Sustainability strategy as a source of competitive advantages in the tourism industry. A model for the integration of natural resources

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Goal and objectives of the dissertation

Goal

To develop a model that will allow the identification of a route for achieving competitiveness through the incorporation of environmental strategies and an optimal management of natural resources in the accommodation industry, as a strategy for sustainability at the same time.

Objectives

The empirical study aims to determine to what extent an orientation towards natural resources can offer competitive advantages for hotels in the Spanish province of Huelva.

✓ Objective 1: Determining to what extent the degree of integration of natural resources (environmental performance) influences the economic results of the company.

✓ Objective 2: Identifying the strategies followed by the hotels in the province of

Huelva to integrate natural resources into their management model.

✓ Objective 3: Identifying the variables capable of accelerating the insertion of sustainable/environmental strategies in hotels.

✓ Objective 4: Identifying the variables liable to hinder the insertion of sustainable/environmental strategies in hotels.

✓ Objective 5: Observing the results obtained by hotels as a result of having incorporated the management of natural resources into their business models.

Methodology

From a methodological point of view, first of all a comprehensive review of the scientific literature was carried out, presenting the most recent advances into the topic under study. Based on this review a model was created, to

be tested empirically. More specifically, a review of a number of approaches widely accepted in the scientific community was conducted, based on the theory of strategy and its approach to resources and capabilities (namely the theory of dynamic capabilities) and particularly the natural-resource-based view of the firm proposed by Hart in 1995. In fact, the latter is considered the backbone of this research, although it has been completed by integrating elements from institutional theory, stakeholders' theory and the proactive environmental management perspective.

Concerning the empirical testing of the proposed research model:

- ✓ For its validation, the questionnaire designed (of structured type) was pre-tested using industry experts (managing directors in a couple of hotels).
- ✓ A sample of the selected population was taken, as indicated in the table below.
- ✓ The unidimensionality of each scale was verified.
- ✓ The measurement models were analysed: individual reliability of each item was checked, as well as the composite reliability of each construct. Convergent and discriminant validity of each construct were also confirmed.
- ✓ With regard to the structural model, its path coefficients and corresponding Student's T values (through bootstrapping) were calculated, as well as its predictive power (through the coefficients R^2 and Q^2).
- ✓ The Partial Least Squares (PLS) technique was used for hypotheses testing. The final model was composed of 12 constructs and 32 hypotheses.

The characteristics of the survey conducted are presented with more details in the following table.

Results

Under the above mentioned theoretical framework, this research tries to provide an answer to the questions posed, considering the various motivations for the integration of natural resources into the strategy of tourist accommodation companies, as well as the main results these organizations can accrue as a consequence of the implementation of this strategy.

Mainly, the empirical results gathered shown that normative and mimetic pressures explain the adoption of proactive environmental strategies, as reflected by Student's T values of 2.700 and 2.054 respectively; and β coefficients of 0.294 and 0.335 respectively. At the same time, the orientation to sustainable development is clearly impacted by the level of internationalization of clients, with a Student's T value of 3.756 and a β coefficient of 0.491. On the other hand, we have found that eco-efficiency generates a better positioning result (Student's T of 5.797 and β coefficients of 0.527); in addition, positive perceptions caused by a proactive environmental strategy improve the economic outcome (Student's T of 5.170 and β coefficients of 0.554).

Based on these findings, it could be asserted that the main contribution of this research is to have scientifically verified that the adoption of the above-mentioned strategy leads to better results, both economic and in terms of the company's positioning in the marketplace, providing competitive advantages to the lodging subsector.

Theoretical Conclusions

Hart (1995) suggests a perspective based on the integration of natural resources into firms' strategy, as an extension of the generic

Technical details of the survey

<i>Method for primary data collection</i>	Structured questionnaire administered via telephone interview.
<i>Population</i>	Hotels and apart-hotels in the Spanish province of Huelva
<i>Scope</i>	Huelva province
<i>Dates of data collection</i>	February-May 2014
<i>Sample</i>	39
<i>Population</i>	96
<i>Response rate</i>	40.6%
<i>Software for data processing</i>	SPSS Version 22 and SmartPLS_2

resource-based approach, when dealing with the relationship between the company and its environment. In this regard, it emphasizes the importance of the availability and development of specific resources and capabilities, and incorporating the "natural environment" as a strategic variable when pursuing sustainable competitive advantages. This research provides support to this perspective, which enables the company to position itself ahead of the competition thanks to, on the one hand, the reductions of costs as a result of an improved environmental performance and, on the other hand, the differentiation advantage over competitors due to the improvement in its reputation, as previously indicated by King (2011) and Vidal (2012).

As shown by the literature, the environment is an obligatory element to be factored into the strategic process of the company (Aragón-Correa, 1998). This approach is also supported by this research under the umbrella of the institutional theory and the role played by its diverse kind of pressures. Besides, the type of market (clients) to which the organisation is exposed – in particular reference to its degree of internationalization – has been found as another determining external variable, with a significant impact on the implemented strategic behaviour related to environmental issues.

To sum up, we could consider as the main contribution of this research the integration of diverse factors taken from different theoretical perspectives in one single model, which would help to a better understanding on how competitive advantages are obtained in the lodging sector as a result of an environmental strategy, and how this leads to a better market positioning and economic performance. These findings support the efforts that are being made to transform the vision of mass tourism into a model of sustainable tourism for the future (Butler, 1999; Prat, 1996; Weaver, 2006, 2012).

Practical application of the dissertation

Both normative and mimetic pressures stimulate the adoption of a proactive environmental strategy, focusing the accommodation units

under scrutiny on obtaining a better perception on the part of their stakeholders, pursuing improvements in their market shares and the opening of new markets, as well as a greater acceptance by hosting communities. However, legal or coercive pressure generates reactive strategies.

Moreover, the lodging units with the largest share of international clients present an environmental strategy more focused on the incorporation of environmentally-friendly products and the management of their life cycle, as well as a strategy centred on sustainable development, which especially entails the accreditation of sustainability certificates, minimizing the impact on the environment and habitat caused by this activity.

In this sector, the main variable acting as a brake on the uptake of environmental strategies is managers' lack of commitment; in other words, the management style. Neither the size nor the lack of financial resources has a significant impact.

These organisations develop proactive strategic behaviours by establishing medium and long term goals, as well as incorporating environmental training actions for their employees. At the same time, product strategies were detected, that is, incorporating organic products and/or recycled products. Finally, the author also identified an environmental strategy characterized by behaviours based on minimizing the impact on the habitat, integration with the local community, and customer communication of the activities carried out for the implementation of environmental practices.

It has been found that the adoption of eco-efficiency as an organizational routine leads to an improvement in positioning results. Included within these results are those consisting of the improvement of customers' and employees' satisfaction, and those that allow improvements in innovation and reputation and the opening of new markets. In addition, better positioning results act as a driver for better economic performance,

enabling an above-average performance compared to a set of peers and, therefore, acquire a more competitive status.

This research also clarifies that organizations with superior environmental performance achieve better positioning results (image, satisfaction and loyalty, increased market share and access to innovation). But perhaps the most interesting finding is the verification of a direct relationship between positioning and financial performance. It can therefore be affirmed that the integration of natural resources into business strategy leads to improved economic results, in the form of higher returns, better overall economic performance and superior returns compared to the average competitor.

Content of dissertation

The dissertation includes seven chapters. A brief description of their contents follows.

Abstract of chapter 1.

The various theoretical approaches to the concept of sustainable development are explained, analysing its institutional and governmental evolution.

Abstract of chapter 2.

The relationship between environmental matters and the firm, as well as its temporal evolution, is tackled. The increasing role of these issues in the company is also considered.

Abstract of chapter 3.

The latest developments in the theoretical frameworks that serve as the foundation for the explanatory model proposed are examined in this chapter.

Abstract of chapter 4.

The economic sector being studied, namely the tourism industry, and more specifically the tourist accommodation subsector, is addressed. A review of its importance is conducted both at macro and micro levels.

Abstract of chapter 5.

The research hypotheses and the methodology used for its testing are presented. The whole process of the empirical study is set out in detail.

Abstract of chapter 6.

The statistical techniques utilized are justified, particularly PLS. In addition, the reliability and validity of the results obtained are presented together with the model fit and its main parameters.

Abstract of chapter 7.

In this chapter the main results and the final sustainable management model proposed for tourist accommodation are explained, as well as the limitations of this study and future lines of research.

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