilities would extend beyond their typical objectives of wealth creation as well as their expected observance to comply with relevant regulation and law. CSR also comprised the ethical, discretionary or philanthropic actions which businesses should undertake for societal wellbeing. The corporate social performance is related to sociology, the shareholder theory to economic theory, the stakeholder theory is rooted in several ethical theories and the corporate citizenship has been derived from a political concept (Camilleri, 2016).

## Methodology

In this research paper, the combination of both methods was used – primary and secondary research methods. There were two groups of involved participants – general public and industry specialist. The author has used quantitative primary research for making survey to 30 respondents, who mostly did not have any previous relation to hospitality industry – respondents from general public (potential customers). In the survey there were 15 questions, 13 of them – close ended. For the qualitative primary research the author has conducted an interview with the Human Resource Manager from hotel Hilton Garden Inn Riga Old Town, Inara Geiba, to research company's strategy and achieve CSR goals. Interview process was made remotely in Microsoft platform and there were 17 open – ended questions. Secondary qualitative research method was used to conduct a literature review, altogether using 52 different sources. For qualitative and good structure research, the author used only reports, official websites and books (ResearchGate.net, Investopedia, HospitalityInsights.ehl.edu, LinkedIn, Emerald database, Hotel Yearbook, etc.).

## Survey Results

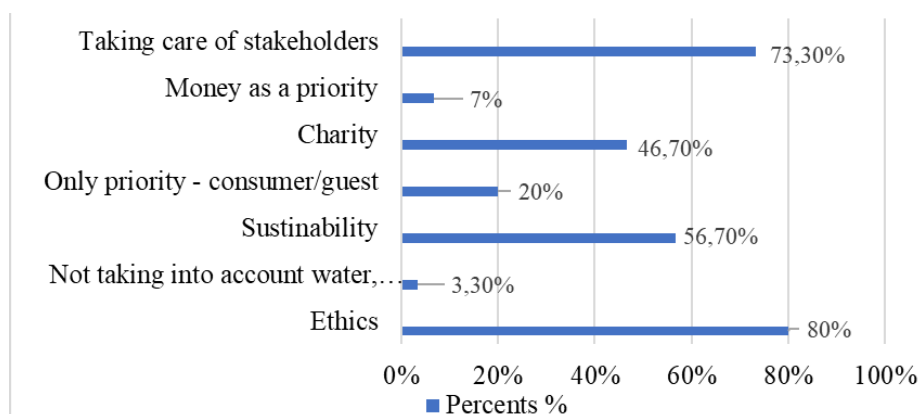
In the qualitative primary research there were 15 questions and some of the most important ones will be discussed in this part. The first of the given questions was related to the CSR and whether or not potential guests are aware what exactly it means. The Figure 1 shows that 20% of all respondents knew really well what CSR is (See Fig. 1).



**Figure 1.** Survey question about respondents' awareness of CSR (Source: made by the author, 2021)

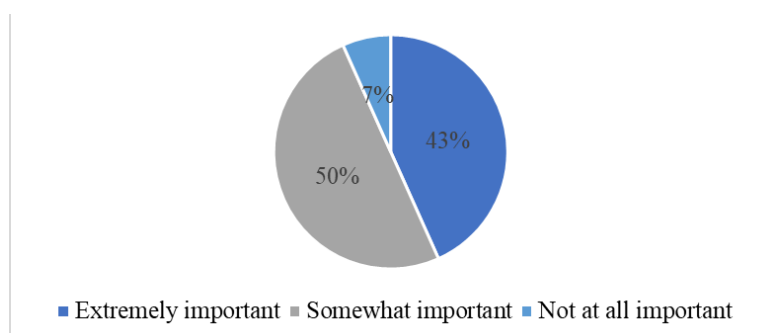
The second of chosen questions is related to the most important topics which could be a part for CSR (See Fig. 2). According to the results, it is possible to see that the ethics as the one of the most important aspects of Corporate Social Responsibility is leading with the score of 80 %. Only 3.3% of respondents were thinking that CSR is the business which are not taking into account water, food and other resource saving.





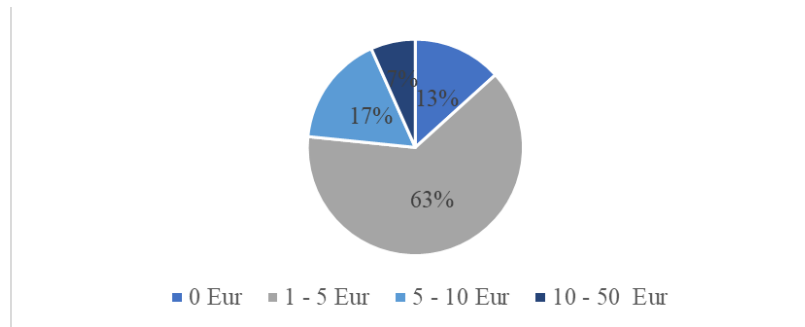
**Figure 2.** Survey question about the topics which could be the part of CSR (Source: made by the author, 2021)

The next question was related to whether or not for the potential customers it is important that companies operate on a socially responsible level. 50% of respondents answered that for them it was somewhat important (See Fig. 3); for 43.3% it is extremely important. However, the author believes that this is only true on the questionnaire, as in real life consumers are not really looking forward to getting to know something more about companies' ethics and sustainability, as the main concern for the Latvian market is the price.



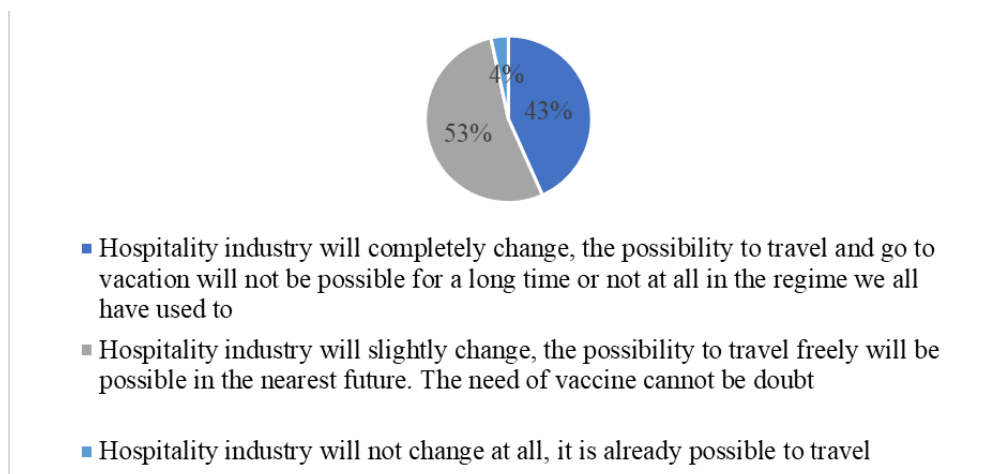
**Figure 3.** Survey question about whether or not potential consumers are interested in the companies which act socially responsible (Source: made by the author, 2021)

This question completely explains why the author believes that the main consideration to purchase product or service is affected by the price, as the biggest part or 63.3% of respondents are willing to pay 1 to 5 Euros extra if the company which develops the product acts socially responsible and only 7% would be willing to pay 10 – 50 + Euros extra.



**Figure 4.** Survey question about whether or not respondents would like to pay more for the product (Source: made by the author, 2021)

The last of the questions described in the work is connected with the Covid -19 pandemics, as this topic cannot be excluded (See Fig.5). 43.3 % of respondents think that the hospitality industry will change completely, 53.3% believe that the hospitality industry will slightly change after pandemics and 3.4% say that the hospitality industry will not change after Covid-19.



**Figure 5.** Survey question about Covid -19 impact on the industry (Source: made by the author, 2021)

Overall, the research results are acceptable, taking into account that only 20% of all respondents were aware of what exactly CSR in hospitality industry was. If the respondents were taken from closest Baltic countries, the author believes that the results would be even better as Estonia and Lithuania are more developed in socially responsible business aspect.

## Interview Results

As mentioned in the methodology part, the interview process was made with Human Resource Manager from the Hilton Garden Inn Riga Old Town. Overall, the author of the research asked 17 questions. Some of the most important questions and answers will be provided below.

### **1. Do you believe in the statement: responsible business is the main approach for the sustainable future in the hospitality industry?**

*I definitely believe that responsible business can lead us towards a brighter future and help us to significantly decrease waste of resources and, of course, my own experience in this is pretty big, because in all the hotel chains I have worked, we always had such kind of programs to reduce waste of resources.*

### **2. What are the main benefits to being a socially responsible company?**

*Well, of course, the input is significant, and if you gather the statistics or make a research on the real impact on sustainability on the earth, this is something that makes companies do things differently. Another thing is the corporate image, as companies become more interested in young generations, as young people are more into sustainability, responsible business ideas and in general, sustainable approach towards various areas of life. Sometimes, that is about financial benefits, for example, for waste you have to pay almost a half less if you recycle, that makes sense in terms of saving costs in general, less electricity, less water – those aspects also companies may see in financial statements. Of course, the investment is significant, but I believe it is more about time than the money the company should invest in such projects and the maintenance will not incur such huge financial investments. Of course, if you buy expensive equipment, such as solar panels, that is, of course, financial investment, but definitely it pays off really soon.*

### **3. How are the relationship between supervisors, managers and employees affected in socially responsible companies?**

*Employees like this practice and it definitely makes your company prettier in the eyes of all stakeholders. This is something where you can get new information, some interesting statistics, for instance, about food waste, as we had trainings about that and our kitchen staff were really excited and felt that they have power to influence and contribute to their company's values and global practices, This is something that makes staff excited as it really makes the difference and when you see the real figures and statistics, then you clearly understand how you can make*

*your impact on this. However, it takes time to train and to build several habits to change operations and to improve sustainability, but it is definitely something that both – we and our employees enjoy!*

**4. Do you believe that guests care and admire company's values, ethical business policy, environmentally friendly activities? Do they take it into account when choosing a hotel to stay in?**

*I believe that, yes, because guests like it and there are some parts of the guests which are really focusing on environmental issues. There are some guests who sometimes ask questions about how the company is doing things and they definitely notice all the responsible business signs and posters, for instance, about towel and linen reuse programs. This is something that guests value. However, I do not know if this affects their choice in general, but I believe that it impacts the brand image.*

**5. In your opinion, in what ways will the CSR reports be different in the future, if taking into account the impact of Covid -19 and overall changes in the world, after Covid-19?**

*I believe that focus on people's health and medical issues will definitely increase as it is already increasing – that is one side. Also, we should see if the effect will be continuous or it will change at some point. The other thing is that not huge focus is on psychological health of people and social media impact on our behavior and decisions; I believe that this is something where digital world will put more attention on, in terms of being responsible in front of society, because you know all the aspects like water, electricity, all those kind of resources we have experience on, but health, both physical and mental and the impact of digital world this is something that definitely will be affected. Safety is meant in terms of using all the possibilities that our digital world is offering.*

## **Conclusions**

Consumers are progressively more concerned with how companies make their money and are expecting businesses to engage in responsible activities that will limit, as well as lessen their social, ethical, and environmental impacts on society and the community (Garrick, 2015). In the author's opinion, many companies do not understand the trend and future of customer preferences. When the Covid -19 pandemics is over, such companies who act responsible will

gain more benefits and will definitely improve their public image in front of new generations. Having conducted this research, the author has made several conclusions presented below.

Each and every company nowadays should make decisions and the environmental and social consequences of each their decision made. Moreover, hospitality and other enterprises should understand that becoming a responsible company takes lots of resources, but after interviewing of Human Resource Manager Ināra Geiba, the interviewer totally agrees with the interviewee that it is more about time which company should invest in order to write reports, make negotiations with stakeholders about the aspects which should be improved and as well making a deep research and analyses about the situation and the metrics about water, waste consumption and other aspects. Of course, it requires material investments, but if everything is done properly, in the long term these investments will pay off and, what is more, it will help the company to save money in the future.

The importance of stakeholders and their role in the company's success cannot be doubt. Allen White also points out that, "it's not enough for senior management to devise new ways to engage customers, to make these programs work; they must involve employees at all levels. This means ensuring that everyone in the company is informed about CSR policies and practices and are involved in implementing them" (White, 2006). After the interview with Inara Geiba, Hilton Garden Inn can be taken as a good example of how the successful company should act regarding society and the environment. Employees in the hotel are interested and show their willingness to participate in the training provided by the company and they feel the impact they make towards the future of hospitality.

Hilton Hotel group could make a CSR issues related guide for smaller and individual hospitality related companies to help them gain social and sustainable benefits, and most important – reduce the impact of nature. Hilton Hotel group is a really important and useful benchmark which can be used to improve the measure for other companies, because their achievements in sustainability, reduction programs and from human resource point of view are impressive.

The author of the work believes that after Covid -19 pandemics, CSR will become the trend to which enterprise will need to follow as customers and new generation become more and more aware of the socially responsible business policies and nature. It may be even a way of how to revive after pandemics.

After reviewing data from survey made to general public, author understood that the CSR in Latvia is not a habitual practice in hospitality industry and many of the respondents were not able to answer open - ended questions. However, interview with Ināra Geiba made it possible to see the real impact and the importance of CSR, as employees are satisfied and are willing to participate in the training programs to gain more knowledge about nature, waste reduction and even apply some practises in their private life.

After reviewing the literature, key drivers, 3 pillars of sustainability, the impact what Hilton Hotels has made in 3 years, it can be concluded that that companies which practice sustainable and social approaches, follow corporate social responsibility guidebooks and, thus, apply the written theory in practice are definitely the future for the hospitality industry.

### **Recommendations**

Being socially responsible, business may help to fight against the online travel agencies (Booking, Agoda, etc.) and such companies as Airbnb, which slowly is becoming a leader as a more convenient and cheaper option with personal touch and more of the home feeling emotions. Creating CSR reports could help to choose the hotel property over previously mentioned agencies. Nowadays some guests even ask questions and would like to know more about the sustainability related posters and signs attached to the properties' walls. Moreover, the author believes that such guests are the future for hospitality and because of this, all non-socially responsible companies should start to become such. The recommendations for the Hilton Garden Inn Old Riga and LVRA are:

- The CSR reports in the future should include the influence on employee mental and psychological problems connected with Covid-19 pandemics and how company manages to solve them – the company could provide paid medical help for employees and donate money for mental health centres that rehabilitate the Covid -19 influenced patients;
- Training sessions/ private sessions for employees so that they can easier get out of the depression state, loss of energy and motivation - connected issues. The author believes that the Hilton Garden Inn should focus mostly on employees who have direct contact with customers (Front Office employees, F&B employees, Housekeeping, Spa employees, etc.) For employees who are working backstage, group sessions and team building activities should be implemented, because the teams of departments will need

to be rebuilt due to pandemics as all employees had not been in contact for long period of time;

- LVRA (Latvijas Viesnīcu un Restorānu Asociācija) should think about sustainability issues more and organize trainings about the benefits and the environmental impact each company has against nature and society. It should be taken into the next level, as the hospitality market in Latvia is oversaturated, the LVRA could take some action in order to make the industry more responsible. The author of the work believes that there are many privately owned properties which even do not know what the social responsibility is and how crucial it is, especially in hospitality where the amount of resources used are enormous. The trainings about sustainability could be made in conference centre “Atta Centre” as a part of a conference, such as , for example, “Darījumu un pasākumu tūrisma diena & Latvijas konferenču vēstnešu forums”;
- Guest awareness about sustainability should be taken into next level – more information should be depicted in guest rooms, public rooms (toilets, lobby, front office, etc.). Firstly, the signs about green key and other guest related information should be made more visible and attached to the walls where the hotel can be sure that guests can see them. Front Office employees could be the ones who take care of the posters and also, they should be informed about all the information related to the sustainability. When visiting the Radisson Hotel Daugava, Front Office employees were not aware of the Green Key and other sustainability topics, which may led to bad guest experience. The information about CSR, Green Key, saving programs in guest rooms should be added to the hotel’s website too for better guest awareness also in the searching process, to make the property stand out.

### **Limitations and Future Research**

Some of the challenges were, or course, connected with the Covid -19 pandemics and that it is not possible to go and review different properties, have face to face interview with the employees of hospitality enterprise, etc. In the future research, the author would like to have more than one interview to review different opinions of employees of different companies. That would give deeper understanding of each company’s different values and interests towards being social company. Furthermore, after writing the work the author has learned the importance for the companies to be socially responsible. In general, the outcomes of the research are satisfactory as general public (most responds with no connection to hospitality

industry) were mostly aware of the socially responsible business issues and have heard about this topic previously. The author of the work believes that if the respondents were taken from such countries as the United States of America, the United Kingdom, Germany, etc., the results could be even better, because social responsibility is not so much familiar topic in the Latvian market.

Future research should include more in depth analyses in order to collect more relevant and detailed data - quantitative primary research: two different surveys – one for industry representative (at least 20 different participants) and the second one for potential guests (at least 50 participants). The qualitative data in the form of interview should be made with more than one company's representative.

Moreover, the author could interview two different company HR managers – one manager working in socially responsible company and the second one from the company which is privately owned and is not socially responsible. The main differences between being chain property and privately owned enterprise should be mentioned as a strong aspect, because CSR activities require resources and time investment. This research is relevant, especially in Covid-19 times, when the hospitality industry is facing major changes and new generations are becoming more and more sustainably aware and are interested in socially responsible companies.

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# COVID-19 CRISIS AND SUSTAINABILITY IN THE HOSPITALITY INDUSTRY: THE CASE OF PULLMAN RIGA OLD TOWN HOTEL

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**Abstract.** In the beginning of 2020, Covid-19 had a huge impact on the hospitality industry all around the world. During the pandemic many hotels closed their doors, as well some of them will never reopen them again. Majority of hospitality industry employees lost their jobs and have nothing to do with that now. This crisis has caused many social problems, and the main of them is unemployment. Sustainability is a key for competitiveness that is the reason why it is a useful topic to discuss: How Hospitality industry establishments can get out of the crisis and what to expect in the future? Author will provide insight into the current situation in the hospitality industry and discuss potential variants of its development in the future. The main reason for choosing this topic is the author's deep interest in the subject matter and hope that the given research will broaden her knowledge about current issues caused by Covid-19.

*Keywords:* Covid-19, hospitality industry, sustainability, unemployment, vaccination

## Introduction

2020 year changed lives of everyone and the main reason is Covid-19 pandemic. In the beginning, when the corona virus outbreak occurred in China - no one took it seriously - people continued to travel, go to work, and live their normal lives. With the arrival of the virus in other countries, people remained calm but already began to introduce certain safety measures in the fight against the Covid-19. The final point was the outbreak of the virus in Italy in early 2020, countries began to close their borders and introduce lockdowns.

The five-star hotel Pullman Riga Old Town is a part of French Chain 'Accor' and it is located in the centre of the historical area of Riga. Pullman Riga Old Town is set in a former Baron Munchausen's horse stable of 18th century and features a horse breed theme throughout the premises. It offers its guests a SPA centre with heated indoor swimming pool and a sauna. There is available a free Wi-Fi throughout the property and a public parking (Pullman Hotels and Resorts, 2021). The hotel offers to its guests 155 modern and spacious rooms, which are fitted with a LED Smart TV and comfortable beds to relax in after a busy day. Park and atrium views are available in most of the rooms and bathrooms come with a rain shower and free toiletries. There is also a voice-mail and a working area. Guests can enjoy the on-site restaurant 'EQUUS' with international fusion cuisine. Tea Deli offers a tea ceremony experience. A SPA and wellness zone with sauna is available for guests free of charge, as well as fitness and Pilates

premises with views of Bastion Hill Park. On the seventh floor there is a 19,5 m long swimming pool that features views of the park and city canal. For the convenience of the guests, the hotel maintains a 24-hour front desk. In the lobby area, there are located gift shop where guests can find different jewellery and souvenirs made of amber. For different meetings and events, the hotel offers seven conference rooms with facilities. On the example of this hotel, the author will conduct the given research.

Due to the current situation, it is very difficult to find jobs in one's profile, especially for the hospitality industry employees - it is almost impossible. Besides the problem of unemployment, almost every hotel faced a crisis caused by Covid-19 and here comes the question – how hospitality industry establishments can get out of the crisis and what to expect in the future? The aim of the research work is to explore and assess how Pullman Riga Old Town Hotel is coping with the crisis caused by Covid-19 spread.

### **Literature Review**

The virus, known to us as Covid-19, has been around for more than a year and the whole world has already learned to co-exist with it. However, this topic has not been extensively researched yet, for which reason, the author decided to study various publications on the topic of Covid-19 and its impact on the hotel industry and humanity in general. As the Covid-19 is absolutely new field, the author decided to study several sources to find out how this virus came to our world, what we know about it and most importantly-how it affected the world, the economy and the hotel business in general.

The Covid-19 pandemic has created severe tension, not only in health care, but also in economy, in volumes estimated to be the largest in the world since World War II (Ukenābele, 2020). Unlike the financial turmoil of ten years ago, this time European governments have launched an unprecedented number of support campaigns aimed at protecting citizens from losing their jobs and income due to the pandemic, reported Latvian Radio on June 30 (ibid.). Data compiled by Eurostat shows that the GDP of the European Union Member States has fallen by 3.2% in the first quarter of the 2020 compared to the previous quarter, while the number of people employed in the EU has fallen by just 0.1% (eurostat, 2020). Eurostat compiled more recent data on unemployment in EU Member States in April 2020. The highest unemployment rate among EU Member States was in Spain – 14.8% in April, with 9% followed by Latvia. Then Cyprus – 8.9%, France – 8.7%, Lithuania – 8.6% follow. The EU's

average unemployment rate, on a seasonally adjusted basis, increased to 6.6% in April compared with 6.4% in March. Eurostat estimates show there were 14,079 million people in the bloc without work in April. Compared to March, the number of unemployed people increased by 397 000 (ibid.). The virus has affected all areas of business, including the hotel business. Some hotels did not resume their work after the first outbreak of the disease, but some have recently announced temporary closure. The Chair of the Latvian Hotel and Restaurant Association Jānis Naglis said that these hotels represent a large chunk of the industry. According to the article on LSM, 70% of the income of the hotels in the capital is provided by foreign guests (LSM.lv, 2020). Naglis said that the future scenario with hotel closures is closely linked to whether the industry will be able to receive support from the state and local government (ibid.). If there is no support, the wave of hotel closures could continue and six to eight thousand hospitality workers would join the ranks of the unemployed. “There is, of course, a further part of the unused grant money, there was a grant of up to €18 million, EUR 14 million have been distributed, 4 remaining to be reallocated, we are working on new criteria. Talks are ongoing with Riga municipality on the reduction of real estate tax” (Zalāne, 2020). Naglis said that hotel downtime is difficult because the utilities have to be paid at this time; otherwise the building will go bust. Moreover, it is not easy to resume after downtime.

United Nations’ World Tourism Organization’s (2020) definition of sustainable tourism includes all three main dimensions of sustainability and is described as: ‘Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment, and host communities’ (UNWTO, 2020). Here we will focus more on the social dimension of sustainable tourism, which according to UNWTO refers to respecting the socio-cultural authenticity of host communities, at the same time preserving the tradition and cultural heritage. It also requires equal opportunities for the whole society and equitable distribution of tourism benefits (ibid.). However, when it comes to social sustainability in the hotel industry, business scholars mainly stress the importance of different stakeholders’ relations and hotels’ responsibility for their well-being (Jones et al., 2016).

Let’s consider the sustainable practices that are used in the French Chain ‘Accor’. For many years, the Accor Group has been actively working for the benefit of progress. In 2011, the Accor Group carried out a study of its environmental footprint that enabled it to measure accurately its main impacts, define priorities for action and identify new challenges (Wilkinson,

2012). Planet 21 program, which runs until 2020, demonstrates the ambitious goals of the Accor Group, which will be achieved in four strategic areas: working with employees, involving customers, joint innovation with partners, cooperation with local communities, as well as in two key areas: nutrition and building maintenance (Accor Group, 2021). As part of Accor's launch of Planet 21, the group is introducing new key-cards, made from FSC-certified wood from responsibly managed forests, which are not only as effective as their plastic counterparts, but which breakdown naturally if disposed in landfill. The new FSC-certified key-cards will debut at the first Planet 21 accredited hotels in Australia – the Pullman, Novotel and Ibis Hotels at Sydney Olympic Park and Sofitel Melbourne on Collins – from 21 April (Wilkinson, 2012). Planet 21 covers all of the Group's environmental, social and community investment actions and aims to place sustainability at the core of its business strategy worldwide. With Planet 21, Accor is making 21 commitments and the same number of quantified goals for the year 2015, including: a 15% reduction in water consumption, a 10% decrease in energy use and 85% use of eco-labeled products at Accor's owned and leased hotels worldwide (ibid.). The main actions are implemented by active and motivated employees of the French Chain 'Accor' all over the world:

- Plant for the Planet – Accor Group encourages its customers to reuse towels. Accor Group uses the proceeds from saving water and energy to plant trees. One tree is planted every minute.
- Fighting Sexual Exploitation of Children – all Accor Group brands have been involved in the fight against the sexual exploitation of children for many years. Employees of Accor Group are mobilized and draw the attention of customers to this problem.
- Environmentally Responsible Production – Accor Group offers sustainable beds made from responsibly managed forests (FSC certified), and blankets and pillows from recycled bottles. As well, Accor Group offers in rooms environmentally friendly soaps, shower gels and shampoos and use environmentally friendly cleaning products (eco-labeled).
- Food - All Accor restaurants offer healthy, balanced and high quality meals from the products of Accor Group gardens or local farms; a fight is being conducted against the irrational consumption of food products; endangered fish species are not used; Accor Group offers free-range or out-of-cage eggs (in shell and non-shell eggs) (Accor Group, 2021).

The selected articles and literature are mainly focused on the study of the virus known to us as Covid-19, on the impact of the virus on the economy and the hotel business. The selected sources also consider the issue of unemployment. All these sources are closely intertwined, which helps the author to get more information for research and identify possible solutions to the problem and find possible solutions, providing the recommendations for the chosen property.

### **Methodology**

In order to conduct research and find a solution to the problem, the author decided to create surveys and find out what difficulties employed people faced in connection with the pandemic. Researcher chose both quantitative and qualitative research methods - surveys have been conducted online in the Google Forms format, the total amount of respondents are 34 people for the first survey: 'How is Covid-19 impacting you?', and 13 people for the second one 'Survey for Pullman Riga Old Town employees'. For a detailed analysis of the problem, the author decided to interview the infectious disease doctor, General Manager of the Pullman Riga Old Town Hotel and three employees – two from the Rooms Division department and one from the Food and Beverage department. The interview format was also available online via the zoom platform. For further data processing and detailed consideration of the global problem, the author decided to use various sources of literature to find the solution of the problem.

### **Results**

While the hotel was open, during the pandemic period from June to September 2020 Pullman Riga Old Town Hotel has possessed itself as sustainable company and this survey provided the author with the information needed to answer main research question and the results are as follows:

- People now have no desire and no opportunity to travel, except for those who travel for work. Guests will be required to observe certain security measures while staying at the hotel. In order for the hotel to reopen its doors to customers, the introduction of generally accepted security measures will be necessary;
- As the General Manager of the hotel Valdis Vanadziņš commented, when the decision is made to open the hotel, there will be a problem related to the employees, because many have found themselves in another field of activity, some also doubt the stability of the hotel business;

- Findings show, that the five-star Pullman Riga Old Town Hotel does not fulfill all social sustainability factors, according to theory. The hotel closed the doors during Covid-19 spread twice. For each company remain on the float and earn money is priority, but the work in the hospitality industry is such type of business, which exists for guests and because of guests. Since that, the social factor of sustainability plays a huge role within organization and during pandemic; this aspect became even more popular than environmental.

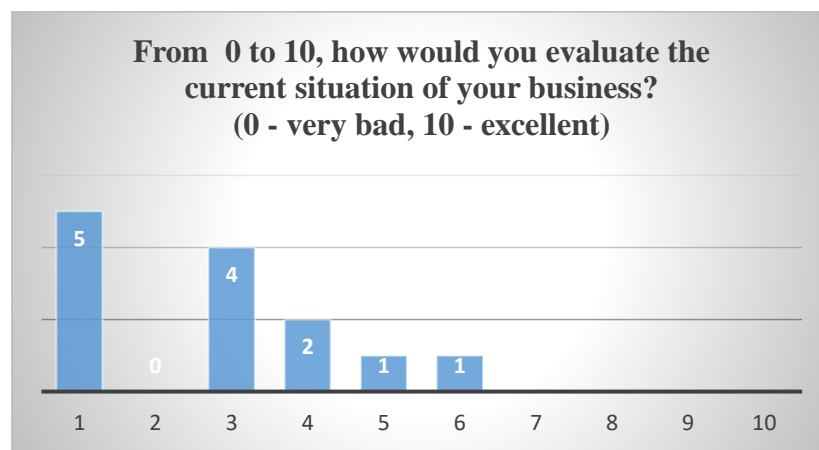
In case of Pullman Riga Old Town Hotel, there are used several practices to protect the environment. They can be seen in Table 1 (see Table 1).

**Table 1.** *Sustainability practices in the Pullman Riga Old Town Hotel (Source: made by the author, 2021)*

<b>1. Towel reuse program</b>	This program offers the guests to reuse their towels more than once. When the guests participate, hotel saves money in reduced water, energy and labor. This program is optional-the guest is warned when checking in and there is information in the room - if the guest needs to change the towel, then he leaves it on the floor.
<b>2. Eco-design</b>	<p>The hotel offers eco-designed beds made from wood sourced from sustainably managed forests, as well the hotel offers to the guests to choose different types of pillows – comfort, deluxe, smart pillow with music.</p> <p>The hotel has eco-certified soap, shower gel and shampoo in every room. The cleaning products are environmentally friendly, eco-certified cleaning products. All the room numbers are non-allergic.</p>
<b>3. Healthy and Sustainable Food</b>	<p>In the restaurant and on the breakfasts, Pullman Riga Old Town is committed to:</p> <ul style="list-style-type: none"> <li>- Offering healthy, balanced and high-quality food, as well local products are used;</li> </ul>

	<ul style="list-style-type: none"> <li>- Reducing food waste</li> <li>- The hotel offers gluten-free, lactose-free food.</li> </ul>
<b>4. Plastic Free</b>	Takeaway food is given in special boxes, which are made of cardboard, which is eco-friendly. In addition, the straws in the bar are made of paper or eco-plastic, which decomposes quickly. The average decomposition time of ordinary plastic is from 400 to 700 years.

From the Figure 1, we can see how Pullman Riga Old Town Hotel employees assess the current situation of the hotel business (see Fig.1).



**Figure 1.** *Assessment of the current situation in the Pullman Riga Old Town Hotel business (Source: made by the author, 2021)*

Five employees, majority of the respondents assess the current situation of Pullman Riga Old Town Hotel on 1, which is the lowest mark that can be. Only one respondent assesses the current situation on 6. However, no one assessed the situation on 10.

## Conclusions

The main issue of the research work was - How Pullman Riga Old Town Hotel is coping with the crisis caused by Covid-19? In this paper, the author learned a lot about the Covid-19 pandemic and its impact not only on the hospitality, but also on the world as a whole. This crisis has become one of the most difficult that various organizations have ever felt, because it has overtaken almost everyone. Considering the hospitality business industry, due to the deadly



and dangerous virus, hotels had to change their daily services and operations. The most important thing for Pullman Riga Old Town Hotel was to ensure the safety of both hotel guests and employees. Conducted research explored solutions that Pullman Riga Old Town Hotel applied to keep their company on float and save the sustainability of organization. Covid-19 identified the most important cause of everyone's disturbance, and this is not money, these are health and safety of people we know. Businesses should be responsible for their stakeholders.

### **Recommendations**

Pullman Riga Old Town Hotel is one of few hotels in Riga, which belongs to the French chain 'Accor'. Unfortunately, the hotel is currently closed, but according to the forecasts of General Manager Valdis Vanadziņš, the hotel will be able to open its doors again in May-June, everything depends on the introduction of restrictions from the government. The closure of the hotel gives the author the opportunity to make recommendations for the rehabilitation of the hotel after the pandemic:

1. *Creating a Crisis Management Plan.* In crisis management theory several types of crisis that can occur were mentioned, the main causes being as follows: natural disasters, political instabilities, terrorism, virus spreads, financial crises etc. (Henderson, 2007). It is necessary to make strategies how to work after crisis. Recommendations for future recovery from crisis cannot be created easily. The case of Pullman Riga Old Town Hotel shows that since there was not prepared crisis management plan for virus spread, companies' decision-making process was slower, than it should be. Covid-19 crisis shows importance of being ready for the most unpredictable things.

2. *Taking Care of Employees.* During the interview, it was revealed that after the hotel opened in June 2020, the employees worked hard. Shifts changed, there was a lot of work and hours, and there was a shortage of employees. A plan should be developed for such cases.

3. *Keeping the safety and health always number one priority.* To continue work in the new normality after crisis, company should try to rethink how they act, after virus spread, such safety rules might continue exist for a long time.

4. *Doing More Sustainable Practices.* The hotel can do this in many ways, for example by installing saving technologies, such as appliances, lighting, and heating and cooling systems. Put cards in each room asking guests to turn out the lights when they leave. Make recycling bins readily available to guests and be sure that they are aware of green programs.

### **Limitations and Future Research**

At the time of writing the research article, the hospitality industry is experiencing a crisis caused by the Covid-19 pandemic. The government of Latvia is introducing more and more new restrictions every day in order to protect residents and reduce the number of infected people. Some of them are: the mandatory wearing of masks in public places, a limited number of people in stores, the closure of all bars and restaurants, takeaway food only, etc. Due to these restrictions, many companies had to reduce their employees, switch to another type of work, and many had to close down altogether. Due to the fact, that the Pullman Riga Old Town Hotel is temporarily closed, it was very difficult to arrange an interview. Interviews were conducted online for the safety of the author and interviewees. The interview with the hotel staff gave a very big boost to the author's research work. The biggest advantage was that none of the respondents had any well-written and boilerplate answers, which means that each of them answered honestly and expressed their professional point of view.

The crisis caused by the Covid-19 pandemic began at the very beginning of 2020 and is still not over. Today, companies can only plan their future actions and consider new work standards. The research work for the author was an excellent opportunity to explore various aspects of the hotel business during the global pandemic. The author processed a lot of the received information and made a big breakthrough in this work. This experience taught the author to plan the time correctly and do everything on time. The most difficult part was processing the data obtained from the interview and comparing it with the work.

To improve the results of future research, more people could be involved in the survey. It would be great to contact each employee of the hotel and give them the opportunity to participate in the survey. Unfortunately, now the hotel is not functioning, due to which it was difficult to contact even the employees to conduct an interview, not to mention a questionnaire. A big plus in this research is that the author is a former employee of the Pullman Riga Old Town Hotel, which gave her the opportunity to contact all the necessary employees to conduct interviews and give them the opportunity to participate in the survey. Future research may look at all stages of the crisis and examine the consequences of Covid-19 using the example of a hotel business or a particular hotel. This will make it possible to create a vision and a solution to a global problem.

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# **STAFF AWARENESS OF SUSTAINABILITY ISSUES IN HOSPITALITY SECTOR BEFORE AND DURING PANDEMIC IN LATVIA**

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**Abstract.** The research article gives the analysis of hotels' staff awareness of sustainability issues before/during pandemic in Latvia. It highlights the importance of hotels' staff awareness on sustainability issues, evaluates it, and provides relevant conclusions and recommendations on the situation. The article gives an overall review of the sustainability concept, critical analysis and Covid-19 impact on sustainable development, provides the analysis of hotels' staff awareness on sustainability issues, as well as conclusions and suggestions for improvement based on the research data.

*Keywords:* sustainability, Covid-19, hotel, staff, awareness

## **Introduction**

The aim of this research is defined as following: to investigate the level of employees' awareness of sustainability, in order to understand to what extent employees are prepared to render services when the restrictions go down, as the sustainability is the main trend for hospitality organizations. The following procedure will be implemented in order to achieve this goal: review of scientific literature on the topic of sustainability in the hospitality industry; creation of a questionnaire for current/former employees of hospitality-related enterprises to define the level of their awareness of sustainability; research on how sustainable the hospitality sector in Latvia is.

## **Literature Review**

Sustainability creates and maintains the conditions under which humans and nature can exist in productive harmony that allows fulfilling the social, economic and other requirements of present and future generations (United Nations Environment Programme, 2012). The definition is uncertain thus it means absolutely anything, therefore definitely nothing due to miss interpretations. Steurer et al. explored the connection between sustainability and stakeholder theory and examined how "corporations are confronted with economic, social and environmental stakeholder claims" (Steurer, 2005). Amsler argues that current debates should be arranged "within a classic tradition of criticism on sociological issues" which "competing interpretations of sustainability" should be characterized as "the way to explore the complex

processes through which competing visions of just futures are produced, resisted and realized” (Amsler, 2009).

Hassan (2000) looked to develop “a model of competitiveness that focuses on environmental sustainability factors related to travel destination” and examined “the relationships among all stakeholders involved in creating and integrating value added products to sustain resources while maintaining market position relative to other competitors”. Prud’homme and Raymond (2013) research revealed that customer satisfaction is positively influenced by the hotels’ adoption of sustainable development practices which hotel size and ownership also influence the extent of customer satisfaction. In order to investigate the efficiency of sustainable development and create performance assessment Zhang et.al. (2012) have scrutinised data from over 600 hotels in the US. Their investigation suggested that customer behaviour and operational decisions are two key drivers of environmental sustainability and revealed that “there may be a positive link between environmental sustainability and operating performance”.

Van der Byl and Slawinski (2015) suggested that such contradictions become apparent as companies seek to balance a spread of, often contrasting, environmental, social and economic goals. Such general tensions between the economy and both environment and society are dramatically illustrated by the mixture of environmental gains and social and economic losses during the Covid-19 crisis. Liverman’s (2018) argument that economic process can only be achieved at the expense of the environment, and arguably more radically that sustainability can’t be achieved under capitalism, surely resonates. While Cohen (2020) acknowledged that the planet is struggling to return to terms with Covid-19, he argued that it’s produced an outcome, which some scholars and policymakers are pursuing for a few time, namely, a transition to sustainable consumption.

### **Methodology**

As the main objective of this research is to investigate the staff awareness of sustainability issues in the hotel sector in Latvia before and during pandemic, a descriptive research design was deemed the most proper quantitative method to answer the research questions. The survey questionnaire designed for this study consists of a set of demographic questions (i.e., age, duration of work experience, work placement and department of working). The following questions were developed in order to define the level of staff awareness on sustainability issues (see Table 1).

**Table 1.** *Questions for estimation staff' awareness on sustainability issue (Source: made by the author, 2021)*

Question (5-10)	Variantsofanswers	Answers' value (points)
What do you think sustainability is about?	A. Economy	0.5
	B. Environment	0.5
	C. Society	0.5
	D.All variants above	1.5
Does the enterprise you have work experience in, have certification of sustainable practices?	A. Yes	0.5
	B. No	0.0
Which sustainable practices were implemented within your department or whole enterprise?	Write your own answer	1.0 is received for mentioning at least one practice
Have you received any particular training on sustainability matters?	A. Yes	0.5
	B. No	0.0
Did the enterprise train you to spread awareness among customers on sustainability's issues?	A. Yes	0.5
	B. No	0.0
What do you think is the motivation of the hotel to adopt green practices?	A. Increasing the hotel's image among customers and competitors	0.5
	B. Hotel's commitment to environmental sustainability	0.5
	C. Reducing hotel's operations costs	0.5
	D. Increasing hotel's market share (customers who were interested in environmental patterns)	0.5
	E. All variants above	2.0
	F. Write your own answer	1.0 is received in case of mentioning motivation

This enabled the researcher to transform each answer into an indicator on a reflective form to represent the Likert-Scale of the staff awareness, as each answer has a value of a fraction or

full point (0.0p; 0.5p; 1.0p; 1.5p; 2.0p). Points were not visible for the employees, as they were informed that there were no right or wrong answers, therefore, points were excluded from the survey. All the points to be received from a particular employee would comprise a part of overall estimation of staff from a particular hotel.

Data collection spanned one month (mid. of February-mid. of March). Out of seven four- and five-star hotels, six hotels were accessible. In total, three “4 star” and three “5 star” hotels were accessed. These hotels facilitated the survey on condition not to reveal their names. Therefore, they were given anonymous names (e.g., A, B, C . . . etc.). Overall, 33 replies on the whole questionnaire survey were received back from the employees and ex-employees of different hotels.

In order to collect data from employees, the researchers were able to receive permission from the hotels’ managers of departments. At the outset of the research, hotels’ employees were given an assurance of anonymity and confidentiality. The respondents were informed in the survey itself about their right to withdraw their answers at any moment as well as they were provided with an option not to answer the question where personal thoughts and answers should be expressed.

The design of the survey questionnaire (S/Q) started with linking the research aim (to define the level of staff awareness on sustainability issues in the hotel sector), and each question in the context of relevancy to the issues that surrounded the research. The S/Q was structured into groups (i.e., three parts) whereby items relevant to each group were organized accordingly. The five first questions were devoted for defining demographic aspects of the respondents, then six following questions were dedicated to determine the level of staff awareness about sustainability issues in hotel sector (as mentioned previously in the paragraph), and the rest two questions were specifically aimed at specification on the issue by providing following questions and didn’t involve any points for staff’ awareness estimation. Those questions referred to staff’ opinion on sustainability concerns in their particular hotel (see Table 2).

**Table 2.** *Questions about staff’ opinion on sustainability concerns in their particular hotel*  
(Source: made by the author, 2021)

Question (11-12)	Answer
How effective were the training and implementation of green practices?	1-Not effective at all

	2-Not effective 3-Average 4-Effective 5-Very effective
Has anything changed regarding sustainability concerns in your working place in terms of training, practices, etc.? If yes, specify, please.	A. No B. Own answer

Those questions were intended to reflect staff's opinions regarding quality of training and green practices implementation in respective hotel in order to investigate what factors are to affect the sustainable development of hotels and provide relevant recommendations for the further improvement, as well as scrutinize overall situation in hotel sector in regards to staff preparation process for running the errands related to "green" matter.

The source of the S/Q was achieved by personal elaboration of the questions by the author of the paper in a "Google Forms" application. The focus group was justified as the "employees" as well as "ex-employees" (employees who lost the job due to pandemic) as the legitimate reservoir of information about the organizational practices/behavior. The S/Q were delivered personally to the hotels by the author of the paper and distributed among hotel staff via reception email. Personal visit was implemented by the author to make sure S/Q were delivered and received properly. The respondents were distributed as follows:

Employees:

- Hotel "A"- 4 respondents;
- Hotel "B"- 4 respondents;
- Hotel "C"- 4 respondents;
- Hotel "D"- 4 respondents;
- Hotel "E"- 4 respondents;
- Hotel "F"- 4 respondents;

Ex-employees:



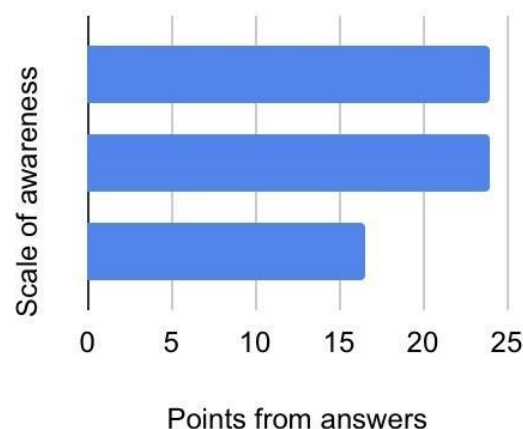
- Hotel “D”- 3 respondents;
- Hotel “E”- 3 respondents;
- Hotel “F”- 3 respondents;

## Results

### 3.1. Respondents’ Profile:

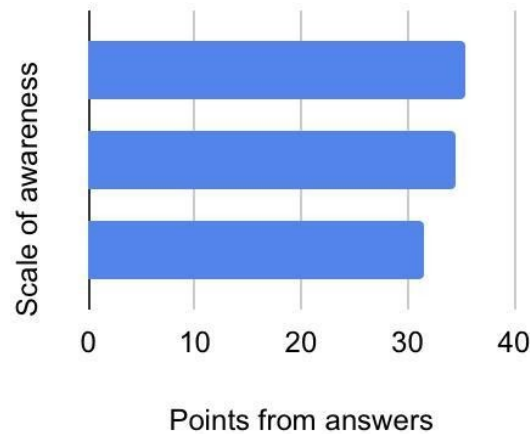
- Age: mature adults aged 18-24 (45.4%)
- Work experience: more than 3 years (48.5%)
- Work placement: hotel D (21.2%), hotel G (21.2%) and E (21.2%)
- Working department: the Front Office (45.4%)

Figure 1 and Figure 2 demonstrate the evaluation of different hotels’ staff awareness respectively to the number of stars of the hotels.



**Figure 1.** *Evaluation of 4-star hotels’ staff awareness on sustainability issues based on the answers received on questions from 5. to 10. (Source: made by author, 2021)*

Based on the 5-Scale model suggested by the author to evaluate hotels’ staff awareness on sustainability issues, hotel “A” received the minimum points (17.5p) among three hotels, which correspond to the mark of “high awareness” (14.4p-19.2p). On the other hand, both hotels “B” and “C” received the highest number of points possible for answering questions (24p), which correlates with the mark of “very high awareness” (19.2p-24.0p) (see Fig. 1).



**Figure 2.** *Evaluation of 5-star hotels' staff awareness on sustainability issues based on the answers received on questions from 5. to 10. (Source: made by author, 2021)*

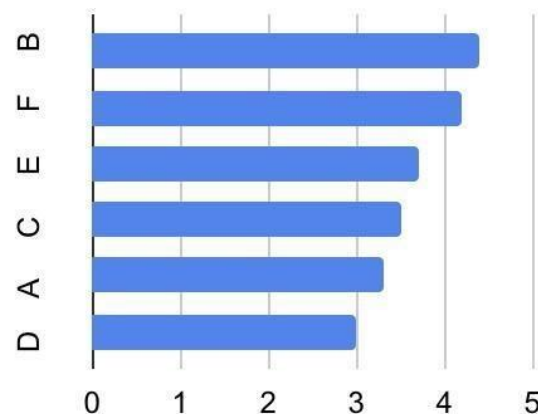
Based on the 5-Scale model suggested by the author to evaluate hotels' staff awareness on sustainability issues, hotel "E" received the minimum points (31.5p) among three hotels, which correspond to the mark of "high awareness" (25.2p-33.6p). On the other hand, both hotels "D" and "F" received higher number of points than hotel "E", (35.5p) and (34.5p) respectively, which correspond to the mark of "very high awareness" (33.6p-42.0p) (see Fig. 2).

In the last question (12.) respondents were asked to provide their opinions about changes in attitude towards sustainability issues in regards to training and implementation of green practices in their hotels after the start of the pandemic period (see Table 3). As this question was not compulsory to answer, not so much information was received, but it is extremely crucial for this research and understanding the general situation in hotels.

**Table 3.** *Hotels' staff responds about changes regarding sustainability concerns in their working place in terms of training, practices etc. (Source: made by the author, 2021)*

Question	Hotel Staff	Answer
Has anything changed regarding sustainability concerns in your working place in terms of training, practices, etc. ? If yes, specify, please	"C"	Because of covid restrictions rules have to use more packaging for Food&Beverage which is not sustainable at all.
	"D"	Pandemic period has deprived many of their levels of development
	"E"	For many guests cleaning service is declined, many amenities are taken out from rooms, much less hotel occupancy
	"F"	Approach of personnel, commitment, a better understanding in overall

Looking at the answers provided by the hotels' staff (see Table 3), it is clear, that Covid-19 pandemic situation in Latvia had stimulated hotels to go more into green practices and develop sustainable business, but, nevertheless, Covid-19 restrictions which were organised in Latvia are really slowing down the sustainable development process in hotel sector. Hotels have adapted to the current situation, implementing some green practices, which also led to the increase of staff' awareness regarding sustainability issues, but current restrictions are not contributing to hotels' development, but only aggravate the situation.



**Figure 3.** Staff' evaluation of the trainings and implementation of the practices related to sustainability issues in their hotels (Source: made by author, 2021)

In the figure above (see Fig.3) it is observable that the lowest mark (3.0) is given for training and implementation of practices in hotel "D", which is a 5-star hotel, whereas the highest mark (4.4) is given for training and implementation of practices in hotel "B", which is a 4-star hotel.

Nevertheless, 5-star hotels “E” and “F” mark (3.7) and (4.2 ) respectively are beyond the average mark (3.6) between all six hotels, whereas 4-star hotels’ “A” and “C” mark (3.3) and (3.5) respectively are below the average mark (3.6) between all six hotels.

### **Conclusions**

Conclusions drawn from this research are as follows:

- Employees should be treated as “main asset” of the organisation in shifting to green consciousness;
- Employees as stakeholders are legitimate sources of information regarding the sustainable development in the organizations (Staniškienė and Stankevičiūtė, 2018);
- All the marks are above “average” level of awareness;
- Covid-19 slows down the sustainable development processes in hotel industry.

### **Recommendations**

Recommendations for 4-star hotels:

Hotel “A”

- to increase staff awareness of sustainability issues related to economic and social concerns;
- to adopt following practices: SCR strategies, waste management, energy economy, increase of staff involvement.

Hotel “B” and “C”

- to maintain attitude and quality towards sustainability, by appropriate training of the staff and implementation of the services with the remark on green practices.

Recommendations for 5-star hotels:

Hotel “D” and “E”

- to increase staff awareness of sustainability issues related to environment and economic concerns;
- to improve staff’ awareness about green certification of the hotel;

- to improve training on sustainability issues (train staff to spread awareness among the customers).

#### Hotel “F”

- to increase staff awareness of sustainability issues related to environment and economic concerns;
- to maintain attitude and quality towards sustainability, by appropriate training of the staff and implementation.

### **Limitations and Future Research**

The following issues were considered as limitations: Covid-19 restrictions, such as lack of staff, closed hotels, etc., and inaccessibility of hotels due to email inefficiency. This research results can contribute for the future research, as the work provides better understanding of the sustainability practices from the staff perspective. More detailed research might be conducted on the basis of this study in future.

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# **SOCIAL SUSTAINABILITY DURING COVID-19 CRISIS: THE CASE OF RADISSON BLU LATVIA CONFERENCE & SPA HOTEL**

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**Abstract.** On December 31, 2019 WHO published the report about the spread of a new virus, Covid-19, that changed the plans of many people and affected a lot of industries, particularly, hospitality industry. In response to the crisis, caused by the virus outbreak, many hotels were supposed to close their doors temporarily or even forever. Latvian hotel industry has never suffered from such type of crisis that caused many social problems among company stakeholders. This paper describes the case of one of the most popular hotels in Latvia- Radisson Blu Latvia Conference & Spa, how it is dealing with the crisis and which strategies and solutions it has found to remain a sustainable company. The author of the research explored social benefits and drawbacks within this company and made justified recommendations on possible solutions to recover social sustainability after Covid-19 crisis.

*Keywords:* Covid-19, Radisson, crisis management, social sustainability.

## **Introduction**

The year of 2020 became a “new normal” for all people, the reason of it is known as Covid-19 spread. Pandemic has changed our life as we know it and there will be no return to previously known normality. The world started to change rapidly; however one trend remains stable over time- sustainability. The pandemic has proven the importance of environmental, social and economic agenda for all industries around the world, particularly- tourism and hospitality.

The first mentioning about Covid-19 officially was made by World Health Organization (WHO) on December 31st, 2019. Initially, WHO did not make special restrictions for travellers, however already at the end of January Chinese government closed the borders and a month later other countries due to deterioration of spread started to close borders as well, that affected tourism and paused habitual work of hotels (WHO, 2020). The global hospitality industry has never been affected by virus outbreaks in such size. Despite positive changes in environmental field, other aspects, such as economic and social problems, now are a major issue for hospitality industry establishments. However, the main output, that companies should understand and accept, is that Covid-19 does not discriminate, and all travel brands and destinations have been impacted significantly by unpredicted global travel shutdown and felt the force of economic and social lockdowns.

This research is conducted to analyse strategy that one of the well-known Latvian hotels-Radisson Blu Latvia Conference & Spa has realized in response of Covid-19 crisis towards its stakeholders. And, due to the fact that Radisson Hotel Group poses itself as a sustainable organization, the main question of this survey is: *How does Radisson Blu Latvia Conference & Spa Hotel manage the situation caused by Covid-19 crisis in a socially sustainable manner?*

### **Literature Review**

Many recent studies have been focused on the problem of sustainability during Covid-19 crisis, few researches having taken exactly one of sustainability components - social factor - into consideration. The purpose of this literature review is to clarify what previously conducted surveys say about this specific topic and how they have analysed socially sustainable strategic solutions from hotel industry. In scope, researchers conducted their studies to offer readers accessible review of relationship between tourism, hospitality industry and sustainable development during pandemic (Jones & Comfort, 2020). Covid-19 is an infectious disease caused by SARS-CoV-2, a newly discovered corona virus. Corona viruses are part of a large family of viruses that can affect birds and mammals, including humans. In recent years, this family of viruses has been responsible for several disease outbreaks around the world. Retailers and brands face many short-term challenges, such as those related to health and safety, the supply chain, the workforce, cash flow, consumer demand, sales, and marketing (Dounthu & Gustaffson, 2020).

The aim of research is to analyze the strength of social sustainability in hospitality industry during the Covid-19 crisis, and to carry out practical research two theories are taken to analyze the landscape of hotel sector during Covid-19 spread: Social Sustainability and Crisis Management theories. Hospitality industry was one of significant markets in the world, until society was forced to face a Covid-19 pandemic spread. The historical growth of tourism sharply declined and accommodation sector became the most affected, since that “sustainability” became an initial basis of hospitality industry in terms of economy and society (Ugur & Akbiyuk, 2020). The concept of sustainable development is frequently described by the triple bottom line model (see Fig.1) and recognizes three measurements: social, economic and environmental. In this case, sustainability is achieved when all aspects are fulfilled at one time (GRI, 2006).





**Figure 1.** *Sustainability triple bottom line model (Source: Word Press)*

Nowadays, social sustainability is gaining more popularity, because instead of preserving only natural wealth and economic stability, social aspect encourages society happiness, equality and well-being (Caradonna, 2014). According to Western Australia Council of Social Services (WACOSS), “social sustainability occurs when the formal and informal processes; systems; structures; and relationships actively support the capacity of current and future generations to create healthy and liveable communities. Socially sustainable communities are equitable, diverse, connected, and democratic and provide a good quality of life (WACOSS, 2003). All activities taken by social sustainability development are claimed for human well-being, in terms of company, for stakeholders. The main theory applicable here is “Creating Shared Value” (CSV) model, which suggests social responsibility to be a core value of the company, with the help of this, organization can achieve economic value and create a socially strong sustainable business. However, at the beginning of 2020 those pillars were affected by crisis.

Crisis is defined as a significant threat to operations that can have negative consequences if not handled properly (Coombs, 2007). The consequences, caused by crisis was defined by Bundy et al. as devastating and are determined as follows: “an event perceived by managers and stakeholders as highly salient, unexpected, and potentially disruptive can threaten an organization’s goals and have profound implications for its relationships with stakeholders” (Bundy et al., 2017). Crisis Management plays a crucial role in restoring hospitality industry establishments in crisis, including improvement of guests’ confidence, reducing crisis’ impact on tourism and enhancing security (Beirman, 2003). In the tourism industry crises raise from various reasons, in terms of internal sources, crisis may be caused by internal problems within organization, when the reasons lead to external origins, crisis can be affected by natural disasters, political instabilities and terrorism, virus spreads, financial crises and etc. (Henderson, 2007). As a process, crisis management can be divided into three phases: pre-crisis, crisis response, and post-crisis (Faulkner, 2001).

Pre-crisis or prevention and preparation stage involves reducing known internal and external risks that could lead to a crisis. Quick decision-making process is crucial point when dealing with the crisis, when the company decides how to manage situation, the main task is developing a flexible and fast internal organizational plan- evaluate and organize work within business structure, culture and society. Bundy et al. highlight the importance of identifying the first signs of the crisis to avoid a large impact and find important keep positive stakeholders' relationships towards company (Bundy et al., 2017). Coombs (2007) documents that organizations are better able to handle crises when they have a Crisis Management Plan (CMP). CMP provides lists of key contact information, reminders of what typically should be done in a crisis, and forms to be used to document the crisis response (Coombs, 2007). The only disadvantage of CMP in the hospitality industry is informal and not-written strategy. Due to CMP is not documented in many hospitality industry companies when the crisis appears- businesses suffer more (Henderson, 2007).

After crisis hits, the researches mostly focus on organizational structure flexibility and ability to transform leadership skills. According to Coombs (2007) crisis response strategy is divided into two parts according to field that should be repaired: initial crisis response and reputation repair, behavioral intentions. Initial crisis response stands for quick, accurate and consistent actions, when crisis occurs. Mainly all previously mentioned steps are handled by "crisis leaders" that take responsibility to lead organization during all stages. Powerful leaders make quicker decisions and reduce probability of organizations failure (James et al., 2011). Every crisis has a negative influence on company stakeholders and it should be noted that reputation repair strategies can be used during all phases of crisis (Coombs, 2007).

Post-crisis phase is a stage, when company returns to business as usual, and mainly focuses operations on learning of new policies and changes. In this case, crisis should be taken into consideration as a challenge and opportunity, but not as a problem (Faulkner, 2001). Crisis management efforts should be evaluated and improved. As a part of CMP, that might be prepared before crisis hits, some practices should be discussed. Coombs (2007) recommends delivering all information about company' future to stakeholders as soon as possible. Stakeholders are interested in updated information of organization recovery including all new corrections and investigations. As a part of a management team- it is necessary to analyze all the efforts made during crisis management practices and update existing CMP.

## Methodology

Particular research is based on philosophy of interpretivism and covers to social science theories: social sustainability and crisis management. Unlike positivism theory, which reflects gained information on logical and mathematical proof, interpretivism on contrary is based on theory that people can change society and reality is made by human actions. Researchers-interpretivists cannot separate own values and beliefs from studies they conduct, as a result it impacts on how they collect, evaluate and analyse data (Flick, 2014). Due to the fact that research is conducted on the basis of single organization and single location, the chosen design of this work is Case Study Design (Bell & Bryman, 2018). Chosen case is based on anticipation of the opportunity to learn more and expect greatest learning as Radisson “Latvia” is one of the most popular hotels in Latvia (Stake, 1995).

According to Bell & Bryman (2018) case study research design can be supported by both, quantitative and qualitative research strategies. In this particular study both methods are used. Quantitative research strategy will support research with discovering facts about crisis phenomena and measure data through numerical comparisons in terms of Covid-19 spread effect on Latvian hospitality industry. Statistics of official bureaus will be used to evaluate data fluctuations. Qualitative research method is used as a main tool for conducting a work. Researcher chose data collection through company stakeholder observation, manager’s interview, and secondary data collection (Bell & Bryman, 2018).

Interview is specified to discuss such factors as teamwork, problem-solving, communication, creativity, flexibility and organizational skills. Researcher used Zoom video and audio calls platform, which offers real-time interaction. The author of research identified interviewees by their experience and managing position and decided to choose employees who directly interact with the guests and whose departments have changed the most. As a result, Food & Beverage (F&B) and Front Office departments were chosen (two from F&B and two from FO, as a result 4 candidates) and they are: F&B Supervisor, Conference and Meeting server, Concierge, and Night Front Office Clerk. Some of them are closer to top-management and know more accurate information, whereas lower-ranked employees can talk more about how the management’s decision influenced them.

The secondary data has mainly been collected with the help of Google Scholar platform, were researches created before are available to explore. As well the author was actively using Google Library to analyze information provided in e-books. Besides, official organization web-pages,

articles, blogs were used to create an understanding of survey' theme, and to make searching information process accurate. Empirical studies are based on theoretical framework and are supported by information taken from RHG webpage and reports. To support crisis management theory in empirical studies, the author of research was participating in Post-Crisis Hospitality Management Certificate Program hosted by University of South Florida.

The analysis of data, received from theories, articles, and previously conducted researches are made via thematic analysis method, which means all information is going to be re-listened in terms of recorded Zoom interviews, re-analyzed and re-read in terms of theoretical framework basis (Bell & Bryman, 2018). By evaluating company' success and comparing it with theoretical framework theories, analysis will help researcher to create recommendations and answer question of the research.

## Results

First worries about Covid-19 spread in Latvia have been started in March 2020 and already on 14<sup>th</sup> of March Latvian government announced about implementing national lockdown and on 17<sup>th</sup> of March closed international borders to all organized passenger traffic on land, sea and air. However, accommodation services providers started to worry earlier, because other countries have imposed restrictions before, and, as a result, a lot of reservations were canceled, many hotels were forced to close their premises, limit the work of employees or even fire them. Due to this, compared with the year 2019 number of unemployed started to growth rapidly (see Table 1):

**Table 1.** *Number of unemployed (Source: State Employment Agency Republic of Latvia, 2020)*

Year	Mar	Apr	May	June	July	Aug	Sep	Oct
2019	61 244	58 188	56 105	55 750	55 373	54 390	52 595	52 651
2020	61 926	72 917	76 440	78 266	77 998	75 013	70 306	67 124

Due to the lack of guests, many hotels closed their doors permanently, some were not working until summer, but some were providing limited services even during Covid-19 spread. Many companies of hospitality industry were saved by “Baltic Bubble” travel zone. “Baltic Bubble” program allowed citizens of the Baltic States and persons legally residing there to travel in Estonia, Latvia and Lithuania without any restrictions.

“Baltic Bubble” saved tourism industry, however finally it started recovering in summer, when lockdown was finished, and countries opened their borders. Hotels were opened, but, due to lack of money in budget, management teams were forced to reduce number of employees and implement Personal Protection Equipment (PPE) for staff. However, due to “second wave” of Covid-19, Latvian government started to expand the list of countries, upon arrival from which self-isolation must be observed. As a result, “Baltic Bubble” burst and hotels were forced to close again. As an example, in October 2020, 17.7 thousand foreign guests were hosted, which is by 87.8 % less than in October 2019. The number of nights spent by them at various accommodation establishments was 49 thousand, which is a decrease of 82.8 %. Most foreign guests hosted were from Estonia (2.1 thousand), Lithuania (1.9 thousand), Germany and Russia (1.6 thousand) (Central Statistical Bureau of Latvia, 2020).

Radisson Blu Latvia Conference & Spa Hotel or Radisson “Latvia” is accommodation service property managed by Radisson Hotel Group (RHG). This hotel is working under upscale Radisson Blu Brand, and is characterized by attention to small details and a “Yes I Can!” service philosophy. “Yes I Can!” guides companies to meet any challenge and identify every opportunity to deliver a great service. This philosophy is suitable for Radisson “Latvia” as this is not a regular hotel, but rather a multifunctional property. For guest’s convenience hotel offers 571 rooms, and many additional services within one building. Radisson “Latvia” operates the ESPA Riga spa, which is one of the largest internationally recognized 5-star day spa centers in the Baltic and fitness studio, which is equipped with the latest sport equipment, but main pride of the hotel is conference and event center – the largest room that can seat up to 1100 participants, but whole center is suitable for 2500 guests. Hotel operates four food & beverage platforms- “Esplanade” restaurant, “Skyline” bar on 26<sup>th</sup> floor, baroque-style lobby bar, and “The Hub” Café. Within the building there are casino and night club, they are not operated by hotel; however, make an essential advantage for Radisson “Latvia” (Radisson Hotels, 2020).

In spite of difficulties, “Radisson “Latvia” is one of the few hotels in Riga, which has never closed their doors during pandemic. The reason why did it happen is the world-known brand name – Radisson and a variety of services, provided with excellence, however, this is not enough. The first impulses of the crisis were the cancellation of room reservations and the cancellation of events in the Conference Center. The reason was the rapid spread of the virus and the introduction of restrictions in other countries. Regarding this, managers said, 5 out of 10 companies that booked conferences were foreign, and the guests themselves, who came to the conference, respectively stayed in the hotel. Already in the first week of March reservations

fell, approximately, by 70 percent, and forecasts showed more disappointing numbers. As a result, main group that was affected by crisis became employees. One of the Food & Beverage department employees said: *“Our management invited us to a department meeting. We already understood that what they would tell us would not be joyful, for one simple reason – meetings were held once a month; about trainings we knew in advance, but management did not say much about that gathering. We have already started to lose our shifts without a definite explanation. We were told that a new virus had emerged, but it would not affect workers very much. In fact, no one was surprised when a week later every one was sent on vacation. Those who did not have much experience in our company were fired. It was a shame.”* But this decision has affected not only the F&B department, but Front of Office, Housekeeping, Maintenance and Spa employees too. Such decision was the result of the lack of CMP for virus outbreaks. Latvian hotel industry faced such collapse for first time, there were not plan for this format of crisis. Due to hospitality industry did not have much time to organize qualitative decision-making process the only thing how crisis was evaluated and future actions were forecasted were manage meetings and brainstorming communication between managers and leaders. Already during initial stages, company started to adapt to using of technologies and use online-meetings with foreign partners and other hotels of the RHG in Latvia. The turning point for organization became 14th of March, 2020, when the Latvian government introduced the lockdown, and three days later closed the borders. From this date the next stage of the crisis and a new system of hotel business operation began.

*“The new coronavirus reminds SARS virus of year 2003. It did not affect Latvia, but someone began to remember what happened in the hotels in China, we even did not have thoughts, that all this will come to Latvia and will change our work and our future. The main thing for us became the health, health of everyone.”* - Radisson “Latvia” F&B assistant manager says. All problems were caused by decrease of occupancy level, which made an impact on finances, and as a result created a dramatical influence on employees, management. Customers were supposed to get used to new rules and change their traveler behaviour.

Radisson “Latvia” has been saved by RHG, which supported highly-demanded hotels and along with a team of experts developed the Radisson Hotels Safety Protocol. This protocol became a one of new strategies implemented into operational system of establishment. Safety Protocol is in-depth cleanliness and disinfection document in partnership with SGS – the world’s leading inspection, verification, testing and Certification Company. Protocol is designed to make all people within building safe and satisfied. There are 20-step program for

hotels and 10-step program for meeting and events space. New cleaning and disinfection procedures, increased attention to safety within premises, protective equipment and updated trainings are included in the protocol (Radisson Hotels, 2020). *“Yes, the introduction of a new protocol, change in some premises, the purchase of PPEs, additional ventilation of the premises, of course, incurred a lot of money, but at the same time, the guests see so-called Optics and feel confident and safe, and our employees also. This is an investment in our occupancy and in our future.”* Additional solution became a renovation of rooms and meeting halls. Radisson “Latvia” created special Hybridroom, due to lack of foreign customers, some rooms are remade into ergonomic working places (see. Appendix 2). Event and conference centre now is adapted for online meeting, hotel provides technical staff and all the equipment needed for online-meeting. Supportive help was organized by government of Latvia. Basically, the main help was the payment of money for the hospitality workers, who were left without work. Later, the state will help with the opening of the borders of Lithuania and Estonia, known as “Baltic Bubble”. Radisson “Latvia” during pandemic spread has been communicating with society through social media platforms, especially from Facebook. Hotel was not afraid about sharing their strategies to people, on contrary, they tell the story and successfully collaborate with society.

Customers or, better say, guests are the most important part of business, they are for what hotels are existing. Therefore, the major changes that have been introduced have been designed to make guests feel safer. *“To keep the confidence of guests and keep them loyal, our group has introduced special offers for cancellation of reservations, many services have been modified. Of course, for our guests who are part of our loyal program, we have made big changes.”* – employee of Front Office department said. According to the theory of Social Sustainability, strategies, taken by Radisson “Latvia” are absolutely sustainable- they create human well-being and satisfaction of customers. Previously mentioned Safety Protocol did not influence the hosting of guests a lot, there are only few steps, that are related to customers: physical distancing; limited work of foodservice, pools, fitness centers, and other amenities; methods of payment (preferably cash-free); express check-out; individually prepared Grab and Go food options; only take-away food; closed minibars. After the crisis hit, one of the most difficult problems to solve was reservation cancellations. Due to virus outbreak RHG updated global cancellation policy to reflect to the latest Covid-19 updates. Latest update on October 22, 2020 describes, that all individual reservations made prior to April 1, 2020 until the end of the year can be canceled free of charge with full refund. Safety and security of RHG loyalty program

members continue to be important, in this case Radisson Rewards benefits, expired points and elite status benefits were extended (Radisson Hotels, 2020). Guests enjoy such attitude, evaluate it positively and share their experience on Online Travel Agency platforms.

The most affected group of people became employees. From the beginning of the crisis, staff started to lose shifts - it became a problem for those, who did not have work experience and had high hourly salary: *“The most affected employees were those, who did not have an experience and were not universal. I mean, we were supposed to save those, who, for example, within Food & Beverage department can work in the bar, restaurant, conference center and so on. As well, we have a fluctuated rate for our staff, there is very simple formula: the more the experience - the higher the rate, the less the experience – the smaller the rate; in this case, those, who were getting paid more for their shifts were in risk zone.”* In terms of social sustainability, company decided to fire employees, however made it in the best way for the stakeholders. As one of the F&B employees mentioned, management team was critically decreased in terms of number of members. Top-management was forced to work without their assistants and supervisors. When employees were fired, they have undergone three stages: (1) going on vacation with money paid, if there were not any earned money for vacation, then employees were sent on vacation for their own expense; (2) after, government supported hospitality industry and paid support money, which was calculated on the basis of last six-month salaries in average. Salaries above 700 Euros were not taken into account; (3) when governmental support was finished, Radisson “Latvia” started to fire employees and as a result, those who did not leave the company on their own decision got compensation in amount of two months salaries.

At the moment employees are working according to RHG Safety Protocol and not only for safety of the guests, but for their own as well should use PPEs (sanitizers, face masks and gloves), check their temperature before starting shifts and entering building, and participate in hygiene and prevention training programs. To express thanks for employees, who are working at this difficult time, RHG created a #Radisson Thank You campaign to inspire society and honour RHG heroes, who take care by showing real hospitality (Radisson Hotels, 2020).

As all hotels in Latvia, Radisson “Latvia” had the stage of recovery from crisis at the beginning of the summer. During three months, when hotels, particularly had high occupancy, many hoteliers decided that virus outbreak has been finished. This decision was supported by factor, that virus spread in Latvia in terms of number of cases was one of the lowest in the world, but, due to previously mentioned negative development of situation, this summer cannot be named



as a post-crisis stage. And even future predictions do not show strict deadlines of Covid-19 spread. Radisson “Latvia” started to create CMP developed specially for virus outbreak, which includes decisions towards employees, guests, suppliers, health and safety, economic actions, and property management. Hotel, according to post-crisis stage, is focused mainly on cancellation of restrictions, which in terms of multifunctional property will give opportunity to re-open bar, restaurant, spa, fitness area, and the conference center for the extended groups of people. Main restriction, that decreases occupancy is self-isolation that occurs after person has visited particular country from the list, which is updated on constant basis, mainly, these countries have high number of Covid-19 cases. Of course, Radisson “Latvia” believes, that cancellation of this rule will provide as a result better occupancy, than at the moment. One of possible solutions is vaccine, which can affect self-isolation restriction, according to thoughts of hotel employees.

Now, hotel’s owners and management believe, that Latvian government will assist in hotel’s recovery, by providing financial support for hospitality industry. However, already now and at the beginning of recovery, organization will make a focus on local market, and will try to return their loyal employees. One of Front Office staff members said: *“If I have an opportunity to go back to Radisson I will, because ambiance during the work and brand culture makes this place to me attractive.”* The only question, how Radisson “Latvia” will recover their business in reality, because there is not a single country in the world that has fully coped with Covid-19 crisis and can share advice and experience.

### **Conclusions**

In one overnight the pandemic of Covid-19 has confronted the hospitality industry. It became one of the most difficult crises that companies have ever experienced. Due to deadly virus hospitality businesses are expected to make a significant change to their day-to-day services and operations. The most important became to prioritize employees and customers safety and health. Current research explored solutions that Radisson “Latvia” applied to keep their company afloat and save the sustainability of organization. Covid-19 identified the most important cause of everyone’s disturbance, and this is not money, these are health and safety of people we know. Businesses should be responsible for their stakeholders. RHG has possessed themselves as sustainable company and this survey provided the author with the information needed to answer main research question and the results are as follows:

1. Customers have changed their behaviour, and the time, when they return back to previous habits, at the moment, is not predictable. Guests are very strict and want to see visual evidence, that everything is cleaned, disinfected, and employees wear PPEs.

2. Not only guests, but as well employees changed their mindsets, some of them are working at the moment, when some lost their jobs, and, as a result, it created distrustful relationship between management and staff. The previous success of management in forging the relationship between management and employees is now erased, because due to the lack of CMP, the company had to make very quick decisions, one of which was firing.

3. Radisson “Latvia” tried to keep hotel sustainable inside, however, during the virus outbreak, company has not participated in helping society outside of the premises, when other RHG hotels participated in hospital support programs and shared the meal to doctors and nurses, as well as provided stays free of charge for them.

Findings show, that the largest Latvian hotel of RHG does not consider all social sustainability factors, according to the theory; though, in reality, this hotel did not close its doors during Covid-19 spread and is working successfully at the moment. For each company to remain afloat and earn money is priority. But the work in the hospitality industry is such type of business, which exists for guests and because of guests. Since that, the social factor of sustainability plays a huge role within organization and during pandemic, this aspect becoming even more popular than environmental.

### **Recommendations**

Radisson “Latvia” is one of few hotels in Riga, which has not closed their premises during Covid-19 crisis. It shows, that the hotel has a good-working strategy because it is very difficult to maintain such a large building with varieties of amenities and employees, but as practice shows, it is still possible. This paper has described author’s recommendations towards operations of hotel based on conducted research and identified issues and challenges, that company faced with during pandemic, as well as provided possible ideas to recover after crisis:

1. Create CMP for all possible types of crisis. When crisis management theory was discussed, there were mentioned several types of crises that can occur, with the main causes being as follows: natural disasters, political instabilities, terrorism, virus spreads, financial crises, etc. (Henderson, 2007). The case of Radisson “Latvia” shows that since there was not prepared CMP for virus spread, company’s decision making process was slower, than it should

have been. CMP should be documented, not just remembered. Covid-19 crisis shows importance of being ready for even unreal things.

2. Respect employees. According to interviews, there was one seen problem-capacity of management decisions. Low-ranked employees were not informed about current situation and were losing their shifts without explanation. Company should share latest news within organization to prove relationships between stakeholders and create better ambiance. Not creating the panic is mandatory.

3. Rethink how to work after crisis. Recommendations for future recovery from crisis cannot be created easily, however one thing is possible to do- not to work according to the strategies, which company uses at the moment. The safety and health will always be number one priority, but to continue working in the new normality after crisis, company should try to rethink how they act because even now, people are not likely to use PPEs, and after virus spread, such safety rules might continue to exist only for several months. The topic of this research is social sustainability, and after interviewing employees of Radisson hotel, it is seen, that company has created strong corporate sustainability, hotel tried to keep as much staff members as they could, provided their employees with money, and, if possible, provided them with the work by coming up with new ideas of services for customers. There is a very good and sustainable environment within the hotel, however, to make it more socially sustainable it is advisable to respect not only workers, but the society as whole.

4. Provide free stays for doctors, nurses, who are working day by day and after having worked with patients, should go to their families and put them at risk. Such a campaign will create respect from the society, will create an example for other hotels, and will make an invaluable contribution to the fight against virus spread.

5. Convert conferecne center into hospital, and serve low-risk patients. In case of greater spread of Covid-19 in Latvia and implementation of total lockdown such idea might be useful.

Radisson “Latvia” should analyze learning outcomes, problems, solutions and actions made, to remember such experience, and as soon as possible start creating recovery plan. All above mentioned reccomendations are changes, which should be implemented without disturbing work of organization. When it comes to the change of management system it needs to be handled in accordance with the situation that is already at the work place. Training methods can be used to help accept change in the work place. No one wants the team to become traumatized by sudden changes with no explanation. Communication is needed to explain how

a change can take place and why it is necessary. Changes should be made step by step, not all at once, thus it will be easier to implement proposed recommendations.

### **Limitations and Future Research**

At the time, when this research was conducted world has faced a crisis caused by Covid-19 pandemic spread. Latvian government has introduced variety of restrictions as social distancing, face-masks required in public places, limited working hours of restaurants and bars, only take-out food delivery, etc. Due to these restrictions, lack of work and funds, companies were forced to reduce number of employees, and when it came to an interview- management was not likely to respond to the invitation, because the hotel was underemployed and there was no time for non-working things. For health reasons, both, the author and employees decided that the safest way to conduct interview will be by making it online. Chosen method of data collection, interview, has a great advantage - it gives different perspectives and it does not have prepared answers, which means variability and personal sharing of opinions on similar topic. However, young employees, for whom this interview became the first one in their career, were under stress and did not know what they were allowed to say and what not.

Covid-19 crisis has started in the beginning of 2020, and is still not over; as a result, there were some limitations in conducting research about post-crisis management. At this moment companies can only forecast their actions and views about “new normality”. For the author as a young researcher, this survey became a great chance to learn general tips of conducting surveys and breaking big task into specific parts to make a coherent plan and good results. Such experience taught the author to be flexible and plan future actions on time. It is crucial to find support from industry professionals or organization, which is investigated, because the lack of feedback from company will affect the topic.

For future research, other methodology tools may be used, for example, questionnaires, which will improve quantitative data. The best way is to make it online and share the link among employees. At the moment there are not many employees, who are working, due to Covid-19, as a result, this method might be used during post-crisis stage only, when staff comes back to their establishments. The greatest advantage in continuing this research is already existing background and knowledge of Radisson “Latvia” employees. Both, researcher and staff, know each other and it is a good opportunity for personalizing content and messaging. As well, others hotels can be observed to extend field of research and analyze different strategies and solutions. Future survey might evaluate all the stages of crisis, and explore the final result of Covid-19

spread impact on industry. It will give an opportunity to create an extended landscape of global problem.

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# **THE IMPACT OF EU SUSTAINABILITY REGULATIONS AND COVID-19 RESTRICTIONS ON SUSTAINABLE HOSPITALITY BUSINESS PERFORMANCE. RECOMMENDATIONS FOR ROSINTER RESTAURANTS HOLDING**

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**Abstract.** Sustainable hospitality business industry currently faces a significant change in their operations. This study aims to evaluate the impact on EU sustainability regulations and Covid-19 restrictions on sustainable hospitality business performance during pandemic and after-pandemic recovery periods. In this context, sustainability regulations are defined as a specific requirement within legislation, which should be implemented by the government. To prove the hypothesis which is stated as: the EU sustainability regulations and Covid-19 restrictions impose significant changes with both positive and negative impacts on the sustainability business performance, literature was reviewed and online survey was distributed to the regular customers of restaurants in age group 18+. Analysis of the respondents revealed that their habits in case of public catering was affected by the Covid-19 and now delivery services predominate in their lives; as a result, consumption of a packaging increased in times. The results showed that awareness of the sustainability issue exceeds ignorance and society is more likely to adopt new measures and regulations when the hospitality industry companies begin to implement them in operations. On this basis, the positive and negative aspects of preventive measures and regulations should be reviewed and improved to fit the sustainable hospitality industry market.

*Keywords:* sustainability, hospitality business, regulations, restrictions, sustainable hospitality business

## **Introduction**

It is impossible to deny, that the sustainability in hospitality business industry now is playing one of the most significant roles. Due to it the whole hospitality industry should face the sustainability issues on the daily basis and explore the variety of possible legislations, regulations, and prevention methods to become more sustainable on the global market.

The initial personal interest of the author has led to conducting the research devoted to the development of the research topic and question in a broader view and context of sustainability during and after pandemic recovery times. In addition, the single-use plastic ban in European Union countries by 3rd of July 2021 and its impact on hospitality industry case will be reviewed and assessed regarding sustainability issues and its connection.

The aim of this research paper is to review the impact on EU sustainability regulations and Covid-19 restrictions on sustainable hospitality business performance during pandemic and after-pandemic recovery periods, as well as, to perform key literature review on the EU

sustainability regulations, Covid-19 measures, their interrelations, impacts on the sustainable hospitality business.

As a result of this research the author will identify if the EU sustainability regulations and Covid-19 restrictions impose significant changes in sustainable hospitality business with positive, negative or both positive and negative impacts on the sustainability business performance, which will help to prove the hypothesis, which is: the EU sustainability regulations and Covid-19 restrictions impose significant changes in sustainable hospitality business with both positive and negative impacts on the sustainability business performance.

### **Literature Review**

The meaning of sustainability or social responsibility in hospitality business relates to the understanding of how to run the operations of hotels, restaurants or other related to hospitality industry businesses, to be greener, more environmentally friendly, or even how to save or recycle more resources. In addition, the sustainability definition might be used related to the workforce or employees of the company, and it might be called as employee loyalty.

Environment and sustainability are not synonyms by their definition. Sustainability might be defined as maintaining well-being over a long-lasting or even indefinite period. This covers largely the environmental dimension of the triple bottom line (Kuhlman, Farrington, 2010). According to Clough, et al. (2006), sustainability is a process that helps create a vibrant economy and a high quality of life, while respecting the requirement to sustain planet resources and protecting the environment. It expresses the principle that future generations should live in a world that the present generation has enjoyed but not spoiled and destroyed.

Sustainability means fulfilling the needs of current generation needs without trade of the ability of future generations to fulfill their own needs (University of Alberta, 2013). So, definitions of sustainability within the hospitality industry can be interpreted as being constructed sustainable operations around business imperatives rather than a permanent obligation to sustainability (Jones, et al. 2016).

According to the Cambridge English Dictionary definition, the legislation is a law or set of laws suggested by a government and made official by a parliament, while the regulation is an official rule or the act of controlling something and is a binding legislative act. According to Kaufmann, Witteloostuijn (2016) legislation and regulation have different types and sources of statutes, ordinances, decrees, orders, by-laws, case laws, treaties and codes, continuously proliferate within and beyond states.



Based on the foregoing, it might be concluded, that there is no one common definition of sustainability, due to variety of opinions, problem outlook and persons habitat. The age, country of origin, education might affect the vision of sustainability definition in common. The more people are engaged into sustainability issues, the more definitions arise during the process of acknowledgment the concept of it. The legislative and regulative definitions are more precise and have no variations in understanding of their concept.

### **Methodology**

The aim of the research article is to review the impact on EU sustainability regulations and Covid-19 restrictions on sustainable hospitality business performance during pandemic and after-pandemic recovery periods. To provide an analysis of the data, the author has chosen the applied research method, the evaluation research type to analyze the information devoted to the research paper question: what are the operational changes and other impacts on sustainable hospitality business operations and performance imposed by the EU sustainability regulations and Covid-19 restriction measures?

Primary research will be implemented by the online survey for regular customers in age group 18+, due to their total responsibility within the government, so as their ability to state the opinion about their attitude to possible operational changes regarding the questions of the survey. Analysis of the online survey answers will allow the author to obtain the research data about customer awareness about of single-use plastic ban, their personal attitude to the possible changes in operations, their level of preparations and actions, which they are ready or not ready to complete, to become a sustainable customer. The issue of new regulations and legislations, their negative or positive effect on the hospitality business operations will be reviewed. In addition, the overview of the company by author's choice will be created; their operational changes and personal recommendations will be provided regarding the aim of the research. Secondary research will be implemented by studying theoretical background from books, articles, and governmental agencies, which helps to conduct the research and to support the hypothesis of the research.

The whole collected information will be described as qualitative descriptive data, with no direct interviewing, but related to the personal findings and working experience in one of the "Rosinter Restaurants" company restaurant. The author will collect percentage of survey answers as quantitative data, the results of open-ended survey questions will be collected as qualitative data. Collected answers from online survey will help to perform objectives of the

research, answer the research question, prove the hypothesis with examples and achieve the aim of the research.

## Results

Legislation regulates the way whole industry or separate company utilize natural resources, avoid pollution and harmful substances, manage waste, and protect ecosystems and human rights. Supporting sustainability through the use of proactive legislation is nothing new. Proactive legislation can eliminate competitive disadvantages and, thus, be an instrument paving the way to a successful and sustainable future (Berger-Walliser, et al. 2016).

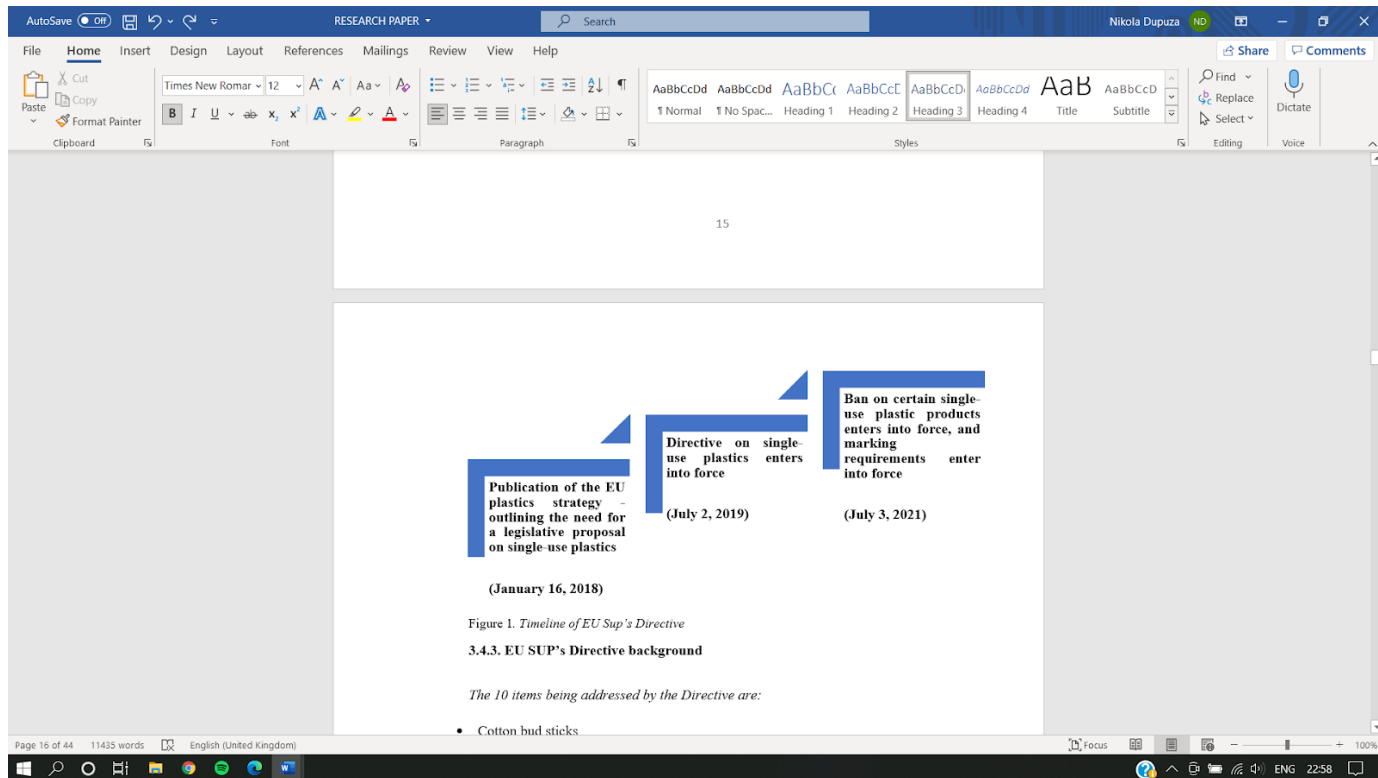
By authors' opinion, sustainable legislations are the driving power of minimizing the level of resource consumption not only in hospitality industry, but in overall aspects of human regular lives. Society is not going significantly change their habits and behaviors by their own until the legislations will be announced by the government. In that case, the more attention society will pay to the sustainable legislations, the more it will be aware of this area and the more actions will be applied to reduction of the consumption of resources and finding the sustainable alternatives.

There are legislations of the EU, devoted to sustainability, which are already adopted (see Fig.1):

- **EU Community Environmental Legislation** is adopted on 7 March 2012 with over 200 legal acts to monitor in 27 Member States. These legislative measures cover all environmental sectors, including water, air, nature, waste, noise, and chemicals, and others which deal with cross-cutting issues such as environmental impact assessment, access to environmental information, public participation in environmental decision-making and liability for environmental damage (European Commission, 2012).
- **EU Waste Legislation** also known as Waste Framework Directive adopted on 19 November 2008. EU waste policy aims to protect the environment and human health and help the EU's transition to a circular economy. It sets objectives and targets to improve waste management, stimulate innovation in recycling and limit landfilling (European Commission, 2008).
- **The Directive on Packaging and Packaging Waste (PPWD)** was first issued in 1994. Its main purpose was to increase the recovery rate of packaging waste and to cut disposal (landfilling). The standard prepared under the EC Mandate M2002 was

finalized in 2000. The European standard EN 13432 defines the minimum requirements packaging must meet in order to be processed by industrial composting (European Bioplastics, 2015).

European Union Parliament seals ban on throwaway plastics by 2021. The main law, which seals the ban, is named “Directive on single-use plastics (SUP)”. It entered into force on July 2, 2019 and should be implemented by July 3rd, 2021 (European Parliament, 2019).



**Figure 1.** *Timeline of EU SUP's Directive (Source: European Parliament, 2019)*

On the basis of the Jones & Comfort (2020) article in International Journal of Contemporary Hospitality Management, the author has identified main operational changes on sustainable hospitality business performance imposed by the EU regulations and Covid-19 restrictions measures which the industry is facing in 2021 (see Table 1).

**Table 1.** *Definition and description of operational changes on sustainable hospitality business performance (Source: Jones & Comfort, 2020)*

Definition of the operational change	Description of the operational change
Decrease in turnover due to lack of reservations and customers	Companies in industry are not using much energy and water resources, which led to sustainable performance, in case of decreased amount of operations provided.

Increase of disposables consumption	The amount of disposable products, such as masks, gloves are required to be worn by the employees during the shift. The protective shield between employees and customers are placed, to prevent the close connection among people.
The permanent loss of the employees	Caused by the Covid-19, the amount of employees has reduced, most of the services are not provided on property, such as dinning in restaurant, bar gathering or relaxation in SPA-zone are restricted and prohibited in Latvia and in many EU countries.
Possibility of sustainable renewal	The hospitality businesses in 2021 are partly or totally closed, and are providing half of their usual operations remotely with no direct contact with customers. The changes, which might be implemented during the time of Covid-19 pandemic recovery, are limitless. The supplier companies might be changed to more sustainable ones regarding EU sustainability legislations; the equipment and facilities might be renovated or changed to environmentally friendly, with less resource's consumption. In addition, the adaptation of stronger waste recycling strategy and programs might be implemented into future operations.

The “Rosinter Restaurants Holding” key markets are located in Russia, the Commonwealth of Independent States (CIS) and Central Europe including Baltic countries. By the statistics of 2020 available on official website of holding, the number of company restaurants is 229, in 27 cities and 8 countries as follows. The total number of employees is 2900 (Rosinter Restaurants, 2020).

“Rosinter Restaurants” in Latvia accounts for 3 restaurants such as “T.G.I, Fridays”, “Il Patio” and “IL Patio & Planeta Sushi”, all located in the centre of Old Riga Town. According to the provided by the company manager information, the operational changes due to Covid-19 have arisen, such as:

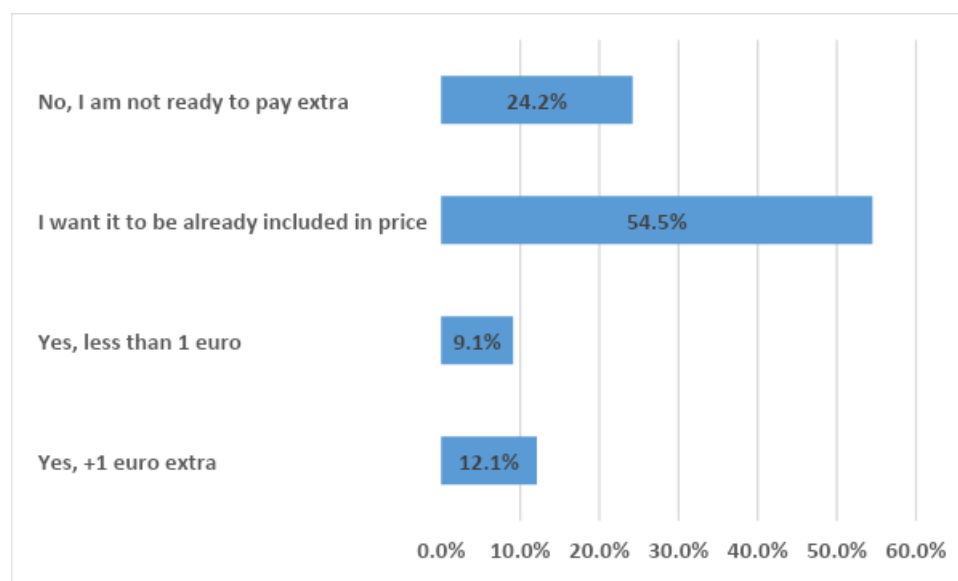
- During the first wave of Covid-19 the only open restaurant of the company was “T.G.I. Fridays”, the possibility to eat on property was possible, with health protection and distancing measures provided.
- During the second wave of the Covid-19, only self-pick-up and delivery though delivery services like “Wolt” and “Bolt Food” is available, according to current state of emergency in Latvia.
- The number of company’s employees since 9th of November 2020 decreased from 60 to 16. 44 employees at the moment are receiving a governmental support, while 16 are receiving subsidiary governmental support.

- “Rosinter Restaurants” company restaurants’ operations have been transferred into one common location of “IL Patio & Planeta Sushi” property, to cut the bills and maintenance costs.
- Wearing masks during the whole shift is obligatory, due to constant connection between employees, delivery services partners and customers.

The online survey was made using the visidati.lv source; the link to survey was published on author’s Facebook page, personal Instagram account and was sent to group chat for colleagues, who are working in hospitality industry. The questions of the survey were made by the author, taking into consideration the theme, objectives and aim of the research paper. All the answers were collected anonymously. The total number of survey respondents are 33, the division of respondents’ gender is almost equal (55% of female and 45% of male). While the age of respondents varies: the largest percentage is between 18 and 22 years old or 55% of the total number of respondents, 30% of respondents are between 23 and 27 years old, while only 15% of respondents are between 28 and 32 years old. As a result, the answers were collected mostly from the young audience.

#### 1. Question: “Are you ready to pay extra for sustainable packaging, how much?”

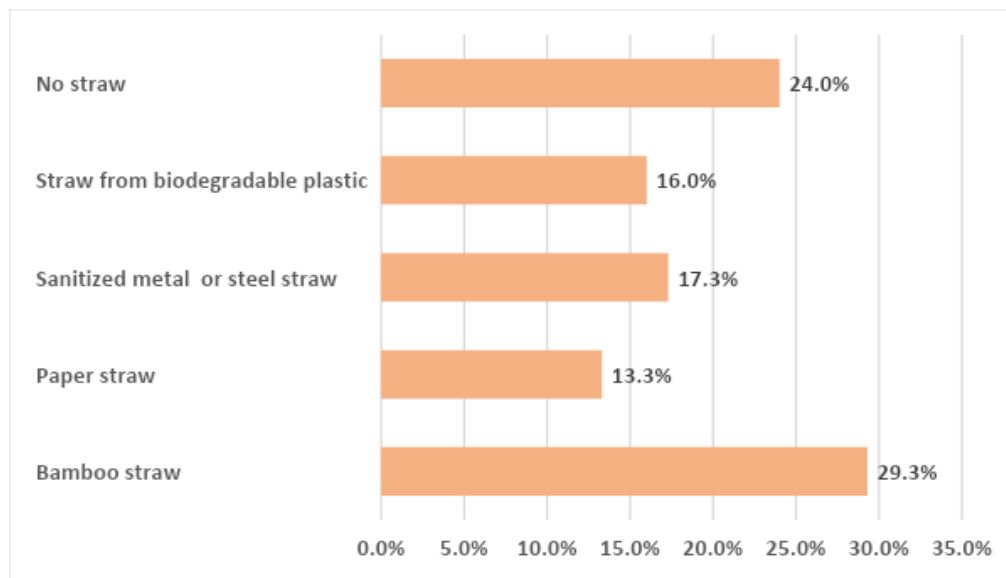
According to the results, the majority of respondents or 55% answered, that they want the sustainable packaging payment to be already included in total price. The 24% of respondents are not ready to pay extra for the sustainable packaging at the moment. While 12% of respondents are ready to pay approximately 1€ extra for sustainable packaging, the 9% of respondents are ready to pay extra less than 1€ (see Fig.2).



**Figure 2.** *Readiness to pay for sustainable packaging (Source: author's compilation)*

2. Question: “Which option is or seems to be acceptable for you instead of using plastic straws?”

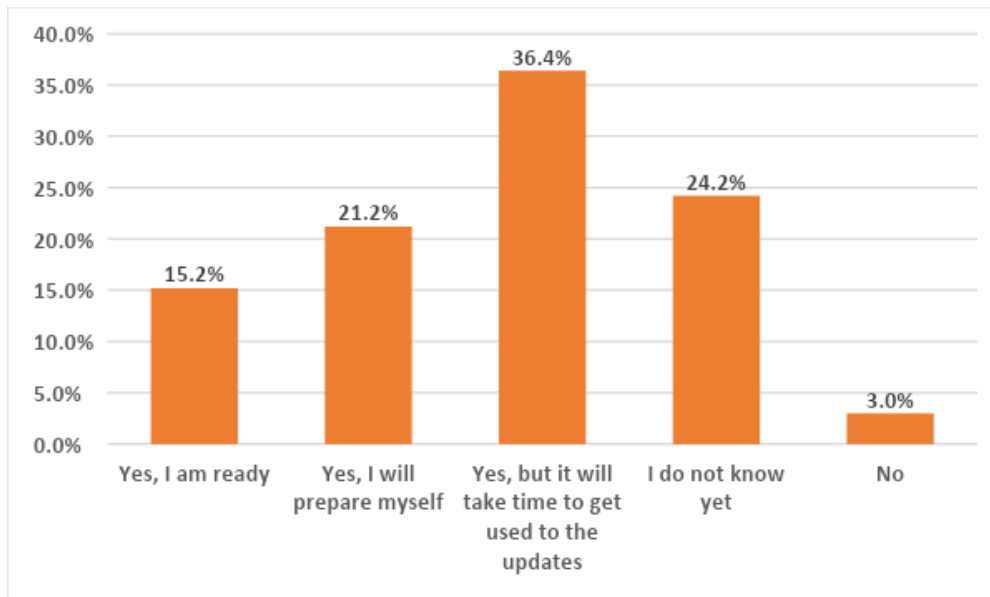
Based on respondents' answers about sustainable alternatives of plastic straws (see Fig.3), options such as bamboo straw (29%) or no straw (24%) have gained the most support, while straw from biodegradable plastic, sanitized metal of paper straw gained 16, 17 and 13% respectively.



**Figure 3.** *Opinion on usage plastic straws alternatives (Source: author's compilation)*

3. Question: “Are you ready for changes, which the companies will implement as a consequence of COVID-19 pandemic?”

There is no doubt, that changes in operations, such as visitor restrictions, people amount at one table at a time, prices increase and reduced working hours might be implemented after the end of Covid-19 pandemic.



**Figure 4.** *Readiness for changes after Covid-19 (Source: author's compilation)*

The majority of respondents are ready for changes, according to the results. 36% of respondents are ready for changes, but they mentioned, that it will take time to get used to the updates, 24% of respondents do not know yet about their readiness to changes, 21% of respondents are ready for the changes, but need to prepare themselves, while 15% totally ready for all changes which might arise. Only 3% of respondents are not ready for the changes at all (see Fig.4). According to the review and analysis of the survey answers, it might be considered, that people mostly are ready for the possible changes after the EU SUP's ban is implemented, expecting the changes Covid-19 has brought to the customers.

## Conclusions

The implementation of sustainability practices leads to the hospitality business operational improvements; the more awareness of the environmental issues arises among the employees and guests, the more effort is driven to change the current situation in hospitality. Another driving factor towards the sustainability in hospitality business industry and its operations is the legislation and regulations which are created by the government to be implemented into companies' performance and operations on the market. The EU Directive on SUP's ban after 3rd July 2021 will impose significant changes in sustainable hospitality business with both positive and negative impacts on the sustainability business performance. In addition, it will be a great example of sustainable law implementation, which will require stopping production and usage of particular single-use-plastic products. This directive will start the large EU plan

implementation to decrease the plastic consumption and limiting the usage of other consisting of plastic products.

According to the survey results, the majority of respondents habits in case of public catering has changed due to Covid-19 restrictions and preventive measures; the consumption of packaging has significantly increased, and the sustainability issue has started to arise among hospitality business customers, who are using the delivery services instead of self-pick-up (88% against 12%) during the current state of emergency in countries. The positive sign is that the awareness regarding the sustainability issues has increased. Customers are ready or will prepare themselves for the changes in hospitality business operations, and as the results have shown 94% of respondents will be ready to use the provided sustainable alternatives instead of plastics. Customers are reporting both positive and negative impact and consequences regarding the Covid-19 restrictions and sustainability regulation. The challenging part is that preventive measures tended to increase the amount of packaging; however, there is a great chance to review the sustainable strategies before the EU SUP's ban is put into operation. There is a chance for companies to update their suppliers, create a single sustainable mechanism of operations and implement the changes timely.

The hypothesis has been proved by the analysis of created online survey answers in target group 18+, which gave the specific information about both positive and negative impacts on hospitality industry. Hypothesis has also been proved by literature review of the sources, devoted to the operational changes of the hospitality businesses and the positive and negative impacts which have arisen. The online survey was conducted; the results of respondents' answers were collected and analyzed in percentage rate. The research question has been answered, through the review of operational changes of sustainable hospitality business aspects in hospitality industry. The objectives of the research paper have been performed through the review of the literature, legislations and regulations. The recommendations made by author for the chosen company was provided, considering the operational changes due to Covid-19 and EU SUP's upcoming ban.

### **Recommendations**

Based on the information about the company operational changes mentioned above, the author of research paper has conducted recommendations and proposals, which might be implemented during the Covid-19 after-pandemic recovery and after the EU SUP's ban comes into force (see Table 2).



**Table 2.** *Recommended action plan for “Rosinter Restaurants” Company (Source: author’s compilation)*

OBJECTIVES & TASKS	SUCCESS CRITERIA	TIME FRAME	RESOURCES
1. To conduct an induction training for employees on environmentally friendly alternatives to plastic products. What product materials will be purchased and used instead of plastic ones (bamboo, sugarcane, paper, metal, biodegradable plastic ones).	Employees will be able to understand the difference on product materials, be able to tell customers about provided plastic alternatives.	From the start of company post pandemic operation, till the end of first weeks after re-opening.	Human resources (trainers, managers), money resources devoted to training.
2. To change the single-use plastic products to sustainable options. To sign new agreement with suppliers in case of changing the type of supply.	The all types of SUP’s banned will be replaced by the sustainable options.	April 2021 – 3 <sup>rd</sup> July 2021.	25-30% increase of packaging supply money investment.
3. To set a permanent price for sustainable packaging options provided for customers	The permanent price of sustainable packaging will be set.	Till the 3 <sup>rd</sup> of July 2021.	Calculations of purchase and sale value.
4. To introduce the single sorting and recycling system, to focus on recycling of used products.	The products will be sorted according to their type of waste, will be recycled.	April 2021 – during the whole company operational processes.	Updates of kitchen equipment.
5. To inform customers about new regulations and requirements of the government for visiting restaurants and inform about the availability to use alternative types of products instead of single-use ones.	Customers will be aware about new requirements and restrictions, have knowledge of the alternatives provided.	From the start of internal operations, during the whole time of operations.	Knowledge of employees and their ability to present the information to customers.
6. To rearrange the property of restaurant in accordance with the requirements and preventive measures caused by Covid-19	The property of restaurant will meet the governmental requirements.	Before the start of internal operations.	Full staff of the restaurant, their regular salary.
7. To provide special offers at the initial stages of opening after the Covid-19 pandemic, reduce prices at the initial stage of re-opening.	The company turnover in case of attracting guests will increase.	During the first weeks of re-opening after pandemic.	Advertising of offers provided and accounting of possible loss of profit.
8. To concentrate on delivery services	The amount of deliveries will increase.	April 2021 – during the whole operational time.	Advertising of delivery offers (via Bolt Food and Wolt).

Based on the results of survey, the regular customers of the restaurants are ready for operational changes due to Covid-19 measures and upcoming EU SUP’s ban; the alternatives such as bamboo, paper, and sanitized metal straws will be trustful from customer side. In that case, co-operation with new suppliers in Latvia, who provide alternative food packaging such as: “Novapack” (Novapack, 2021), “Nipon” (SIA Nipon, 2021) or “Versupack” (Versupack, 2021) will have a positive effect on sustainable packaging in company restaurants. In addition, online

survey results proved that usage of delivery services has increased during pandemic, so proposals to concentrate on delivery is a valid recommendation to implement in operation.

According to the provided recommendations and proposals, the author can conclude, that on the initial stage of operations, most of the proposed actions should be implemented, when the company restaurants will have an opportunity to operate internally with direct contact with customers. The first preparations should start from April 2021, when these recommendations will be shown to the company representative, while other part of preparations and implementation should start when the restaurants will have an opportunity to open their doors to the customers after Covid-19 pandemic and lasts during the whole operational time.

In addition, the accurate amount of money investments and budget for proposals implementation cannot be introduced by author of the research. However, the analysis of current “Rosinter Restaurants” company supplier “Multipack” official website and their prices for plastic and paper production lead to the deduction, that changing the plastic for more sustainable packaging will cost to the company increase of purchase value for 25-30%.

### **Limitations and Future Research**

The given article represents quite an extensive research devoted to the sustainable hospitality business operations changes due to Covid-19 and EU sustainable legislations. The information about sustainability and its aspects, EU legislative and regulatory issues have been reviewed and learned. Talking about limitations, the most challenging during the writing of the research article was to concentrate on the targeted goals, without mentioning the topics not related to the theme of work, so as to find the suitable information among the huge amount of resources and articles available. In addition, the challenging part was setting the time for each part of the research work and meeting a proposed deadline.

As a future research, the author would like to provide more specific information about legislation and its aspects in case of law implementation and its possible positive effect on hospitality industry.

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# **SUSTAINABILITY IN HOTELS: HOW GOOD SUSTAINABILITY PRACTICES CAN INFLUENCE GUESTS' SATISFACTION LEVELS**

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**Abstract.** Because of growing awareness of consumers about the importance of environmental issues and the seriousness of environmental protection, the increasing number of hotel companies has been developing sustainability practices to respond to this concern of guests. A questionnaire, as primary quantitative research method, was used in this study. The information was collected online among potential hotel guests of different age categories and from different countries. Analysis of literature and studies that had been provided earlier were used as secondary qualitative research method. This research investigates the connection between sustainability practices and the satisfaction level of consumers. The results show that there is a strong connection between sustainability practices and guests satisfaction levels. Moreover, some of respondents are willing to pay more for products/services from socially responsible company. The author's work highlights the importance of including of sustainability practices by hotels to satisfy the needs of clients and their intention to return.

*Keywords:* sustainability practices, satisfaction, green practices, hotel sector

## **Introduction**

The topic of sustainability practices and guest satisfaction levels is the most actual at the present time, as people pay more attention to the protection of the environment. This concept applies not only to food, clothes, cosmetics, but also to materials of our buildings, cleaning products, community life support systems. All these items are closely related to the hospitality industry. Understanding of motivation and satisfaction of customers is also very important to the success of a business.

The aim of this research is to find out the main characteristics of sustainable hotels and how good sustainability practices are influencing customer perceptions and satisfaction levels.

The hotel industry has been suggested to be the most harmful to the environmental among all hospitality sectors (as an example, in Europe, hotels can consume 39 terawatt hours of energy per year, and guests can use up to 440 liters of water per night). The awareness of the need for protecting our nature is rising, so sustainability and environmentally friendly practices are of increasing importance (Honey, 2008).

Shareholders, employees and customers have big expectations of the tourism industry in terms of economic, social and environmental responsibility (Sloan et al., 2009). There are a lot of

possibilities to improve sustainable business strategies and pollution free workflows in the hospitality industry (Klepsch & Schneider, 2012).

Previous studies have looked at different sustainability practices in hotels; moreover, results of Trip Advisor's international survey of more than 30000 travellers showed that 79% of the travellers place importance on organizations implementing green practices (Trip Advisor, 2013). Also, according to Berezan (2014), green practices are crucial factors in customers' decisions on selecting hotels. But, on the opposite side, Stafford and Hartman (2013) note that customers remain indifferent to or oppose going green because they think that green products are overpriced. Furthermore, some people can claim that they care about the environment, but actually, they may not really act in that way.

As more and more consumers now go online to look for hotel information and share experience, the purpose of this research is to identify which sustainability hotel practices would most satisfy guests with thorough analysing questionnaire of potential hotels' guests.

Understanding of what satisfies customers is the main activity to the success of any business. Guest satisfaction leads to repeating purchasing. Consumers form their beliefs about a product's attributes through their cognitive learning; then they generate affective responses and attitudes regarding their likes or dislikes for the products; and, finally, the likes and dislikes lead to purchase behaviour intentions and purchase behaviours (Fishbein & Ajzen, 1975). While a wealth of research concludes that relationships exist among performance, expectations, satisfaction and behavioural intentions, these relationships have not been applied to sustainable hotel practices (Berezan, 2014).

The objectives of this research are:

1. To explore the concept of the *sustainability*, define key concepts;
2. To conduct literature review:
  - a. To review scientific literature on sustainability in the hospitality industry.
  - b. To research net-zero hotel theory, eco-hotels, advantages and disadvantages;
  - c. To explore the characteristics of sustainable hotels and main standards;
  - d. To review corporate social sustainability practices in the hospitality industry;
  - e. To assess theories on guest satisfaction and customer relationship management in hospitality.

3. To review sustainability and corporate social responsibility of the Radisson Hotel Group;
4. To understand using an online questionnaire whether the *sustainability* factor is important for potential guests, and what criteria could affect their level of satisfaction;
5. To access the results of primary data research and draw conclusions;
6. To recommend sustainable standards hospitality industry professionals could use to increase guests' level of satisfaction.

### **Literature Review**

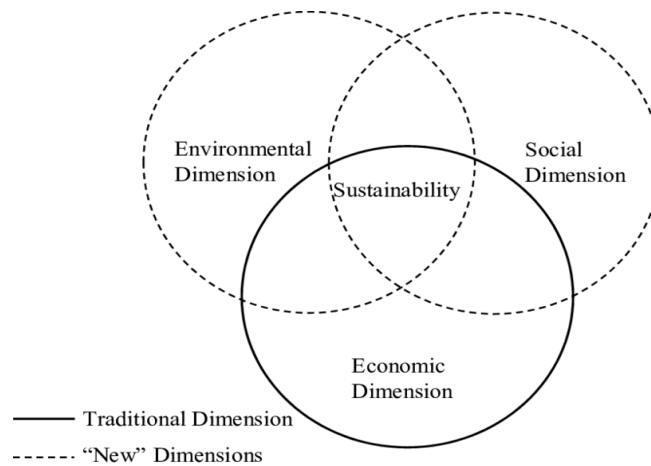
There is no universally agreed definition on sustainability. In fact, there are many different viewpoints on this concept and on how it can be achieved.

The term of sustainability has become increasingly widely used across many walks of life in recent decades and in some ways it seems to be used to mean all things to all people but “the idea of sustainability is not a mere mind game played by modern technocrats, nor the brainwave of some tree-hugging eco-warriors...it is our primal world cultural heritage” (Grober, 2012).

Sustainability focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs (Grant, 2020). Somebody thinks that sustainability is an adjective for something that is able to be sustained, i.e., something they is “bearable”, “capable of being continued at a certain level”. It can perhaps be seen as the process by which something is kept at a certain level.

But nowadays, because of environmental and social problems societies around the world are facing, sustainability has been increasingly used in a specific way. Now, sustainability is usually defined as the processes and actions through which humankind avoids the depletion of natural resources, in order to keep an ecological balance that doesn't allow the quality of life of modern societies to decrease (YouMatter, 2021).

There are *3 pillars of sustainability* (see Fig. 1):



**Figure 1.** *Three pillars of sustainability (Source: researchgate.net, 2019)*

1. *Environmental Sustainability.* Ecological integrity is maintained, all of earth's environmental systems are kept in balance while natural resources within them are consumed by humans at the rate where they are able to replenish themselves;
2. *Economic Sustainability.* Human communities across the globe are able to maintain their independence and have access to the resources that they require, financial and other, to meet their needs. Economic systems are intact and activities are available to everyone, such as secure sources of livelihood;
3. *Social Sustainability.* Universal human rights and basic necessities are attainable by all people, who have access to enough resources in order to keep their families and communities healthy and secure. Healthy communities have just leaders who ensure personal, labour and cultural rights are respected and all people are protected from discrimination (University of Alberta, 2021).

Over the last few decades, hotels were able to differentiate with sustainable practices, notable facilities, amenities or signature products. Now, many guests often expect the availability of such things. These elements are the new basics because they have shifted from experiential differentiators to core expectations, meaning their absence and/or a subpar perception of them may impact the stay negatively more than their presence and positive perception of them will create an exceptional one (Deloitte Consumer Survey, 2018).



Moreover, some research has shown that most guests respond positively toward green practices when they can recognize them, e.g. reducing energy usage or water saving. However, lack of awareness about hotels' green practices can cause guest to feel inconvenienced during their stays (Hye Ryeon & Tun-Min, 2016).

In addition, several research suggest that guests are becoming increasingly aware of environmental issues and are interested in purchasing "green" products and services (Han, 2009; Chan, 2013). According to the results of a survey done by Trip Advisor, 79% of respondents chose to stay at hotels with eco-friendly practices (Trip Advisor, 2013), showing that in the hospitality industry, tourists prefer to stay at hotels which are taking measures to protect the environment in order to contribute to environmental sustainability (Han et al., 2011).

A decade ago, sustainability in the hospitality sector was a nice-to-have; today it is a business imperative as more and more people not only make sustainable travel choices, but many are willing to pay more (Malyarov, 2020). Many hotel and entertainment managers who are concerned about the environment have undertaken various initiatives in this regard (Hobson & Essex, 2001). These practices have focused, for the most part, on the dimension of sustainable environmental practices, for instance, through international eco-labels such as ISO 14001 and the European Regulation of Eco- Management and Audit Scheme (Bohdanowicz, 2005).

The above-mentioned eco-labels and certification programs emphasize energy and water conservation (i.e. the sustainable environmental dimension) in order to promote the adoption of these practices (Hobson & Essex, 2001). In this way, few businesses in the hospitality industry have adopted a sustainable development orientation that also integrates economic and social dimensions. In comparison to what has been learned about environmental management systems in the hospitality industry, there is still little information available about the integration of the three dimensions of sustainable attitudes into hotels' business strategies and on the impact of such practices on hotel customer satisfaction (Pozo et al, 2016).

Typically, hotels have adopted measures to practice sustainability, including utilization of eco-friendly materials, water saving and reuse treatments, and the implementation of other energy saving programs (Shen et al., 2020).

Sustainable hotels are usually designed respecting the environment and the area where they're located. In many occasions, they implement to their facilities efficient lightening systems, low-pressure water installations and try to generate their own energy. In order for a hotel to be

considered sustainable, several, or at least one of the following practices must be performed in it:

- Certain environmental, social and cultural principles were taken into account in the design;
- Respecting the natural surroundings, both in social and natural terms. This means not contaminating, respecting the local culture, etc.;
- Contributing to the community's development supporting local businesses;
- Promoting the consumption of local and ecologic alimentary products;
- Basing the main part of its energetic supply in renewable energies;
- Using low-consumption illumination, water-saving systems etc.;
- Using organic materials on items such as towels or bed sheets;
- Respecting the bioclimatic construction rules, that seeks to reduce to the minimum the use of heating and air conditioning systems (Ferrer Hotels, 2021).

There is also such definition as «nearly zero energy hotels». The Almost Zero Energy (NEZEH) Hotels project is co-financed by the European Commission within the Intelligent Energy Program for Europe. Its objective is to accelerate the rate of renovation of hotels to Near Zero Energy Buildings (nZEB) by providing technical advice to committed hoteliers and highlighting nZEB flagship projects in the European hospitality industry. Sixteen pilot hotels in seven European countries (Croatia, France, Greece, Italy, Romania, Spain and Sweden) are now undergoing renovation plans to become Almost Zero Energy hotels and are examples of good practice in Europe (Energies 2050, 2020). NeZEH offers competitive advantages for small and medium-sized hotels, which account for 90% of the hotel market, and benefits to the entire hotel industry thanks to:

- Energy savings and reduced operational costs;
- Unique positioning in a highly competitive market;
- Improved image and service for customers;
- Access to a new “sustainable” segment of the market, both for individuals and businesses;
- Improving comfort as added value for customers;

- Achieving the objectives of corporate social responsibility with environmental, social and economic sustainability (ibid.).

Satisfaction is a very important factor in business success generally, and determinant moment in the hotel industry in particular. Customer satisfaction is a measure of how well the products and services provided by a company meet or exceed customer expectations (Rapity & Silvestri, 2020). Customer satisfaction is defined as the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services exceeds, specified satisfaction goals (Rajeev, 2019).

A lot of studies have shown that sustainability practices in hotels, especially environmentally friendly practices, can increase guests satisfaction levels. According to the World Tourism Organization (WTO), environmental sustainability is increasingly important in contributing to the quality of customer experiences and overall tourist satisfaction (UNWTO, 2021). But nowadays, such things as reusing of sheets and towels are basic attributes that are expected from any hotels. Moreover, the lack of this attribute negatively influences customer satisfaction.

According to Kampus (2017), there are several hypotheses that identify the environmental practice that has the strongest impact on the overall customer satisfaction with environmental practices:

H1.1. Energy saving has a positive relationship with the overall customer satisfaction with environmental practices;

H2.1. Sustainable supplier-hotel collaborations have a positive relationship with the overall customer satisfaction with environmental practices;

H3.1. Sustainable design and materials have a positive relationship with the overall customer satisfaction with environmental practices;

H4.1. Water saving has a positive relationship with the overall customer satisfaction with environmental practices;

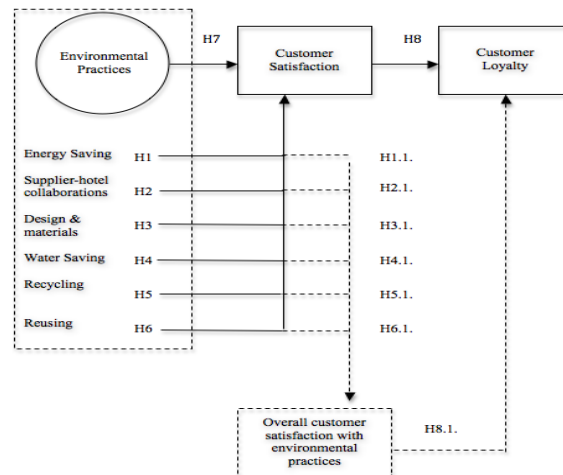
H5.1. Recycling has a positive relationship with the overall customer satisfaction with environmental practices;

H6.1. Reusing has a positive relationship with the overall customer satisfaction with environmental practices;

H8.1. Customer loyalty has a positive relationship with the overall customer satisfaction

with environmental practices.

On the basis of proposed hypotheses the author introduces the following structural model (see Fig. 2):

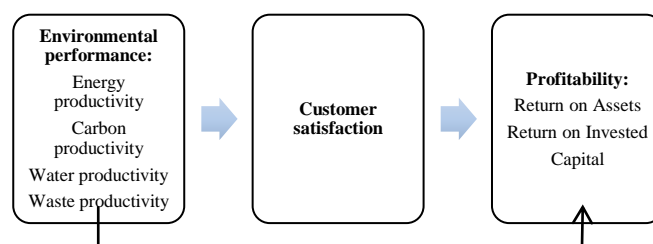


**Figure 2.** *Proposed model for customer satisfaction towards environmental practices*

*(Source: Kampus, 2017)*

According to this figure, environmental practices that could be used in hotels lead to customer satisfaction with hotel services, which in turn lead to customer loyalty. Moreover, exactly these practices lead to overall customer satisfaction with environmental practices, which also has positive connection with customer loyalty.

Mendonca & Zhou (2019) in their study also showed that customer satisfaction is positively associated with profitability (see Fig. 3).



**Figure 3.** *The relationship between environmental performance and profitability*

*(Source: Mendonca & Zhou, 2019)*

As mentioned above, environmental practices influence customer satisfaction, and in some ways lead to their loyalty. When organizations have long-time customers, they can introduce price premium for goods/services, as customers tend to value their relationships with companies and become willing to pay more to companies, especially at high levels of their satisfaction. Satisfied customer might recommend company to others, thereby opening an opportunity for new sources of revenue and enhanced revenue to organizations (Mendonca & Zhou, 2019).

### **Methodology**

In order to achieve the aim of this research, the mix of both methods - primary and secondary research methods - were used. The primary quantitative research was conducted based on structured questionnaire. Questionnaire was made for potential hotel guests; it didn't have target marketing and was generalized. 54 respondents took part in this survey. It had 20 questions and respondents were asked to choose one or several already written answers, but in some questions there was an option to write own variant of answer. The survey was made with the help of Google Forms, and was distributed via social media, and had a link to online questionnaire. Data were collected between 1<sup>st</sup> March and 20<sup>th</sup> March 2021. This questionnaire was made to gather numerical information about potential guests, who are interested in sustainable practices of hotels.

Secondary research method is a literature review. About 32 sources were used. The search was carried out through the Internet space, Internet libraries, Internet versions of journals, databases (Emerald, Sage Journals). Searching was carried out with the help of following keywords: customer satisfaction, hotels' sustainability, sustainability practices, guest satisfaction level, connection between customer satisfaction and sustainability practices.

### **Results**

The author made a questionnaire with 20 questions about different sustainability practices in hotels and customers' attitude to it. 54 respondents took part in this survey. The age category was divided into several groups: 81.5% of respondents were at the age of 18-30, 11.1% at the age of 31-40, and 7.4% at the age of 41-50. Women took part in the survey to a greater extent (61.1%), which indicates their greater interest in this issue. Mostly, respondents were from Europe (60.4%), but were also from Asia (20.8%), United States of America (15.1%), and

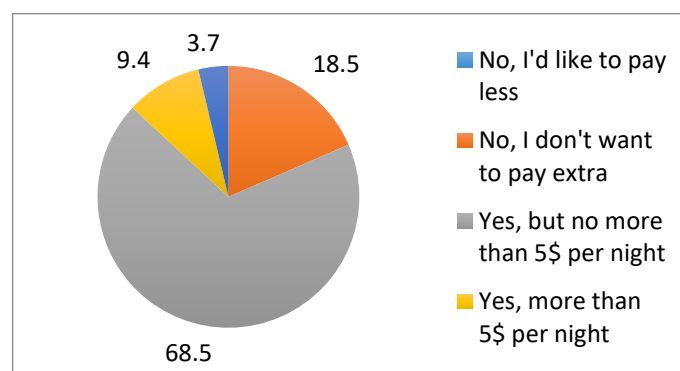
United Kingdom (3.8%). All survey participants are potential hotel guests travelling for a variety of reasons.

According to one of the first questions, when people hear the phrase “sustainable development”, most of them think about environmental protection (57.4%), while 16.7% think about improving the economy, 24.1% about social responsibility, and only 1.9% think about green washed products with high prices to fool the consumer. These results indicate that people are well aware of these problems. But, first of all, the most important, widespread and modern problem is the protection of the environment.

79.6% of respondents use sustainability measures at home (like showering shorter, LED lightening, separation of waste), which indicates their possible interest in the availability of such methods in other places of living (hotels) and the dependence of the level of their satisfaction. Those customers who behave responsibly at home will do so when travelling.

On a scale from 0 to 10 (where “0” is not important, “10” is very important), 37% of respondents chose “8” and 20.4% chose “10” in the question about the importance of a hotel operating in an environmentally friendly way. Moreover, 74.1% think that a hotel should have a sustainability certificate or label, and 98.1% chose to stay in a sustainable hotel, if they were given a choice and the difference in price were minimal.

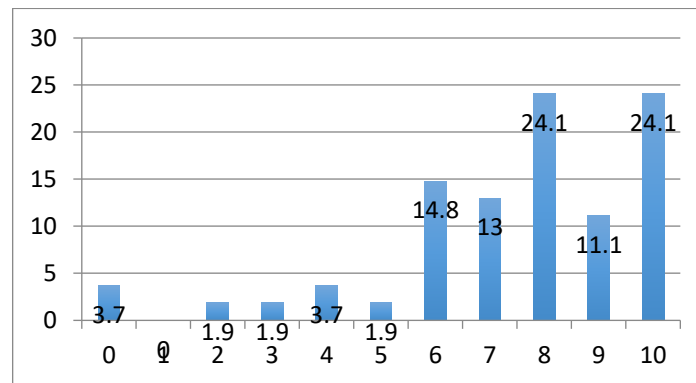
When participants were asked about their willingness to pay more for products and services from social responsible company (see Fig. 4), 68.5% expressed their desire, but no more than 5\$ per night.



**Figure 4.** *Willingness to pay more for services or products from socially responsible company*  
(Source: made by the author, 2021)

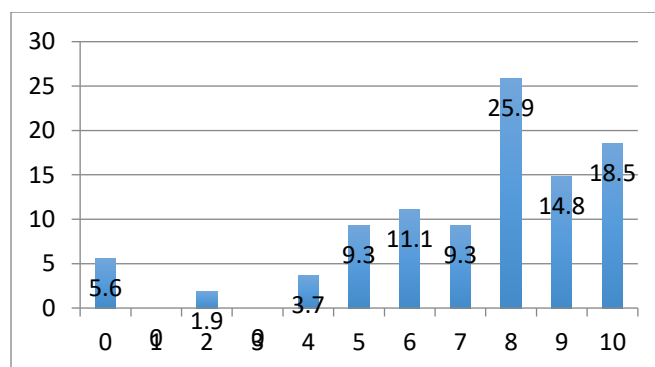
It is good news for hoteliers, because introduction of sustainable materials and techniques cost a lot of money and there is a need of recouping the costs. If guests are willing to pay extra, hoteliers can increase room rates. But they need to know their target markets.

For about 80% of respondents think that using cleaning products with eco-labels and being involved in different community projects are really important (see Fig. 5 and 6).



**Figure 5.** *The importance of using cleaning products with eco-labels in hotels (Source: made by the author, 2021)*

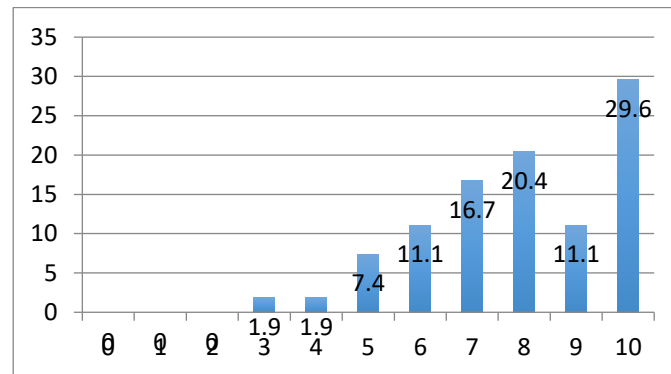
Nowadays, it is important to use such products in hotels to avoid health problems like lung damage because of evaporation of toxic substances, because people are aware of their health.



**Figure 6.** *The importance of a hotel being involved in different community projects (helping children, hospitals, environmental protection) (Source: made by the author, 2021)*

Being involved in community projects and events can help with boosting community relationships. It can also help to grow hotel brand and its recognition. 96.2% have shown that

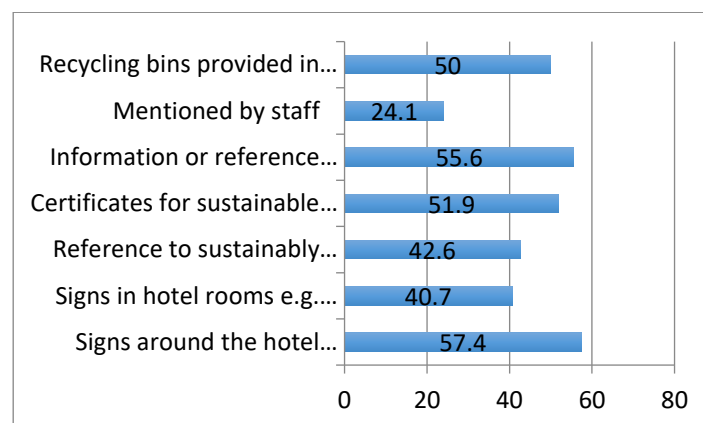
they would like the local culture elements, like music, design or food, be presented in the hotel environment (see Fig. 7).



**Figure 7.** *The importance of the presence of local culture elements in the hotel environmental (music, design, food) (Source: made by the author, 2021)*

This way it is possible to attract guests interested in the local culture and also develop good relationships with local tourists.

And the last question was about the ways people would like to be informed about the sustainability practices of a hotel (respondents could choose several variants) (see Fig. 8).



**Figure 8.** *The ways people would like to be informed about the sustainability practices of a hotel (Source: made by the author, 2021)*

57.4% of respondents chose signs around the hotel advertising what is being done, 40.7% chose signs in hotel rooms (e.g. Clean towel policy notice in bathrooms), 42,6% chose reference to sustainably or locally sourced food on menus, 51.9% chose certificates for sustainable award schemes (e.g. Green Tourism Business Scheme) displayed, 55.6% chose information or



reference to sustainable approach on websites, social media pages and other, 24.1% chose mentioning by staff, and 50% chose recycling bins provided in rooms.

### **Conclusions**

In this research the author's aim was to identify the connection between different sustainability practices in hotels and guest satisfaction levels. This survey shows that most of people have real interest in sustainability practices of hotels and their satisfaction level depends on it, because they look forward those companies that use such methods.

This research contributes to the hospitality industry in the following ways: the questionnaire shows that overwhelming majority are satisfied when a hotel operates in an environmental friendly way; it shows the simplest but effective practices that best satisfy hotel guests; this study confirmed that customers' sustainability oriented mindset influences their hotel choices with sustainable development practices; hoteliers can understand how guests would like to learn about sustainable practices of a hotel; more than a half of respondents would like to pay more for products and services from social responsible companies, which gives hoteliers a lot of new possibilities; while environmental protection practices are of the great importance to guests, respect for local culture is also very important to their satisfaction; the environmental and economic sustainability practices are closely connected. It means that it also depends on guest satisfaction levels; environmental responsibility is obvious, a lot of organizations use such methods; social responsibility is also quite important for customer satisfaction, because nobody wants to leave in accommodation where child labor is used, for example, or human rights are not respected. As for economic sustainability, it also has a relationship with customer satisfaction, but vice versa: the level of customer satisfaction affects the economic performance of the company; overall, respondents were satisfied with all presented sustainability practices.

### **Recommendations**

1. As the research showed that it is important for potential guests that a hotel have sustainability certificate, hoteliers should strive to obtain certificates of quality and sustainable environmental management (for example, Green Key, UCSL United Certification Systems Limited, Hotel stars Union, specifically in Latvia – Green Certificate and Brivs no ĢMO for hotel's restaurant). For this to happen, a hotel should be familiarized with the requirements of the standard that it must fulfill in order to receive eco-label, then assess the level of compliance with the requirements, submit an application to participate in a certification program, and submit the package of documents.

2. Refusing to use plastic is the simplest way that hoteliers may fulfill guest satisfaction. This is already implemented practice in restaurants and cafes and the consumer is used to it, and it will not lead to disagreement. As activism against plastics pollution in the world's waterways has become mainstream, it is necessary, at least, to replace all plastic containers/ glasses/ bottles, used in hotel's rooms and public places, with glass or biodegradable plastic;

3. One of the useful ways to reach higher customer satisfaction level is to create all-natural bath amenities with no preservatives and artificial ingredients. It also must be packaged in recyclable containers;

4. One of the most widely spread green practices is the towel reuse policy and a lot of customers are familiar with it. But it is very important to understand that upper class of clients has very high service expectation and not daily changing of towels and linen can be perceived as lack of proper service. So that this doesn't happen, managers have to do a better job in explaining the benefits and needs of such policy to motivate guests to appreciate it. As an example, it could be information clips in public places and in rooms, informing by front office at registration;

5. As follows from the study, a lot of potential customers use sustainability practices at home, and this behavior influences their hotel choices. So, in order to improve the environment situation and to increase customer satisfaction level, it is essential for managers to integrate sustainable energy technologies, such as ozone washers, occupancy sensor systems, LED lightening;

6. A lot of research have shown that millennial generation is ready to pay more for sustainable products and services in hotels, so, hotels targeting millennial customers will increase their net room revenue by including such practices;

7. Hoteliers need to purchase products only from local manufacturers, which have eco/bio labeling (Latvijas Ekoprodukts, Kvalitatīvs Produkts). It will help to reduce the carbon footprint, save shipping costs, and boost the economy.

8. But it is also important to remember about social responsibility. Participation in social projects and events can increase brand's authority among different segments of population and attract them as potential guests. Such projects may include charitable funds to support low-income families, starving children, children without the opportunity to get an education, now it is very important to help hospitals ("SOS Bērnu Ciemati", "LatRosTrans", "Palīdzēsim.lv", and "BeOpen").

## **Limitations and Future Research**

Despite achieving by the author all the aims by this project, this research has some limitations as it was the first project of the author, and there was a lack of experience in this field: questionnaire was made without using targeting markets and is generalized; the results can't be used for upper classes, who are looking forward high services; there was a lack of questions about economic sustainability used in previous studies; the author wasn't able to speak with hoteliers.

Structured questionnaire, which was used in this survey, has a lot of advantages: it needs lower cognitive load on the participant, reduces the amount of thinking that a respondent needs to undertake to complete the task; it allows the researcher to gather information from a large audience; it is also the easiest and fastest way for the researcher to analyze and visualize; online surveys allow respondents to maintain their anonymity; online questionnaire has no time limits. Besides, it also has some disadvantages: some questions might be ignored; there is a possibility of dishonest answers; there could be a trouble with different interpretations of the researcher's questions; if there are a lot of open-ended questions, it is more difficult to analyze them.

In addition to already used research methods (structured questionnaire and literature review), it was also possible to include an interview with employer of a hotel to learn about specific sustainability practices currently being used at the hotel.

Overall, as it was an applied research, hoteliers that recognize the importance of using sustainable practices for increasing guest satisfaction level can either emphasize such practice, if they already have them, or they can use this information to decide which practices to begin implementing.

Suggestions for future research include asking potential hotel guests which methods of economic and social sustainability are most important to them, because the environment issue is the most predictable and a lot of different practices are already used by hotels. The survey should contain more open-ended questions in order to find out the opinion of the respondents in a more free form. Such research can be conducted among different nationalities separately to further compare the needs. It is also important to make investigations about using sustainability practices in not only big hotel chains, but also in mini (family) hotels, hostels, boarding houses, restaurants, entertainment.

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# **SUSTAINABILITY IN THE FOOD AND BEVERAGE DEPARTMENT**

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**Abstract.** The purpose of this study was to analyze the approaches and practices for achieving sustainability in the Food and Beverage department. There are many sustainability management practices that organizations use to improve the quality of the services. This study is a search and aims to find out which practices need to be used to achieve sustainability in the Food and Beverage department. Since the study was already based on the existing theoretical structure in order to test hypothesis, a deductive approach was applied. The results of the survey helped in understanding customers' needs and wants, analyze what the hospitality companies should focus on in terms of implementing new sustainable practices. It has been observed that the origin of the products is more important to the customers than the price. But, all potential customers agreed on paying more for organic products and on the fact that they want to consume only pasture-raised meat. It has also been found that the majority of the potential customers wish to consume local products. The survey also helped to evaluate how the pandemic affected the Food & Beverage Industry.

*Keywords:* sustainability, survey, organic and local products

## **Introduction**

The aim of this research is to explore the approaches and practices for achieving sustainability in the Food and Beverage department. The research will help to identify which practices the companies implement during the pandemic, and how these help them to achieve overall sustainability of the company, to keep operations and cover the overall sustainability goals in order to answer at the research question, which is: How to achieve sustainability in the Food and Beverage department?

The online survey will help to identify attitude and preferences of the potential and experienced hospitality customers, consumers and users to the sustainability practices of Food and Beverage departments, get insights which Food and Beverage sustainability practices are considered effective by the customers, consumers and users. Also, the survey will provide insights into the changes in attitudes, priorities and preferences for Food and Beverage products and services, where sustainability is embedded, during and after the pandemic. The research results will help to consider necessary changes in operations of Food and Beverage departments of hospitality companies and in reshaping the Food and Beverage products and services in order to sustain over the pandemic period and after it.

## **Company Analysis**

Radisson Hotel Group is one of the leading companies in the Hospitality Industry, operating hotels in 115 countries and having more than 95 000 employees. The different brands of the Radisson Hotel Group are: Radisson, Radisson Blu, Radisson Collection, Radisson Red, Country Inn & Suites, Park Inn by Radisson and Park Plaza. The total revenue of the Radisson Hotel Group is \$7.3 billion to this date. The Radisson Hotel Group was awarded 'Best International Hotel Group' GTA Norway for 13th consecutive year and Radisson Blu Bali, Uluwatu received the award of Global Winner Best Luxury Coastal Design Resort - these are just a few examples amongst other numerous awards.

“Radisson Hotel Group is one of the world’s largest and most dynamic hotel groups with nine distinctive hotel brands counting more than 1,500 hotels in operation and under development around the world. We’re committed to delivering memorable moments, acting as a true host and being the best partner to guests, owners and talent” (Radisson Hotel Group website, 2021).

The Radisson Hotel Group has a new Radisson Meetings TM offering, the company puts a strong emphasis on the sustainability of meetings and events held at all hotels across the worldwide. Besides a drive to minimize food waste and eliminate the use of single-use plastics, this also involves carbon neutrality of all meetings and events by automatically offsetting greenhouse emissions.

Radisson Hotel Group started collaborating with FirstClimate, one of the world’s largest carbon offsetting organizations. During each meeting, the carbon footprint is calculated and then offset by FirstClimate. They support projects which combat climate change, contribute to sustainable development in countries including Peru, Kenya, and India or invest in wind energy in Turkey and the United States. All the projects are Gold Standard or Verified Carbon Standard certified (ibid.).

## **Literature Review**

### **1. Food Provenience**

Industrially produced food is fruits and vegetables grown on industrial farms have priority for time of growth, but not for quality of the product. Animals raised in an industrial system, are kept in barns, cages and lots, and fed a grain-based “feed.” These confined systems are often inhumane and have disastrous effects on soil, water, and climate and also on the quality of the food. The alternative to industrially produced meat for example, is pasture-raised meat.



Pasture-raised animals spend their time eating vegetation, unconfined and able to express their natural behaviors, what in the end positively impacts both the environmental footprint and the food quality. “Animals tend to be healthier in systems with higher farm animal welfare standards, which can lead to reduced veterinary spending and lower mortality rates. The provision of straw and additional space for finishing pigs can result in improved growth rates. Similarly, when compared with high-yielding dairy cows, lower-yielding but healthier cows are more fertile and longer lived, which can mean better margins for the farmer due to lower heifer replacement costs and higher sale prices for calves and cull cows” (Stevenson, 2011). Adopting climate smart agriculture system, developing resilient varieties of crops, implementing biotic and sustainable agricultural methods (bio inoculants and bio fertilizers) and practicing organic farming will result in reduced emission of carbon dioxide and decrease in levels of soil, water and air pollution.

Organic products (produced without using pesticides, antibiotics, and genetic modifications) are not only healthier and more sustainable but can also attract environmentally conscious customers. When seeing organic dishes on the menu, they will get more attracted to the restaurant and its ideology, visit it more often and attract new customers.

Organic food aims at adopting climate smart agriculture system, implementing biotic and sustainable agricultural methods and practicing organic farming will result in reduced emission of carbon dioxide and decrease in levels of soil, water and air pollution. Organic products need to become a must for Hospitality Companies.

## **2. Local Products**

Using local products in the Food and Beverage department is a must in the twenty first century. Local food is viewed positively by customers, they associate local with fresh, healthful and high quality because the place of production, being local increases food freshness and taste. Also, many travelers love to try local products in order to explore the countries culture and try new dishes. “Hyper-local” is ranked as the No.1 restaurant trend in the National Restaurant Association’s “What’s Hot” annual survey of American Culinary Federation chefs for 2018. “Locally produced spirits/wine/beer” ranked as No. 7; “Locally sourced meat and seafood” ranked as No. 11 (United Nations Environment Program Food Waste Index, 2021). . Because of this strong consumer’s interest in local food, today is the day when it should become the priority of the restaurant.

Apart from the positive environmental impact of local produce, it is also economically more efficient. Buying produce grown in the country where the hotel is located is more cost-effective for the restaurant. The social benefit from local produce is the increase of the active role of farmers, final consumers, and social movements in the agriculture system. The union between farmers and the restaurant makes it possible to activate direct social relationships between farmers and consumers, building new relations of trust, solidarity, and participation. Latvian markets are part of the culture of the country. Straupe Farmers' Market for example is located in Straupe, a rural village in central Latvia, about 60 kilometers from the capital, it is an open-air farmers' market, organized twice per month. The market was created by a group of local activists that decided to provide an alternative space for both local producers and consumers. The activists involved farmers and the local municipality, with the main aim of better valuing local producers and local food. The table below shows the multiple benefits of local food; both for local consumers and foreigners (see Table 1).

**Table 1.** *Sustainability of Local Products (Source: made by the author on the basis of data from United Nations' Report Short Food Supply Chains for Promoting Local Food on Local Markets, 2021)*

Product consumers'	Benefits of consumption	Other benefits
Local consumers	<ul style="list-style-type: none"> <li>- Rural development</li> <li>- Routine shopping behavior</li> <li>- Freshness and nutrition</li> <li>- Hedonistic consumption</li> </ul>	<ul style="list-style-type: none"> <li>- Keeping traditions and culture</li> <li>- Community development and solidarity</li> <li>- Environment</li> </ul>
External consumers	<ul style="list-style-type: none"> <li>- Exploring new tastes</li> <li>- Freshness and nutrition</li> </ul>	<ul style="list-style-type: none"> <li>- Local culture and habits</li> <li>- Knowledge and curiosity</li> <li>- Souvenirs</li> </ul>

### 3. Waste Management: Food Waste and Waste Recycling

Food waste should be managed; the attitudes and behaviors around food waste in restaurants play major roles in the amounts of food discarded in restaurants. The access to information about how to prevent and manage food waste for the manager is likely the optimal strategy in reducing waste. "The most common causes of wasted food in the restaurant service sector include: incorrect storage, excessive portions and leftovers on plates, difficulty in forecasting number of clients, forgotten and spoiled food" (Ofei et al., 2011).

The food waste can be anticipated by using a number of preventive methods before the damage has been done.

“Implementing a detailed system, such as a weight-based system, to quantify the amounts of food waste has been shown to be highly effective in reducing food waste especially for catering businesses” (Shakman A.R., 2008).

If the preventive methods didn’t help the restaurant to avoid food waste, then there are several options regarding what to do with the wastes that should be observed.

“Prepared food that has not been served to customers can be considered for donation. However, the transportation and storage infrastructure requirements are high for the successful donation of prepared food, and restaurants tend to have less storage space available than retail grocery stores or manufacturing facilities” (FWRA, 2016).

In order to reduce food waste, it is essential to collaborate with organizations to donate excess food. Redistributing surplus food in addition to giving customers portion size options would reduce waste, as would rewards or promoting sustainable behavior in restaurants. Food waste can not only be resolved but also can benefit the restaurant by collaborating with local farmers who will further provide the restaurant with fresh food. In that system, a perfect cycle of cooperation will be created, and it will create a sustainable environment.

Most of the waste produced by restaurants can be sorted, reused, recycled and recoverable in nature, therefore it is essential to manage the waste of a hotel industry for protecting and conserving natural resources and the environment. The table below demonstrates ways in which waste can be sorted and repurposed (see Table 2).

**Table 2.** *Alternative practices for improving waste management in a hotel (Source: made by the author, 2021)*

Alternative Practices	Description	Examples
Reduction of waste at the source point	The efficient use of resources and reduction of the volume of waste material must be handled by employees and hauled away from the property. Responsibility for reducing waste generation lies with the management team, that decides what is brought into the property and, thereby, determines what eventually leaves the property as waste.	Buying biodegradable packaging for products is a great option to prevent the creation of damaging waste.
	Items in restaurants, whenever is possible should be reused in their original form or checked to see if this item may be reused for	

Reuse	different purpose before discarding the same. If waste cannot be reusable on site, then it should be considered for use in another place.	Stained towels for example, instead of being thrown away can be repurposed for cleaning.
Recycling	Third important task is recycling of the product which consists of handling and transforming the waste into novel and marketable products. A commonly used practice is dividing the trash into categories such as plastic, glass, carton etc.	What can also be done is the installation of a closed loop composting machine which will create compost out of organic waste, and later this compost can be sold to the farmer that supplies products for the restaurant.

### Methodology

The following research methods have been used:

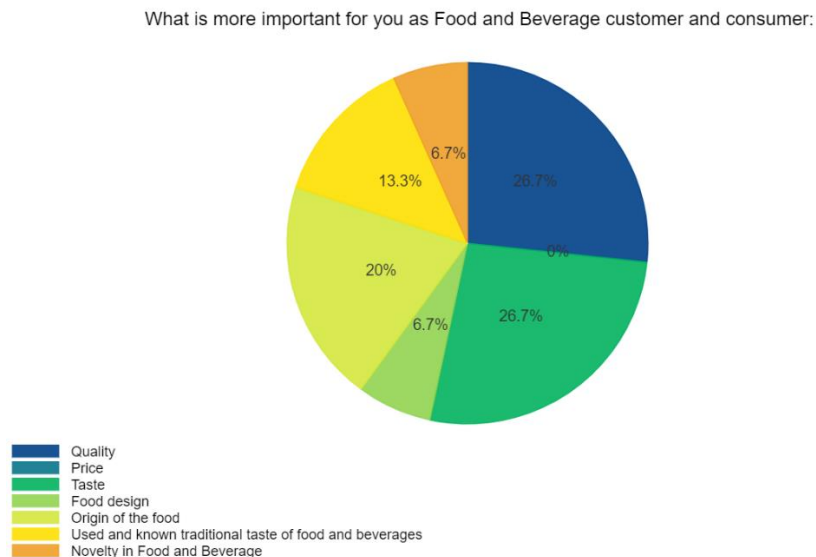
- Primary research: online survey
- Secondary research: literature review
- Qualitative data collection and analysis open format responses to the survey questions
- Quantitative data collection and analysis is calculated percentage of responses to the survey questions

### Results

Based on a comparative analysis of international scientific research, a number of factors are identified regarding effective and non-effective sustainability practices. The identified factors formed the basis of questionnaire, with the help of which a survey of 15 potential restaurant customers was conducted. The purpose of this survey was to analyze what factors influence the restaurant customers; which practices will attract them and what on the basis of the survey analysis can be recommended to the company. The questionnaire containing ten questions was posted on the website <http://en.visidati.lv> from 31.03.2021 to 02.04.2021.

In the group of participants there is almost an equal amount of men and women (7 men and 8 women out of 15 respondents). The average age is 40.4 years old.

On the question “What is more important for you as Food and Beverage customer and consumer?” 26.7% answered that the most important is taste, and other 26.7% quality. On the third place of importance there is the origin of the food with 20% of positive answers. Nobody answered that the price is important (see Fig.1).

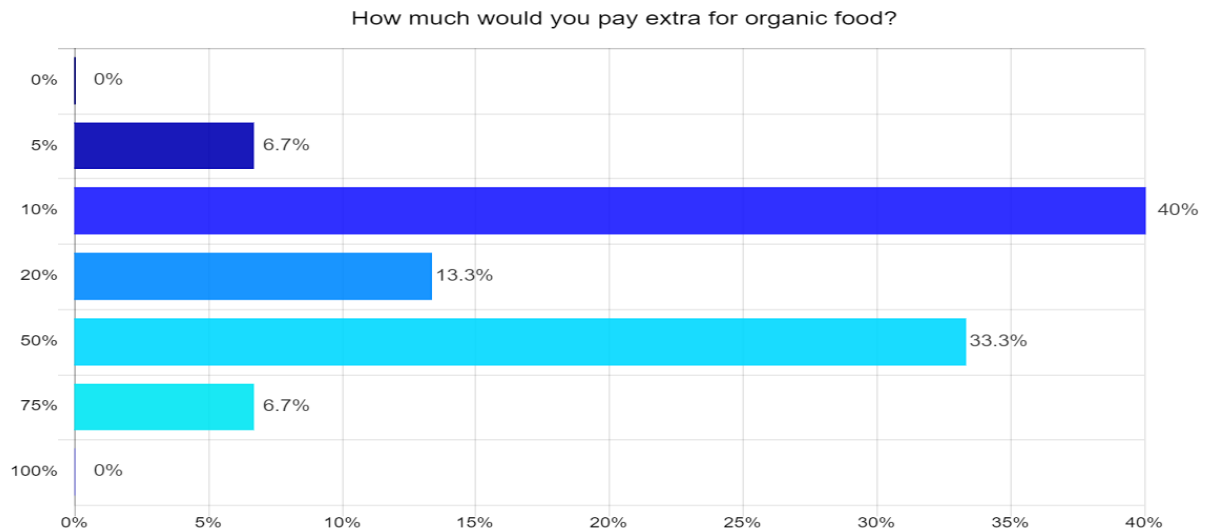


**Figure 1.** *Potential customers' priorities (Source: visidati.lv)*

26% of the potential customers want to consume quality products and these products are:

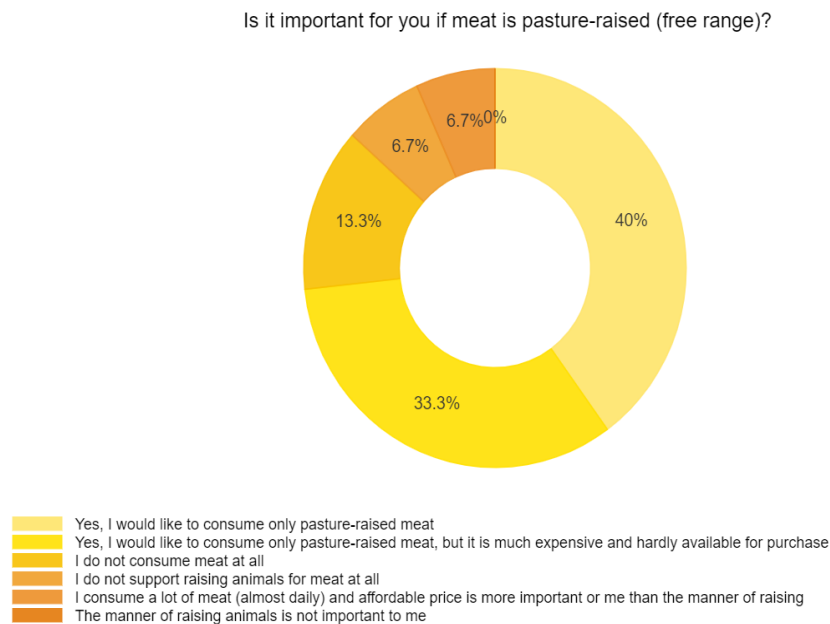
- Organic fruits and vegetables
- Free-range meat
- Local products

Consumers are going towards more sustainable, organic and zero-waste products, but only 6% answered that the origin of the food is important for them, so local food needs more popularity. Because of the smaller demand and the more elaborate production, organic food is usually a little bit more expensive than conventional products. All of the participants agreed that they will pay extra money to consume organic food. As we can observe on the figure down below, the majority agreed to pay extra 10% for organic food. Another 33% agreed to pay extra 50% and 6% of the participants even agreed to pay extra 70% (see Fig.2).



**Figure 2.** *Organic Food (Source: visidati.lv)*

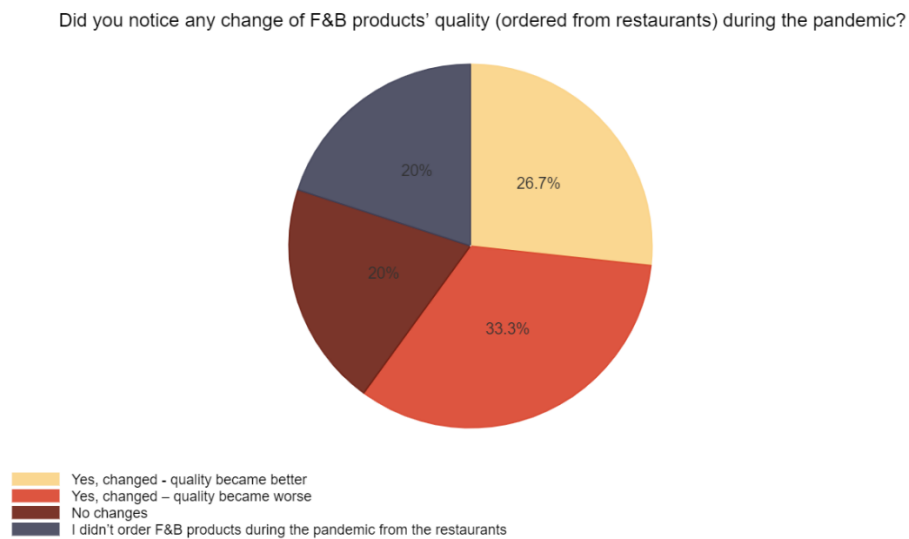
For 73% of the customers it is important that the meat is free range, unfortunately 33% of them find it hardly available. Hospitality companies need to implement more pasture raised meat into their menus (see Fig.3).



**Figure 3.** *Pasture raised meat (Source: visidati.lv)*

The majority of the potential customers agreed that the quality of the products during the pandemic has become worst. This can be caused by the economic problems faced by business

because of the lower amount of customers especially in the hospitality industry sector where tourism has suffered a serious decline in 2020 (see Fig.4).



**Figure 4.** *The pandemic influence (Source: visidati.lv)*

Seven potential customers agreed that it is highly important that the food comes from local origin. Among 15 respondents the average answer is 6.8 (in scale from 1 to 10) (see Fig.5)



**Figure 5.** *Local products (Source: visidati.lv)*

After analyzing the survey it is possible to conclude that the origin of the products is more important to the customers than the price, as well as serving local food can be a great attribute for the restaurant. All potential customers agreed on paying more for organic products and on the fact that they want to consume only pasture-raised meat. It can also be observed that the majority of the potential customers wish to consume local products. Lastly, concerning the pandemic, the answers are almost equally divided between the respondents, so there is still room for improvement concerning the food quality.

### **Recommendations for Food and Beverage Department of Radisson Hotel Group**

The employees should be trained to understand customers' attitudes and behavioral intentions toward green food in hotel industry, as well as to make green practices visible to consumers. In particular, they should effectively communicate the hotel's comprehensive green food philosophy in order to ensure that guests are well-informed.

In that context, redesigning hotel menus by presenting information on the nutritional qualities of food together with the indication of the food provenance could be a nice way of marketing health and personal well-being consciousness and to foster the progress of hospitality practitioners towards the goal of environmental sustainability. As well as implementing water and energy efficient equipment in the restaurant and using eco-friendly cleaning products.

The table below shows several ideas and examples of improvements that can be made in order to create a sustainable environment for the Radisson Hotel Group customers (see Table 3).

**Table 3.** *Sustainability improvement measures for Food and Beverage Department of Radisson Hotel Group (Source: made by the author, 2021)*

<b>Sustainable ideas</b>	<b>Products recommendation</b>	<b>Cost (for a 100 tables restaurant)</b>
Menus containing organic and local food	- New menus	1,000\$
Water-efficient equipment	- Use flow restrictors on faucets - Use low-flow toilets - Use water-less urinals.	14,000\$
Energy -efficient equipment	- Use long lasting CFL light bulbs or LED - Use motion detectors for lights in the restroom, - Use of a system which monitors and controls comfortable temperatures	



	efficiently with the HVAC (Heating, Ventilating and Air Conditioning) system	6,000\$
Eco-friendly cleaning supplies	<ul style="list-style-type: none"> <li>- Use non-toxic cleaning supplies</li> <li>- Use of environmentally friendly cleaners for dishes, and linen</li> <li>- Use of environmentally friendly cleaners for tables and floors</li> </ul>	1,000\$

### Conclusions

In order to get closer to creating a waste-free, environmentally friendly and conscious Food and Beverage outlet a literature review showing a multitude of sustainable practices has been done. As well as an online survey has been conducted in order to understand the needs and desires of the potential customers of the Radisson Hotel Group. This survey has helped in understanding that the food origin and it being local is very important to future customers. They are aware that consuming local fresh food can help keeping traditions and culture, develop community and solidarity and help the environment to recover after the damage that has already been done.

In summary one can say that sustainability is based on respect; respect towards the living beings on this planet, such as plants, insects and animals; respect towards other human beings such as farmers and agriculturists that provide us with fresh food and respect towards ourselves; because when making sustainable choices we choose to love and respect everyone.

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# **SUSTAINABLE WASTE MANAGEMENT AND RECYCLING IN THE HOSPITALITY INDUSTRY**

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**Abstract.** Effective maintenance systems and methods for waste disposal and recycling in the hospitality industries is challenge for all organizations to compete. These services are demanded from consumers, government agencies, as well as from hospitality organizations. It is essential to have a good working waste management system to improve the effect on environment. Some regions are better but some of them are still learning and understanding the impact on the environment by industries actions and any hospitality organization need good recycling options for different materials, good energy saving plan, good storage and collection points basically sustainable maintenance system. There are many organizations that are taking the lead and indicate direction; one of them is Scandic Hotels in Nordic region. However, satisfaction and methods the organizations are using can lead to conflict and industry has to avoid this to escape from this. The aim of this study is to discover new and more effective sustainable maintenance methods to improve existing practical systems. Maintenance methods and effective waste management and recycling systems can be improved in all hospitality organizations especially in many of Asian regions where government could do a little more to eliminate inequalities, more detailed data processing that would benefit for sustainable environment management.

*Keywords:* sustainable maintenance, environmental damage, recycling, waste disposal

## **Introduction**

To make, discover and understand effective and sustainable maintenance management system for hospitality industries one must understand the matter of the case. Accommodations and other commercial and non-commercial hospitality processes generate a lot of waste and harm environment, bringing expenses and income loss for the organization. Well-made maintenance system for waste disposal and recycling in the hospitality industries can reduce the organization impact to environment and payouts. The research question – Can maintenance systems and methods be improved to reduce expenses and environmental damage for waste disposal and recycling in the hospitality industry? Hypothesis – Scandic Hotels is one of the leading companies in hospitality industry with sustainable waste management and recycling systems in the world.

## **Literature Review**

This section provides information and background for effective ways of waste management in the hotel industry and its importance. Insight is made into effective ways of waste management in the hotel industry like importance of waste management in hotels. Reuse of materials and

smart decisions to decrease expenses by saving energy are shown below (see Table 1) (Lawson, 2019).

**Table 1.** *Practices and benefits for hospitality industry for more effective management by selling, reusing and recycling old materials and resources (Source: Lawson, 2019 & WRAP, 2020)*

Practices	Benefits
Selling or buying old materials and furniture to other organizations or individuals	<ul style="list-style-type: none"> <li>- Can be high quality furniture for lower prices</li> <li>- Saves resources and reduce waste</li> <li>- Reduces expenses</li> </ul>
Using more washable products and textiles for hospitality industry instead of disposable ones.	<ul style="list-style-type: none"> <li>- Less waste to dispose</li> <li>- Reduces expenses</li> <li>- Reduces pollution by making new</li> </ul>
Using LED lights	<ul style="list-style-type: none"> <li>- Longer life cycle</li> <li>- Saves energy</li> <li>- High brightness and efficiency</li> <li>- Safety</li> <li>- Environment friendly</li> </ul>
Cutting out paper and paper products	<ul style="list-style-type: none"> <li>- Reduces expenses</li> <li>- More friendly for environment</li> <li>- Saving space in storage</li> </ul>
Using water filters and local water instead of plastic bottles	<ul style="list-style-type: none"> <li>- Reduces expenses</li> <li>- More environmental friendly</li> </ul>
	-

Many organizations have already adapted these practices being responsible and saving energy and environment, but in some regions improvements are still needed. There are recycling options for different materials (organic, paper, plastic, glass, wood, metal, hazardous and mixed waste). Effective waste sorting and recycling options and benefits for hospitality industry are demonstrated below (see Table 2).

**Table 2.** *Effective waste sorting and recycling options and benefits for hospitality industry*  
(European commission, 2019).

Material	Recycling option	Benefits
Organic waste	Organic waste dehydrator, composting	<ul style="list-style-type: none"> <li>- Saves space</li> <li>- Reduces GHG emissions waste</li> <li>- Water pollution, landfill</li> <li>- Reduces waste costs</li> </ul>
Used cooking oil	Send for conversion to biodiesel	<ul style="list-style-type: none"> <li>- Reduces water pollution and landfill</li> <li>- Resource depletion</li> </ul>
Cork	Recycling in new materials and reuse in interior and design	<ul style="list-style-type: none"> <li>- Reduces resource depletion</li> </ul>
Aluminium foil and cans	Send for recycling and aluminium reuse	<ul style="list-style-type: none"> <li>- Reduces resource depletion</li> <li>- Reduces landfill</li> <li>- Reduces 75-90 % energy and air pollution</li> </ul>
Glass	Send for reuse and recycling in new glass products, used in interior.	<ul style="list-style-type: none"> <li>- Reduces resource depletion.</li> <li>- Energy</li> <li>- Landfill</li> </ul>
Paper and Plastics	Send for recycling into new products	<ul style="list-style-type: none"> <li>- Reduces resource consumption, landfill and energy</li> </ul>
Chemicals, Batteries and electronics	Return to supplier or send specialist contractor	<ul style="list-style-type: none"> <li>- Reduces soil, water and air pollution</li> </ul>

Table 2 clearly shows that by sorting waste by materials and using different recycling options organizations can save energy which decreases some extra expenses and also is good for environment. At the same time right and effective waste disposal and maintenance can save

some space in storage room. Waste made by organization and consumer should be sorted in a certain way. It is necessary to collect data from departments and have a good control over it. At this situation modern technologies can be very useful to collect and analyze data. This data analysis can make better plan to reduce unnecessary waste in the future. Opportunities for recycling and reprocessing are focused on three priority areas like – Food and Drink, Textiles and Electronics. There are a lot of financial benefits, for example:

- By separating organic waste, employees can see how much each of the food type is being wasted and improve more rational use.
- Dehydrating possible food waste reduces need for waste disposal transport and size of the storage room.
- Using local water instead of purchased bottled water organization is saving storage and expenses.
- In special cases it is possible to receive compensation for recycled materials.

Business reputation benefits are as follows:

- Organic waste management and recycling makes organization more responsible in consumer eyes.
- Different environment related awards are possible.
- Saving energy and environment builds up good reputation as responsible organization.
- Being responsible is good for public health (WRAP, 2020).

From economical side organizations can save a fortune using smart and effective maintenance methods and smart waste disposal and recycling. For example, one hotel with 14 rooms by recycling 98% of waste is saving 1000 EUR per year (Styles, Schönberger, & Galvez Martos, 2017). The percentage is very impressive and whole hospitality industry could save a lot of money if they would follow this example. However, one third part of produced food is lost or wasted, in which case the following question is relevant: why not to reduce it?

### **The Scandic Solsiden Hotel Overview**

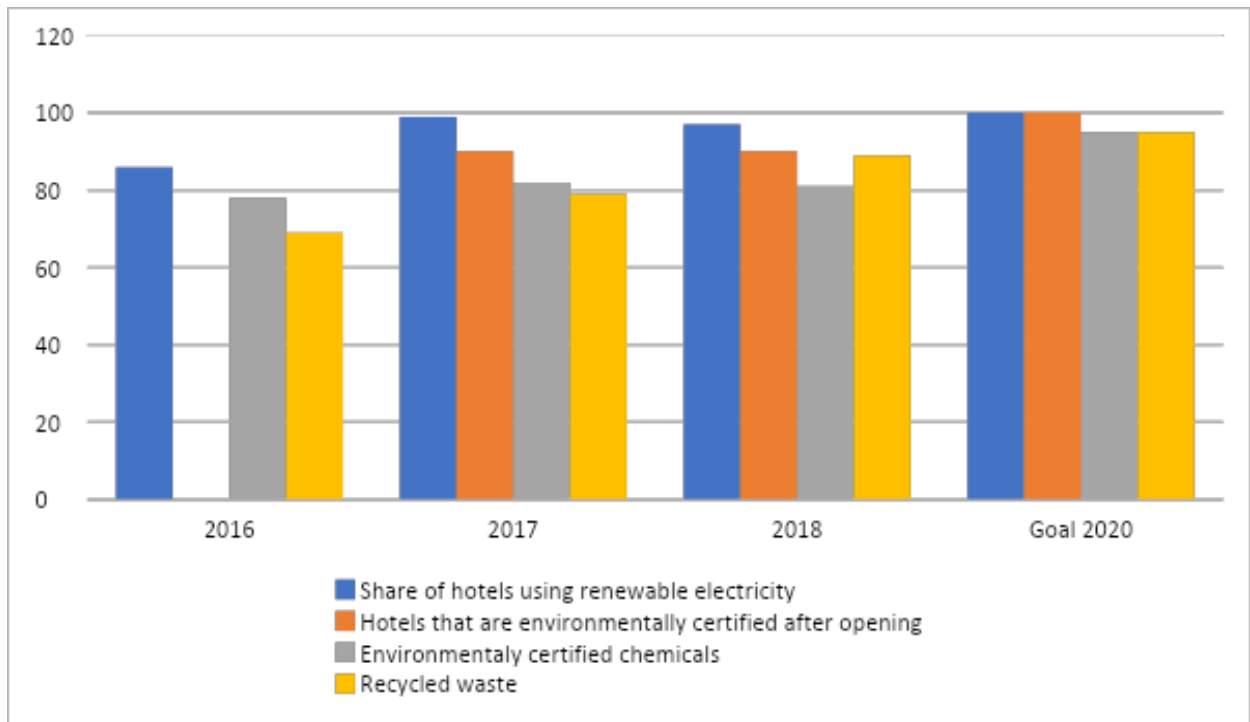
Scandic Solsiden hotel, with standard, superior extra, standard single and superior 155 rooms, is located in one of the most popular and crowded places in Trondheim nearby city center with wide range shopping and restaurant possibilities and outdoor and indoor parking. The hotel has

a nice lobby bar and in the summer roof terrace is open for guests for use. With 24 hour security guests can feel safe and relaxed. Hotel serves breakfast, always included, with huge variation of food where guests can find something that suits for everyone and a shop with 24 h opening time at the reception can be useful with daily made sandwiches, wraps and drinks, some small souvenirs and hygiene products that can be found there. 13 flexible meeting rooms with capacity of 110 guests in the biggest one Scandic Solsiden are perfect for small and medium sized events and meetings. Free Wi-Fi gives the guests' access to the Internet throughout the stay. With 15 rooms for the guests with special needs, two different main door entrances and specially arranged lobby and meeting rooms, restaurant and bar hotel is adapted for disabled guests. Scandic hotels offer online check out, where all the bills can be paid online with a smart phone, tablet or data and key left at reception table avoiding the queue.

The hotel has good waste management and recycling practices, data is being collected and analyzed together with employees. Waste is being collected and recycled on all possible departments and the hotel weights food waste after every breakfast service buffet. Waste disposal storage is divided and well maintained. Household waste and paper is disposed in special containers with waste press which saves space in storage room and reduces transport expenses, and other waste materials like glass, food waste, plastic, electronics, battery, metal and wood are placed in other containers (Scandic Hotels, 2020).

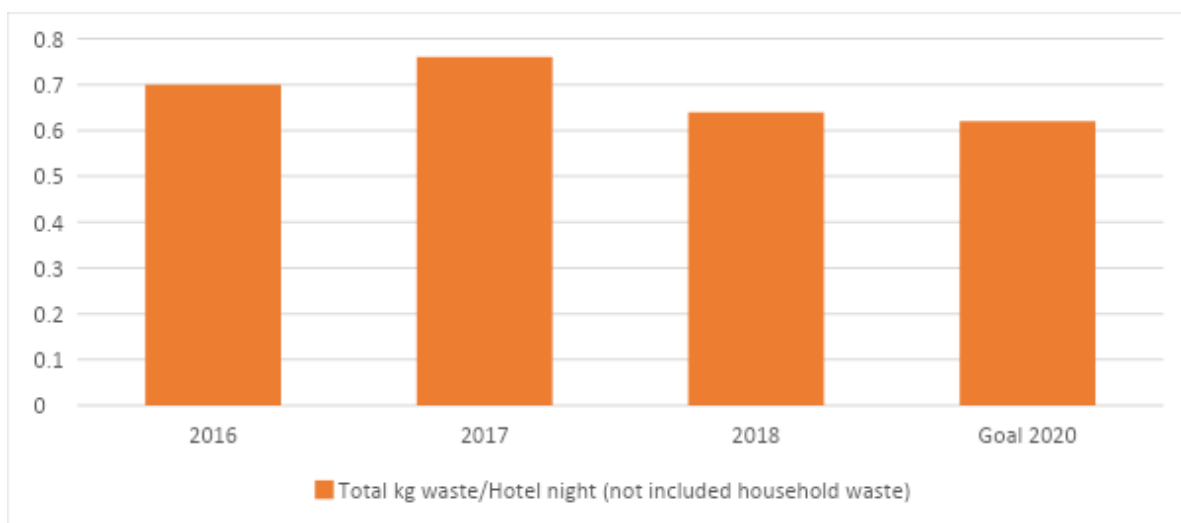
### **Sustainable Practice Examples**

Scandic Hotels has great environmental intentions, activities, goals, ambitions and strategy in environmental sustainability planned to accomplish, as they are trying to become a leader in sustainability with biggest hotel chain in Nordics and they have a great power to drive transformation and the development of sustainability in the hospitality industry, as well as inspire others to follow and improve their ways of sustainability. Reports of environmental data, use of local water, effective recycling system, limited plastic packing, environmental merchandising and many other actions have been done by Scandics (see Fig.1).



**Figure 1.** Data from Scandic Hotels in % (Source: Scandic Hotels Group, 2020)

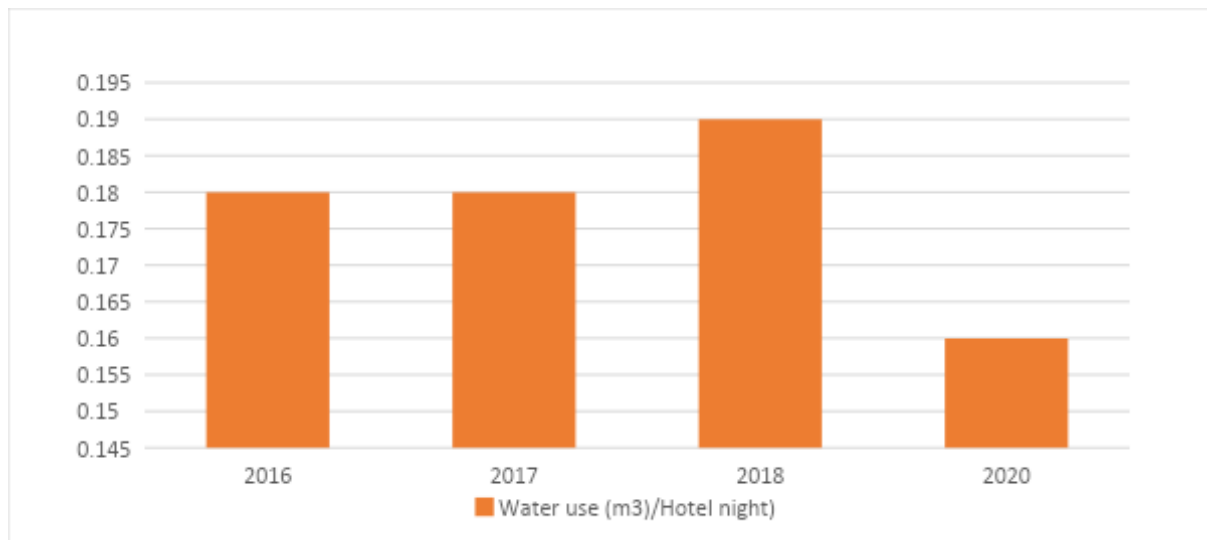
Some of the practices are taken from Scandic and maintained in rest of the world and changes are being improved. For instance, in 2008 Scandic has started to serve local water in refillable bottles and since then many other activities has been improved. Food waste has been recycled and data has been collected for the purpose to analyze and reduce food waste at the same time consumers have been educated and informed to be more responsible by using food buffets (see Fig.2) (Scandic Hotels Group, 2020).



**Figure 2.** Total kg waste/hotel night but not included household waste (Source: Scandic Hotels Group, 2020)



Sustainable hotel operations also include the impact of idea to ask guests to hang up their towels if they wanted to use it again – a practice that is now a mainstream in hotels all over the world (see Fig.3).



**Figure 3.** *Water use (m<sup>3</sup>) hotel night (Source: Scandic Hotels Group, 2020)*

Scandic Hotels is certified by environmental organizations like Nordic Swan Ecolabel, Green Globe and EU Ecolabel and vision of this organization is a world-class hotel experience, where Scandic is the most sustainable place to Meet, Eat and Sleep away from home and with ambitious plan to lead sustainability action, focusing on three core parts Eat, Sleep, Meet. At the same time setting big goals and advantages, organization wants to become a hotel company with lowest CO<sub>2</sub> emissions and reduce total waste and increase the share of recycled waste. Many actions have been done to be more effective and many of them are still being improved (ibid.).

Scandic is not the only hotel organization that is willing to improve and lead in sustainability, like for example Hilton is a striking example of how companies can use ISO standards to manage their operations in an effective and sustainable way. Hilton wants to fulfil its mission to be the world's most sustainable hospitality company as well as Scandic and other hospitality organizations. Energy is typically a hotel's second-highest operating cost after labour and Hilton has a long history of carefully managing energy consumption across its global portfolio (ISO, 2018).

Since Asia's tourism industry continues to grow and develop solid waste management and recycling is becoming a top environmental issue. Asia's biggest hospitality organizations are setting goals for sustainable environmental management, while many of smaller organizations

have not done that much. Completely different story is in US region and western countries. In U.S. also hospitality industry is getting bigger but it is easier to collect usable and more believable data to analyze. To illustrate, EPA (Environmental Protection Agency) is working in U.S. and all around the world to protect human health and environment. EPA works to ensure that:

- Americans have clean air, land and water
- National efforts to reduce environmental risks are based on the best available scientific information
- Federal laws protecting human health and the environment are enforced fairly, effectively and as Congress intended
- Environmental stewardship is integral to U.S. policies concerning natural resources, human health, economic growth, energy, transportation, agriculture, industry and international trade, and these factors are similarly considered in establishing environmental policy
- All parts of society-communities, individuals, business and state, local and tribal governments- have access to accurate information sufficient to effectively participate in managing human health and environmental risks
- Contaminated lands and toxic sites are cleaned up by potentially responsible parties and revitalized
- Chemical in the marketplace are reviewed for safety (EPA, 2019).

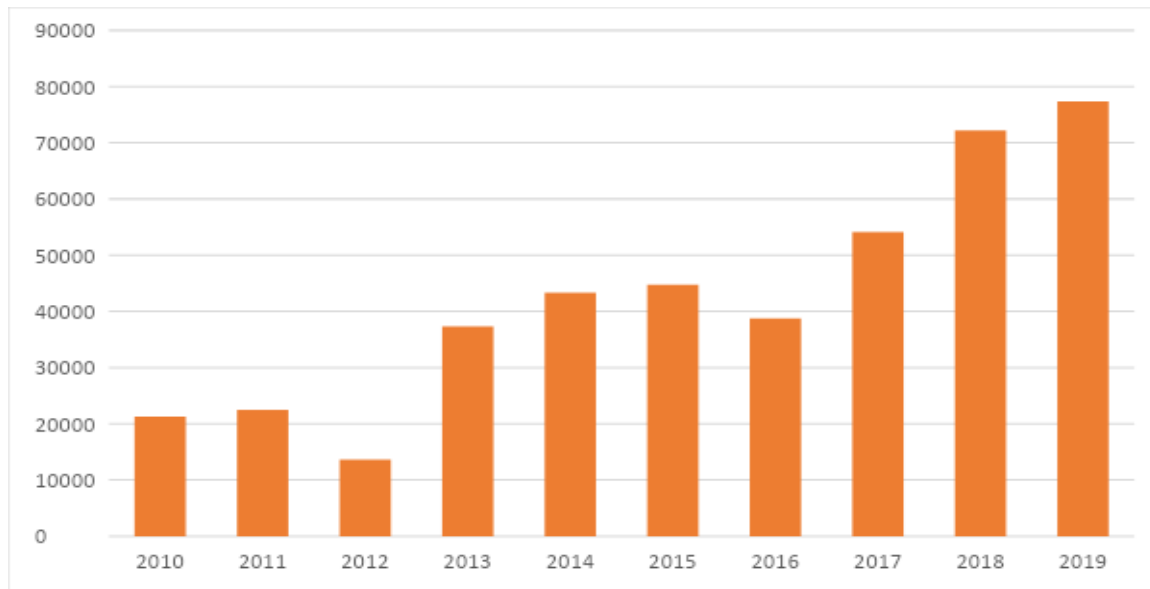
The EU Eco-Management and Audit Scheme (EMAS) is a premium management instrument developed by the European Commission for companies and other organizations to evaluate, report and improve their environmental performance. Since the revision of the annexes of the EMAS Regulation, it is easier for an organization already complying to an environmental management system such as ISO 14001 to step up to EMAS.

EMAS stands for:

- Performance: Helps and supports the organizations to find the right tools to improve environmental performance.
- Creditability: Guarantees the external and independent nature of registration process

- Transparency: Providing with information in public on organization performance and they achieve greater transparency. Externally through the environmental statement and internally through the employees' active involvement.

With EMAS organization can reduce its environmental impacts, strengthen legal compliance and employee involvement, and save resources and money (European Commission, 2019).



**Figure 4.** *Evolution of the number of EU Ecolabel Products (European Commission, 2020)*

EU Ecolabel is recognized label of environmental excellence across the Europe and worldwide, developed in 1992 to award products and services meeting high environmental standards throughout their lifecycle. The EU Ecolabel is a voluntary scheme, which means that producers, importers and retailers can choose to apply for the label for their products (European Commission, 2020). The figure above demonstrates evolution of the number of EU Ecolabel products (see Fig.4).

## Conclusions

Contemporary opportunities and the desire of organizations and consumers to change and improve new maintenance systems and methods for waste disposal and recycling in the hospitality industry is running in right direction, with new age technologies and modern thinking, when most needed, organizations are finding the right way for sustainable waste management. Performance of this research brings more knowledge and target with answers was met.

Different geographical and economical areas have different views and while big players in hospitality industry are coming with developed systems and ideas with no matter which areas they are entering, for the most part it is to polish the organization's image and financial benefits, while some areas are strictly driven by governmental and environmental organization influence. Analysis is showing that some regions are good and some regions still have a lot to do to improve the situation and damaging effect to environment, while the industry is growing with super speed and great growth opportunities globally, economically in fast growing countries in Asia government should be more involved to eliminate the difference between organizations and their standards to improve sustainable waste disposal. This research shows that all hospitality organizations have to improve themselves and even though many organizations are already doing this, still there is a room for improvement. While Europe and the USA work hard and many of hospitality industries are step forward to others and they compete between each other, Scandinavian region is doing well. It might be that Scandinavian government invested a lot of power into this effort many years ago, while other countries have been woken up a little later and doing it now for couple of years later. Scandic hotels can be one of the leading groups in hospitality, having clear goals for the next few years and they are showing strong understanding of how maintenance systems must be done, but the educational lessons for employees and more detailed data collection is recommended.

### **Research Limitations and Suggestions for Future Research**

It would be advisable to have more accurate, precise and bigger amount of data for this reaserch. Especially from Asian regions, where information was more difficult to collect and analyse, to complete this research with even more comprehensive results.

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# **SUSTAINABILITY DURING COVID-19 PANDEMIC: CASE STUDY OF MCDONALD'S RESPONSE TO THE CRISIS**

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**Abstract.** This article presents the results of research which was focused on the sustainable business and how to maintain the sustainability during the corona virus crisis. The main aim of this research paper is to investigate the impact of the global Covid-19 pandemic on business and sustainability on the example of one of the most financially successful catering company in the country. The topic sustainability has been reviewed, as well as its pillars, responses to the crisis in different countries and statistical data connected with impact of the pandemics in food and beverage industry and business, in general. To improve the quality of this paperwork, an interview was conducted, as well as a survey among 15 respondents who have work experience in food and beverage sector. The results have shown that thanks to the pause in the work of competitors, as well as the efficient work of the office, their marketing and advertising department, and timely measures to combat the crisis, the company continues to maintain the sustainability.

*Keywords:* sustainability, impact of the pandemic, catering sector

## **Introduction**

In early 2020, a novel and infectious disease known as Covid-19 struck Wuhan, one of the most populous cities in China. Since its start from Wuhan, Covid-19 has caused havoc around the world. The local outbreak quickly developed into an emerging public health crisis and eventually, on March 11, the World Health Organization declared Covid-19 as a pandemic (World Health Organization, 2020).

There is no doubt that the Covid-19 global pandemic has made a lot of difficulties for all spheres, especially offline businesses. Due to the lockdown in most European countries, many companies have faced problems connected with demand and customer activity. The corona virus is having a negative impact on the global economy. Both entire industries and individual companies are affected. Some world-famous companies went bankrupt.

## **Methodology**

To achieve the main goal the author of this research paper used primary and secondary research methods. The primary quantitative and qualitative research method was based on the survey and interview. Survey was made for the employees of the selected company. The survey consisted of 16 questions and 15 respondents were selected from McDonald's employees who have experience working in a pandemic. They had the opportunity to choose one of the

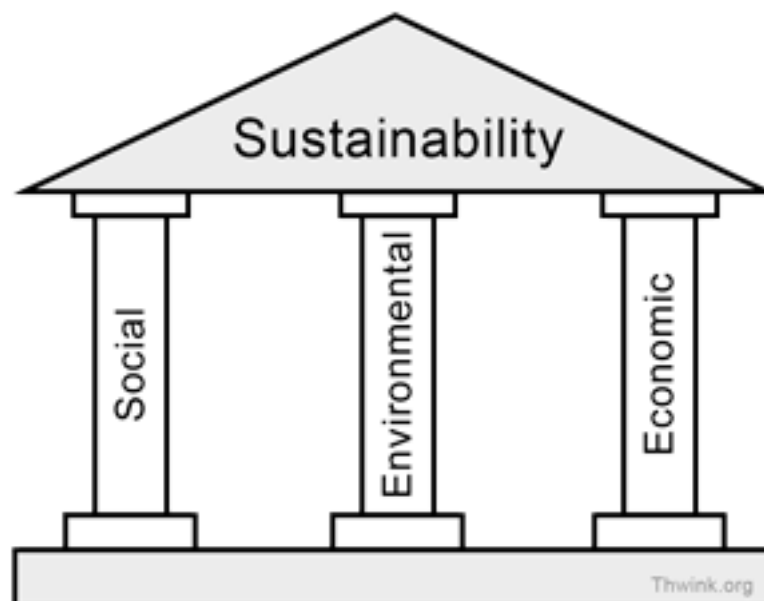
proposed answers or write their own more detailed reply. This information was collected online with the help of Google surveys. For qualitative research method the interview was used with Victor Glazkovs, who is one of the Store Manager of the selected company. It was a structured interview with 16 open-ended questions.

Secondary research method is literature review. The analysis of such types of literature as books, brochures, reports, scientific and research articles was done.

The author of this research paper investigates sustainability, crisis management methods how to maintain it during the pandemic times and what steps the company takes in order not to lose profit.

### **Literature Review**

Sustainability focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs. The concept of sustainability is composed of three pillars: economic, environmental, and social—also known informally as profits, planet, and people (see Fig 1.) (Grant, 2020).



**Figure 1.** 3 Pillars of sustainability (Source: Grant, 2020)

The environmental pillar often gets the most attention. Companies are focusing on reducing their carbon footprints, packaging waste, water usage and their overall effect on the environment. Companies have found that have a beneficial impact on the planet can also have a positive financial impact. Lessening the amount of material used in packaging usually reduces the overall spending on those materials (Beattie, 2019).

The economic pillar of sustainability is where most businesses feel they are on firm ground. To be sustainable, a business must be profitable, but profit at any cost is not at all what the economic pillar is about. Activities that fit under the economic pillar include compliance, proper governance and risk management (Beattie, 2019).

Social sustainability is “a process for creating sustainable successful places that promote wellbeing, by understanding what people need from the places they live and work”. Socially sustainable communities are equitable, diverse, connected and democratic and provide a good quality of life (Western Australia Council of Social Services, 2021).

Sustainability has always been linked to a core concept of human need so it is a fundamental contradiction to believe it can be achieved without improved social equity and social progress (Adebowale, 2002). In this way there are 3 key concepts of successful social sustainability:

- Justice – fairness, equity and human rights issues in the areas of impact assessment, needs studies and evaluation;
- Dialogue – participatory and deliberative methods of research to inform decision-making, policy, planning and evaluation;
- Institutions – policy, management, administration and change.

The world was already worried about a human pandemic arising from the avian flu epidemic that was spreading from the Far East. The author thinks that the implications of new Covid-19 pandemic are equally significant for the food industry. Plan, prepare and practice - key concepts, important to go beyond just the plan, and work out the logistics of responding to a crisis down to fine level detail. Strong partnerships are critical to achieve good outcomes (Foodmag, 2008).

The proliferation of Covid-19 has paralyzed the global economy, caused stock markets around the world to collapse and significant parts of the business community to come to a complete halt. Several countries have closed down activities that are not considered socially beneficial (WHO, 2020) and in the worst-affected areas, people have not been allowed to leave their homes as long as it is not an emergency or a socially important job. Latvia’s strategy in managing the infection is similar to other countries within the European Union, imposing restrictions and protection measures. The government has banned gatherings of more than fifty people, at the same time access within closed spaces, interiors of restaurants, cafes, and dining halls being restricted or forbidden. These restrictions made people more prone to eating at home



and together with the ban imposed onto the industry put restaurants into a severe crisis (Motoc, 2020).

### **Sustainability during Covid-19**

Covid-19 is the most wide-reaching public health crisis our world has faced in a long time. It has significantly impacted practically every aspect of business operations. Covid-19 has made some aspects very clear. First of all, it is the centrality of sustainability for business resilience. Companies that integrated sustainability and transparency strategically into their business operations prior to the Covid-19 crisis have put an even stronger focus on it now during the crisis. More importantly, they were much more agile in responding to unexpected events.

During the second half of the 20th century, however, social sustainability has gained broad popularity later, only after 2000. Instead of only preserving natural capital or establishing economic stability, social sustainability also encourages human happiness, equality, and well-being. Hence, human welfare can be considered as a major difference between classical environmentalism, environmental understanding of sustainability, and social sustainability. Social sustainability is also quite significantly represented in United Nation's Sustainable Development Goals, such as: no poverty, zero hunger, good health and well-being, quality education, gender equality, clean water and sanitation, reduced inequalities, sustainable cities, and communities (Katsadze & Milojevic, 2020).

Nowadays, health, safety and wellbeing became central to the resiliency and sustainability discussion in a way that it has never occurred before. Additionally, the role of partnerships has increased as nobody can deal with a pandemic on their own (International SOS, 2021).

In the context of the global economy, food is a key to consumer confidence, global peace, and personal sustenance. Maintaining the movement of food through the global supply chain is essential for sustaining life. There is an overwhelming global response to the Covid-19 virus with Food and Beverage Sector sustainability being a key challenge, as the Food and Beverages Manufacturing sector provides the essential service of food.

The Covid-19 challenge faced by the Food and Beverages Manufacturing sector includes operations, safety, supply chain, training, emergency responses, awareness, incident management, recreating business models, digitalization, and other unanticipated impacts. (Telukdarie, Munsamy and Mohlala, 2020).

## Response to Covid-19 in Different Countries

To stimulate economic recovery and movement towards business continuity, countries have initiated various measures (see Table 1), from financial stimulus packages to delay in loan repayments to waiver of loan fees to technology support. The measures introduced by a few countries are detailed below.

**Table 1.** *Country specific Covid-19 responses (Source: Telukdarie, Munsamy and Mohlala, 2020).*

China	<ol style="list-style-type: none"><li>1. Alibaba, an e-commerce company, created an e-commerce platform to assist famers in selling their unsold agricultural products.</li><li>2. The Beijing central government set up a USD 20 million subsidy for purchasing of machines and tools for agricultural purposes.</li><li>3. The Agricultural Bank of China is reducing the interest rate by 0.5% for small and medium enterprises, self-employed, and private owners in the Hubei Province.</li></ol>
Italy	<ol style="list-style-type: none"><li>1. Allocated 100 million euros in support of agricultural and fishing businesses, which had to halt operations. A further 100 million Euros is allocated for financing. Permitting advance payments from the European Union subsidies to farmers.</li></ol>
India	<ol style="list-style-type: none"><li>1. Implementing software for warehouse-based trading of harvested food to reduce congestion at wholesale markets.</li></ol>
Poland	<ol style="list-style-type: none"><li>1. Offered subsidized loans to food processing businesses to facilitate continuous operations.</li></ol>

## Challenges Faced by the Food and Beverage Sector during the Pandemic Times

The corona virus disease (Covid-19) pandemic caused major supply chain disruption challenges across the world, particularly for those within the food and beverage industry. Changes in consumer buying patterns made demand planning incredibly difficult and some products experienced unforeseen shortages or surpluses. Companies had to adapt to growing carrier pricing changes and volume restrictions and limitations, while some were forced to quickly develop omnichannel shopping experiences and strategies.

Food and beverage companies had to quickly respond to changes in supply and demand, particularly as manufacturers looked to source more raw materials locally. Local and regional supply chains require more players, increasing complexity and costs, but overall allows for more control over inventory and moves the product closer to the end consumer.

Many food and beverage companies continue to face limitations and shipping costs and have been forced to integrate omnichannel sales experiences. Nowadays businesses start to effectively revisit their sourcing strategies and mitigate risks of supply chain disruption, which can help master the next waves of the pandemic.

The challenges of the pandemic led to changes in strategy and process for food and beverage companies. Luckily for many in the food and beverage space, it also strengthened their positions and allowed them to become more resilient to future disruptions (Deakins, 2020).

### **Statistical Data in the Food and Beverage Sector during Covid-19 Pandemic**

The Covid-19 pandemic led to fluctuations in domestic producer prices, particularly in the food and beverage sector, as many places instituted stay-at-home orders in an effort to limit the spread of the disease. These restrictions reduced demand from restaurants, which were effectively turned into takeout establishments, while demand from grocery stores rose as consumers, unaware of how long they would be quarantined at home, increased purchases of food.

Suppliers had a difficult time meeting this increased consumer-driven demand as some businesses had to shut down or limit production capacity when Covid-19 outbreaks occurred at their plants. In addition, producers were trying to reorient their processing and supply channels from restaurants and institutional customers to supermarkets, which have different product sizes and packaging requirements. This reduction in demand by processors forced farmers to either accept lower prices for their product or destroy perishable products because of the lack of an available market.

Overall, the Producer Price Index (PPI) for final-demand foods decreased only 0.1 percent between March and June 2020, but the minimal cumulative movement masked an underlying monthly volatility within the index (see Table 2). With no change in March 2020, prices for final-demand foods fell 0.5 percent in April 2020, as the index for corn dropped 19.1 percent and prices for dairy products declined 4.4 percent. In May 2020, the index for final-demand foods jumped by a record 6.0 percent, as meat prices surged 40.4 percent. In June 2020, the index for final-demand foods reversed course again, falling 5.2 percent, as prices for meats dropped 27.7 percent and the index for eggs fell 12.7 percent (Bureau of labour statistics, 2020).

**Table 2.** *Price indices for select food categories, monthly percent changes (Source: Bureau of labour statistics, 2020)*

Category	January 2020	February 2020	March 2020	April 2020	May 2020	June 2020	3-month change (March 20–June 20)
Final demand foods	0.2	-1.8	0.0	-0.5	6.0	-5.2	-0.1
Slaughter livestock	0.3	-4.4	-8.1	-3.1	10.3	-10.5	-4.4
Meats	-2.1	-2.4	-1.8	4.2	40.4	-27.7	5.7
Raw milk	-3.8	-1.8	-6.6	-3.8	-22.4	-13.0	-35.1
Dairy products	-0.4	-0.6	-0.4	-4.4	-4.0	6.6	-2.2
Eggs for fresh use (NSA)	-35.2	33.4	26.4	31.8	-44.6	-12.7	-36.2
Corn	4.0	-6.5	-0.2	-19.1	-5.0	6.3	-18.3

## Primary Research Results

### Interview with Store Manager

To better understand anti-crisis strategy of McDonald's company and how company how the company manages to maintain the sustainability during a Covid-19 global pandemic, the author of this research decided to interview with Store Manager one of the McDonald's restaurants in Latvia.

During the interview, questions were asked about business sustainability, how McDonald's is responding to the corona virus crisis and how it is taking action. There were also questions regarding the protection and support of their own workers. Thanks to the interview, it turned out that the McDonald's company began to use face masks earlier, as required by the authorities and follow with all of recommendations connected with protection their employees and guests as well. The company places the greatest emphasis on making money during a pandemic on home delivery and McDrive system. The marketing department organized an advertising campaign aimed at agitating people to visit the premises less and use McDrive, for what special offers were made that work only there.

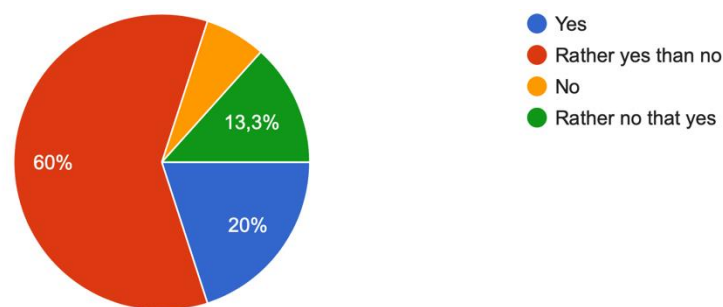
### Survey for Employees

As already mentioned, the author of this research paper used the primary quantitative research method, consisting not only of interview, but also information was collected from the employees of one of the McDonald's restaurants online with the help of Google surveys. The survey was made for the employees of the selected company. It contained 16 questions and there were 15 respondents who had the opportunity to choose one of the proposed answers or write their own more detailed reply. The most significant statistical data obtained as a result of the survey is presented below (see Table 3).

**Table 3.** *Composition of the sample of respondents according to age, gender and their knowledge about sustainability (Source: made by the author, 2021)*

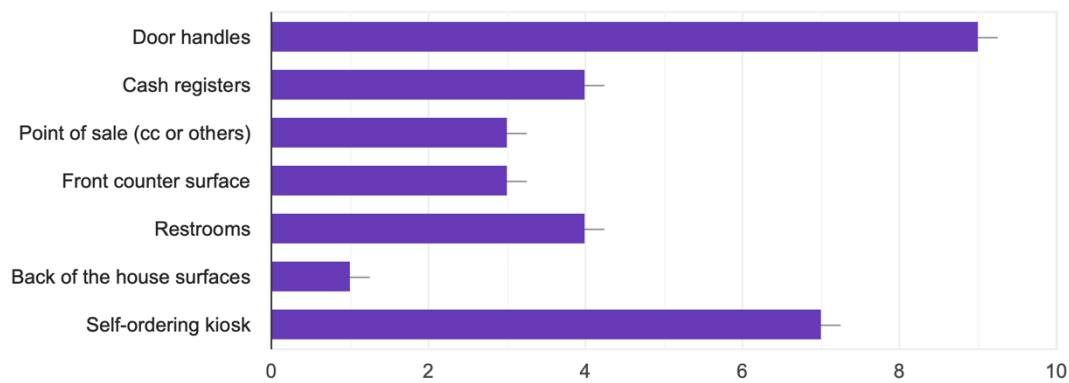
Do you know what sustainability is?	Yes	12 respondents
	No	3 respondents
Gender:		
Male		Female
10		5
Age group:		
18-25	14	
25-35	1	
25-45	0	
45-55	0	
55+	0	

15 respondents took part in the survey, among whom there were 10 males and 5 females. As it is seen from the survey 80% of respondents know the term sustainability. In addition, 13.3% of respondents have less than 1 year, 26.7% have 1-2 years, and 53.3% have 2-5 years of experience at McDonald's.



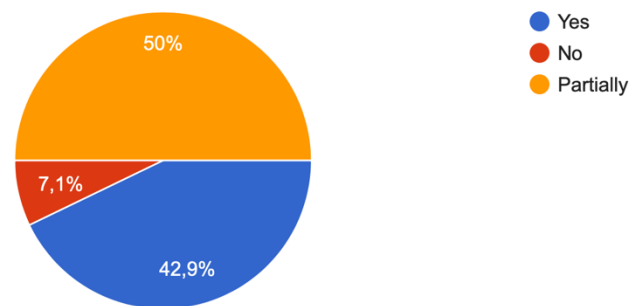
**Figure 2.** *Results for the question: 'Do you think McDonald's is doing everything it can to protect its employees from Covid-19?' (Source: made by the author, 2021)*

As the diagram above shows, the majority of respondents doubt the competence of measures to combat the pandemic, so 60% chose the answer option rather yes than no (see Fig.2).



**Figure 3.** Results for the question: What are the most critical touch points in the restaurant that should be taken special care of? (Source: made by the author, 2021)

The majority of respondents consider the most critical touch points in the restaurant is door handles and self-ordering kiosks, in this question, the opinion of the respondents coincides with the opinion of the Store manager and both suggest paying attention on these places and disinfect it more often (see Fig.3).



**Figure 4.** Results for the question: Are you satisfied with Covid-19 pandemic crisis responses / action that McDonald's undertook? (Source: made by the author, 2021)

Talking about the satisfaction of employees associated with the company's response to the crisis caused by the pandemic, the majority answered 'partially', and 42,9% - 'yes', which means that, in general, workers rate the measures as satisfactory (see Fig.4).

## Conclusions

The author of this paper chose McDonald's for a detailed analysis of the company's business sustainability model. Despite the Covid-19 global pandemic situation, the company remains the most financially efficient and profitable in the country. Thanks to the interview with the Store manager of one of the restaurants, it became clear that the average checking increased due to the clear and timely decisions of the office and its management.

Also, the management made a timely response to the corona virus crisis. The management independently followed the recommendations on how to avoid the disease, for example, additional disinfection, face masks and much more.

McDonald's began to use McDrive as the main source of income for the restaurant. McDonald's encouraged its guests to use McDrive, as well as more contactless shopping, delivery platforms, and bank cards instead of cash. McDrive creates a sense of safety for guests, in which way, as it was mentioned earlier, according to the latest statistics, restaurants equipped with a McDrive system bring about 80% of all monthly profits to the institution.

As a result of this research, the author has learned more about Covid-19 crisis in general, and which anti-crisis measures were used by the McDonald's company, thanks to the qualitative research method (interview) in particular. Quantitative research method (survey) has helped to better understand the state, as well as the attitude of workers to the pandemic, their willingness to go into self-isolation, in case of illness and lockdown in country, and the level of satisfaction with response measures during a pandemic, preservation of jobs and support of employees.

### **Recommendations**

After the detailed analysis of McDonald's sustainability model during the Covid-19 pandemic, the author offers the following suggestions and recommendations. Measures which McDonald's can undertake to protect employees and to improve efficiency can be proposed as follows:

- Take care of the safety of employees at the points of contact between employees and customers. Pay more attention to high-quality training of employees and accurate implementation of already completed procedures;
- Stop taking orders in the hall and focus on McDrive, decrease order time and increase car count;
- Make more breaks for staff.

In order to improve future pandemic / crisis response McDonalds can take necessary actions faster and provide more support to the employees, add the possibility of receiving additional medical services for employees and pay for them.

Finally, sustainable solutions for the company, on how to remain profitable without compromising safety of the employees and customers can be the following:

- As already mentioned, all orders inside restaurant must be closed and all attention must be concentrated on McDrive. One more row for cars can be created to pass if it's necessary to increase serviced car amount which will help to decrease queue and order time;
- It's worthwhile paying more attention to the possibility of food delivery through services such as Bolt Food, Wolt, ZITICITY and others;
- Adding the function of prepayment of the order to the application so that the client has the opportunity to receive the finished order without entering the hall can be a good idea too.

### **Limitations and Future Research**

During this research, through an interview with one of the restaurant directors and thanks to the survey with employees, the author has got an opinion about the current situation from people with experience in this sphere and learned about the business model, the steps taken in response to the corona virus crisis, and how the company maintains the sustainability during the Covid-19 global pandemic. The recommendations that the author offers to the company to maintain sustainability are made based on the weaknesses of the company that require improvements.

As it was already mentioned, thanks to the interview and survey, the research turned out to be more detailed, but in order to improve the results of this investigation, it could be possible to make a survey with a larger number of respondents, for a clearer picture of what is happening, and also use other methods of collecting information, for example, a focus group.

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# **SUSTAINABLE LEADERSHIP DURING COVID-19 PANDEMIC: AMBERTON HOTEL KLAIPEDA CASE STUDY**

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**Abstract.** The paper aims at finding out how sustainability leadership changes and how it influences the hospitality industry. For a better understanding of this theme different literature sources were used and with that help concepts, models, and principles of sustainability were defined. The importance of this paper is to understand, motivate and encourage others to start thinking more widely and use sustainability principles. A mix of primary and secondary methods was used for the research. Literature review helped to get knowledge of sustainability leadership. The information is also collected from managers and surveys. Survey analysis helped to understand and analyse other industries, companies' workflow. The paper tries to answer the question: What sustainability leadership principles has "Amberton Hotel Klaipeda" been using during Covid-19?

*Keywords:* sustainability, leadership, Covid-19, hospitality industry, sustainability leadership

## **Introduction**

Nowadays, sustainability theme increased in popularity all over the world. More and more companies each year start to follow the principles of sustainability. Environment issues are becoming more captivating too and organizations are trying to keep up with this trend.

Sustainable leadership cannot be only the responsibility of the top person in the company. People are mistaken if they think that leaders will create a sustainable place, atmosphere by themselves, such opinion has a name "Napoleon Syndrome" (Crews, 2010). A sustainable leader inspires others, supports, gives advice, helps, and leads employees to be more motivated and create a better workplace, world (Visser, 2011).

Leadership is a process of social influence, which maximizes the efforts of others, towards the achievement of a goal (Kurse, 2013). The main aspects of leadership are:

- Social influence is the main stock of it, not the power or authority of the top leader.
- Leadership requests other employees or other, not direct persons for company, motivation, and involvement.
- Not requires a title or personal traits. It is only what each company thinks is best for them and right. Leadership has different sides, theories, and styles for each workplace.

- The important thing is the goal. To create and put a high income for a company, leaders should think with perspective on the future (Goffee & Jones, 2009).

There are seven principles of sustainability in leadership. They are depth, length, breadth, justice, diversity, resourcefulness, and conservation. All principles are described by A. Hargreaves and D. Fink (2005) in their book “Sustainable leadership”.

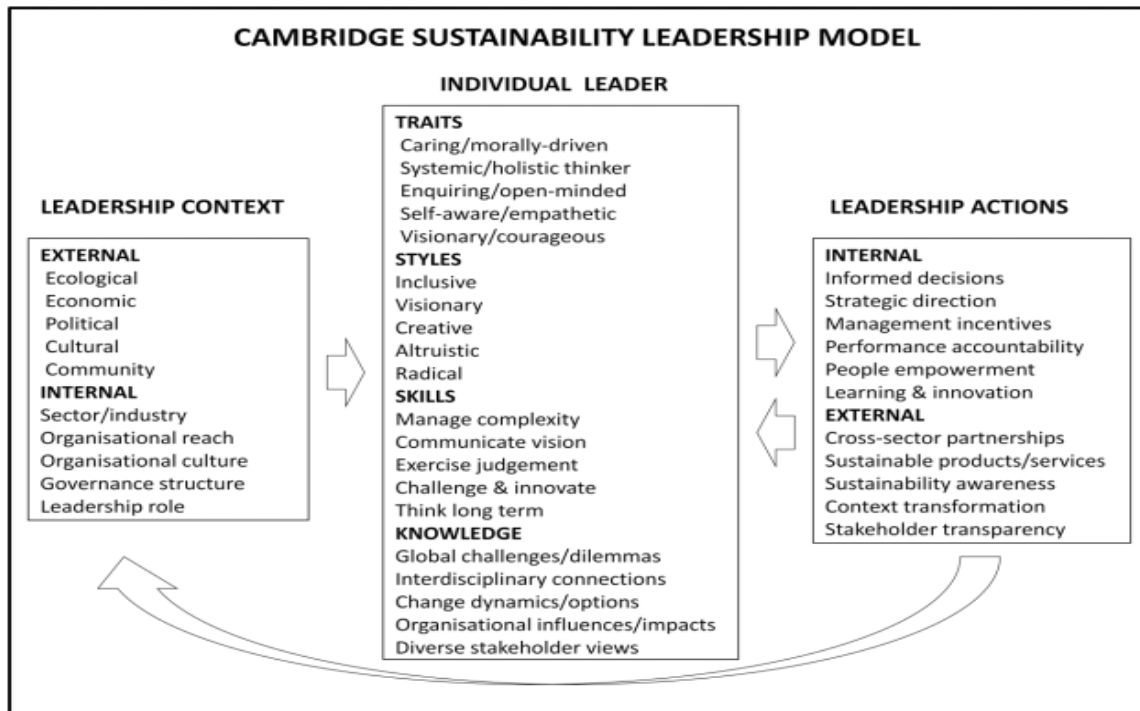
1. Depth- sustainable leadership matters. People should promote and protect teaching things that help to improve everything around us and also us.
2. Length- sustainable leadership lasts. With each year importance of improving and saving our planet is progressively crucial. In the past created sustainable leadership education and knowledge will lead people in the future too.
3. Breadth-sustainable leadership spreads. Each person in a company can be a sustainable leader. None of the people can hold and control everything, because of that employees, people around us help and build a sustainable team.
4. Justice- sustainable leadership does not injure and passionately improves the environment around. It does not injure others by teaching and sharing ways to give knowledge to others.
5. Diversity- sustainable leadership promotes cohesive diversity. A strong company promotes diversity. The team avoids standard tactics and they are using richly varied components.
6. Resourcefulness- sustainable leadership develops and does not drain resources from materials and humans. Sustainable leadership motivates and gives energy. Sustainable leadership is taking care of its leaders.
7. Conservation- sustainable leadership respects decisions made in the past and takes the best things from it, to create, improve and make even better in the future. Sustainable leadership reviews in the past made decisions with memory and honor. After takes knowledge from it. Only after it, nowadays leaders move beyond the past and make a change in the present and for future perspective.

Sustainable Leadership is self-evaluation, critical assessment, and learning how to know oneself and one’s own needs, strengths, weaknesses by recognizing own values. A leader cannot be described by a few characteristics; it is a bunch of different qualities and skills (see Table 1).

**Table 1.** *The characteristics of non-sustainable and sustainable leadership (Source: Simanskiene & Zuperkiene, 2014)*

<b>The characteristics</b>	<b>Non-sustainable leadership</b>	<b>Sustainable leadership</b>
Business vision	The hazy vision, unclear.	Straight and clear vision, oriented to sustainability.
Organizational culture	Scattered, fragmentary.	Secure, strong, and oriented to develop the organization.
Responsibility	Leaders think and are responsible only for their workflow.	Responsible for themselves, organization, team, and society.
Trust	Control and most of the time no trust.	High trust from all company members and goodwill.
Quality	Accomplished via control.	Accomplished via sustainable culture.
Development of employees	People whom leaders will choose randomly.	Everyone from the company will have attention and training.
Loyalty	Working while they are interested and getting a high salary.	Leaders are motivated to stay as long as possible and staying loyal all time.
Goals	To create progress in the short-term as possible.	Looking for longer-term results.

Leadership requests other employees or other, not direct persons for company, for motivation and involvement. Titles or personal traits are of lesser importance. It is only what each company thinks is best for them and right. Leadership has different sides, theories, and styles for each workplace. The important thing is the goal. To create and put a high income for a company, leaders should think with perspective on the future.



**Figure 1.** *Cambridge sustainability leadership model (Source: Visser, 2011)*

In this model (see Fig.1), one can see leadership context, individual leader, and leadership actions. By this model, it is possible to understand that a sustainable leader is affected by the environment and situation around him. Internal actions require less influence on the present or future; at least they are less visible and highlighted. However, external leadership actions create significant influence and results. Internal actions are more in the context of community, culture, political, economic, etc. While external ones are the structure, role, governance, and organizational culture (Visser, 2011).

People believe sustainable leadership requires knowledge, work, and impact only from leaders of the company. Are leaders the only ones who lead the company and how they cannot burn out after devoting all themselves to the team and organization? Many studies are focused on the problem of sustainable leadership and how people and researchers think how leaders should act, what responsibilities they have and what factors have an impact on their work. The aim of this article is to find an answer to the question: What sustainability leadership principles has “Amberton Hotel Klaipeda” been using during Covid-19?

## Methodology

For better quality of the result the main goal of the research was to use a mix of primary and secondary methods. The primary research method is interview and questionnaire. For the

questionnaire 11 questions were created. For an easier, faster, and better understanding of questions, most questions were with suggested answers and only one of them was open-ended. The answers were collected via the Internet through social media. Data were collected from respondents and data collection was from 26.03.2021 till 29.03.2021. The main goal of such a questionnaire was to understand and collect answers from other people about the Covid-19 situation in different companies and what managers do to create a safe workplace. The interview was taken from a manager of “Amberton Hotel Klaipeda” to find out whether she is a sustainable leader at her workplace.

The secondary research method is a literature review. Approximately 20 sources were analyzed according to this method. All sources were searched for via the Internet. Mostly “Google Scholar” resource was useful in finding all articles, books, etc. The keywords to search for needed information were: sustainability, leadership, sustainable leaders, sustainability leadership theories, sustainability leadership methods.

This study will review the definition of sustainability leadership, models, theories, and its principles. Based on this understanding, methods and principles will be compared with those at an existing company “Amberton Hotel Klaipeda”.

### **Literature Review**

While there has been much research on how sustainable leaders should inspire and support a company (Visser, 2011), also they should have such skills as collectiveness, connectedness, and creativity. Only such leaders can lead to a successful company (Tideman, Muriel & Zandee, 2013). However, only a few researchers have taken that leaders become sustainable because of the environment and system in which they work and lead (Hargreaves & Fink, 2013). Furthermore, sustainable leadership depends on inside leaders’ factors and individual knowledge, and also outside factors, that are team, organization, company, etc. (Simanskiene & Zuperkiene, 2014). Nonetheless, there is a lack of similar opinions about what qualities sustainable leaders should possess. Different sources and researchers have different thoughts about what factors and elements create a top leader for the company.

Due to the Covid-19 pandemic, the economic situation has faced many differences and changes. It is a big challenge for all industries. People have had challenges such as lockdowns, social distancing, orders could be made only through take away, closing of a lot of places, etc. Lack of travel access caused many hospitality industries companies to close. Some of them

closed temporarily, but unfortunately, some of them closed forever. However, after a longer than one-year period organizations learned how to stay on the market, and the reopening process in some countries already started. All these companies follow restriction rules not only to create a safe atmosphere for customers but also for themselves.

While some organizations are trying their best to recover from challenges, Covid-19 is still spreading and has its impact on the hospitality industry. Even if the reopening procedure starts fast, there is no guarantee that customers will use services immediately (Gursoy, 2020). In the article “Effect of Covid-19 pandemic on hospitality industry: a review of the current situations and a research agenda” by Dogan Gursoy and Christina G. Chi (2020) 50 percent of people are not ready and not willing to use hospitality services immediately. Also, 50 percent are not ready to start to travel to different countries around the world. People do not want to travel while it is not safe and they do not have guarantees for their safety. Moreover, individuals are not ready to be 10 days in isolation when they decide to travel.

Furthermore, the hospitality industry had changes in necessary technologies during the Covid-19 pandemic. The majority of customers think and suggest using delivery because it is necessary at the moment for all companies. Delivery helps to create a safe atmosphere without contacting other people and having human-to-human contact. All mobile phone apps, Apple Pay or contactless bank cards, QR codes, and everything that does not request unnecessary touching is crucial in the hospitality industry for the present and future (Gursoy, 2020).

The labour market has weathered the first shock caused by the corona virus pandemic, but the losses were still considerable. According to the statistics department, unemployment was 9.3 percent, or 2.6 percentage points higher than a year ago, in the third quarter. In the second quarter of 2020, the average pre-tax earnings in the country were €1,388, or 8.6%, higher than a year ago. This change was the highest in the Baltic States, as wages increased by 3.9% in Latvia over the year, and in Estonia by 1%. In the private sector, wages increased by 6.3%, in the state companies by 13%. The average post-tax salary grew by 8.7% – up to EUR 889. Such major changes were difficult to expect at the beginning of the first quarantine (Official statistics portal, 2021).

### **Amberton Hotel Group**

Amberton Hotel Group, managed by Hoteliers Co. is one among the biggest and most well-liked Lithuanian-owned hotel chains in Lithuania and has been operating for over 10 years in numerous cities, such as: Vilnius, Kaunas, Klaipeda, Druskininkai, Palanga, Karkle (Amberton

Hotel Group, 2021). The head office of the Amberton hotel chain is located in Vilnius. The hotel chain offers the most effective deals and services for a decent price; also discounts and special offers attract more customers. Other success factors are: the simplest location within the city, most comfortable for all tourists and native costumers, unparalleled views of the city's jewels and a good range of additional and new services. Amberton Hotel Group owns five hotels and a vacation home complex in Karkle:

- Amberton Cathedral Square Hotel Vilnius, a 4-star automated hotel;
- The 4-star Amberton Hotel Klaipėda, the most popular and largest hotel in Klaipėda
- fully automated 4-star Amberton Cozy Hotel Kaunas;
- "Amberton Green Apartments Palanga - an apartment hotel located within the seaside resort of Palanga, with an amazing view and cozy location.
- Amberton Green SPA Druskininkai, a 5-star hotel and therefore the first MIEGO SPA not only in Lithuania but also in Northern Europe;
- "Amberton Villas - a brand new development of holiday homes located in Karkle, just a 3-minute walk to the sea and surrounded by forest. So, customers can feel all comfort and nature around them (Amberton Hotel Group, 2021).

### **Amberton Hotel Klaipeda**

“Amberton Hotel Klaipeda” is an authentic building in the city center. The complex consists of two high-rise buildings, each building has 20 stores. Two buildings of this hotel look like the letter “K” and “D”. Those letters have meaning and symbolize:

- K- stands for the name of the city, which is Klaipėda.
- D- stands for the river in the city, what is Dange (Dane).

The hotel was built in 1985, last complete renovation was in 2004, last partial renovation in 2014, but firstly it had the name “Klaipėda Hotel” and after sometime, the hotel signed a contract with “Amberton Group”, which caused the name change to “Amberton Hotel Klaipėda”.

“Amberton Hotel Klaipėda” has 258 rooms on 20 floors, six conference halls (the biggest room can accommodate 350 customers and there is a VIP-hall. In the hotel, customers can find and use different features, such as a roof-top terrace, car parking, restaurant, gym, spa center, club, offices, etc. “Amberton Hotel Klaipėda” offers new ideas almost every year. They create,



innovate and suggest new trends and share their experiments with all around. Even if the competitors have something similar, they cannot compete with “Amberton Hotel Klaipeda” because it is the biggest, oldest, and most popular hotel in Klaipeda (Amberton Hotel Klaipeda, 2021).

## Results

The survey helped to understand that most of the companies were using preventive measures to protect themselves, employees, and customers. They were seeking to create a safe atmosphere during Covid-19 outbreak or operated remotely. That means that those businesses were trying their best to stay on market without putting harm to employees. Answers to this survey were collected via social media. There were collected 49 answers from respondents and data collection was from 26.03.2021 till 29.03.2021. Originally the questions were in English (translation into Russian was provided upon necessity).

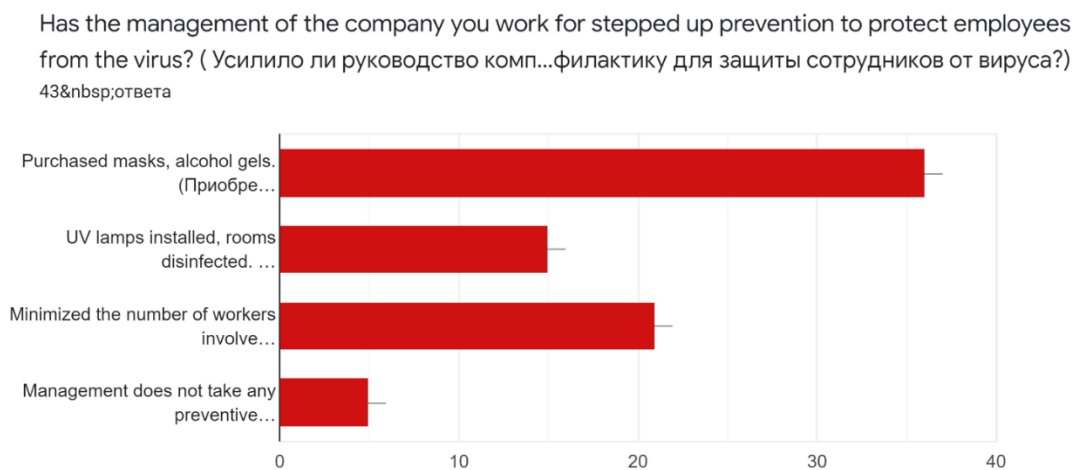
Most of the respondents, that is 55.8%, answered that they are still working and each employee is at his/her working place. Only 7 % of respondents said that they were working remotely, and from this answer it is possible to conclude that not a lot of organizations can create work remotely. 14 % answered that some employees were working remotely and some of them had to be at the workplace. However, 23.3% replied that they were not working at all (see Fig.2).



**Figure 2.** Survey answers to the question: “Is your company working now?” (Source: made by the author, 2021)

Unfortunately, from survey results it became obvious that not all companies were keen on taking care about the team members. Respondents answered that their companies purchased masks and alcohol gels to protect employees from the Covid-19, which is 83.7%. But at the same time 48.8% responded that managers minimized the number of workers involved at the

facility. That means, that organizations premises didn't have not enough place to keep two meters distance for all employees, for that reason they created space by firing employees, or maybe some of them could work remotely, or were given paid/unpaid vacation. 34.9% of respondents have chosen answer that in their premises UV lamps were installed and rooms' disinfection happened. Unfortunately, 11.6% replied that managers do not take any preventive measures (see Fig.3). It is sad to see such answers because the safety of employees should be in the first place. Moreover, to think about sustainability leadership in such companies is pointless. If an organization thinks only about income, they just cannot have a healthy relationship between all team members and managers. Also, there is no correct answer to the question of what will be "the new normal" in the future. Highly likely masks-wearing will be necessary at least in the present and close future.

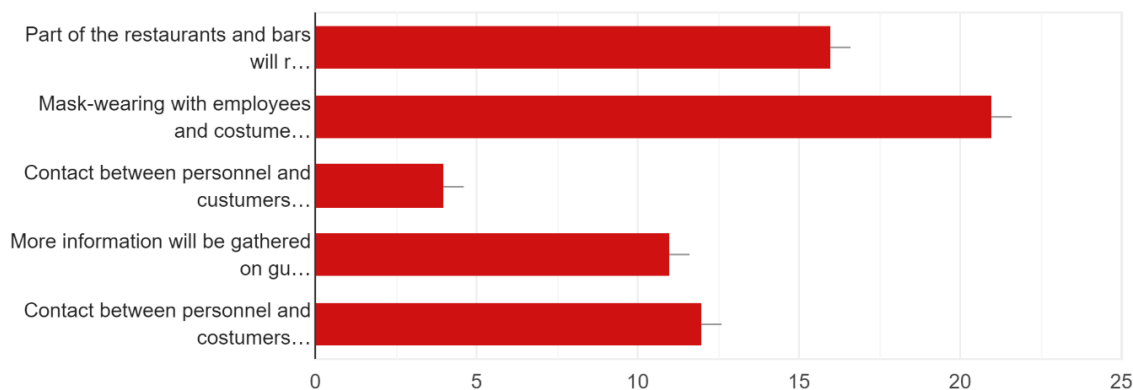


**Figure 3.** Survey answers to the question: "Has the management of the company you work for stepped-up prevention to protect employees from the virus?" (Source: made by the author, 2021)

The last, but not least important question for respondents was their opinion about what "the new normal" will be for everyone in the future. 51.2% answered that masks-wearing for employees and customers will remain. It means that people, companies, and customers have been wearing masks since the start of the pandemic and will continue to do that in the future. 39% think that part of the restaurants, bars, etc. will continue to work by using only delivery. Close to each other stand the answers: contact between personnel and customers will remain minimal and more information will be gathered on guests upon arrival (about 27%) (see Fig.4).

What do you think "the new normal" would be? Как ты думаешь, что такое "новая норма" будет в будущем?

41&nbsp;ответ



**Figure 4.** Survey answers to the question: “What do you think “the new normal” would be?” (Source: made by the author, 2021)

The interview was taken from Greta Slatkaviciute, who is a front office manager in the “Amberton Hotel Klaipeda”. The manager has been working for “Amberton Hotel Klaipeda” for more than a year and before this hotel, she had experience as a front office manager. From the answers it is possible to conclude that she knows what sustainability in the company is, also she is working by principles of sustainability leadership. By her words, she is working for the team and its development, not only for income. Greta Slatkaviciute has mentioned that in the “Amberton hotel Klaipeda” firstly managers listen what employees think and only after concluding and summarizing opinions they make changes inside the company. She knows her values and mission at this hotel. Greta Slatkaviciute highlights that the main mission is to create a comfortable workplace for employees and after excellent service for guests.

For employees’ safety “Amberton Hotel Klaipeda” has rules, such as:

- All workers must wear masks;
- They have protection glass for employees who communicate with customers;
- Alcohol gels on each work point;
- Automation technologies;
- Check-in and check-out via the Internet;
- The only possibility to pay by credit card, no cash;
- The restaurant stopped to work;

- Food delivery to doors;
- Food left near the doors, to avoid unnecessary contact between customers and employees.

Greta Slatkaviciute has commented that after each day they have a meeting during which employees say what happened during the day. They analyze all complaints and make conclusions about what they should change or improve. She says that this practice helps to understand employees' and customers' needs and also avoid misunderstanding with everyone at work. For closer relationship the team has together event, such as cinema evenings, sea walks, meetings in the old town, etc. Unfortunately, because of the Covid-19, they cannot meet now all together, but they have created an alternative way to have time together. Once in two weeks they decide what film they can watch and at which time. They join the film together and after make discussions about it.

Besides, "Amberton Hotel Klaipeda" for employee training has created seminars via the Internet. All team members can listen and ask questions to managers all around the world. What is more, training process involves learning from books, articles, etc. Each month team must read at least 3 sources recommended by Greta Slatkaviciute. In the end, they have a test or Greta asks questions while they work to understand if employees are responsible at work and perform their tasks properly. This practice helps to gain knowledge in different fields. The information that Greta Slatkaviciute recommends is not only useful for work but also it is beneficial information for personal life.

The fringe benefits at the company each time are different. Before Covid-19 "the best employees" could win a trip to Spain, Greece, or even the USA. Because the income is lower "Amberton Hotel Klaipeda" each month votes for "the best employee". The person gets plus to salary from 100 Euros till 400 Euros depending on the performance.

Greta Slatkaviciute has also given some recommendations to other hospitality industry companies because "Amberton Hotel Klaipeda" is still operating and is the most popular hotel in Klaipeda:

- Companies should have more advertisements;
- Promotions are important while pandemic;
- Promotions should be created based on customers' interests (for example, "Amberton Hotel Klaipeda" decided to create "cinema night" because at the moment all cinemas

are closed and they created, before making such promotion, a survey to get an opinion from customers. Also, “Amberton Hotel Klaipeda” has enough space to create a safe “cinema night”);

- Organizations should not stand at the same workflow that they had before Covid-19. They should move and create something different from their competitors;
- Companies should have meetings with their employees, make contact with them to hear them and understand what they lack/miss;
- Events together with all team members. To get closer and have friendlier atmosphere at work.
- Make training sessions and different exams for employees, to improve their abilities and get deeper knowledge about the hospitality industry, sustainability, etc.

Greta Slatkaviciute thinks that the Covid-19 pandemic brings some benefits for companies. While pandemic hospitality industries learned how to survive, stay on market, and use more technologies in their services, also companies became more creative by creating new offers to attract more customers. However, the hardest challenge for companies was employee safety and the creation of a new strategy how to keep employees at their work because the income is lower than usually and it is hard to find a way to pay full salaries to all team members. Greta Slatkaviciute described what “the new normal” will be in the future. By her words in the future we will have all restrictions that we have now. It is at least for the closer future, about 5 years. Greta mentioned that such an opinion is shared by most hospitality industry managers in Lithuania.

### **Conclusions**

Firstly, this research has analyzed literature about sustainability leadership. How specialists define it and what principles, theories, and models there exist. Some of them have close to each other opinions; however, some authors have different thoughts about sustainability leadership. Moreover, the literature review explained gaps in the authors’ knowledge of sustainability leadership.

Secondly, survey analysis helped to understand and analyse companies’ workflow at the pandemic time. Analysis has shown that most managers care about employees, which means that they use at least one point of sustainability leadership. To care, motivate and encourage team members is the goal of sustainability leadership. After collecting ideas and opinions from

employees, the manager can make changes and also avoid misunderstanding between personnel.

Finally, an interview with the manager has shown that for the “Amberton Hotel Klaipeda” the main goal is to have a close relationship with all employees and create safe atmosphere at work for them during the Covid-19 pandemic and after it. The manager has a straight and clear vision, oriented at sustainability. That proves that team members’ importance and safety is the main goal for sustainable managers. The interview provided insight into hotel operation, its internal processes, and safety measures for employees and customers during Covid-19 pandemic situation in the world. “Amberton Hotel Klaipeda” has demonstrated what principles the hotel adheres to and what in the future they want to see from their company.

### **Recommendations**

The following recommendations for the hotel can be given:

- Building the team together. The sustainability leadership looks like a tight-knot, which is comprehensive and encouraging. Motivate in each department employees to join sustainability at work and out of it, which will cause a “green” society that will use sustainability principles around each aspect of their lives.
- Networking with employees. Support, encourage, help, and motivate employees will create workflow more qualitative, fast and will make the relationship closer with employees.
- Asking for opinions and help. Sustainable leaders should listen to company members and be more related to them.
- Being sustainable out of work also to create a comfortable and clean common future. Sustainability is not only about the organization; it is a lifestyle.
- Continuous learning. Sustainable leaders should be curious, have an interest in learning.
- Acknowledging social setting. As a leader, it is necessary to understand employees’ needs, motivation, and propositions.
- Promoting local products. “Amberton Hotel Klaipeda” should promote more local produce. Lithuania has a variety of good products relating to the hospitality industry.

### **Limitations and Future Research**

The lack of analysed information from sources could cause incorrect definitions and explanations. It is hard to find significant relationships only from several sources. For better quality of the research, the author could find more fitting and correct to chosen topic books and articles. Moreover, the lack of prior research studies on the topic caused misunderstanding in the topic. The underestimated complexity of the chosen topic influenced the reduction of time for writing the work. The deadline was approaching faster and research was still in progress. The author could start to work earlier, not to make everything last time and with the rush. Furthermore, there was complexity in fluency in a language. Language barriers influenced possibilities to describe correctly thoughts formulate findings, etc. The limitations analysis helped to understand gaps in writing an article and in the future not to make the same mistakes, only learn from them for easier and more professional work.

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# SUSTAINABILITY INITIATIVES, STRATEGIES AND POLICIES OF RADISSON BLU LATVIJA CONFERENCE & SPA HOTEL

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**Abstract.** The purpose of this paper is to analyse sustainability initiatives, strategies and policies of Radisson Blu Latvija Conference & SPA, review the theoretical information and draw final conclusion and recommendations on how to improve sustainability situation. The research methodology consists of gathering information about sustainability initiatives and strategies used in the hospitality industry from the academic sources, conducting an interview with the employee of the Radisson Blu Latvija Conference & SPA Hotel, as well as analysing and concluding all gathered information. The author has also reviewed and analysed how current world situation with COVID-19 is influencing the hospitality industry. The aim was also to determine good practices and recommend solutions to improve sustainability issues. The research has practical use for hospitality professionals. Limitations of this research were the number of the academic sources reviewed and interviews conducted; future research can improve on that, as well as cases from the other countries can be included to get more valid results.

*Keywords:* sustainability, sustainability components, hospitality industry, green marketing

## Introduction

*To sustain* means “give support to”, “to hold up”, “to bear” or to “keep up”. Sustainable is an adjective to something that can be sustained, that is, something “tolerant” and “capable of continuing at a certain level”. After all, sustainability can be thought of as the process (s) by which something is maintained at a certain level. Sustainability encourages many people from different fields and with different interests to make common decisions betting on the long term and also involving future generations into it. Moreover, being sustainable and acting sustainably covers a temporal framework of many years, instead of a few months or years (YouMatter, 2020).

The hospitality industry has a huge impact on the environment through energy and water consumption, and use of consumable goods. Basically, sustainability means that the natural ecosystem can continue to support life and provide resources to meet the needs and demands today and in the future. The hospitality industry is very demanding on getting those natural resources and usage of unspoilt landscapes, which can be a great tourist attraction. These attractions include: sandy beaches, turquoise waters, glaciers, waterfalls, coral reefs and more (The BA(Hons) Hotel and Hospitality Management, 2020).

The hospitality industry has responded very quickly and in a short period of time became “green”. Strategies and practices have been implemented to recycle, reuse wastewater, prevent

waste, reduce energy use and reduce carbon footprint. However, sustainability is not only about environmental management, but also about economic and social development. Social aspects include inclusiveness, work-life balance, employee health and well-being, local procurement of materials, and more. Economic development equates not just being profitable, but also as good business sense (ibid.).

Tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities is considered sustainable. Sustainable tourism development guides and manages practices to all forms of tourism no matter the destination; it also includes mass tourism and different tourism segments. Sustainability principles refer to the economic, environmental and socio-cultural aspects of tourism, the suitable balance should be established between all these dimensions to make sure that effect will be long-term (UNWTO, 2020).

The main aim of this research is to gather information about sustainability initiatives, strategies and policies used in the hospitality industry. As an example of these sustainability practices in Latvia the author has chosen one of the biggest hotels in the Baltic States. The author has taken an interview about sustainability practices from the executive housekeeper of the Radisson Blu Latvija Conference & SPA Hotel. During the interview information about hotels' goals and priorities was obtained.

### **Theoretical Framework**

All businesses and companies are built and run with one purpose of making money. And the triple bottom line strategy gave everyone an understanding that they can do more money, save the energy used, and be sustainable. The idea of triple bottom line has become very popular and has gained popularity in the corporate world, and also contributes to the decision-making of the world's leading brands. The triple bottom line theory expands on the traditional basis of accounting to include two other areas of activity: the social and environmental impact of the company. These three bottom lines are often referred to as the three P's: people, planet, and profit (Winsconsin, 2019).

**People:** Refers to the employees, the work of the corporation, and the broader community in which the corporation does business. Another meaning for the "people" is how much the company benefits the society. Companies and businesses that follow these practices should make sure that the companies pay fair wages and take steps to ensure humane working conditions at supplier factories (Winsconsin, 2019).

Social variables refer to the social dimensions of a community or region and can include measures of education, equity and access to social resources, health and well-being, quality of life, and social capital (Slaper & Hall, 2011). The examples listed below are a small snippet of potential variables:

- Unemployment rate
- Female labour force participation rate
- Median household income
- Relative poverty
- Percentage of population with a post-secondary degree or certificate
- Average commute time
- Violent crimes per capita
- Health-adjusted life expectancy (ibid.).

**Profit:** While every business pursues financial profitability, triple bottom line businesses see it as one part of a business plan (Winsconsin, 2019). It can take into account income or expenses, taxes, business climate factors, employment and business diversity factors. Specific examples include:

- Personal income
- Cost of underemployment
- Establishment churn
- Establishment sizes
- Job growth
- Employment distribution by sector
- Percentage of firms in each sector (Slaper & Hall, 2011).

**Planet:** Indicates that the organization is trying to minimize its ecological footprint. These efforts can include reducing waste, investing in renewable energy, managing natural resources more efficiently, and improving logistics (Winsconsin, 2019). Specific examples include:

- Sulphur dioxide concentration

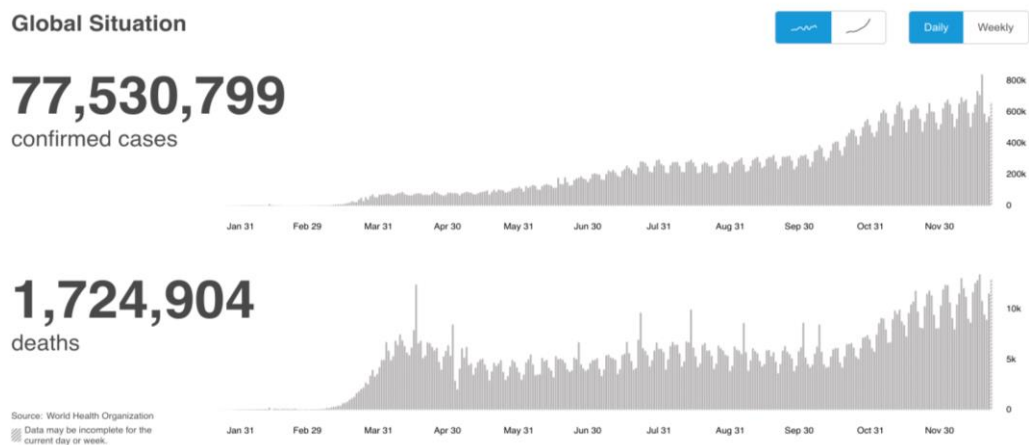
- Concentration of nitrogen oxides
- Selected priority pollutants
- Excessive nutrients
- Electricity consumption
- Fossil fuel consumption
- Solid waste management
- Hazardous waste management
- Change in land use/land cover (Slaper & Hall, 2011).

The triple bottom line has become very popular in a short period of time. People have started thinking about being sustainable and it has become a trend. But the main challenge for the companies is to implement all their knowledge into real life. But this strategy will bring benefits and it is a long-run perspective.

### **Covid-19 Impact**

In 2020 the hospitality industry faced another major problem connected with Covid-19, which has changed and damaged it. The consequences of measures taken worldwide to curb the pandemic are having a growing impact on the global economy. The World Travel & Tourism Council has recently warned the Covid-19 pandemic could lead to a cut of 50 million jobs worldwide in the travel and tourism industry. Following travel bans, border closures and quarantine measures, many workers cannot move to their places of work or carry out their jobs which have effects on incomes, particularly for informal and casually employed workers. Due to a common factor businesses in almost 200 countries have been paralyzed (Dogra, 2020).

Statistics for the 24th of December by World Health Organization can be seen in Figure 1(see Fig.1):



**Figure 1.** *WHO Coronavirus Disease Dashboards (Source: WHO, 2020)*

## Literature Review

As the environmental problem is the most serious issue nowadays, many hotels started to show customers that they care about the situation in the world. As it was mentioned previously, sustainable practices also help to get more profit.

From a financial point of view how hotels are using sustainable practices to attract more customers and in building loyal guests? What are the relationships among green practices, environmental corporate social responsibility (CSR) image, customers' trust and their behavioural intentions in a certified hotel context as well as effect of customers' involvement in the buying process? Hotels use green certifications as a marketing tool to show customers that they are eco-friendly. Environmental certifications act as a means to promote the voluntary implementation of sustainability and CSR practices in hotels while distinguishing genuine eco-friendly companies from "green-washed" products and services (Karlsson and Dolnicar, 2016).

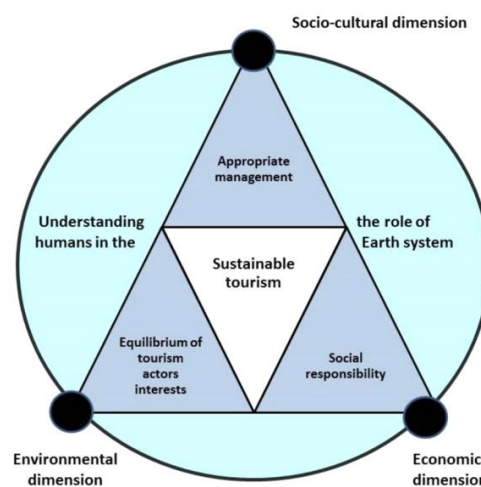
Consumer confidence in eco-certified hotels directly influences their behavioural intentions. Eco-certified hotels directly influence consumer behaviour. In addition, the results confirm the positive and significant influence of consumer perception of environmental practices on the image of hotels in the field of CSR. Finally, there is not a moderating effect of consumers' involvement on the effects of green practices on CSR environmental image and of this variable on behavioural intentions (Font, 2002).

Environmental certifications play an important role in gaining significant popularity as a way to promote sustainable tourism. The growing awareness of the environment has forced customers to change their attitudes and increasingly demand from the hospitality industry

products and services that are ethically correct and environmentally friendly. The industry's environmental impacts include habitat destruction and overconsumption of water and energy, as well as soil, water and air pollution. For these reasons, a number of stakeholders have called for the active participation of the hospitality industry in addressing environmental issues. Environmental certifications ensure that certified hospitality businesses meet sustainability criteria. Therefore, it is obvious that hospitality theory and practice must include these essential factors as central constructs to explain customers' behavioural intentions regarding green lodging products to promote sustainable tourism and develop effective green marketing strategies in a hotel context (García de Leaniz, 2018).

Although green marketing initiatives are becoming increasingly popular as a strategic advantage in the hospitality industry, there is no research that analyzes the impact of corporate image on consumer behaviour from a green marketing perspective. When customers have high levels of purchase-decision involvement, the relationship between green practices and the perception of a hotel's environmental CSR image will be stronger than for those customers with a low level of purchase-decision involvement (Vlachos et al., 2009).

The social responsibility studies operate most commonly with two following terms: corporate social responsibility (CSR) and the corporate social and environmental responsibility (Paskova & Zelenka, 2018). To be able to apply the responsibility concept to the whole spectrum of the tourism actors and forms, the authors use the general term "social responsibility", which includes its economic, sociocultural and environmental dimensions at individual, local, regional and global levels (ibid.) (see Fig.2).



Source: Pásková and Zelenka, own elaboration

**Figure 2.** *The role of geocentric approach in the social responsibility implementation in the tourism sector (Source: Paskova & Zelenka, 2018)*

Although green marketing initiatives are becoming increasingly popular as a strategic advantage in the hospitality industry, there is no research that analyzes the impact of corporate image on consumer behaviour from a green marketing perspective. When customers have high levels of purchase-decision involvement, the relationship between green practices and the perception of a hotel's environmental CSR image will be stronger than for those customers with a low level of purchase-decision involvement (Vlachos et al., 2009).

### **Methodology**

The hospitality industry has a huge impact on the environment through energy and water consumption, and use of consumable goods. In short, sustainability means that the natural ecosystem can continue to support life and provide resources to meet the needs of the present and future generations. The hospitality industry is very demanding on getting these natural resources and usage of unspoilt landscapes, which can be a great tourist attraction. However, sustainability is not only about environmental management, it is also about economic and social development.

The research process consisted of: gathering information about sustainability initiatives and strategies used in the hospitality industry from other research papers, taking an interview from the employee of the Radisson Blu Latvija Conference & SPA Hotel, and analyzing and concluding all gathered information. The interview was taken face to face with an executive housekeeper of the Radisson Blu Latvija Conference & Spa Hotel.

### **Results**

The author has chosen Radisson Blu Latvija Conference & SPA Hotel to review the role that sustainability initiatives, strategies and policies play upon consumer decision making. The Radisson Hotel Group has sustainability practices like: Think Planet, Think Community and Think People. Main objectives and targets of Radissons' sustainability efforts are:

- Safe and healthy environment for customers and employees
- Reduce energy waste (water, electricity and others)
- Long-term plan in creating a sustainable business (RadissonHotelGroup, 2020).

Sustainability is viewed in this hotel firstly with the purpose of financial stability and reducing costs. But this is not the only reason, the hotel brand in general and this hotel particularly support environmental sustainable practices and try to spread this idea among guests. The hotel

has its own sustainability rules and policies which are followed by the employees. Sustainability plays a long-term based strategic plan. The hotel is interested in reducing energy usage and cost, minimizing waste, building loyal relationships and a safe environment for the employees and providing best possible service for customers. All these goals can be achieved if every employee follows and respects rules and implements them in their daily working process.

The main social challenge for the hotel is building strong and loyal employees. The hospitality industry usually faces the problem, when there are not enough specialists in the hotels. Radisson Blu Latvija encourages and motivates their employees with discounts and holidays. But another challenge for the hotel is to provide a safe and healthy work environment. The environmental challenge is that sustainable rules implemented in the hotel life require from the employees getting used to making their daily work sustainably. These challenges are faced mostly in the Housekeeping and Food & Beverage department. Both departments are required to sort the waste, use chemicals according to their description and follow self-safety rules (wearing gloves, masks, being properly dressed and equipped).

The economic challenges for the hotel are higher prices on amenities for daily work. Eco-friendly chemicals and other products might be sometimes more expensive than not eco-friendly products. But the hotels' main goal is cost reduction which can be achieved in a long-term perspective.

### **Conclusions**

Nowadays people have started taking active actions and implementing sustainable rules in their daily life. Sustainability idea helps businesses and companies to create a convenient and comfortable work environment with beneficial long-term results.

The research presented analysis of the Radisson Hotel group and their goals. According to the research the most challenging for the Radisson Blu Latvija is to:

- Create a loyal and strong team and recruit new employees
- Implement more sustainable practices and train employees
- Spread the idea of sustainability to the customers
- Use sustainable practices to attract more customers
- Minimize energy waste and impact on the environment



## **Recommendations**

For the Radisson Blu Latvija hotel to be considered more sustainable, the author recommends to fulfil following practices:

- Spread sustainability ideas more among the customers. This can be done through social media and used as a marketing tool to catch the attention of potential customers.
- Make a long-term plan with all goals that should be reached and time limitations for achievements. This type of scheme can help to make the work more efficiently and clearly shows what steps should be taken.
- Support local communities and buy products and amenities from them. This will minimize the footprint effect on nature and also develop the local economy.
- Use low-consumption illumination, water-saving systems, organic materials on items such as towels or bed sheets. Fully reject plastic and single-use amenities.
- Work on employees' motivation, reward and motivate them for sufficient work. Make one meeting per week, where objectives and goals of the company will be explained.

## **Limitations and Future Research**

This research can be improved by gathering more information about sustainable practices from different hotels all over the world. Exchanging experience and knowledge can help to make the improvement process much faster and more efficient. Research paper and the process it took taught the author to think and plan the future goals and stick to that plan. Hospitality industry interacts with guests all the time and they can play a role in building and implementing sustainable habits to the customers. Limitation of this research was also the number of the academic sources reviewed and the number of interviews conducted.

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# **WASTE MANAGEMENT AND RECYCLING IN THE HOSPITALITY BUSINESS DURING AND AFTER PANDEMIC PERIOD**

**Igors Belovs**

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**Abstract.** This paperwork aims to provide information about waste management and recycling in the hospitality business during and after pandemic period. In order to provide better report, the author has reviewed different sources such as internet articles, scientific journals, and official documents. For better result and understanding of the problem information also was collected based on the author's own experience, online survey and information from managers of the hospitality industry companies in Latvia. The research has shown that waste amount, which is produced by hospitality industry sector has dramatically increased. Not only the plastic waste, but also food waste which is one of the reasons for increasing greenhouse effect. On the basis of research results, recommendations have been developed for "Radisson Blu Daugava" hotel, which can be adopted also by other stakeholders such as "Lido" (one of the most famous restaurant with traditional cuisine in Latvia), which delivers their food only in plastic packages.

*Keywords:* waste management, environmental sustainability, European Commission, food waste, recycling management

## **Introduction**

Nowadays, with current situation of Covid-19 pandemic, hospitality industry enterprises meet challenge of increased food and plastic wastes. Proper waste management should deal with all types of the wastes, such as industrial, biological and household. This should be done directly through handling wastes and indirectly through consumption of food, water and energy. Waste management includes regular collection, transportation and process of disposal or recycling of different types of wastes. Proper waste management aims at saving business a significant amount of money and also preventing the environment from being polluted. The aim of this paper is to explore the impact of the pandemic on the waste management and recycling in the hospitality business during and after the pandemic period. Research question: what is the impact of the pandemic on the sustainable waste management and recycling strategy and operations of the hospitality business during and after the pandemic? This paper will review importance of environmental sustainability businesses at all, importance of proper waste management and recycling solutions on minimising wastes amount and provide recommendations for "Radisson Blu Daugava" hotel.

## Literature Review

### Covid-19 Effect on Waste Amount in Hospitality

First of all, Covid-19 consequences have been considered from the socio-economic perspective, totally ignoring implications of the pandemic on environmental performance of hospitality companies (see Fig.1).

Waste	Impact Potential time scale	Immediate		Short-term		Medium-term			
		6 months		12 months		24 months		36 months	
		Direct		Direct		Direct		Indirect	
Food		Unfinished food inventories due to sudden implementation of national lockdowns and temporary business closures		Increased food wastage in food take-away businesses due to the surge in popularity of home food deliveries				Wastage of food in the upstream of the food supply chain due to reduced orders from catering businesses and permanent business closures	

**Figure 1.** Direct and indirect consequences (Source: Filimonau, 2021)

Consequences are divided into direct and indirect and considered through the prism of temporality of their anticipated occurrence. In order to find a proper solution of food waste, the hospitality sector should integrate into alternative food networks and short food supply chains (Filimonau, 2021). One of the major problems in hospitality industry of wastes, which was before and is present now, except for plastic items are food wastes.

### Food Waste

According to “New Europe” source a fifth of all the food that is produced in Europe becomes waste. It is equal to 88 million tonnes per year (Condamine, 2020). In turn, in 2016 27 European Union countries and Great Britain hospitality sector produced approximately 12% of total food waste across food supply chain in the region. 12% is equivalent to 11 million tonnes (Filimonau, 2021).

The Covid-19 pandemic has exacerbated the challenge of food waste in the hospitality sector; by imposing the immediate direct, short-term direct and medium-term indirect effects (see Fig.2). The immediate direct effect was observed in significant quantities of food wasted after lockdown measures were announced. In most countries these announcements came at short notice. The short-term direct effect of the pandemic on food wastage in the hospitality industry sector was attributed to the reported growth in the quantities of food wasted by takeaways and restaurants (Filimonau, 2021).

### Plastic Waste

As it was already mentioned before, with start of pandemic food-delivery services have seen a “big boom” in their business. Because of lockdowns and restrictions, people started to order

more and more food. Mainly, packaging for food delivery is a plastic boxes, wraps etc. As a result there is observed a bigger plastic consumption.

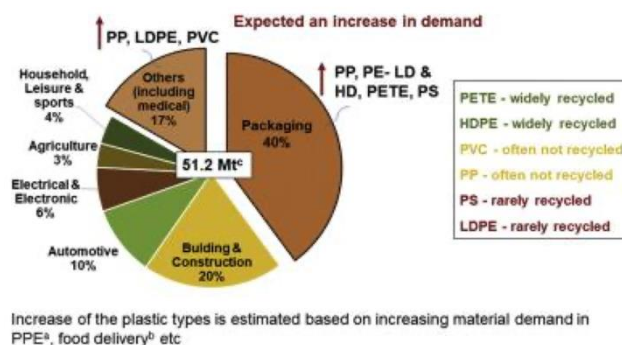
In packaging for food and other items, which are ordered and delivered, the following plastic types are used: LDPE, HDPE, PETE, PP, PS (MEMON, 2020).

Statistics shows that usage of PS and LDPE plastic is only expecting to grow due to its low cost. This is usually that type of plastic, which as a rule is not recycled at all.

More plastic is likely to be used by suppliers in food deliveries, which is due to meeting hygiene requirements and plastic affordability. COVID-19 also could rise up global single-use plastic industry, which has been suppressed before the pandemic due to raising public and political pressure (Filimonau, 2021).

**Figure 2.** *Pandemic and plastic waste (Source: MEMON, 2020)*

### Minimising Food Waste



In order to minimise food waste amount in general and in hospitality industry, waste management should be integrated with innovations. Collaboration with local farmers could prevent increasing of food waste and turn it into animal feed, partnering with suppliers, which are ready to invest and implement innovations in their supply chain, provide trainings for employees of proper purchasing inventory management and production planning, increase awareness of guests on food waste, collaborate with food donation recovery partners (e.g. “Too good to go”), etc. (Martin-Rios, n.d.).

### Minimising Plastic Waste

In order to minimise amount of plastic packaging for food deliveries, hospitality companies could switch from plastic to alternatives packaging materials. For instance, bar/café “Ezītis

miglā” which is very popular in Riga has food delivery through “Bolt” and “Wolt” delivery services applications. Some time ago, company had been using regular plastic packages for deliveries, but now company uses environmentally friendly packages from “vegware” company. The author of this paperwork usually orders food from that company too.

“Vegware” produces packages for food, which are made out of recycled or plant-based materials. For instance, 17.7 x 12.7 cm boxes made out of environmentally friendly materials cost 10.76 EUR per 50 boxes. 500 boxes cost 65 EUR (vegware, n.d.). Prices for companies could be lower if large quantities are ordered.

### **Recycling of Food and Plastic Wastes**

ecycling did not face any dramatical changes during the COVID-19 pandemic, except the increased amount of different wastes. In order to minimise carbon footprint, hospitality industry companies should cooperate with local waste collective and recycle companies. If wastes are collected and recycled on the territory of the country, where facility is located, it also will help to increase environmental sustainability by lowering fuel consumption.

### **Methodology**

The aim of this paper is to explore the impact of pandemic on the waste management and recycling in the hospitality business during and after pandemic period and find the answer on the following question: “What is the impact of the pandemic on the sustainable waste management and recycling strategy and operations of the hospitality business during and after the pandemic?”. The author has used primary and secondary research methods.

Primary research was done by online survey, which has been created by the author of this paperwork. There are 12 questions. None of them was questions with open-ended answers; however, 3 of them were with option “other” where participants could express their thoughts and opinion if needed. Survey was created on the “visidati.lv” platform.

The secondary research was done by searching and reviewing materials from different sources such as scientific journals, media recourses, articles, official European Union Commission web page.

### **Results**

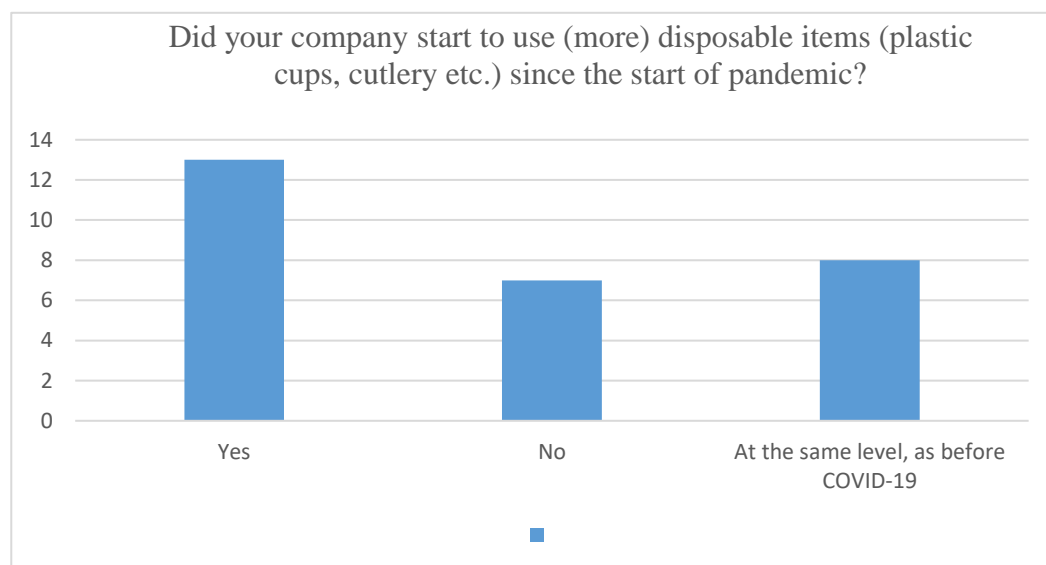
Total amount of respondents is 28. Majority of respondents live in Riga, have higher or higher professional education and are in the age of 20-25 years old (see Table 1). 75% of participants

are still working, despite the fact of Covid-19 pandemic. 71.4% have felt changes at their workplace since the start of pandemic.

**Table 1.** *Age of respondents (Source: author's survey)*

What is your age?		
16-19	7	25,0%
20-25	13	46,4%
26-31	3	10,7%
32-40	1	3,6%
40-50	4	14,3%
50-60	0	0,0%
<b>Total:</b>	<b>28</b>	<b>100,0%</b>

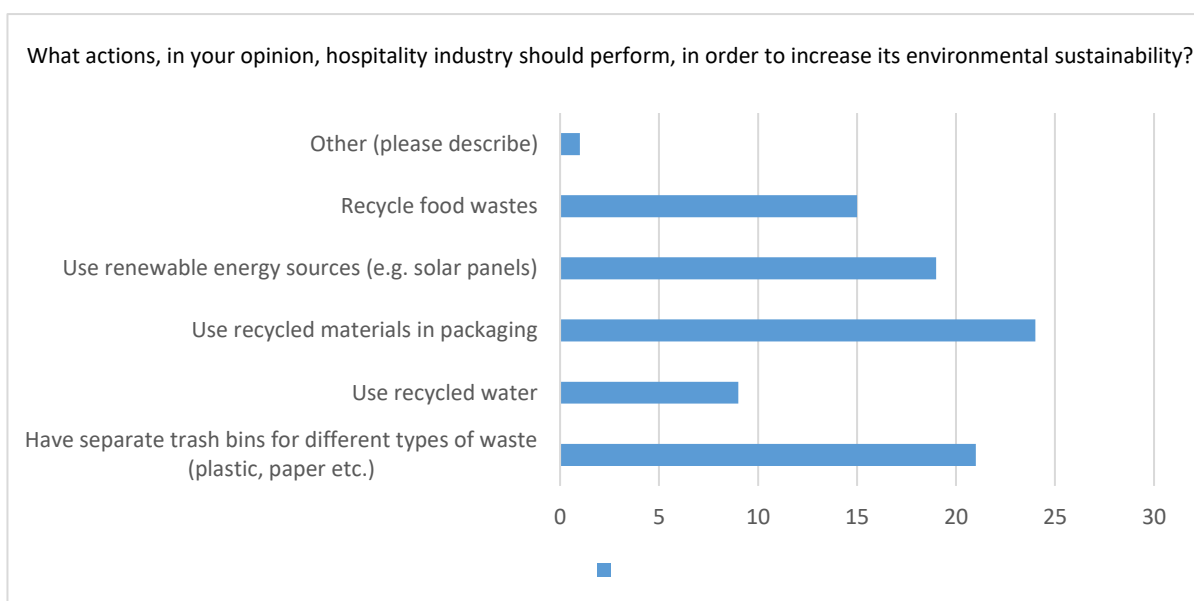
It was surprisingly to see, that only 46.4% of respondents saw increased usage of disposable items on their workplaces (see Fig. 3).



**Figure 3.** *Using of disposable items (Source: author's survey)*

Majority of respondents also believe that it is important to use recycled materials in packaging (see Fig.4).





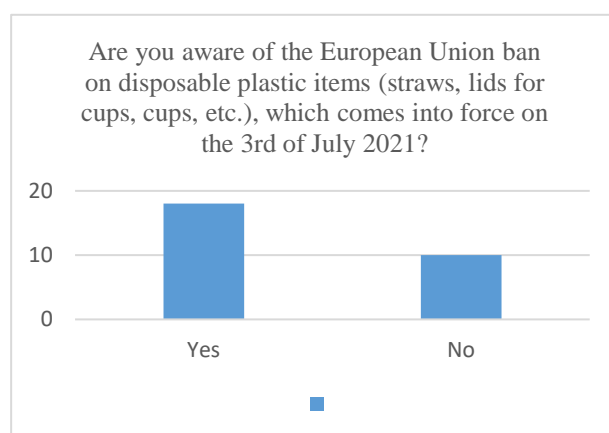
**Figure 4.** *Actions for increasing environmental sustainability (Source: author's survey)*

For 64.3% of respondents it is important to have separate trash bins for different types of waste (see Table 2). However, it is not enough to have environmentally sustainable community. Because of majority of respondents are 20-25 years old and they are going to live and pollute nature in the nearest (at least) few decades, it is necessary to increase people awareness in that theme.

**Table 2.** *Importance of separate trash bins (Source: Author's survey)*

Is it important for you, as for guest / customer, to have separate trash bins for plastic, paper, organic waste in the hospitality facility?		
Yes	18	64,3%
No	5	17,9%
I don't care	5	17,9%
<b>Total:</b>	<b>28</b>	<b>100,0%</b>

Surprising results were about people awareness about European Union ban on disposable plastic items (Fig.5) and on the support of this ban (see Table 3). It was 2 times higher, than author's expectations.



**Figure 5.** *Awareness of European Union ban on disposable plastic items (Source: Author's survey)*

- Those who answered "Partly" provided the following explanations:
- It is necessary, but it will bring a lot of inconvenience - and it is a matter of alternative solutions.
- I don't know if it is good or bad. Just need more information about the bad and the good sides of it.
- It will be hard for people to get used to it but it's good for our dead environment.
- Straws and lids for hot drinks from paper are not so good on practice (see Table 3).

**Table 3.** *Support of European Union ban on disposable plastic items (Source: author's survey)*

Do you support the European Union ban on disposable plastic items (straws, lids for cups, cups, etc.), which comes into force on the 3rd of July 2021?		
Yes	22	78,6%
No	2	7,1%
Partly (please describe why)	4	14,3%
<b>Total:</b>	<b>28</b>	<b>100,0%</b>

Respondents also think that hospitality industry companies are partly ready for European Union ban; however, there are 7.1% who believe that companies are totally ready and 14.3% who think that companies are not ready at all (see Table 4).

**Table 4.** *Readiness for ban of hospitality industry companies (Source: author's survey)*

Do you think, that hospitality industry companies are ready for the European Union ban on disposable plastic items (straws, lids for cups, cups, etc.), which comes into force on the 3rd of July 2021?		
Totally ready	2	7,1%
Partly ready	22	78,6%
Not ready at all	4	14,3%
<b>Total:</b>	<b>28</b>	<b>100,0%</b>

At the same time, 71.4% of respondents are slightly worried about possibility of increased prices on the product due to European Union ban on disposable plastic items and 10.7% are very worried. That also shows that customers have lack of information from companies and government about alternatives packaging material and prices. Only 17.9% do not care about that possibility (see Table 5).

**Table 5.** *Unrest about possibility of rising prices (Source: author's survey)*

Are you worried, that there is possibility of increased prices due to the European Union ban on disposable plastic items (straws, lids for cups, cups, etc.), which comes into force on the 3rd of July 2021?		
Yes, very	3	10,7%
Yes, slightly	20	71,4%
I don't care	5	17,9%
<b>Total:</b>	<b>28</b>	<b>100,0%</b>

### Conclusions

Amount of waste during the Covid-19 pandemic has dramatically increased, in comparison with pre-pandemic times. Tendency on fighting with disposable plastic items and plastic in general could become harder. United Kingdom is thinking about postponing a disposable plastic items ban till 2022. European Commission already accepted and signed a ban of disposable plastic items in European Union, but pandemic could change it in a one day.

Food wastes are growing due to enormous amount of orders on food delivery services and discounts, which are provided by restaurants. Discounts and other actions of restaurant, bars,

cafés which are working with food delivery services have increased food waste. Unpredictable amount of orders is a main cause of it.

In order to stabilize situation with waste amount and continue to perform less waste amount tendency, it is necessary to follow up modern trends in inventory training, use digital technologies. Wastes that are left should be recycled in a proper way and by local recycling companies, in order to decrease oil consumption on transportation. Hospitality industry businesses are facing now, most likely, the biggest challenge in their life. But it will end soon and then society will see how irresponsible hospitality sector was dealing with different types of wastes during pandemic Covid-19 times. Actions should be made now.

### **Recommendations for “Radisson Blu Daugava” Hotel**

The following things can be recommended to improve:

- add information regarding different regions where company’s hotels are operating,
- regularly update web-page information about “Think Planet” programme and its progress,
- increase energy efficiency by investing in renewable power sources suppliers, such as solar panels, timely provide information about prices change (if relevant) regarding EU ban on disposable plastic items. The survey results have demonstrated its importance for people.

If the company sets up a delivery of their food from restaurant, plastic packages shouldn’t be used.

First of all, because it is harm to nature, secondly, because of European Union ban on disposable plastic items. Instead, “Radisson Blu Daugava” should use environmentally friendly packages, produced by Baltic States companies. For instance: “Versupack” LTD or “PaperSeal”.

“Versupack” LTD is Latvian based company, which produces innovative and eco-friendly packaging materials for foodservices, and sustainable disposable tableware (Versupack, n.d.).

“PaperSeal” is a Lithuanian based company, which is a retailing company for selling eco-friendly packages for food service and decorative packaging (PaperSeal, n.d.).

As the author has already described before, there is international company based in UK, “Vegware”, which also produces eco-friendly packages for food (vegware, n.d.).

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# **SUSTAINABILITY IN FAST FOOD SECTOR ON THE EXAMPLE OF LULU PIZZA COMPANY DURING COVID-19 CRISIS**

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**Abstract.** Since March, 2020, by the lockdowns caused by the Covid-19 virus had a huge impact on business all around the world. During the pandemic, a lot of restaurants were closed for months. Majority of Hospitality industry employees lost their jobs and had nothing to do. Sustainability is a key for competitiveness that is why it is a useful topic to discuss: How LATER Ltd (here and below, Lulu Pizza) company can get out of the crisis and what to expect in the future? The author will provide some information about the current situation in the hospitality industry and discuss potential variants of its development in the future, as well as discuss sustainability in fast food sector on the example of Lulu Pizza Company during Covid-19. The aim of the research is to find out how Lulu Pizza works during the pandemic.

*Keywords:* Covid-19, sustainability, fast food, restaurant

## **Introduction**

The Covid-19 pandemic is causing a health crisis and, at the same time, a sharp decline in economic resilience, especially in tourism management, and has implications in most countries that are still difficult to measure. The purpose of this study is to identify the vision of government action, the strategies that LATER LTD SIA (further: Pizza Lulu) companies will implement, and the lessons learned for the future following the mandatory lockdown of restaurants. The author more for a year was an employee of one of the fast food chain restaurants.

When the world officially recognized the corona virus pandemic on March 11, 2020, the company decided to close two pizzerias. The business has been developing and growing for 26 years and all departments have been working successfully, the total number of employees has reached more than 200 people. The brand has established itself as the most famous in the Latvian market, due to the quality, delivery speed, style of work, Lulu's assortment has always been in accordance with the wishes of the client, the company is based on basic needs (taste, speed, service, friendliness of staff, location, etc.) The company has established itself and has taken a large place in the market segment. Despite this, it still continues to develop and in 2018 invested 300 thousand in equipment and monitors fast food trends and offers marketing campaigns. Putting all these points together, we see a powerful, well-known company with extensive experience, covering a large segment of the market. The aim of the research was to

find out ways which helps an enterprise to deal with difficulties caused by the Covid-19 and to give suggestions about sustainability during the crisis.

### **Methodology**

This work includes various methods of data collection, including interview and questionnaire. Since the choice of the enterprise was free, and the researcher chose the fast food chain Lulu Pizza in which the author worked before. Researcher chose both quantitative and qualitative research methods. The quantitative research strategy will reveal facts about the crisis in terms of the spread of Covid-19 and how it affects the fast food chain and the Latvian economy. The researcher will use official statistics to estimate fluctuations in the data. The qualitative research method will be used as the main tool for carrying out the work. The researcher chose to collect data through observation of company stakeholders, interviews with the general manager and secondary data collection, and employee questionnaires have been conducted online in the Google Forms format, the total number of respondents is 21 people for the survey: Survey for Lulu Pizza employees.

For a detailed analysis of the problem, the author decided to interview the general manager of the Lulu Pizza Company– Diana Ozoliņa. For further data processing and detailed consideration of the global problem, the author used various sources of literature to find the answer to research question as well to offer own solutions of the problem.

The collection of secondary data was carried out using the Google Scholar platform. The author was given access to the college's online library platforms – LANBOOK and Emerald, where he could find all the information he needed for his research. Thus, the organization's official web pages, articles and various blogs were used to understand the research topic and to find information accurately. To find information about the quantitative research strategy, statistics from official sources were used to study the impact of the pandemic on the fast food chain.

### **Literature Review**

#### **Overview of Sustainable Practices at Fast Food Industry**

According to data, presented during Sustainability Conference, USA, sustainability was names among 12 Fast-Food trends for 2020, companies among the world were pushed to pay attention to it. As it is well known, there are 3 pillars of sustainability: economic, social and environmental. Such as any other, hospitality industry professionals not immediately, but one after another realized importance of sustainability and in many ways, had

focused on it. For example, fast-food giant Taco Bell started using recyclable cold cups and lids in its U.S. restaurants and committed to having its cups 100% recyclable by 2021 (Sustainability Summit USA, 2021).

More and more often in modern society, the question of pollution and, the harm of waste to the environment, is raised, as well as the importance of ergonomic production and ecological thinking. The contribution of each firm, whether it is a small family business or a subsidiary of a large international network, is an important building block for keeping the planet safe for future generations.

According to the International Food and Beverage Association (IFBA) raising awareness in supply management is very important. IFBA encourages its members in different countries for collaboration on efforts to lead and operate supply chains towards a more sustainable future that will not impact the environment; deplete natural resources; contribute to climate change; contribute to social inequalities or injustice (IFBA, 2021).

At the same time IFBA focuses on Establishing Objectives in Sustainability and Food Waste Management. The latest regulations of the Association raise awareness about the impact that food waste inflicts upon society and the environment; identifying the relevant international regulatory initiatives and communication policies within IFBA to address these impacts and measures needed to achieve prevention and sustainability. In the most developed countries in the West and East fast-food and hospitality industries pay attention to recommendations of international associations like IFBA. Hospitality industry professionals realize that the contributions, investments and changes made now will pay dividends in the future. A greenthinking enterprise will also share its commitments with suppliers, working with them to develop more sustainable products and services (ibid.).

But not all companies think so progressively. Unfortunately, many companies that grow, produce, sell and prepare food products forget this. Nevertheless, upcycled food companies, on the other hand, helped to prevent at least 8 million pounds of food waste in 2019, according to a survey presented by Upcycled Food Association (Food Logistics, 2020).

This trend is expected to be long-lasting, and consumers are still focused on sustainability even during the corona virus pandemic. CPG products that touted their sustainable aspects experienced a 56% boost in sales in the second week of March, when consumer stockpiling of essential items was especially high, according to data from market research firm IRI and the



University of New York Stern Center for Sustainable Business. This suggests the pandemic has not affected shoppers' desire for sustainably produced food.

“Our customers care about the source of their food, and that doesn't change during a pandemic. Customers care about quality and sustainability, but their top priority now, understandably, is our health and safety protocols and that's our top concern, too. Covid-19 undeniably impacted our ability to operate,” said Halley Chambers, deputy director of The Oberon Group. “However, with such a clear central mission, making decisions about how and what to serve is actually easier, because it needs to align with our long-term goals” (Altmann, 2020).

Upcycled food companies, on the other hand, helped to prevent at least 8 million pounds of food waste in 2019, according to survey presented by Upcycled Food Association. Each member business helps prevent food waste for more than 3 other companies. According to the research which took place in 2019, most upcycled food companies are in the 'startup' phase, and there is significant room for investment. Upcycled food businesses are employing hundreds of full-time workers, indicating that the industry has both environmental and economic benefits (Food Logistics, 2020).

“Future Market Insights is projecting a 5% compound annual growth rate for our industry, but that projection came before Upcycled Food Association was founded,” says Wyatt. “We believe that upcycled food will be the foremost sustainable food category in the coming years, and there's evidence to suggest that it could even outperform organic because 95% of consumers want to reduce food waste. Upcycled food is one of those rare areas where investors can make more money by doing the right thing”. The Covid-19 pandemic has provided us with a vital new insight about the relationship between food quality and public health, namely that all diseases, including the corona virus, are an indication of an imbalance in the ecosystem. And, there is no question that the entire food industry and hospitality industry were impacted by Covid-19 (Sloan, 2020).

According to principles of sustainability (People, Planet, Profit) (Dunn, 2020) in other words this could be described as Economic prosperity, Environmental Stewardship and Social Responsibility, and the described enterprise for last few years has been trying to follow these principles given the conditions of the Latvian economy and as far as it is possible in conditions of crisis.

It offers most of the products in recyclable or recycled materials:

- ✓ Lulu pizza works in partnership with trusted and reliable suppliers to try not to pollute the environment. The management understands the value of Latvian-made products supplied from local certified suppliers.
- ✓ hot drink cups and caps are made from recyclable materials;
- ✓ boxes for pizza are made from recycled cardboard; and this is very crucial, because over 10 000 boxes are used in this enterprise each month;
- ✓ empty cans from vegetables and fruits are sent back to the suppliers/factories;
- ✓ salads and cold appetizers are also served in recyclable cardboard boxes;
- ✓ the company has subscribed agreements for sorting garbage, which means, that next to each pizzeria there are at least 2, often 3, containers for different types of garbage. That lets split plastic from cardboards and other waste. In Latvia waste separation was implemented few years ago. And ecological thinking management would like to ensure that recyclable materials are not mixed up with non-recyclables (Lulu Pizza Company, 2021).

## **Results**

### **Covid-19 Impact on Sustainable Practices of Lulu Pizza Company**

#### **Before Crisis**

Below is a short review of Later Ltd (Lulu Pizza) operations before the crisis. There are already 17 pizzerias now in Latvia. 14 of them are located in the capital of Latvia, 1 in Jurmala (Lielupe), 1 in Jelgava and 1 in Adaži. The most popular Pica Lulu pizzerias, for example, in the center of Riga, are open and work around the clock. They provide round-the-clock delivery of pizza and other food from their menu every day, seven days a week and with a delivery time guarantee - 49 or 69 minutes.

Later Ltd ended last year with a turnover of 6.9 million Euros, which is 29% more than a year earlier and a profit of 379 thousand Euros. In 2019, the micro-company Pizza Lulu had a turnover of 203.6 thousand Euros, which is 625% more than a year earlier, and a loss of 48.6 thousand Euros.

The company has its own delivery service, which is highly recommended by marketing activities, because its guarantee 49-minute delivery is a period of time expressed as: from 00:00 (zero minutes and zero seconds) to 49:59 (forty-nine minutes and fifty nine seconds). The 69-minute delivery is a period of time expressed as: from 00:00 (zero minutes and zero seconds)

until 01:09:59 (one hour nine minutes and fifty-nine seconds). Delivery countdown starts when the delivery operator confirms the time of accepting the order and stops when a delivery worker calls the client back to notify them that the driver has arrived at the specified address (Lulu Pizza Company, 2021).

Locations of the restaurants can be seen below (see Fig.1).



**Figure 1.** Locations of the restaurants on a map (Source: <https://www.google.com/maps/>)

In the very beginning Pizza Lulu was the first who brought traditions of eating pizza as a fast food to Latvian market. “We are closer than Italy!”, “Authentic Italian pizza cooked with love!” - are its slogans. The origin of any pizza comes from Italy, but pizza has become a global product: so these slogans contain deep meaning and pass to the customers message that in order to taste an original, tasty, aromatic pizza, they don’t have to go to Italy! Lulu’s Pizza offers it to the customers here in Riga. This is very crucial nowadays, during the lockdown.

Before the pandemic, the number of visitors and orders was huge. Before the onset of quarantine, many employees worked 15-20 shifts a month. It is clear that the shift had a different number of employees, depending on the number of orders. The minimum number of hours for all employees is approximately eight hours, although there are 12-hour shifts (from opening to closing). Again, it all depends on the number of orders. In Lulu, there have always been many different promotions, discounts for children, promotional codes, from which the number of orders changed dramatically.

Before the quarantine, the largest event took place at the end of summer, which the company holds every year. The event was organized for all of Lulus employees and was attended by

approximately 250 people. These were sports games in which various tasks were carried out such as: tug-of-war, stand-up paddle boarding, volleyball and much more.

There is a review of 4P's on which company is focusing its promotion below (see Table 1):

**Table 1.** *The 4P's of Pizza Lulu (Source: made by the author, 2021)*

<b>Product</b>	<b>Price</b>
Highly trained cooks Guarantee fast delivery Authentic recipe Well known quality	List price Family discounts 50% off for 2 <sup>nd</sup> pizza 49 minutes delivery
<b>Promotion</b>	<b>Place</b>
Radio Instagram Facebook	There are 16 of our pizzerias in the city Convenient Location in each district Eat inside or takeaway High standard of HACCP

### **During the Crisis**

Covid-19 shut down the restaurants, bars, hotels and spa-services in March 2020, but managers of Pizza Lulu acted quickly. Owner Sandis Levčenkovs benefitted from a “relaxed” regulatory environment to initiate market solutions. Immediately, his huge business experience and cross-cultural-based relationships allowed him to establish an online delivery platform to serve customers and vendors alike, creating the opportunity for additional sources of income.

Taking into account different marketing strategies such as “8 Tips how to survive during the crises”, “5 Ways to make your business sustainable” and others (McCarthy, n.d.) the back office of Lulu Pizza did the right thing by following the instructions for action and did even more to deal with this problem. The restaurant manager Diana Ozoliņa commented that in the spring of 2020, the company followed all the rules to keep employees and customers safe from infection.

The safety measures were as follows:

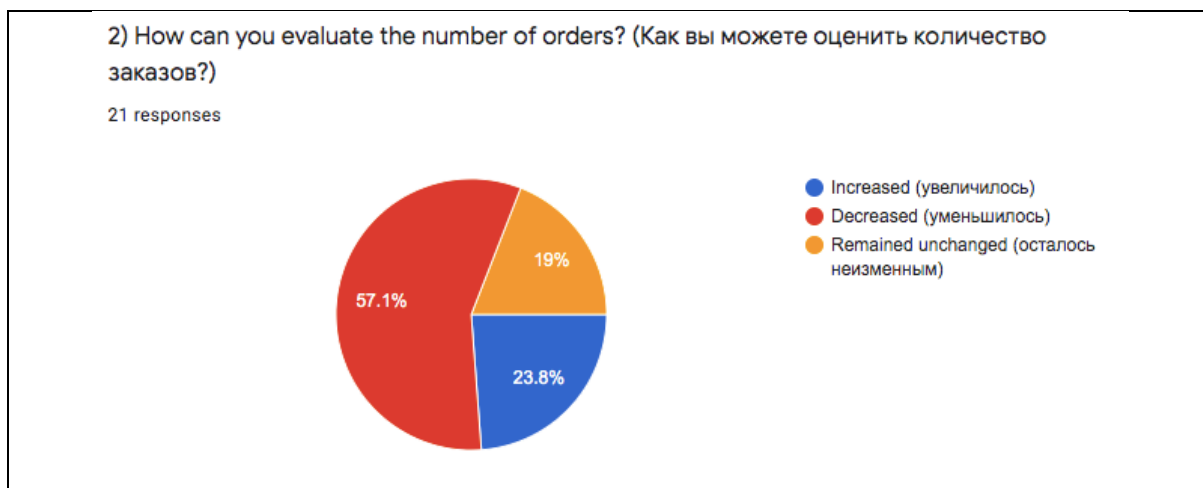
- Keeping 2m distance between customers and employee;
- Employee must to work with masks during the shift;
- Company (front office, back office) works only on takeaway service;
- Drivers follow contactless delivery protocol;
- Delivery service must use hand sanitizer and wear masks;
- The restroom is closed to visitors;

- No sitting inside the restaurant;
- Customers can pre-pay by cards and avoid cash;
- Special offer – 50% if the customers come to take pizza by themselves (Lulu Pizza Company, 2021).

Following the rules of Latvian Government, the whole enterprise (back office, cooks, delivery services and all the others) have been encouraged to continue operating, provided the staff follow the necessary precautions. Various strategies and options for cooperation with clients were presented. Indoor dining areas were required to have a maximum of 4 people per 10 square meters (Likumi.lv, 2020) but the company has decided not to sit inside the pizzeria because of the small space in each pizzeria. When entering and leaving the area, visitors should be reminded of the need to decontaminate their hands with an antiseptic at the checkout counter. Employees should also wash their hands thoroughly, including after touching money or credit cards between visitors. The World Health Organization recommends keeping a distance of at least 1 meter from staff and other guests (Food Made Good, n.d.).

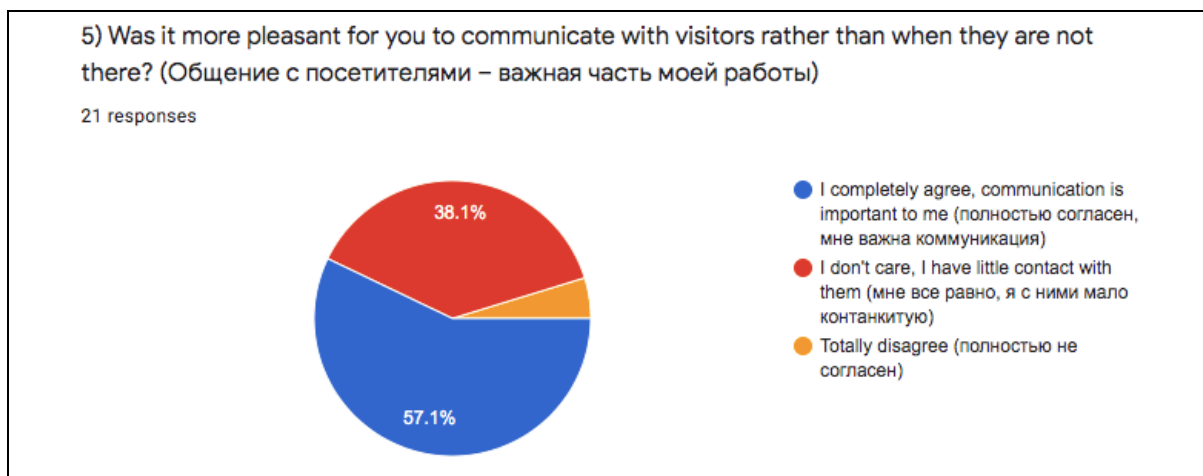
All precautions were observed in all pizzerias, but sadly seven Lulu Pizzas must have been closed, but then they adapted quickly. After all, they had been specializing in delivery for twenty-six years, so they were ready, thanks to the Lulu team. Employees from closed pizzerias were relocated to other pizzerias that were open at that time. This characterizes a company that cares about its employees.

It should be noted that the structure of the food and beverage department has also changed significantly. The author finds it important to note that customer service inside Lulu Pizza was not available at first and the number of guests reduced, which was very upsetting because the Lulu Pizza Tomsona is surrounded by three schools, Arena Riga, Olympic center; and everything was closed then, which in its turn led to a sharp decline in a large number of clients. Working in masks became a prerequisite for Lulu pizza workers, which made it a little difficult to work because it was hot in the kitchen, it was very difficult to breathe in a mask, and it was very unusual. With the onset of the global pandemic, Lulu Company faced many operational challenges. During a survey of employees in Lulu Pizza they were asked a number of questions which is possible to observe below. Due to inner sources of information, quantity of orders has been changed critically. This fact confirms results of a survey (see Fig. 2). 57% of Lulu Pizza employees responded that the number of orders decreased due to the pandemic, another 19% answered that the number of orders remained unchanged, and 24% said that the number of orders increased.



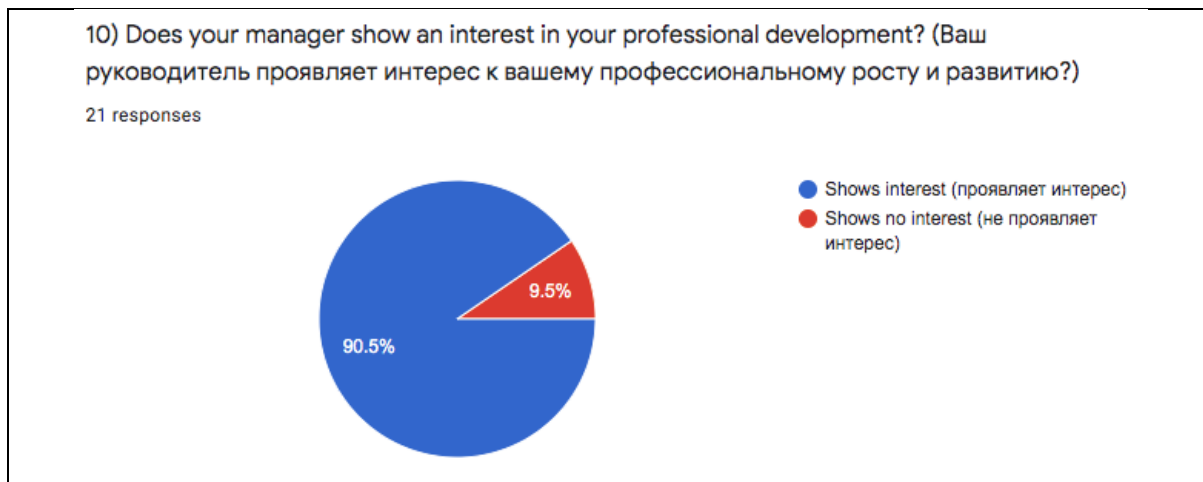
**Figure 2.** Results of the questionnaire's second question (Source: made by the author, 2021)

The survey also showed that for the majority of employees live communication with the visitors of the enterprise is very important. Lulu Pizza is the place where the majority of young people work who are ready to actively lure the client with various offers or just chat and exchange a couple of phrases. And importance of communication is possible to evaluate from their replies on 5<sup>th</sup> question (see Fig. 3), for about 60% of them highly need it as important part of the job.



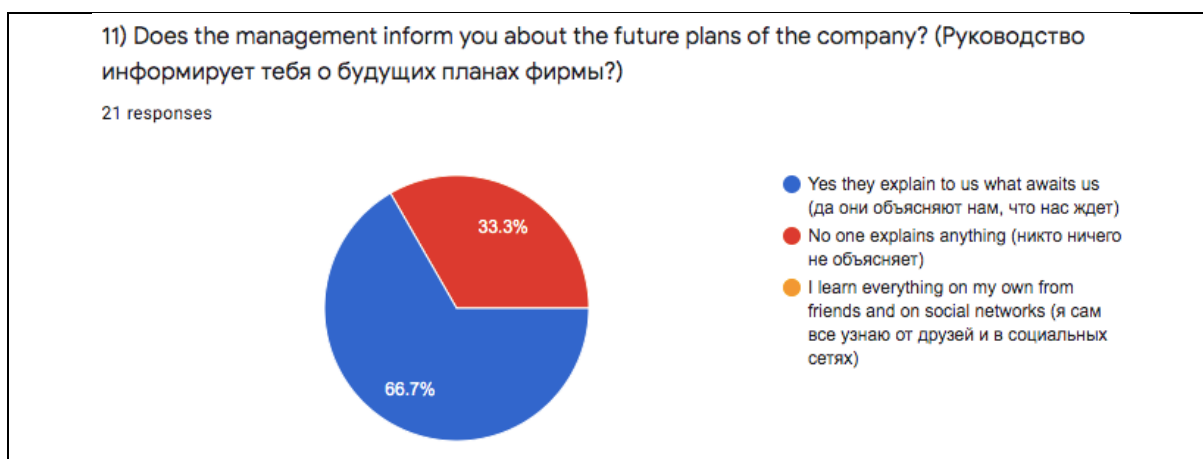
**Figure 3.** Results of the questionnaire's fifth question (Source: made by the author, 2021)

The responses to statement number 8 of the questionnaire “I am worried about the future of our organization” showed two interesting features: a) employees of the company are worried about their future; b) despite this, employees are loyal to the organization and empathize with the success of the enterprise in general. Employees are worried about how their firm will get through the tough times. This fact is also confirmed by the replies to the question number 9: “Are you satisfied with the work in this restaurant at the present time?”



**Figure 4.** Results of the questionnaire's tenth question (Source: made by the author, 2021)

Despite the fact that in 2020 there were no corporate events, the company's leaders tried to pay attention to the staff. Namely, training was conducted on the new rules, as well as in internal chats, information about the plans of the organization was regularly exchanged and positive information was simply sent in order to support the "fighting spirit" and motivate employees. This is confirmed by the answers to questions 10 and 11 of the questionnaire, when more than 60% of employees gave positive comments that they were aware of the nearest plans of the organization (see Fig.4&5). During the changes taking place in the economy and the hospitality sector, not only financial indicators but also teamwork are important for each enterprise.



**Figure 5.** Results of the questionnaire's eleventh question (Source: made by the author, 2021)

Supervisor of Lulu Pizza Tomsona Diana Ozoliņa confessed that marketing budget has been increased twice. Since the lockdown the company has put new effort to digital marketing, for example: the company has optimized the work of its own website, regularly uploads information to social networks, allows customers to instantly place an order by clicking on the

link, and has put active advertising on social networks and other active events. The marketing campaigns were unrealistically generous because at one point the company made a decision - within 3 days customers had the opportunity to order pizza in the app to pick it up on their own with a 50% discount! D.Ozoliņa confirmed that there were a lot of orders in those days. Menu was updated regularly, and company informed about novelties its customers. A few examples of marketing activities are described below.

As a marketing ploy the Lulu Pizza Company started to produce its own masks. It didn't bring huge income, but this wasn't an aim of that collaboration. By the opinion of the Marketing executive it was very "modern", because the mask became the part of the costume and fashion thing. So, these types of masks are funny, they could attract young customers and it is like walking advertisement which reminds clients to take a snack (see Fig.6).



**Figure 6.** Face masks of the Lulu Pizza Company (Source: Lulu Pizza Company, 2021)

It is interesting that the company has just started making pizzas kits with alcoholic beverages. Lulu had never promoted alcohol before. But since it has become possible and even ethical for ordering at home, the company openly invites customers to purchase kits with alcoholic beverages. There is an example of such advertising below (see Fig.7):





**Figure 7.** Advertisement of the drinks by the Lulu Pizza Company (Source: Lulu Pizza Company, 2021)

At the moment, kebabs as a fast-food are popular throughout the city. It's most likely noticed when within last few years many fast-food establishments which served that type of food have been opened such as: Kebab fix, Hasana kebab, Pakistan kebab, Tur kebab, Kebab house and many others. Given their popularity, Lulu Company has followed the trend, matched the tastes of customers and made a decision to update the menu and add a new pizza called, "Kebab" pizza (see Fig.8).



**Figure 8.** Advertisement of Kebab pizza by the Lulu Pizza Company (Source: Lulu Pizza Company, 2021)

During the pandemic when there was the first lockdown in 2020, the demand for home orders increased. Those enterprises in the hospitality industry that were able to quickly adapt to the situation have benefited greatly. Restaurants began to prepare take-out food even if they had

not previously provided for it. Restaurants, cafes and pizzerias began to partner with delivery services such as Bolt, Wolt and private couriers. Lulu's Pizza did not do the same, because company already had its own well-trained delivery service. Having expanded the menu of their site, they began to offer basic food products. The difference from other restaurants and chains was that Lulu Pizza already had their own delivery system (their own couriers in cars and motor scooters). This gave a very big advantage since the company did not have to pay a percentage for cooperation and delivery. As an example, the company began to produce blank pizza ingredients (Lulu Bode) which can be seen below (see Fig.9).



**Figure 9.** Advertisement of blank pizza ingredients by the Lulu Pizza Company (Source: Lulu Pizza Company, 2021)

## After Crisis

At the time of this writing, it is difficult to say that the crisis is over. All experts and staff in management positions agree that the economic crisis caused by Covid-19 is in full swing. According to hospitality industry professionals, 5 months of downtime (when the establishments were closed to customers or did not work at full capacity) brought such losses that it would take at least 36 months to compensate for these debts. What to expect in future in the fast food industry no one can predict. According to official data, the Cabinet of Ministers of Latvian Republic agreed on the criteria under which restrictions in the field of public catering can be mitigated. Reliefs can be introduced when the two-week incidence rate of Covid-19 does not exceed 320 cases per 100,000 inhabitants (LR Ministry of Foreign Affairs (2021). Now this figure is about 370 cases (on April, 2021).

The first step in easing restrictions involves permitting open-air catering services. No more than four people from two households, not including children, can sit at one table. There should be a distance of two meters between the tables. The second stage will come if the two-week

incidence rate does not exceed 250 cases per 100,000 inhabitants. Then eight people from different households will be able to sit at one table in the open air. In the case of a low incidence of Covid-19, the government may authorize indoor catering services. In this case, no more than two persons, not including children, can be at one table, the distance between the tables should be two meters, if there is no boundary wall between them. Arriving at a catering place should not exceed two hours with a reservation and an hour without a reservation. Restaurants and cafes will be able to start work no earlier than 6 a.m. and finish work no later than 10 p.m. After 22:00, food can only be sold to take away.

The government refused to set a specific date in the rules after which mitigations can be introduced; in the future, the Cabinet of Ministers will gradually make decisions on easing the restrictions. Based on the comments given from inner sources in organisation, according to forecasts, the work will be normalized in at least 3-4 years. It will take more that 36 months to recover the expenses, spent during the lockdowns. The surveyed employees rate the future development of the industry positive, and loyal employees is a good sign.

The author is forced to conclude that many catering enterprises in the hospitality sector could not withstand and were forced to close or move to another place without being able to stand. The corona virus is not a hindrance for the company, as having more than 25 years of experience in the catering industry in Latvia; it allowed the company to overcome the 1998 crisis, the long difficult crisis of 2008-2009, global economic difficulties that affected the local market in 2014-2015. Therefore, according to Sandis Levčenkova, the company has fought and continues to fight for a place in the Latvian market; the enterprise, albeit with difficulties, but applies all its experience in new changing circumstances. At the same time, he feels confident and is not going to give up.

### **Conclusions**

In this research, the author learnt a lot about the sustainability in hospitality industry, Covid-19 pandemic and its impact not only on the fast food industry, but also on the situation in the world in general. This crisis has become one of the most difficult that various organizations have ever experienced, because it affected almost everyone. In the fast food industry, restaurants have had to change their daily services and operations due to a deadly and dangerous virus. The most important thing for Lulu Pizza was to ensure the safety of both visitors and employees. The study examined the solutions that Lulu Pizza uses to keep her company afloat and maintain the sustainability of the organization. Covid-19 has highlighted the biggest cause of global concern, and it's not money, it's the health and safety of the people we know. Companies must

be held accountable for their customers. While the pizzeria was open during the pandemic, it established itself as a sustainable enterprise, and this study provided the author with the information needed to answer the main research question, and the results are as follows: the well-known company Lulu Pizza meets all the factors of social sustainability, according to the theory. The company had closed some establishments, but over time they managed to reopen them. For every fast food establishment staying afloat and making money is a priority, but working in the fast food industry is the kind of business that exists for consumers and because of consumers. Since then, the social factor of resilience has played a huge role in organizing and during a pandemic; this aspect has become even more popular than ecological.

### **Recommendations**

Based on analysis above, the author suggests Later LTD Enterprise to:

- Keep a high level of control over operating costs to estimate costs.
- Try to negotiate with landlords to reduce rent due to the crisis.
- Communicate with suppliers about product quality and purchase costs. These actions need to be done to minimize operation cost and to increase profit. And actions below can help to focus on marketing strategies and sales.
- Keep standards of quality and increase product margin.
- Learn about the current needs of customers to create a new product.
- Develop a new unique, although there are many unique positions on the Lulu pizza menu.
- Motivate and create a friendly team of employees to create sustainability in its business.
- Dedicate more resources to SMM (social media market) and product promotion. The author thinks it would be cool if Lulus Company launched its official mobile app for smart phones.

There is long way forward for the entire hospitality industry to revise old thinking and much more need to be done to go forward to achieve sustainability as well as ecological thinking, such as is described in educational books or speeches of modern conferences. And mentioned above steps are also small steps to create sustainable society.

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