

Managing Social and Environmental Risks in the Tourism Industry: A Theoretical Perspective

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Abstract

The tourism industry is essential to economic growth, but because of explosive growth, there are worries about social and environmental problems. This study offers a theoretical viewpoint on how such risks should be effectively managed in the tourism industry. The theoretical framework includes ideas like corporate social responsibility, stakeholder theory, and sustainable tourism to create a thorough knowledge of how tourism, society, and the environment interact. This study also explores how industry players, such as local authorities, companies, businesses, and visitors, may manage and reduce these risks. This paper helps build proactive strategies and guidelines for practitioners in the tourism sector and policymakers by looking at the theoretical underpinnings and synthesizing existing knowledge. Ultimately, the research findings will guide sustainable practices and regulations that support ethical tourism development, safeguard cultural and natural assets, and improve the general well-being of host communities and the environment.

Keywords: *Environment, Industry, Risks, Social, Tourism, Interaction, Communities, Safeguarding Culture*

Introduction

In many nations around the world, the tourism and hospitality sector plays a crucial part in the creation of infrastructure, the generation of jobs, and foreign exchange revenues. But along with the tourism industry's quick growth have come a number of social and environmental dangers that need to be carefully managed. These hazards can have detrimental long-term effects on nearby populations, natural resources, and the general sustainability of the sector, from overcrowding and cultural commercialization to environmental deterioration and carbon emissions. The goal of this research is to present a theoretical framework for the management of social and environmental hazards in the tourism sector. This study aims to pinpoint the essential

tactics and methods that can successfully reduce these risks and promote the growth of sustainable tourism by examining the body of existing literature and theoretical frameworks. Understanding and controlling social and environmental risks is made possible by the idea of sustainable tourism. By balancing economic, social, and environmental considerations, sustainable tourism ensures that travel and tourist-related activities benefit host communities, protect natural and cultural heritage, and have the fewest negative effects possible. The need for long-term planning, stakeholder involvement, and responsible tourism is emphasized. At every stage of tourism development, from planning and infrastructure to operations and tourist experiences, economic, social, and environmental factors must be incorporated. Figure 1 shows the various social and Environmental risks in the tourism industry:

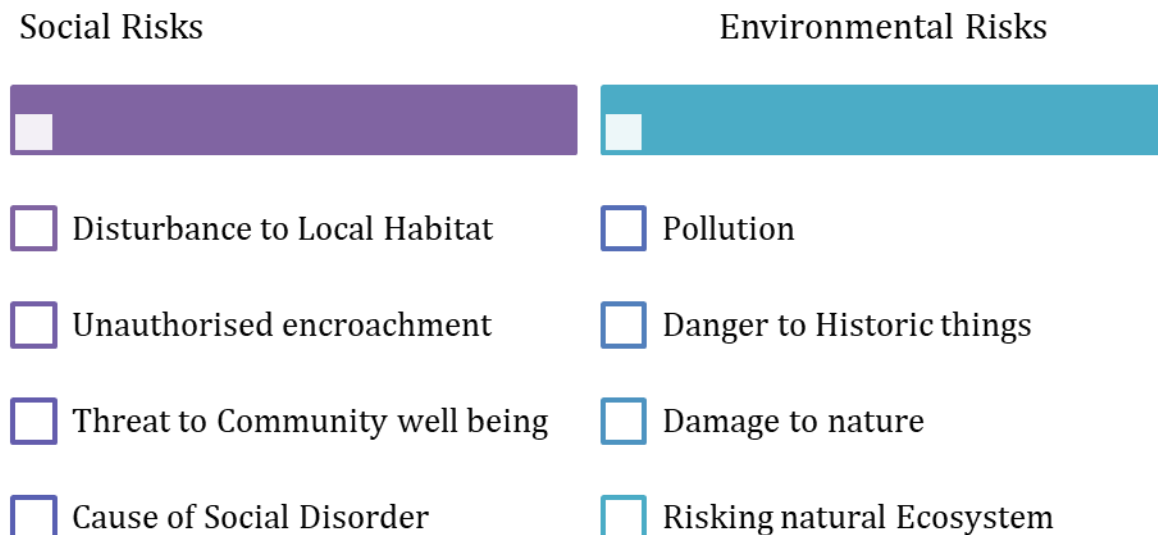


Figure 1 Social and Environmental Risks in the Tourism Industry

Managing social and environmental risks in the tourism business is also greatly aided by the idea of corporate social responsibility (CSR). Beyond pursuing their financial objectives, corporations engage in CSR when they voluntarily take initiatives and make pledges to positively impact society and the environment. This pertains to tourism and involves programs like community development, environmental protection, and ethical business practices. By using CSR practices, tourism businesses can reduce their negative effects, aid local communities, and improve their

image as ethical businesses. Stakeholder theory offers important insights into how to manage social and environmental hazards in the travel and tourism sector. This idea highlights the value of involving and taking into account the interests of numerous stakeholders, including governments, corporations, local communities, non-governmental organizations (NGOs), and visitors themselves. Understanding stakeholder viewpoints, resolving their issues, and incorporating them in decision-making processes are all necessary for effective stakeholder management. Stakeholders in the tourism business may create a sense of trust, encourage cooperation, and implement sustainable practices that are advantageous to all parties by actively involving them.

Governments are essential for creating and enforcing laws, supporting sustainable travel practices, and guaranteeing environmental standards are followed. Additionally, they are in charge of coordinating stakeholders and promoting communication among them. The ability to influence and mold tourism habits, however, belongs to the tourism industry. It is possible to address social and cultural issues and promote a sense of ownership and stewardship by involving the community in decision-making processes, capacity-building programs, and equitable sharing of tourism benefits. Tourists also have a duty to practice responsible travel, respect other people's cultures and customs, and reduce their environmental impact.

Literature Review

It is well recognized that for many nations, the tourism sector is amongst the most vital economic and social sectors. The tourism sector is also one of the most susceptible to adverse trends (Jin et al., 2019; Paraskevas & Altinay, 2013). There are many explanations for why the sector is so vulnerable to crises and calamities. Numerous academics concur that the tourism industry's complex framework, which is reflected in a high degree of interconnectedness and interdependence between its stakeholders, makes it especially vulnerable to unfavorable events. According to Ritchie (2004), both the frequency and complexity of crises have increased. The wide variety of social media channels that are currently in use has an impact on the lifetime of crises. Any small-scale or large-scale crisis event swiftly gains widespread attention, requiring swift and effective responses from destinations. As a result, crisis management for tourist

destinations and organizations is now not only an optional addition but rather a primary and essential task, according to Pforr and Hosie (2008) and Ritchie et al. (2013).

A study by Chung and Parker (2010) sought to investigate, pinpoint, and incorporate new trends in corporate environmental and social accountability more generally as well as environmental and social management in the hotel industry in Singapore and throughout the globe. By doing so, it provides a brief assessment of environmental and social reporting trends in Singapore, a significant tourism and financial hub in South East Asia, taking into consideration these trends for the tourism industry both locally and globally. Although there has been a recent explosion in the literature on environmental and social accounting, there is still disagreement over the most acceptable theoretical stances and efficient tactics for enhancing corporate environmental and social reporting and behavior. Parker (2005) gives one of the most current summaries of the theoretical smorgasbord, categorizing it into two groups: firstly, 'augmentation theories', which call for the integration of social responsibility management and accountability into a general corporate strategic planning framework, and secondly, 'heartland theories', which prioritize the accounting role in creating an environmental and social flow of information and organization-society dialogue with a lucid mission to alter society. Theoretical frameworks and justifications including decision-usefulness, accountability, legitimacy, and agency theories all fall under the augmentation theory umbrella.

Recently, a number of initiatives have been launched in Singapore to encourage greater corporate environmental and social reporting. The National Environmental Agency (NEA) and the Association of Chartered Certified Accountants (ACCA) collaborated to introduce the Singapore Environmental Reporting Award in July 2003. The award was later renamed the Singapore Environmental and Social Reporting Awards. The awards, which are granted each year, are intended to recognize the organizations that publish and report social and environmental information and to promote the use of such reporting. Along with the prize, ACCA also published a series of reporting rules for Singapore-based businesses. These principles are meant to make it easier for businesses to adequately tell stakeholders about their corporate initiatives on the social and environmental fronts. Communities and customers are showing growing concern over the social and environmental effects of the hospitality business. Numerous hotels can be

found in busy cities, historic towns, mountains, lakes, or beaches. As more tourists visit these locations, their environmental impact also grows. The environmental and social character and ecological footprint of the hotel and hospitality sector are significant issues for Singapore as a significant global travel, transport, and tourism center.

Hotels and resorts, which range in size from small to large operations, have a significant local labor force, use up a lot of food, water, chemicals, paper, energy, and other resources, pollute the environment with noise, chemicals, smoke, and odor, and have an effect on the neighborhood through infrastructure use, space occupation, and connections to other businesses and the government. For instance, even a modest hotel has the potential to have much wider environmental effects than initially thought. Consumption of electricity, food, laundry, consumables, office supplies, and cleaning supplies is necessary for the environment. According to Gray and Bebbington (2001), inefficiencies and leaks can also result in the theft or loss of supplies and equipment, emissions, breakages, and wastes, as well as food waste, hot water, grey water, food packaging, and other types of waste.

Programs for recycling paper, cans, glass, plastic, bottles, cardboard, printer cartridges, shipping pallets, landscape trash, and the use of recycled paper for particular objects are strategies for environmental risk management. Initiatives to decrease waste have also included buying items in bulk to reduce packaging, removing individually packaged products from guestrooms, switching to rechargeable batteries from disposable ones, using double-sided photocopiers, and giving guests the option of daily or less frequent towel renewal. Recycling tactics also include giving leftover prepared meals to charitable organizations and recycling 'grey' water and wasted organics for use in gardening and as animal feed. Other activities include composting on farms and recycling 'grey' water (Chung & Parker, 2008).

Further, the tourism business had been gravely hit by the global epidemic brought on by the coronavirus, among several other economic sectors. While the health crisis was still ongoing, several sectors of the economy were unsure of how it would develop and manifest itself moving forward. They noticed significant shifts in company practices and travel habits. Numerous studies had been conducted in an effort to explain the potential effects of this protracted crisis,

which is marked by high levels of uncertainty and unpredictability. There is little doubt that this type of research could offer insightful information to both academics and business professionals. Hospitality and tourism researchers have produced a commendable amount of crisis-related literature over the years (Zenker & Kock, 2020). Studies on the effects that coronavirus had had on the hospitality and tourism sectors, according to those authors (Zenker & Kock, 2020), examined crisis management models in order to better support their research. They recommended placing an emphasis on developing managerial theories and providing fresh strategies.

Conclusion

Due to its rapid growth and effects on host communities and natural resources, the tourist sector confronts serious social and environmental hazards. However, these hazards can be effectively controlled and avoided by implementing sustainable tourism methods, corporate social responsibility, and stakeholder involvement. This study has offered a theoretical viewpoint on how to manage social and environmental hazards in the travel and hospitality industry, emphasizing the significance of sustainable tourism growth that strikes a balance between economic, social, and environmental issues. Governments, corporations, local communities, and tourists must work together and coordinate efforts to handle risks effectively. Governments are essential in developing and enforcing regulations, but businesses can influence industry norms through ethical business practices. Tourists must adopt responsible travel practices, and local communities must be involved and empowered. This research has helped to generate proactive strategies and guidelines for practitioners in the tourism sector and policymakers by combining current knowledge and theoretical frameworks. The results of this research can be used to build sustainable practices and regulations that protect natural and cultural assets, improve the welfare of host communities, and encourage the growth of responsible tourism.

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