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International Standard of Sustainability Framework Applied to Integrated Resorts

by

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PART ONE

Introduction

Over the last few centuries, the world economy has grown exponentially, and it has become more integrated—intensely reforming the cultural and political landscapes everywhere. Since the industrial revolution in England in the 1800’s, the global climate rapidly changed and natural habitats have been extensively polluted, especially in the past fifty years. Climate experts expressed their concerns of what will be if major industries will not take the necessary actions to minimize the damage brought on by the massive development people of today are claiming to have brought us convenience and improvements. However, continuous exploitation of our natural resources without giving weight to pro-environment actions and means will bring more devastation rather than advancement.

The alarming issues of environmental concerns, and the importance of sustainability have already reached not just the government, but also the business firms. From the government to the private sector, there have been a seemingly uncountable number of movements created that relate to promote sustainability. The hospitality industry, took steps to participate in the drive to lessen irresponsible use of natural resources, and took into account the consequences of not using resources responsibly. In addition to efforts in hospitality industry, the overall sustainability movement introduced methods that allow industries to use natural resources sparingly and wisely use materials and resources reducing their dependence on non-renewable sources.

However, apart from employing sustainability strategies and further investigating applications done by the industries, there are several angles that the hospitality industry should also look into which this paper hopes to discuss in focus. To start with, the United Nations Environment Programme to be a strong guard in upholding sustainability, thus drafting the
procedures for business entities, and methods how they can participate in the sustainability efforts. These policies are what hospitality industry players should be prepared of and plan well to participate and enact their shares effectively. Since there are existing movements from the hospitality industry, if these collective and organized actions are not properly prepared and carried out, the future cost to apply these methods will be much higher than what was perceived. Aside from the hospitality industry’s plan of action, taking effective methods, the consumer sector’s behavior and perception towards the green movement will also change in the course of time. More travelers and hotel patrons now are choosing hotels that are promoting eco-friendly and pro-environment programs. On the other hand, there are still consumers who need to be encouraged and educated to participate in the program, and eventually make it not just a seasonal behavior but also a lifestyle. Consumer behavior is also another issue the stakeholders from the industry look into since this is a determinant as to how should the industry create a balance in their policies and means in order to provide a favorable service to the consumers without putting at risk the economic interest and the environmental pursuits. Nonetheless, it is also a factor for competition among hotels and other hospitality firms.

The hospitality industry has come up with a fresh idea—the Integrated Resort (IRs). The IR is a hospitality establishment where all facilities and operations combined are counted as one property. It is a community of hospitality facilities that include a casino. IRs can be massive in size; they provide a wide array of services and employ thousands of staff to serve thousands of guests per day. The IRs’ impact on the economy is substantial in both the revenues generated and the number of people it employs. There is no stopping the growth of IRs in the coming years. There are plans to establishing IRs in Europe and Asia, as they are now predominant trend in the hospitality industry. Considering the size and the number of people it employs and receives, the
establishment demands for an impressive amount of resources. IRs are highly encouraged following the GRI guideline to ensure effective sustainability programs. Most companies in and out of the hospitality industry follow and include in their sustainability reports their sustainability practice aligned with the GRI guideline. As for the IRs, only Caesars Entertainment has indicated their use of the GRI guidelines in their sustainability report.

**Purpose**

The purpose of this study is to explore the extent to which Las Vegas integrated resorts apply measurement framework for sustainability. It will scrutinize and explore the existing sustainability strategies and practices, and look into several plausible ways to improve the sustainability movement that the companies in hospitality industry currently have. The paper will also look into the tracking and measuring system in consuming resources and the equivalent common actions taken by the management of the hospitality companies. From there, the paper will discuss the Global Reporting Initiative (GRI) guideline and establish if the companies have aligned their efforts with the given parameter. Lastly, it will tackle and identify means worth turning into action, and the suggestions as to how sustainability efforts can be accelerated and implemented well.

**Objective**

This paper hopes to provide analysis in the significance of a quality and effective standards of sustainability programs and the dynamics the hospitality industry in Las Vegas is employing in particular the strategies and plan of actions created to uphold the sustainability programs. One of the paper’s main objectives is to go through the study and identify the obvious problems that Las Vegas hospitality industry are faced with based on the factors affixed with it. Its goal is to scrutinize and discuss the present situation of the hospitality industry in their hopes
to contribute to the sustainability effort whether it follows the guidelines or not, and the surfacing problems in the process. More than just exploring for problems or weaknesses in the implementation of sustainability effort, the paper will also discuss possible solutions as to how the industry can maximize its industrial ability while walking to the road of successful sustainable development. Lastly, it will explain the advantages and disadvantages of the suggested solutions.

**Justification**

Like any actions taken in a booming industry, the hospitality industry reevaluates the factors surrounding its present sustainability programs in order to come up with objective and constructive evaluation that can lead to further improvements on the actions and efforts taken. To put it in perspective, there are several implemented policies under the United Nations Environment Programme (UNEP) that affects the present strategies of the industry. In addition to that, the consumer’s taste and consuming behavior for the hotels or hospitality services also change and vary. Since sustainability programs have been widespread in almost all industries particularly in developed countries, the hospitality industry also needs to consider participating and even compete with the standards. There are innovations in the programs and methods that are enhanced, thus, it causes the companies to also follow the steps of the direction of the sustainability program. This can, not to mention, pose as financial burden. These changes entail modifications in their system and management. It may also call for more or less new financial demands in the hopes for the hospitality company to provide quality services while aligning business practices with sustainability practices. The hospitality industry, in order to effectively assess and showcase its effort, also employ systematic monitoring tools to see if the steps taken,
or sustainability practices are in line with the sustainability guidelines, and if it is in accordance to the business and consumers’ interest.

Constraints

The paper is limited to information that has been made publicly available. It only contains data and information that are prominent. Other minor information though related to the topic may not be included such as the sustainability program of actions hospitality and other industries have.

When it comes to the statistics, such as the number of customer arrivals in the IRs, it may not be directly compared to the numbers of arrival in the IRs from other countries, since these countries have factors that may dictate the volume of customers coming in and using the services and the facilities.
PART TWO

Introduction

In order to operate and consistently produce and distribute products, resources such as energy are fundamental. Industries are the main users of energy to compete internationally and, of course, to supply households with its growing needs for goods and services. Largely, rate of consumption for the resources consumed around the world at present, are unsustainable. We rely mostly on depleting, non-renewable sources such as fossil fuels that, not to mention, also causes pollution as it is extracted and processed. Consequently, this main energy source contributes significantly to the environmental problems, particularly the global warming. Thus, we can say that today’s main energy source has two faces.

Due to these pressing issues on environmental threats, the United Nations made a policy and branded it as Sustainable Development. Sustainable Development was termed during the Brundtland Report of the World Commission on Environment and Development as a responsible method to acquire and satisfy present needs without sacrificing the opportunities of the future generations to meet their own (Brundtland, 1987). In the General Assembly, it was agreed that the government should involve all entities; from non-governmental organizations, industries and the scientific community, from the national and international levels, to fully reinforce and further exert sustainable practices (United Nations, 1987). Since it includes all industries from the global to national and its smaller communities, the hospitality industry is called forth to participate fully in the effort to adapt sustainable practices. Going deeper to that, there are reasons worth discussing as to why the hospitality industry needs not just policy complying programs but effective and practical sustainable practices.
Importance of sustainability

Since Earth Summit in Rio 1992, the theme of sustainability has become more important for the 21st century. It symbolizes the promise of social advancement for a more reasonable and healthy world in which environmental and social achievements are conserved for the next generation. Sustainable movement got underway, and awareness of climate change came into focus for both industry employees and travelers. The sustainability advocacy has been widespread. In 1979, world tourism organization (WTO) started a committee focused on the environmental issues while Rio Earth Summit in 1992 directly initiated the sustainable development of tourism (Bohdanowicz, 2009). The hospitality industry began integrating environmentally responsible or sustainable movements into hospitality industry business, and created similar initiatives as a result. For example, water conservation policy and a request for towel reuse have become common in hotel rooms; recycling program, solar power or the use of renewable energy system is also becoming common at hotel and tourist destinations.

Sustainable travel destination is built around sustainable consumption, which consists of sustainable industrial processes as well as use only sustainable products at the same time. It needs to provide a sustainable environment that includes social and environmental friendly policy with strong regulations to maintain this. In addition, it is empirical to understand the relationship of climate change to lasting social and consumer flow that has impact on tourism demands. For instance, when it comes to consumer behavior and choices, it includes preference of the aging population in developing countries, certainty on safety and health, environmental and cultural education, up to date information and transport services, and changes of the duration and frequency of holidays consumers are willing to pay for. (Scott, 2011 p.20.). To illustrate this, there are changes in the way consumers behave towards hospitality services. In 2011, an annual
study from Las Vegas Convention and Visitors Authority (LVCVA) found out from their annual visitor profile that back in 2010, the typical customers that arrived in Las Vegas were married documenting it to 79%. Eighty percent of them were earners of over $40,000 per annum, and 66% were in a job. More than 25% of the visitors were retired. Add to that, approximately 71% of the visitors in Las Vegas that year were more than 40 years old, average age was 49. The number of days the visitors lodged was 3.6 nights to 4.6 days. In the duration of their stay, visitors’ regular spending was $80 a night for accommodations. Both the number of stays and the amount spent increased. Up also is the spending on food and drinks, which was an average of $256 within their days of stay. Compared to 2008, which was $250, this value was higher (LVCVA, 2011).

Another big concern is the building and structure of the hospitality industry. Especially, over 40% of global energy consumption and one third of greenhouse gas releases come from the buildings all over the world from first world and third world countries (UNEP, 2009, p9), hence IRs also need to deal with the same environmental issue. Fortunately, some of the companies in the industry are already aware of this. Marina Bay Sands (MBS), for instance, was constructing the largest of its property in Singapore that apparently was producing waste. Conscious of that, steps were made to reduce it such as the use of non-toxic eco-friendly paints, waste segregation of organic surplus for appropriate dumping, recycling of materials such as wood, metal and soil, minimal use of diesel-ran equipment, water treatment, and the company also adopted a water system as part of its environmental responsibility. MBS also have The Palazzo in Las Vegas as the largest LEED certified building, and it boasts an environmentally contributive, energy efficient and a health friendly place to live and work. MBS invested on highly intelligent buildings in the hopes to identify means to safeguard the environment including the choice of
their supplies distributors that are preferably environmentally concerned too (Kristiana, Antenucci, & Imberger, 2011).

Marina Bay Sands in Singapore had a flower garden constructed that efficiently both adds to the aesthetics of the property and helps conserve energy. A 1.2 hectare botanical garden with 23 to 25 degrees Celsius was erected. With chilled water pipes placed in ground blocks, it helps it in ventilating the area. It works naturally by letting warm air ascent and escape through elevated levels, which maintains a cooler temperature on the ground. Reportedly, 30% of the energy is saved through this botanical garden by altering waste to energy (Marina Bay Sands, 2012).

Achieved goals in the social and environmental areas are the indicators of sustainable development. These indicators help provide the structure to distinguish what is needed in creating schemes for a sustainable transition. The indicators are naturally flexible, open to necessary changes. Also, in creating the structure for sustainable development from the national to local levels, the international perspective should be balanced with the indicators and goals.

**Overview of the hospitality industry**

According to the United Nations World Tourism Organization (WTO), during the economic recession, there was a significant decrease in tourism, an estimated 4%. Fortunately, in 2010, it showed recovery that started at the final quarter of the year. The arrivals reached 2% higher (WTO, 2009). Respectively, Las Vegas suffered regression as well. Comparing the volume of visitors from 2009 to 2011, the number of visitors was lower, but it continued to increase in 2010 and 2011 (LVCVA, 2012).

The use of hospitality service, whether by group or individual, for leisure or business will experience upswing due to the prosperity in the global economy. After the experienced decrease
in the past years, travel expenditures is expected to go as high as US$896 billion in 2010 and to US$ 1.2 trillion by the year 2014. Consequently, hospitality services, utilities, food processing and services, real estate, rubber and plastic manufacturing, and social/personal services industry are also estimated to profit most in the business travel in the next five years (EYGM, 2011).

Respectively, since the hospitality industry focuses on providing service to its consumers, it follows that, as statistics showed, the bigger the volume of the visitors, the more successful travel and hospitality industry becomes. It is also affixed to the consumption caused by the hospitality industry in order to provide for their consumers. This is where an effective sustainability program becomes highly required. According to Green Research, hotels are pivotal establishments in the society because it brings people to their destinations. Thus, hotels are responsible for the consequence they have on their nearby communities (Green Research, 2011).

**Factors concerning sustainability programs in hospitality industry**

There are several factors that the Hospitality Industry looks into as part of its sustainability implementation and monitoring. The success of the Hospitality Industry also entails concerns that if not taken into account considerably, would result to raise more concerns for the hospitality industry.

1. Hospitality Business Expansion: Integrated resort (IR) is a wide-ranging property that is built surrounding a casino facility. It is described as a multi-billion-dollars, multidimensional hospitality venture that can earn as much as $300 Million in gaming returns (Suh & Lucas, 2011). Though relatively new, the IR venture of the hospitality industry has made a promising growth. In Las Vegas, and in other areas in the world, IR is now expanding. This is a created community where almost everything a hospitality consumer needs is found. Amenities and facilities such as entertainment centers that include casino, bars, nightclubs and shows are
already within the premise of an IR. It also houses spas, fine dining restaurants and shopping centers, and all of these are open day in and day out.

The size of an IR can be enormously big compared to the traditional hotel. For Instance, the Venetian Macao that cost US$2.4 billion to build is so large and, in fact, it is the largest single hotel establishment in Asia, and comes second as the largest building in the world. It has a total of 3,000 all-suite guest rooms, one million square feet retail space, a casino floor of 550,000 square feet with nearly a thousand table games and with more than 3, 400 slot machines (SANDS, 2012).

Respectively, in Las Vegas, The City Center and Cosmopolitan have 24 separate buildings within the 45-acre site that also houses all the facility and amenities of an IR. In Singapore, two Singaporean casino licenses were available in 2004, and the government made it compulsory that only 10% will be allotted for the casino. The rest of the space will be distributed to other services such as the hotels, theme parks, dining and drinking, convention centers and retail shops (Suh & Lucas, 2011). The size itself, with type of services and amenities IRs have, it requires a vast amount of energy to operate its business. Hence, effective sustainability program for IR is indeed significant to its operation and future growth.

2. Consumer Behavior: Consumer behavior comes in two faces. Surveys and studies show two, in general, different consuming behaviors consumers have. First, since the sustainability policy and the strengthened implementations and monitoring, there are already individuals who are aware of the concept and importance of sustainability and its goals, but there are still those who are not yet fully participative. The National Geographic in partnership with GlobeScan made an effort to develop a global research method to determine changes and progress of consumer behavior or their attitude towards sustainability program. The behavior mentioned in
the survey is the general attitude of the respondents towards their energy consumption form food to transportation (National Geographic, 2012). On their third annual survey, using the Greendex measurement, it indicated that there is an increase of awareness among the people from 10 out of 17 countries. Further, in the questionnaire, it was also asked what caused the changes in consumers’ behavior. Most respondents answered that it sprung from the increase of energy cost that made them more responsive to the call of sustainability practices while a percentage also said that awareness in the present condition of the environment prompted them to adopt environmentally sustainable attitude (National Geographic, 2012).

In Kathleen Andereck’s study, survey results showed that consumer behavior among tourists is divided into two. Interestingly, the result also shows two distinctive behaviors. A higher percentage from the respondents indicated that an environmentally caring attitude or lifestyle, in average, is important (Andereck, 2008, p. 493). More and more people are choosing supplies or establishments that are known to practice environmental measures such as their choice of airlines and accommodations. The survey also showed that the variation of the behavior depended on some factors, such as demographics, sex, age, educational attainment, and status in life. The research had generally shown that tourists have developed their sense of environmental values, their consuming behavior, and in particular their choices. Consumers also manifested their favor on green innovations. Other researches support this finding and vice versa (Andereck, 2008, p. 493).

On the other side, there are still tourists who behave inconsistent to the sustainability discipline. Some travelers still have prominent blue prints of excessive utilization leading to uncontrolled waste production. This obviously poses problems to the national and regional pursuit for a successful sustainability program (Neto, 2002, p.6).
Referring to all these changes in the behavior over the past years, it certainly has an impact on the companies. Though hospitality companies are all willing to modify their operational and managerial practices to ensure conformity to the sustainable program, consumers and their behavior can play an important part and affect the changes the establishments are making. The hotel establishment is torn since they are required to align their business practices with sustainability programs, but at the same time provide consumers what they require from a hotel, be it a customer is environmentally caring or not. The industry needs all the information on the requirements of sustainable programs for the industry and the methods how to integrate economic influence with environmental and social requirements (Pfeffer, 2010).

3. Financial Cost: Financial Cost is one of the leading concerns when it comes to adopting sustainable development, and many are already aware how much it will entail. Nonetheless, the pressing concerns of the environmental damage and possibilities urge the change required to provide solution to the existing issues and apply preventive measures to minimize further problems (Schweitzer, 2007, p.1).

For over two decades now, the idea that applying sustainability practices entail more financial costs consistently make forerunning companies in the business sector apprehensive of the investment. Though there are financial reservations due to the high expense in the initial sustainability, there are already numerous indications of advantages the business and the environment can enjoy in the long term if the larger perspective is to be considered. In fact, there are already firms claiming that adopting sustainability practices provided them profit (Fleming, 2011. p.1). According to Schweitzer, what this situation requires is not simply changing ways of consuming but modifying and reconsidering the instilled idea of expenditures (Schweitzer, 2007, p.1).
In the case that, since environmental regulation under the sustainability policy is becoming universal, investing on the program is a necessity. Interestingly, in a micro perspective, a study Schweitzer conducted showed that what is needed to really see the benefit in adopting sustainability is a well-rounded education that explains how elements interrelate to each other and the provision of the ideal equilibrium in capital investment (Schweitzer, 2007). Therefore, it is also required to have a perceptive attitude in spending for sustainability programs.

4. Guidelines: For decades that sustainability policy and sustainable methods have been devised and implemented, guidelines have become one of the key factors in doing the job right. The Global Reporting Initiative (GRI), a non-profit organization promoting economic, environmental and social sustainability, provides companies and organizations from various industries a well-designed and all-inclusive sustainability reporting framework. GRI contributes to the sustainability policy by drafting standardized reporting directions. It is a comprehensive report guideline since it covers vital elements for the sustainability program- economic, environmental, and social and governance. It also designed a framework that allows companies and organizations to assess their sustainable performance emphasizing transparency and liability that aims to improve the reputation of stakeholders on the companies, to offer better understanding and build confidence in the global economy.

GRI believes that a globally used structure of ideas, a uniform language and metric is a so that there is a better communication, clear and open. This is what GRI took as a mission, and created a reliable sustainable reporting outline that organizations or companies, big and small from various sectors or sites, can use it (GRI, 2011, p.2). A sustainability report must give an objective and logical depiction not only of a company’s achievement, but including the unconstructive inputs (GRI, 2011, p.3). The Sustainability Reporting Guidelines has Principles
that explains what’s included in the report and warrants the value of the information provided. It comprises Standard Disclosure made up of Performance Indicators and other declarations, including structure on particular technical areas in the reporting. The Performance Indicators in the Guidelines have Indicator Protocols that gives definitions, collating guidance, and other details to aid those who set up the report. It also serves to certify consistency in the Performance Indicator analysis. Those who use the Guidelines are encouraged to also utilize the Indicator Protocol. The Sector Supplement creates a balance with the Guidelines through explanations and supervision as to the use of the Guidelines in a specified division, and adds sector-specific Performance Indicators. The Guidelines can be used with the appropriate Sector Supplements as an addition, but not as a substitute to the Guideline. Concerns in reporting are addressed through Technical Protocols. This includes guidance in how to set up reports such as the scope included in the report. The Technical Protocol is intended to work in sync with the Guidelines and the Sector Supplements. It discusses the concerns most organization using the Guidelines have in the course of reporting sustainable performance (GRI, 2011, p.4).

Part 1: Reporting Principles and Guidelines - This section directs the content of the report. It has the Reporting Principles of materiality, stakeholder inclusiveness, sustainability context, and completeness, inclusive of short tests for every Principle. With the use of Principles together with the Standard Disclosures, it identifies the topics and indicators that need to be presented through the report. These are preceded with the Principles of balance, comparability, accuracy, timeliness, reliability, and clarity. With it are tests that can contribute to attain the needed quality of the reported performance details (GRI, 2011, p.4).

Part 2: Standard Disclosures - This part guides the report, through its Standard Disclosures, what should be in the content of the sustainability report. It helps categorize which the data plays
significant to the general organizations, and what is beneficial to participating bodies in reporting the three types of Standard Disclosures.

- **Strategy and Profile**: Disclosures includes the setting or background in order to give an understanding or view of what the organization achieved and how it performed namely its implementation approach, profile, and administration.

- **Management Approach**: Disclosures containing guidelines as to how an organization should deliver particular topics to provide the idea to understand the performance in a certain subject.

- **Performance Indicators**: This serves as the gauge to produce comparable data on the aspect of economic, environmental, and social standing of the organization (GRI, 2011, p.5).

**Conclusion**

More than just conserving resources and advocating environmental concerns, global action is imperative, and this movement becomes a lifestyle. The United Nation sustainability policy is the identified solution to address the problems not just in the superficial manner, but also in the roots. The sustainability movement is also a call to prevent frightening consequences. Effective sustainable programs implemented well and efficient monitoring system through guidelines is highly recommendable for it to succeed. As mentioned, consumer behavior, the universal policy regulations which are likely to cause changes in the course that may also bring business risks, corporate and social responsibilities, economic changes, and financial costs are the apparent matters that the hospitality industry will have to face. Identifying the factors that pose big or small changes is a great start in the process, in order to consistently follow the sustainability policy. There are guidelines to follow in order to create a collective effort within the hospitality company, the hospitality industry and with the other industries. Without giving
much importance to this, the sustainability program will lag behind. Ineffective and inefficient effort is almost useless if the industry will not take into account the importance of guidelines.

Thus, to lower the business risk and financial cost, at the same time increase the revenues while practicing sustainability program, the hospitality industry companies one by one study in depth the factors in sustainability program implementations surrounding the business, and look at possibilities that are, in fact, opportunities.

**Glossary**

**Sustainability:** An environmental program with policies given to industries in the hopes to regulate, moderate and responsibly use resources. This program’s goal hopes to meet the present needs without risking the supply for future generations.

**Natural Resources:** These are resources that came naturally from different locations on the planet and they are considered valuable since it provides the basic needs of the world’s population. This is what the sustainability program hopes to save.

**Non-renewable Resources:** These are the natural resources that are not replaceable or reproduce itself. Examples of this are coal, gas or oil. Most of the energy resources globally use comes from the non-renewable resources. These are also called delectable resource.

**Hospitality Industry:** Business establishments that are hotels, motels, inns, or businesses that provide short term lodging, food and dining, vacation and leisure services and so on and so forth.

**United Nations Environment Programme (UNEP):** The United Nations Environment Programme (UNEP) is an international organization closely collaborating with the United Nations environmental activities. UNEP also assists developing countries in promoting and implementing environmental policies and practices. This United Nations’ branch began as a result of the United Nations conference on the Human Environment last June 1972.
IRs: This hospitality industry establishment is a resort with a consolidated leisure and entertainment attractions. All the entertainment facilities such as the casino, concert and convention halls, hotels, restaurants, indoor spas, and so on and so forth are housed under one property. The first IRs started only in 1980s.

The Global Reporting Initiative (GRI): a non-profit organization promoting economic, environmental and social sustainability provides companies and organizations from various industries a well-designed and all-inclusive sustainability reporting framework. GRI contributes to the sustainability policy by drafting standardized reporting directions.
PART THREE

Introduction

Sustainability programs are undeniably the most recognized collective approach to address the environmental scare the world is now facing. It battles depletion of non-renewable resources and pollution by constructing a holistic approach that trickles down from governance, public and private organizations and from business to service providing institutions to individuals. Sustainability programs were developed over the last decade and continue to be improved upon. Public and private entities have created ways to abide to by the policy, transforming their operations and management to be aligned with the principles of sustainable practices. Organizations have also developed certifications granting recognition for companies or organizational best practices. These organizations boost widespread advocacy that aids educational campaigns and help design benchmarks to encourage and strengthen further implementation of sustainable practices.

In every creation of effective sustainable programs, and in the implementation of practices, companies went through processes before they are approved as feasible. One of the processes is determining the factors affecting the organization and the implementation of its sustainability program. Factors that are identified as major influences to the sustainability implementations of organizations are the focus of this study. In part two, the nature of each of these factors is explained. This part of the paper will expound on the role these factors play and how they can make or break organizational operation, increase or decrease revenues and save or squander financial resources.

In addition, the paper will discuss the prominent achievements of integrated resorts in Las Vegas. There are hotels in Las Vegas that have championed sustainability programs, and they
have been awarded and certified by organizations. These practices will also be discussed in the paper, and compared with other hospitality industry establishments. Through this, the paper hopes to identify parts of the sustainable programs and implementation as commendable, and provide suggestions that may be helpful for the program.

**Results**

**Importance of Integrated Resort’s Sustainability Performance**

Factors Affecting Sustainability Program in the Hotel Industry in Las Vegas

A city that is awake for twenty-four hours due to its hospitality and entertainment industry, Las Vegas is one of the most infamous users of energy and resources. Also the hospitality industry, the type of service it provides and the number of people it provides service for, has become infamous in the talks of energy and resource conservation. Though known as the industry that practice excess, the hospitality in Las Vegas is proud of the achievement they have in the past decade though the city is considerably a toddler in the venture of sustainability.

Like any other implemented programs, the sustainability programs from every industry or every establishment undergo process of scientific and systematic study to accomplish an effective and efficient plans and implementations. One of the processes is identifying the factors that affect the organization or the business, and this is what stakeholders give utmost attention before jumping into creating the plan of action.

In the hospitality industry of Las Vegas, there are several aspects that need to be considered, yet in this paper, what is given more emphasis are business expansion in IRs, consumer behavior, financial cost, and the international standard guideline.

1. Business expansion: IRs, the future of hospitality industry and the demand for sustainable program. Undeniably, Las Vegas has a mature hospitality market since it is also one of the
obvious economic drivers of the city. For decades, Las Vegas is the leading destination for travel and entertainment, in short, leisure. Revenues amounting to millions of dollars are expected to increase in the next decade given the increase it has established after the recession the United States of America experienced. New and potential, the giant hospitality stakeholders of Las Vegas has ventured into IRs, a massive hospitality and gaming property that house all the facility needed in a hospitality industry such as hotel, casino, shops, restaurants, entertainment and convention center. Las Vegas has a couple of IRs, and now, the idea of IRs has reached countries in Asia including Europe. The fact that IRs is traveling abroad, it shows potential as a business expansion for the hospitality and entertainment industry. Developed countries such as Singapore and Macau already have IRs. Expansion is likely to be seen in countries such as Malaysia, South Korea, The Philippines, Japan, and Taiwan.

2. Consumer Behavior and Opportunities for Sustainable Development: Consumers are very, if not the most, influential sector of any business establishment including the hospitality and entertainment industry. Consumer preference and demands are usually the guidelines for business, and their satisfaction come first. However, the relationship between consumer demands, service and goods providing plus sustainable program create a sort of complication for the business aspect of the hospitality establishment. Balance is required, and maintaining it may entail a lot. Since sustainability is now widespread, and effort is further exerted to transform the policy into a lifestyle, more and more consumers will become aware of sustainable practices creating positive attitude towards environmental stewardship among the consumers. In that sense, there is no other way for the consumers, not just abide, but live environmentally aware. In the long run, since all industries are currently practicing collective and individual initiatives under sustainability, consumers will also choose sustainable products and services. This is an
opportunity for the hospitality industry to better invest as early as possible. The choices of the consumer will affect the choices of the hospitality establishment. Vice versa, the sustainable practices and advocacy the hospitality industry has will also influence the consumers they receive guiding them into responsible and sustainable consumption in and out of the premises.

For consumers who are already aware and practicing sustainability and particular at choosing sustainable products and services, they can be considered as opportunities to advance the sustainability standard of the establishment leading it to improve its sustainable performance. Consumer behavior can be utilized as the standard to improve sustainable services apart from the policy and guidelines given by the United Nations and other sustainability advocating bodies.

3. **Financial Cost**: IRs is an economically promising venture since it provides more employment opportunities to the localities and will attract more income for the country and the locality where it is built. Tourism and travel business establishment will also benefit from the building of IRs. However, IRS, with its structural characteristics, it is one enterprise that would require the most effective and efficient sustainable program design possible. The massive size of the property will require large amount of energy and resources. If there would be no proper and standard sustainability program and plan of actions, IRs will face scrutiny in the international pursuit of sustainable development. In addition to that, IRs will likely be a leading business establishment, not just for the hospitality industry but also for the locality. Clearly, it will become a prominent feature in sustainable practices among the business sectors a country has. IRs can play the role of an example in the creating sustainable programs and in the implementations. It is best if the IRs act as a pivotal establishment in terms of sustainable practices in the country they are situated.
Thus, IRs, not only is an economic driver, it can also be an example and role model in the quest for sustainable development. This increases the shareholder’s value. Hence, the hospitality and gaming industry can also benefit by increasing its industrial value, and it can lead among the industries in terms of success and best practices in sustainability.

4. Guideline: Guidelines and its advantageous impact on the Environment and the establishment. The Global Reporting Initiatives or GRI Guidelines has been distributed in the aim to achieve a uniform and universal reporting system of sustainable performance. The guideline, through its emphasis on transparency and accountability in performance assessment shows the quality of performance a company has relating to sustainability program. But more than just a reporting guide telling what to include and how to present it, the guideline can be used as a framework in creating a sustainability program. By following and using the guideline in assessment, an establishment can also find what projects are worth implementing. Nonetheless, when all organizations follow the guidelines, then sustainability program has reached its collective level that is basically the goal of the sustainable program.

5. The Gaming industry, more known to the public as the casino has become the center of scrutiny in the talks of developing a sustainable IRs. Currently, IRs has become the trend of the hospitality industry, and in all industry, a sustainable management and operation for all is being emphasized by the policy-making bodies. Casino, an establishment that has brought revenues for cities that host it, also suffers the bad reputation knowing that the existing stigma is its excessive practice such as gambling, smoking, and drinking. Thus, in IRs it is perhaps the most intriguing department when it comes to sustainability.

It is now known and accepted that sustainability is not just a model of environmental preservation, but sustainability is also a venue for financial revenue both for the business owners
and for the people through employment. For casinos, there are already found means to make the establishment comply within the sustainability requirements. The Sustainable Gaming Committee have been talking about reaching a decision for a cost effective long term solution that will provide an encompassing method for the industry to easily acquire that will mark financial benefits through savings (Leonardo Academy, 2011). The primary task the committee is to achieve an ANSI (American National Standards Institute) benchmark through developing gaming machines that function sustainably. Second is to lessen the energy use by half in the next five years. Lately, the gaming industry has been replacing their traditional gaming machines with electronic equipment from roulette to poker games, blackjack and others. Therefore, it is now the target of the gaming industry to continue using such machines but with lesser demand for energy. With lesser expenses for energy, it is directly pointing out benefits to increase savings (Eric, 2010).

Education is also another area that the Sustainable gaming Committee is encouraging the establishment (Eric, 2010). Using the casino as a venue to educate the players with the sustainable energy use in the place where they spend time and money. This is directed to the employees within the establishment. It was determined that gaming industry’s stakeholder play a vital role in the success of the business more than the shareholders because their value includes economic, social and environmental factors. In addition, the casinos need sustainable leaders added to their existing traditional leaders. They are essential to sustain the players and front-line staff since they can help sustain green performance and can disseminate the practice in the organization.

In addition to maximizing human resource to advance the sustainable practice in the casino is the installation of chief sustainability officer who is responsible mainly for the sustainability
projects and turning green ideas into reality by exploring means for lower operational expenses (Eric, 2010). The CSO also be fully equipped to meet short term goals by employing long term strategies for the company.

**Las Vegas Integrated Resort and its Sustainability Performance**

This paper focuses on the issues of Las Vegas, Nevada’s significant size of its hospitality and entertainment industry, its performance, and the possibilities this program may bring the industry.

Looking at the size of Las Vegas’ hospitality industry, economically, it has bounced back from the injuries caused by the recession that America experienced a few years back. Las Vegas has continued its recovery since 2010. Its gaming revenues and room occupancy and average daily rates (ADR) took a good climb up compared to the slow-performing years (LVCVA, 2012). It is predicted that the casino-resorts, with higher figures in the revenues, will have profit-margins and it is expected to enjoy growth in the future.

Knowing that there is a momentum in the economic recovery and increase in revenues, it shows that the hospitality industry in Las Vegas, with its growing Gaming Industry included, is on its way, not just economic success, but also faces a bigger challenge in maintaining good performance in its sustainability program while keeping the revenue figures higher and expenditures lower.

Currently, Las Vegas’ hospitality industry’s sustainability program is on its way in maintaining and creating more effective programs abiding under the sustainable business methods. To site, The Palazzo Las Vegas Resort Hotel and Casino, a property of Las Vegas Sands Corporation is a LEED-certified hotel (The Venetian, 2012). Las Vegas opens its doors to conventions and caucus that promote and uphold sustainability programs. Many of the hotels
have also taken their own simple actions, yet contributive to the pursuit of the sustainability program.

Currently, IRs, or even other companies, does not follow the guidelines in their reporting. Then, it may also follow that they do not take into account following the guidelines in creating sustainable programs. As for the IRs, it is quite challenging to lobby casino properties because of the negative stigma this type of entertainment has. But through sustainability, it can salvage the image of casinos under the IR project, and with good corporate responsibilities and sustainability programs, IR can promote the casino together with the other establishment within the IR as a whole. The Guideline can help IRs become more acceptable in the community.

MGM is a large company in Las Vegas with a total of 14 properties. MGM has worked hard to meet the expectations of the sustainability program, and while at it, they used various strategies including the use of the Guidelines. MGM earned the Green Key Certification, a benchmark in hospitality industry. Another property under the MGM is the City Center that earned six LEED-Gold ratings from USGBC. This means that MGM has equipment, fixtures and operational systems developed specifically to fit in the standards of the sustainability program. Such are the innovative air displacement units built into the bases of slot machines that cools or warms from floor up, a rather efficient cooling system and provides better air quality. Also, about 30 limousines that run in compressed natural gas serve the customers of MGM, a first in the hospitality industry (MGM, 2011).

In 2006, MGM Resorts International launched their energy and environmental services Division. This was aimed to make sure that the company is contributive to the sustainability program and fulfilling its social responsibilities by toning down MGM properties’ industrial waste and environmental risk. Another impressive step that MGM has done is its implementation
of several environmental conservation projects that significantly trimmed down the properties’ resorts use of gas and water consumption. Truly indeed, MGM is a case in point when it comes to carrying out the principles of sustainability in the hospitality industry. (MGM, 2011)

There are several identified problems in the present as to hospitality industry establishments’ plan of actions pertaining to the sustainability program. First, there is no collective data for sustainability performance. Properties are doing their individual efforts. This makes it difficult to assess the holistic accomplishment of the hospitality industry. The Green Building, on the other hand gives more emphasis on the City Center project that is relatively new, but it also brings financial crisis for MGM Resorts itself. The old properties should also be give equal attention when it comes to employing sustainability efforts such as getting LEED Certification for existing buildings. Another issue is the statistical data that should also show the sustainability performance using graphs or tables and make it available to customers and stockholders. As for the advocacy and further educational campaign of the sustainability program, there is no regular publication or paper that features the practices of the hospitality industry in Las Vegas. Communication such as this can help improve the standard because this is also an influential tool in sharing corporate performances. (MGM, 2011)

The Caesars Entertainment is another company in Las Vegas that upholds the sustainability program focusing on the environment, employee wellness and the community. In their report, one prominent action from Caesars is their Code Green strategy with a span of two to five year time line for that includes project in energy savings, renewables, water use, waste diversion, sustainable supply chains, and promotes guest and employee understanding of its Code Green practices. Part of the sustainable plan is to reduce carbon emission by 10 percent from the year 2007 to 2013. Caesars also created Green Meetings and Events certificate program
producing 200 managers equipped with education in sustainability management and operations. Caesars is also actively participating in the UN Global Sustainability Tourism Council. The company made changes in their equipment such as the 65,000 LED halogen bulbs that reduces 10% of its electricity needs. Caesars was awarded by EPA Waste Wise Gold. This award was due to the properties’ effort of cutting their waste production that included recycling a total of 75 tons of paper, 18 tons of plastic and almost 13 tons of glass. Also, the company has efficiently recycled 640,000 gallons of yellow grease, a double figure from their previous effort. Additional awards came from the Virgin Holidays “Partner in Sustainability”, and Travelocity Green Hotel Certification for seven of its resorts. The staffs of Caesars are also encouraged to participate, and they were able to recycle over 61,000 pounds of hotel soap and 43,000 pounds of bottled hotel goods. The recycled items were distributed to developing countries and communities in the United States that could make use of them to fight against diseases caused by poor sanitation. This project was under the Clean the World organization. Through this, Caesars had manifested its commitment to environmental sustainability maximizing not only their capacity to change hotel electrical, water and waste management and system, but also mobilizing the staff to become fully aware and participative in their program. Caesars is also the first among the companies from the casino entertainment industry to be enlisted in the EPA Climate Leaders Program (Caesars, 2012).

**Recommendations**

**MGM Resorts International**

Beginning in 2006, MGM Resorts International implemented the Energy and Environmental Services Division in order to mark the company's effort and contribution to align its business practices with the call of preserving the environment. The programs and processes
were created accordingly in the course to decrease destructive environmental effects. This resulted to putting in place multitude conservation efforts and programs that significantly brought good results. The effort included reduction of electricity use, gas, and water consumption in all of MGM’s properties in Las Vegas (MGM, 2012). Consequently, MGM released their environment report, but it did not follow the GRI Guideline. It also failed to state specifically the governance and social factors. This indicates that there is a difficulty for the integrated resorts to follow the GRI Guideline since the MGM properties and businesses are diverse in nature. On the other hand, MGM noted that they are to publish a Corporate Responsibility Report in the near future with the social factor included.

To point, some of its properties are too old while some are now tuned in to the programs and designed to be structured as green building. For the existing buildings, though it entails more effort to redefine and remodel, there are certain actions taken or planned in order to carry out its sustainability effort. What is commendable from MGM is that they have exerted effort for sustainability by investing in it for almost a decade now.

MGM had also included, in the aim of transparency, their company information through financial sheet with which assessing can be done easily, understanding the company’s goal and the work exerted as part of their sustainability performance. Though MGM is considered doing relatively well, there are identified problems in their pursuit.

1. Regarding its environmental resort, currently, it seems apparent that most of the sustainable effort is concentrated on the City Center project which is just one of the 16 MGM properties. This does not include Macao Property. Also, none has been comprehensively mentioned about the Golden Nuggets and other properties outside of its Las Vegas Properties.
2. MGM disclosed data about sustainability performance by sector – water consumption, electricity use and waste recycling, but it is also necessary to disclose the base data from each of its department such as the hotel, food and beverage convention, casino and entertainment with base data as well.

3. MGM has existing representative case studies which show that they have accomplished well. Those cases serve as a positive example for sustainability performance. However, since they own integrated resorts, it is important to put all the sectors’ (hotel, convention, casino, entertainment, and F&B) performance and data. In other words, what it needs is to set up a collective case study for each sector. Seen also is the need for an enterprise resource managing for sustainability.

4. In MGM’s performance report, it need provide a summary about all of its 16 properties’ sustainability effort.

5. MGM needs to create a focused target sustainability effort and plan of actions for 3 years, 5 years, and ten years. It only has sustainability goals for the year 2012.

6. The green building should be implemented not only focused in the City Center. It should also include light and water saving goals and further plan of actions. Power saving should begin from the base year and on. There’s an ample of opportunities for the old properties since it started without a standard performance indicator, there’s a big possibility that MGM can go further step on their effort for these structures.

7. A comprehensive data should be provided in the Food and Beverage department such as where the food and supplies have been purchases, identify the by-product of food preparation, recycling methods and the characteristics of the supply chain.
8. The convention department needs to establish a tracking system developed within the sustainability measurement framework using standard unit.

9. Entertainment just informed about KA show, need to show what other efforts for other Shows.

10. Compare with other casino groups, MGM is continuously championing sustainability in their sustainability effort. Now they need to collaborate and organize information for their performance. Also, since most of the properties were not built with the bearing of sustainable purposes, altering its inventory system can be challenging due to financial and systemically problems. But for long term solutions, MGM eventually needs it.

**Las Vegas Sands Corporation**

The Las Vegas Sands Corporation (LVS) implemented their sustainable development program under the banner of Eco 360 Degree Program. Its aims are directed to sustain a safe and healthy work environment for the company’s staff, for the improvement of the quality of life in the communities where the establishments are situated, to lessen the environmental consequences brought by the establishments, and for cost effective measures employing recycling programs, sustainable purchases, efficient use of energy and the search for ways to use renewable energy for the buildings and operations. Mainly, the program is focused in environmental and social aspect by constituting a healthy working environment, and actively organizes and mobilizes community services (Venetian, 2012).

Currently LVS has not released publication for its sustainability performance. Instead, it issued sustainability accomplishments and plan of actions as their report, and made the information public through their website. The company did not collectivize the Sands properties sustainability report. The delivery of data was done individually according to each of their
operational and management department. Assessed through the report they made, the Venetian and Palazzo, two of LVS leading properties, are performing competently when it comes to their environmental effort.

The LVS report, however, needs to add the base year and how they have improved their sustainability performance within a certain period.

1. LVS needs to disclose comprehensively the various areas regarding the social factor. This would, consequently, include the accomplishments in the working environment and community service. Assessment of LVS’s performance should also state details of their sustainability contributions. For instance, it should enclose the location, duration, the dynamics of the working team, and the nature of the programs being implemented in the identified communities.

2. The report would be much more comprehensive if it stated the status of the components of its integrated resorts.

- Hotel: Compared to other integrated resort properties, the Palazzo and The Venetian have notable best practices in their guest rooms. However, for the sustainability practice to be monitored and assessed well there should be an appraisal framework using a standard unit.

- Food and Beverage: LVS needs to include information about the source of their food supply including the list of their chains of supplier, the items purchased, food preparation processes and its by products, and the means of recycling implemented in the department together with their accomplishments in the area.

- Convention: Sands Expo and Convention Center (Sands Expo) has notable green meeting and convention program that allows choices of standard environmentally sound services. Sands Expo, has additional methods of services to create a more socially and
environmentally planned events. However, referring to what was revealed from their webpage and short publication, there is no case study of which services they supported exactly and how they accomplished the objectives of the project. To add, there is a need to establish the tracking and monitoring system utilized and to develop a standard sustainability measurement framework with a standard unit.

- Entertainment: For the Entertainment Department of Las Vegas Sands, there’s no information available regarding their sustainability effort in particular, the staging of shows and exhibits such as the Phantom of the Opera and The Blue Man Group.

- Casino: Even though The Palazzo and The Venetian were granted LEED certification, the Casino was not included in this. For a long term perspective, if LVS wants to imply that it’s gaming area is where everybody can enjoy. There is a need to improve its environmental condition. The casino part is a tricky area to discuss with smoking not banned within its vicinity. However, in the other department, namely the health and working environment area, it is pushing the issue regarding this matter since it is also a concern of health.

**Caesars Entertainment**

The Caesars Entertainment displayed an amazing sustainability performance in the past 3 years. Caesars was the first to publish an annual sustainability report in the casino-entertainment-hospitality industry. They released in for the years 2009-2010 & 2010-2011. They were also commended for submitting voluntarily their Carbon Disclosure Project (CDP) which was included in their 2010 and 2011 report. Caesars was also the first to declare their Carbon Inventory and EPA-Approved reduction Goals in the year 2010. Caesar launched Code Green Scorecard in all of their U.S. resorts which they use to collect data from their guests and
employees of which are constructive in the formulation of an improved strategy and better reporting method. The effort exerted by Caesars helped materialized their sustainability report (Caesars, 2012).

Nevertheless, the report did not cover information regarding their external providers. The report should also improve the contents such as present the case study of successful sustainability project from each of their property. Similar to other properties, it should be specified by each department (Hotel, Casino, F&B, Convention, Retail shops, and Entertainment) for a clearer and comprehensive assessment of their performance.

**Conclusion**

Though the companies have expressed varied intentions when it comes to improving their sustainable products offered, such as the long-term perception of the sustainability projects and the different ideas that brought the modifications, it indicates that all the work for sustainability is walking the green road. As there are recognizable improvements in the effort, soon enough it will be on the center of sustainable hospitality industry. As sustainability progresses, modification and changes in the integrated resorts’ can be expected sooner than later. Presently, there are more establishments in the hospitality industry that have begun to display their decisiveness altering their resource management and lessen environmental footprints, advocate sustainable practices among the customers and employee and healthy decisions giving considerations to the environment. What is fostering a strong bind between the integrated resorts and sustainability practices lies on the obligations of the shareholders such as the financial demands, ecological deficits, and the growing business opportunities for the establishment.

The partnership is constantly enhanced with continuous improvements made both for the sustainability program and the operations of the integrated resorts. Active participation in the
effort of creating a sustainable hotel brand had also brought in numerable alternatives that can be applied to enhance sustainability operations in integrated resorts. Opportunities range that from decrease resource consumption, can in fact, be financially rewarding for the business.

The main challenge for IRs is the creation of long term sustainable solutions to contribute positively in efforts for climate change, forest degradations, air pollutions and the damage in biodiversity, and while doing so the company can distinguish and procure new business opportunities. By shedding light on best performances and lessons learned in upholding sustainability goods and dynamics, it will lead towards a true and profitable sustainability that does not necessarily burden the business sectors, but opportunities instead.

Come after the performance is the assessment where standard units are employed to create an effective tool to measure the effectiveness of the actions and the results. Sustainability reporting is not simply part of the policy to comply, it is a method needed to evaluate the performance and the payoffs of such plans and actions. It is strongly recommended that companies take reporting seriously since this is another step, a method to create consistency in improving the performances, monitoring results and renew commitment.

During the presentations and sharing of such report, it is such an advantage when companies can learn from each other’s performance and make individual evaluations of their sustainability effort themselves. Results from the presentation can be influential in the future brainstorming, decision-making, and policy-making meetings of the sustainable officials.
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