

Environmentally Sustainable Practices and Hotel Performance: Evidence from Malaysia

ABSTRACT

The hospitality sector is under constant pressure from clients to adopt environmentally friendly practices. Industry reports suggest that customers prefer to stay in hotels that care about the environment. This means that hotels adopting environmentally sustainable practices can attract pro-environment customers and, as a result, improve their overall performance. This study aims to examine the innovation, organization and external environment determinants of adopting sustainable practices in hotel–restaurants and whether these practices affect the overall performance of hotels. Based on a survey of 169 managers of 3- to 5-star-rated hotels, a factor-based Partial Least Squares Structural Equation Modeling was performed. The results suggest that ease-of-use and top management support are the key determinants of adopting sustainable practices, such as support for host communities, waste management and conservation projects. Moreover, this study found that support for host communities and waste management practices influence the overall performance of hotels. This study adds significant insights on environmental practices in hotel–restaurants. These insights have implications for hotel owners and/or managers as well as designing policy interventions to increase the uptake of these practices.