

Chinese Hotel General Managers' Perspectives on Energy Saving Practices

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ABSTRACT

The increasing rise in energy prices is a major reason that hotels have begun energy conservation programs. They are viewed as a means of reducing energy costs. This study focuses on issues related to energy saving practices in Chinese hotels from the perspective of hotel general managers. This research will examine the importance of energy-saving practice for hotels in China. Through the use of survey data, this study investigated methods which Chinese hotels adopt to conserve energy. Since the Chinese hotel industry is a relatively new and fast growing industry, most of the hotels are non-branded or non-chain. The research findings are expected to provide researchers and Chinese hotels' general managers a perspective to understand present issues and practices relate to energy-saving practices in the lodging industry in China.

Keyword: *Chinese hotel managers, hotel energy saving, green practices in hotels*

INTRODUCTION

China is experiencing fast development with higher levels of modernization and standard of living. Since China has become the second largest energy consumer (Lu & Ma, 2004), China is consuming more energy. At the same time, the issues about environmental pollution and energy consumption have become obviously. In addition, the Chinese government has put a high emphasis on these issues. (Wang, Wang & Zhao, 2000)

The hotel industry has increased its consciousness about energy conservation. During the Asian financial turmoil in late 1990s, the lodging industry became aware of the need to lower operating costs; thus, energy-efficient technology and energy-saving issues have received greater attention. (Chan, 2003) In 2007, the cost of utilities at hotels, such as electricity, gas and water, etc, grew a relatively modest 4.6 percent. With the rise in energy prices through 2008, hotel managers will be challenged to effectively control their energy budgets (Mandelbaum, 2008).

Hotels are preparing their own action plans and training programs for the purpose of environmental conservation. (Bohdanowicz, 2005) However, despite the fact that most hotel

operators acknowledge the importance of the environment to their business, green practices are still not widespread in the Chinese hotel industry. (Anguera et al., 2000; Pryce, 2001) The hotel industry is diverse and fragmented and thus it is important to understand the context of hotels and the environment they operate in. (Dodds, 2008)

In order for an enterprise to be economically strong, those who are responsible to run the business must be able to identify and avoid unprofitable projects or investments, and select the projects generating the best pay back period. (Papamarcou & Kalogirou, 2000) As UNEP (2003) indicated, from a hotel general manager's point of view, energy represents a significant cost items in the balance sheets which influences the hotel's "bottom-line" profits. Conserving energy not only increases profitability due to reduced operational cost but also has the potential to improve a hotels market share. This is in addition to preserving limited natural resources related to sustainable development. (Shiming & Burnett, 2002) A well-operated hotel with effective energy usage and maintenance procedures can also enhance the performance of existing equipment. (Dale, Kluga, & Theodore, 1992)

With regard to energy consumption, different types of energy are required to operate engineering installations in hotel buildings. These systems must be maintained in order to provide guests and staff with a quality environment and services. Building service installations usually include heating, ventilating and air-conditioning (HVAV), hot water and lighting. Hotel energy bills are often separated into electricity, heat and transportation fuel bills, within which electricity is often the highest (Deng, 2000). Additionally, when there are food and beverage facilities in a hotel, natural gas will also be consumed in the kitchens in large quantities. (Beccali, Gennusa, Lo Coco, & Rizzo, 2009).

PURPOSE OF STUDY

The hotel industry in China is in its early stages of growth. The majority of Chinese hotels are non-branded or non-chain hotels, which are different from a mature hotel market such as in western countries, the analysis of this fast-growing industry will have valuable findings for further research. This paper will investigate how Chinese hotels' general managers perceive the importance of energy-saving issues and which energy-saving practices are preferred in their hotels. The finding will be related to the analysis of the current state of energy-saving practices' in China's hotel industry.

RESEARCH OBJECTIVE

1. To identify the energy-saving practices currently in use in Chinese hotels.
2. To investigate critical factors, as perceived by hotel general managers, underlying the energy-saving practices in hotel industry in China.
3. To explain reasons or compelling factors affecting Chinese hotels' preferences towards utilization or non-utilization of energy-saving practice.
4. To analyze the feasibility and profitability of energy-saving practices in China's hotel industry from the feedback of hotel general managers.

METHODOLOGY

1. Sample and Data Collection

Hotel general managers who participated in 3 seminars which were sponsored by the Beijing International Studies University were invited to participate in this study. A total of 84 Chinese GMs agreed to participate. The majority of the participants are currently working for domestic not-branded, non-chain hotels. Questionnaires were handed to individuals and collected immediately upon their completion. During the period of June 18th to June 30th in Beijing China and Nanyang China

2. Questionnaire Design

Based on a review of the literature a survey was designed which consisted of two sections (see Table 1 and 2). The instrument consisted of open ended questions and questions where GMs had a variety of choices.

Table 1
Questions about Energy-Saving Practice conducted in the hotel

| Section 1 | Questions |
|--|---|
| Chinese GMs' opinions about energy-saving practices in their hotels | Whether the hotel has energy-saving practice or not |
| | Who made the decisions regarding energy-saving practice |
| | Training for hotel employees |
| | What kinds of energy-saving practices conducted in the hotel |
| | How much does the energy cost |
| | Rating different energy costs from high to low |
| | The effectiveness of conducting energy saving practices |
| | Which type of energy can save money mostly |
| | How does the hotel do the laundry |
| | Whether the hotel promote Saving-energy to customers |
| | What are your customer reactions to energy-saving activities |
| | What is customers' feedback about hotel's energy-saving practices |
| | How does governmental intervene energy-saving issue |
| Which practices does the managers would like to adopt in the future | |

Table 2
Questions about Hotel's General Information

| Section 2 | Questions |
|--|--|
| General information about the surveyed hotels | International/Domestic/Independent hotel categories |
| | Star-rating of the hotel |
| | Years the hotel has been operated |
| | The ownership of the hotel |
| | Hotel's room number |
| | Hotel's location |
| | Percentage of domestic guests and international guests |

| | |
|--|--------------------------------------|
| | Other information about hotel guests |
|--|--------------------------------------|

Potential Results, Discussion and Implications

Data analysis for this study is presently taking place. Some of the findings regarding the hotel industry in China will be related to the current energy-saving practices the hotel industry has conducted mostly; the finding also can be used to analyze how much influence do Chinese general managers have on this issue, how important general managers in China consider the different energy sources, etc. In addition, the findings can also be used to compare with Chinese hotel industry in previous years or hotel industry in the United States or Europe. Another issue to be examined in the results relates to the status of green or environmental practices as a developing trend in the Chinese hotel industry.

The research did not attempt to investigate every hotel within China but to provide a general glimpse of some of the practices Chinese hotels are using concerning energy-saving issues. Findings are expected to provide researchers and Chinese hotels' general managers a more specific perspective on energy-saving tactics in the hotel industry in China. Hotel owners can use the data from this research to determine what their competition is doing as well as how their GMs feel about such practices.

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