



LAHDEN AMMATTIKORKEAKOULU
Lahti University of Applied Sciences

SUSTAINABLE DEVELOPMENT PLAN IN HOSPITALITY

Case Company: Muong Thanh Vinh Hotel

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Thai, Thi Huong Giang - 1100052

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ABSTRACT

Sustainable development has been a hot issue and key strategy in many businesses. It is a powerful tool that companies use to drive innovation and earn profit while taking action to provide better future for next generation. Though it is a worldwide trend all over the world, in Vietnam sustainable development is still a new topic. The ultimate goal of this thesis is to develop a sustainable plan for the case company – Muong Thanh Vinh Hotel.

The author uses deductive approach and qualitative research method in this study. Secondary data is collected via various sources: previous literature, books, article, journal and Internet sources while primary data is obtained via in-depth interviews with company's staff and author's observations.

Theoretically, SOSTAC model is the key framework for this study. The concept of sustainable development and its dimensions are explained clearly. Empirically, the author examines company's internal and external resources and surrounding business environment. Based on the data collected, the author comes up with a new sustainable development plan for the next three years.

Key words: Sustainable development, Hospitality, Vietnam, development plan

CONTENTS

1	INTRODUCTION	1
1.1	Background	1
1.2	Thesis objectives and research questions	2
1.3	Theoretical framework	2
1.4	Research methodology	3
1.5	Thesis scope and limitation	5
1.6	Thesis structure	5
2	SOSTAC MODEL FRAMEWORK	7
2.1	Situation analysis	7
2.2	Objectives	10
2.3	Strategy	12
2.4	Tactics	13
2.5	Action	16
2.6	Control	17
3	SUSTAINABLE DEVELOPMENT	18
3.1	What is sustainable development	18
3.2	Why do companies need sustainable development	19
3.3	Sustainable development component in hospitality industry	22
4	CASE COMPANY: MUONG THANH HOSPITALITY	24
4.1	Muong Thanh Hospitality Group overview	24
4.2	Muong Thanh Vinh Hotel	24
4.3	Muong Thanh Vinh Hotel SWOT analysis	25
4.4	Situation analysis (STaR mapping analysis)	28
4.4.1	Changes in society	28
4.4.2	Changes in technology	29
4.4.3	Changes in resources	29
5	EMPIRICAL RESEARCH	31
5.1	Structure of the interview	31
5.2	Finding result from interviews	34
5.2.1	Current activities toward sustainability	34
5.2.2	S-CORE assessment	35
5.2.3	Challenges of sustainable practice	36

6	DEVELOPMENT PLAN FOR THE CASE COMPANY	38
6.1	Objectives	38
6.2	Action plan	39
6.2.1	Transparency	39
6.2.2	Engage employees	41
6.2.3	Engage the networks	43
6.3	Control	44
7	CONCLUSION AND FUTHER RESEARCH DEVELOPMENT	46
7.1	Answer to research questions	46
7.2	Reliability and Validity	47
7.3	Recommendation and suggestion for further research	47
8	SUMMARY	49
	REFERENCES	50
	APPENDICES	54

LIST OF FIGURES

FIGURE 1. SOSTAC Model (Smith 2009).....	3
FIGURE 2. Overview of the research process	3
FIGURE 3. Thesis structure	5
FIGURE 4. Objectives of the plan throughout the organization (Adopted from Smith 2009)	11
FIGURE 5. Sustainable development strategy (Adopted from Werbach 2009) ...	13
FIGURE 6. Increase information transparency process (Werbach 2009)	13
FIGURE 7. The interaction between employee engagement and well-being (Lewis et al 2012)	15
FIGURE 8. Example of simple Gantt chart (Gantt 2014)	17
FIGURE 9. Sustainable Development Dimensions.....	18
Figure 10 Value return of SD (Bonini & Gerner 2011)	20
FIGURE 11. Guest reference about sustainable development (Accor 2011).....	21
FIGURE 12 The number of Foreign tourist that comes to Vietnam (Adopted from VNAT 2014).....	27
FIGURE 13. Interview Structure	33
FIGURE 14. Sustainable objectives for the next 3 years	38

LIST OF TABLES

TABLE 1. Opportunities in STaR mapping (Adopted from Werbach 2009)	9
TABLE 2. SWOT analysis	25
TABLE 3. Background of the Interviewees	32
TABLE 4. S-CORE assessment result of Muong Thanh Vinh Hotel	35
TABLE 5. Gantt chart for Transparency stage.....	41
TABLE 6. Gantt chart for Engaging employees stage	42
TABLE 7. Gantt chart for Engage customers stage	43
TABLE 8. Gantt chart for Engage suppliers stage	44
TABLE 9. Answers to research questions.....	46

1 INTRODUCTION

1.1 Background

The tourism industry in Vietnam has seen a dramatic booming in recent years. According to Grant Thornton's hotel survey in 2012, the hotel industry saw a dramatic increase of 9.1% in average room rates and 8.1% occupancy rates in three-star hotels over the last ten years. In 2014, only the first five months, the number of international tourist has been increased by 26% and it is predicted that the demand for quality hotels will be increase more in the future (Grant Thornton 2012). Along with the development of the industry, the entering of new international brands and the birth of several hotel chains, the question of ecological preservation is raised. It is because in Vietnam, the practice of environmental laws is not practical and is considered trivial; many companies have not paid attention to sustainable development (hereafter SD) aspect.

The idea of SD first appeared in early 20th century when many organizations and constitutions started to realize the importance of longer term prospective. In the report "Our common future", or known as "Brundtland Report" 1987, the term SD is defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" by the United Nations Worlds Commission on Environment and Development (WCED) (United Nations 1987). Also in this report, SD components were pointed out, and most of them were related to environment conservation. More than twenty years has passed, and the idea of SD is no longer concerning environmental dimension only but also cover the economic and social dimensions. In the field of Tourism in general and Hospitality in particular, SD has become a core strategic move for many international corporations such as Accor Group, Hilton Group or InterContinental Group (Slye 2009).

This thesis topic came up to the author when she was practicing her internship in Muong Thanh Vinh Hotel, a three-star hotel belongs to Muong Thanh Hospitality Group in Vietnam, as personal assistant to General Manager. The GM one time mentioned that hotel's concerns about environmental matter and social responsibilities are high but they do not have any clear plan or objectives to

navigate business activities toward sustainability. As SD has become a competitive advantage today, the author believes that this research will help the company to be more sustainable.

1.2 Thesis objectives and research questions

The main objective of this study is to provide a development plan for Muong Thanh Vinh hotel in order to attain sustainable development.

Main research question: How can Muong Thanh Vinh hotel develop a sustainable development plan?

In order to give an answer for the question, the following sub-questions are listed as follow:

- What is sustainable development?
- Why is it necessary for the companies?
- What are company's activities towards sustainable development?
- What are the challenges that company has when pursuing sustainability?
- What is the actions plan that company takes to create sustainable development plan?

1.3 Theoretical framework

The theoretical framework of this research consists of two main parts: SOSTAC planning model and sustainable theory. SOSTAC planning model is a tool created by PR Smith to write a plan through six components: situation analysis, objectives, strategy, tactics, actions and control (Smith 2011). This is a step-by-step guide to create any plan, from marketing plan to business plan. The details of this model will be explained later in the second chapter.

Since sustainability is still a new concept in the Vietnamese market, the third chapter will go into details about sustainable theory. The definition of the term "sustainable development", why company needs to be sustainable will be

explained. The three dimensions of sustainability are economic, social and environmental dimension will be examined closely as well.

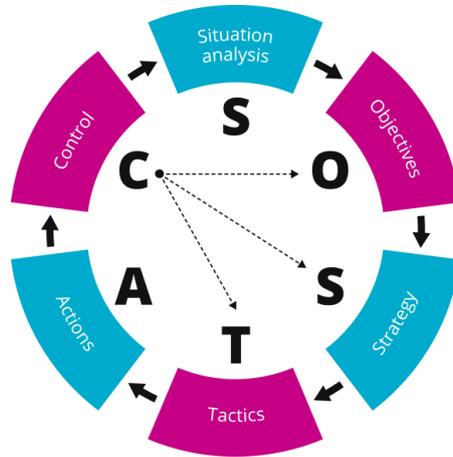


FIGURE 1. SOSTAC Model (Smith 2009)

In chapter sixth, these frameworks will be applied in business context to develop the SD plan for the case company.

1.4 Research methodology

The figure below gives an overview of research methodology of this research

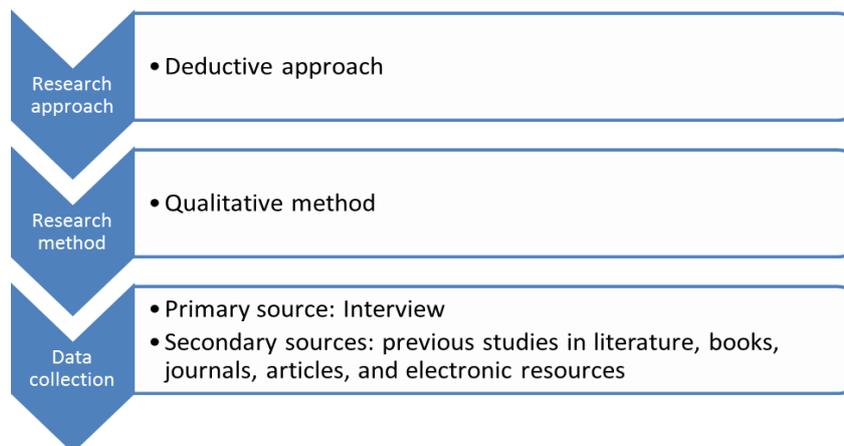


FIGURE 2. Overview of the research process

Research approach

When doing a research, there are two approaches that are usually used: induction and deduction. On one hand, inductive approach usually consists of gathering data, analyzing them then developing theories. On the other hand, deductive approach in contrary is testing a theory or hypothesis, analyzing the data and then come to the conclusion that the hypothesis is supported or not. In a research, it is normal for the author to use the combination of deductive and inductive (Kananen 2011). This research is conducted based on academic literature ground of previous researches and data collection. For that reason, the author decided to choose deductive research approach.

Research method

After deciding research approach, the next step is deciding which method will be applied throughout the research: qualitative or quantitative method. While quantitative method usually deals with statistical data, qualitative research tends to focus more on understanding the phenomenon. Qualitative data can come from a wide range from simple open-ended questionnaire to long interview or the entire policy document (Saunders et al. 2009, 480). This thesis is designed to bear exploratory nature; therefore the approach will be qualitative method.

Data collection

In order to answer the research questions and fulfill the requirements for an exploratory business research, both primary and secondary resources are used in this research. Primary resources are data that researchers collected by themselves. On the other hand, secondary data are those collected by other people with different purposes and can be both raw data and published summaries (Saunders 2009).

Primary data in this research is conducted from in-depth interview and observation. The interviews are conducted with the case company's managers and employees and observation is made during the time the author doing her internship here.

To support primary data, secondary data is also a main source in this research. They are collected from previous literature studies, books, and electronic resources.

1.5 Thesis scope and limitation

First of all, this research concentrates on sustainable development in business context. Relevant information needed to develop a SD plan such as the case company's internal and external resources, changing trends in business environment will be examined. Based on the data collected, a SD plan will be provided.

Moreover, the biggest limitation of this research is that it does not cover the financial aspect of the case company. Then it is supposed that Muong Thanh hospitality has a strong finance foundation and willing to invest as much as possible to develop sustainable strategy.

1.6 Thesis structure

The figure below gives an overview of thesis structure

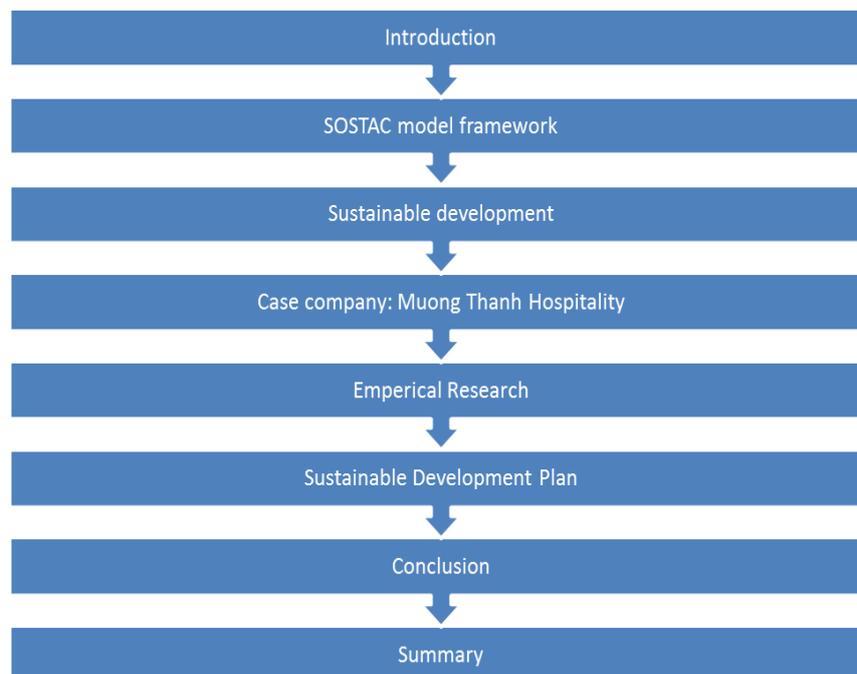


FIGURE 3. Thesis structure

The first chapter of the thesis provides the readers with background of the topic, why the author choose the topic, objectives, research methodology and thesis structure.

The second and third chapters present the details of theoretical framework that will be used throughout this research. While chapter two goes into details of six steps of developing a SD plan using SOSTAC framework model, chapter three continues with sustainable theory. SD definition is described along with the reasons why companies should pursue sustainability and three elements of SD in business context.

Chapter four introduces the case company along with company SWOT analysis and business environment analysis.

Chapter five focuses on the empirical research which explains data collection process and analyses data collected.

The details of development plan are presented in chapter six.

Chapter seven delivers thesis findings and suggestion for further research while chapter eight concludes the research with summary.

2 SOSTAC MODEL FRAMEWORK

SOSTAC is a logical planning system that took ten years for PR Smith to develop. The model is applicable to write any kind of plan: business plan, marketing plan, communication plan or even personal plan (Smith 2009). SOSTAC is abbreviation for six components:

- Situation analysis – where are we now?
- Objectives – where do we want to go?
- Strategy – how we get there?
- Tactics – details of strategy
- Action – who does what when?
- Control – measurements and Metrics

The later part of this chapter will give the reader clearer idea of each component and the application of them to a SD plan.

2.1 Situation analysis

In order to answer the question “where are we now”, the company needs to do self-assessment to review their internal resources, their current ability and their potential. In a planning process, this step is considered to be the biggest step and account for a half of the plan (Smith 2009). In this step, SWOT, S-CORE, and STaR map analysis will be applied. While the SWOT analysis will help to explore company internal resources and examine external environment, S-CORE is an assessment tool which will illustrate the position of company on the scale of practicing sustainability. Moreover, STaR map analysis will help to navigate the direction for company by evaluating the changes in society, technology and resources (Werbach 2009).

S-CORE

S-CORE stands for Sustainability Competency, Opportunity & Reporting Evaluation. It is a multi-purpose sustainability assessment tool which helps the company to determine where they are on sustainability planning process. It identifies sustainability competency, opportunities, reports and evaluation. For those companies who wish to start their planning process, S-CORE focuses on organizational process and helps the company to assign responsibility easily as well as to prioritize the necessary steps. The assessment can take place in every aspect of an organization, from senior managers, human resources, operation production to marketing and public relation (About S-CORE 2014). The criteria that are chosen to be measured cover six different aspects of SD: Sustainable Management System (SMS), visions of the company, implementation plan, metric performance, reporting system and role shift. The result is calculated by adding point from each aspect and divided into three types: incubator, initiative and integrated.

An incubator is when the company in the first stage of implementing sustainability. The company does not have a SMS, and just develop and implement plan in a pilot level. An initiative is the middle level where company implement a SMS contain elements that belong to a label or certificate, for example ISO 14001. In this stage, company also develops its own metric system to track a set of sustainability metric. The highest level is an integrated when company fully implements a SMS with its own policies, criteria and targets. At this stage, company also has long-term vision to develop sustainability fully and set a metric system to track sustainability of strategic partners (Hitchcock & Willard 2009).

SWOT

The foundation of a good plan, any kind of plan is to know the ability of the company. SWOT is one of the most approachable tools for strategic planning that help to evaluate strengths, weaknesses, opportunities and threats. It will also take a deep look at the business by identifying and analyzing the factors that could have negative or positive impact to planning process (Smith 2009).

STaR mapping

Developing a sustainable plan always requires analysis of the changing environment and engaging in scenario planning. StaR mapping is used to analyze micro and macro changes in society, technology and resources. By identifying and examining the changes that are affecting the business, planner can begin mapping the opportunities and threats to the SD plan as in table 1 (Werbach 2009).

TABLE 1. Opportunities in STaR mapping (Adopted from Werbach 2009)

	What to map	Question to ask
Changes in society	<ul style="list-style-type: none"> • Regulatory environment • Customer preference • Trends in health and wealth • Supplier markets • The competition 	<ul style="list-style-type: none"> • How do laws, preferences and society rules affect the business? • What are the changes coming that will affect society responds to business performance? • Which opportunities might these changes provide to the business? • Is the business a force that strengthens the society or weaken them?
Changes in technology	<ul style="list-style-type: none"> • Emerging production techniques • Information availability • Competitive differentiation 	<ul style="list-style-type: none"> • What are the new technologies that can increase productivity efficiency? • How can technology protect us from erratic price of energy? • Do we have a consistent investment philosophy to

	<ul style="list-style-type: none"> • Technological innovations • Customer expectation 	<p>ensure our technological leadership?</p> <ul style="list-style-type: none"> • What can we do to create technological breakthroughs?
Changes in resources	<ul style="list-style-type: none"> • Natural resources scarcity • Energy price stability • Waste-disposal • Workforce development • Talent recruiting and retention • Diversity in the workforce 	<ul style="list-style-type: none"> • Which of the services is required energy intensive to produce, to feed and to transport? • Which nonrenewable resources do we rely on for the business to function? What are the trends with these resources? • What are the substitutes for these resources? • What are the future trends in our labor market?

2.2 Objectives

After knowing the current position, the next step is to determine where to go. The strengths, weaknesses, internal and external factors that are identified in situation analysis part help setting clearer objectives which can be used as a guide to implement, evaluate and control the whole planning process. Objectives are divided into two types: short-term objectives and long-term objectives; and are assigned from organization mission to the vision statement and then to each department as state in Figure 4 (Smith 2009).



FIGURE 4. Objectives of the plan throughout the organization (Adopted from Smith 2009)

When planning a SD plan, it is easy to catch up in just one or two important issues of sustainability such as climate change or pollution but sustainability is more than that, which would be explained clearer in chapter 3. That is why the objectives have to be cleared and focused equally on three matters: social, environment and economic. The objectives should be established based on SMART rules: Specific, Measurable, Actionable, Realistic and Time specific. The strategic direction of a SD plan should have following seven qualities, according to North Star goal (Webrach 2009, 35):

- Optimistic and Motivated
- Achievable in five or fifteen years
- Apply across the enterprise
- Every employee can personally act on it
- Connect to the core of business
- Leverage organization's strengths

- Serve higher purpose than business profitability

2.3 Strategy

The most difficult part of a planning process is determining the strategy to achieve the objectives and guide the right direction for the whole plan. Any kind of change always requires internal resources to be ready, that is why practicing sustainability requires effort from every aspects, every departments in organization. Successful sustainable strategies are those which can create a sustainable culture internally through sustainable reporting, perform measurement and balancing economic interest with environmental and social responsibilities. A sustainable strategy should have seven principles according to Adam Werbach (Werbach 2009, 21-33)

- Scarcity of natural resources will increase
- Massive demographic transformation is occurring
- People are the most important renewable resource
- Cash flow matters more than quarterly earnings
- Operating environment of any organization always changes dramatically
- Changes in external environment will require internal flexibility
- Only the truly transparence company will survive

He emphasizes that in the modern world with modern technology changing every day, transparency becomes a necessity for any company that wants to gain trust from customers, who are more and more demanding. Therefore, the first step of sustainable strategy is increasing information transparency. It means that the information flow just go through managers, the decision makers. It should also go through employees, stakeholders and customers so that they can aware their role in sustainable process. After the information is given clearly, the next step would be involved the staff and the network voluntarily.

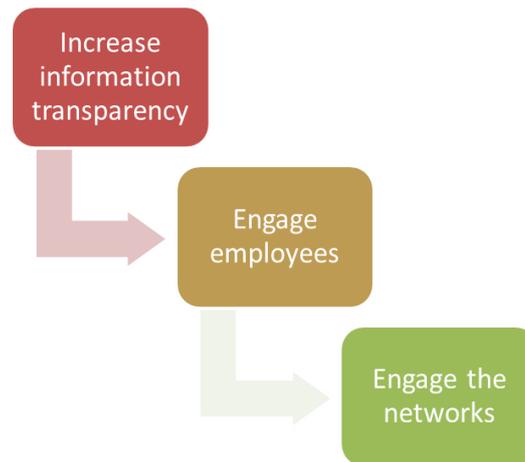


FIGURE 5. Sustainable development strategy (Adopted from Werbach 2009)

The details of this strategy will be explained more clearly in the following part.

2.4 Tactics

Tactics are the details of the previous strategy. It guides the planner where to take the first step and precede the plan.

Increase information transparency

The first step is to open up the information for the entire organization. Company that wants true transparency must go through four phases: blind spot, awareness, compliance and transparency (Werbach 2009).

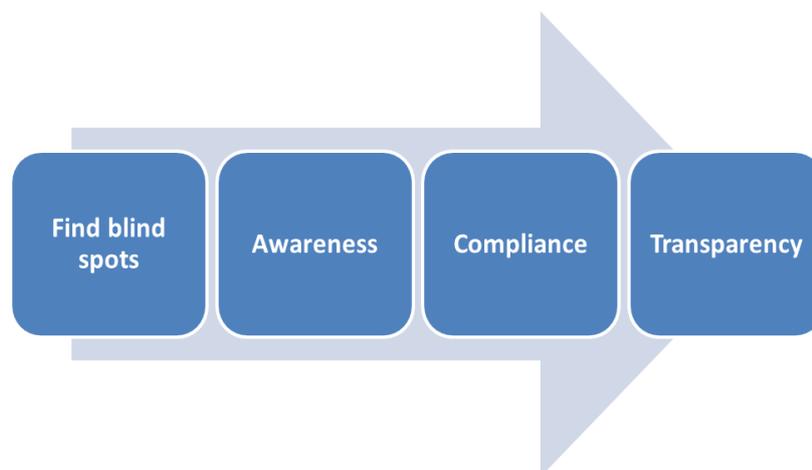


FIGURE 6. Increase information transparency process (Werbach 2009)

First, the company needs to realize their blind spots. Different from weaknesses, blind spots are unparticipating risks caused by the company's concentration on a single aspect of their product or service quality. Finding the right blind spots also gives company an opportunity to improve their performance and create innovation. Employees and outsiders can be helpful in this stage since the blind spots usually lie in their own benefits. Small sessions, group interviews or questionnaire surveys are simple tools that can be applied.

The second phase is awareness. At this stage company needs to examine their own performance to understand the nature of the problem. Is it caused by their system or just temporarily? It is a stepping stone for the next step, compliance to be executed. By looking at the whole system they can even find more blind spots.

The next stage is compliance. At this stage, company needs to compare their blind spots with existing regulations and industry patterns so that they can meet those standards. Most companies will stop at this. But being sustainable requires more than just a list of standard regulation that companies follow. Company must go beyond that by seeing the blind spots as business opportunities to create innovation and sustainability.

The very last step to attain true transparency is being transparent itself. It means that besides sharing compliance information inside and outside organization, company also needs to share their failure. By letting all the parties company engage to know about their situation, employees can learn from the mistakes and trust can be gained among the customers.

It is important that throughout the whole process of executing the plan, transparency has to be done, not only in the first step, but for the whole process.

Engage employees

As mentioned in previous chapter, one of the most important renewable resources is people, especially when it comes to a plan that requires changes. In order to encourage employees to take part in sustainable process, it is important to make them realize that attaining sustainability can be very simple, just by changing their day-to-day activities little by little. In Innovation Metric Survey, McKinsey found

out that one of the most common method that company use to track new innovation is “number of ideas and concept in the pipeline” (Capozzi et al 2012). By engaging staff in sustainable development process, company ensures to encourage new innovation. From employees’ perspective, employees who are engaged are likely to be satisfied in their jobs and their daily lives. Before act to make employees more involved, company has to increase the well-being of the staffs first. Only then, engage plan can create the most productive and happy employees (Lewis et al 2012). Figure 7 gives an overview of the relationship between employee engagement and their well-being.



FIGURE 7. The interaction between employee engagement and well-being (Lewis et al 2012)

After make sure that the well-being of employees is increasing, the method companies can use in this stage is to align human resource system to train, review and rewards employees.

Engage the networks

Any change in the world requires cooperation from many parties. An organization cannot execute their strategy alone. Even having a great strategy plus the supportive from employees and stakeholders, company still needs supports from the customers and their partners in order to success in the road of pursuing

sustainability. In hospitality field, implementation sustainable development requires engagement from customers and suppliers.

As stated in chapter 2, customer's preference is one reason why company should pursue sustainability in the first place. But how can customers involve and become a part of sustainable process is not an easy question. Company must have certain marketing strategy to let the customers know their intention. For example, not all the customers go to a hotel and are happy with their room in a certain temperature. Even concerning to environmental, they still want to play an active role in choosing which type of service or products they want. Therefore, company's role in this stage is to deliver the information to customers, help them to realize what the objectives of the company are and encourage them to be concerned consumers.

Purchasing has become fundamental to managing waste, protecting product claim and control the supply chain. Customers nowadays grow the need to know what is in the products while the public expect to know the practice of labor and human rights from the company. That is why engaging suppliers are indispensable in a SD plan. Company can implement certain system, policies and procedure to make sure that the supply they get is qualified for their objectives.

2.5 Action

Action stage is when the entire plan is executed. In this stage the tactics that are chosen in the previous stage will be divided into different smaller projects and will be executed by different departments. The time framework and the resources will be indicated clearly in this stage as well. The Henry Gantt chart is an effective project management tool which indicates the time scale for all the mini projects and usually use in this stage (Gantt 2014).

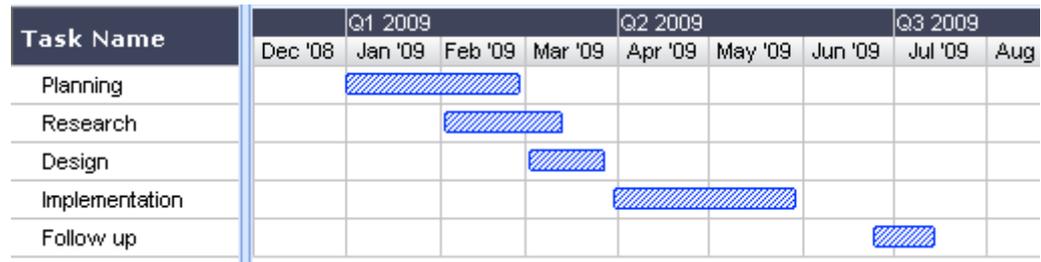


FIGURE 8. Example of simple Gantt chart (Gantt 2014)

2.6 Control

Control activity must be performed during the whole process of executing the plan to check whether the objectives are achievable or not. At this stage, the real performance will be compared to the planned performance. If the actual performance is not as planned, action must be taken immediately to control the result.

3 SUSTAINABLE DEVELOPMENT

3.1 What is sustainable development

The word “sustainability” is originally related to the field of ecology, referring to the use of natural resource in a way that does not harm the environment. Since the first appearing of sustainable idea, there are various debates and many different definitions about SD. SD is ”development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED 1987). Though it is still a confusing topic and remains many contradictions, there is no doubt that in order to obtain sustainability, the organizations have to optimize three factors: environmental, economic and social. It is easy to see the interdependence between those factors. There can be no healthy society without the supportive of a healthy economic and the resources will be washed-out with the increase of social ills (Hitchcock & Willard 2009, 20-25).



FIGURE 9. Sustainable Development Dimensions

Look at the case of developing countries; since they do not have strong economies as developed countries, they have to utilize the natural resources. For instance,

Vietnam is considered one of the fastest growing economy in the world, has seen 7% economic growth or more over the past decades and they starting to realize the cost they have to pay in order to attain that accomplishment. According to a report from the agricultural sector, hundreds of tons of rice straw are burnt across the country to make fertilizer; about 5000 hectares were destroy by fired and illegal loggers; and over 60% of industrial waste has been released to environment directly without any treatment (Tuoitrenews 2013). It is just only the surface of more serious matters that the next generation will have to pay.

In business context, before the time of Brundtland report, sustainability means “steady growth”. It means that the basic idea of SD is always putting the profit first. Many corporations nowadays deal with environmental matters just for publicity or focus on green matters more than improving their core values. That is not sustainability since it is just environmental goal and it could not ensure the future success of corporations. When implementing it right, sustainability could be a powerful tool to drive core strategies to save cost, reach a new customer base, develop a human resource or in other word, it would be a road to reach profitability and the future at the same time.

3.2 Why do companies need sustainable development

It is a fact that sustainability is now becoming a worldwide economic trend. We can see easily that the fastest growing segment of different fields has something to do with sustainability. In tourism sector, eco-tourism is a hot topic; in energy sector, it is solar energy and wind power; in banking industry, it is socially responsible investment; in agriculture, it is organic farming. Some may say that sustainability is now a survival factor for big corporations and is being seen as a part of their strategic plan since they aware that attaining SD is equal to securing economic development, social equity and environmental protection at once. The main reasons why companies should pursue sustainability are opportunities for growth, increasing return on capital and decreasing risk management.



Figure 10 Value return of SD (Bonini & Gorner 2011)

Growth

Pursuing sustainability usually requires company to examine carefully their business portfolio to determine potential impacts of trends that could guide investment decision based on sustainability. For instance, company could develop sustainable related products or innovate new technology to fulfill the needs of the market. By creating new innovation and products, company would enter a new market with a new customer base (Bonini & Gorner 2011).

In Earth Guest Research in 2011, Accor, an international hospitality brand, has published the first international tracking study on hotel guest expectation about sustainable development. The result is quite amazing. Customers today not only concern about sustainable development but also consider themselves to be an essential link in the chain of sustainability. They are willing to act and change their behaviors to be an active role in sustainable development process (Accor 2011). Figure 11 show the customers' preference when choosing hotels regarding sustainable matter.

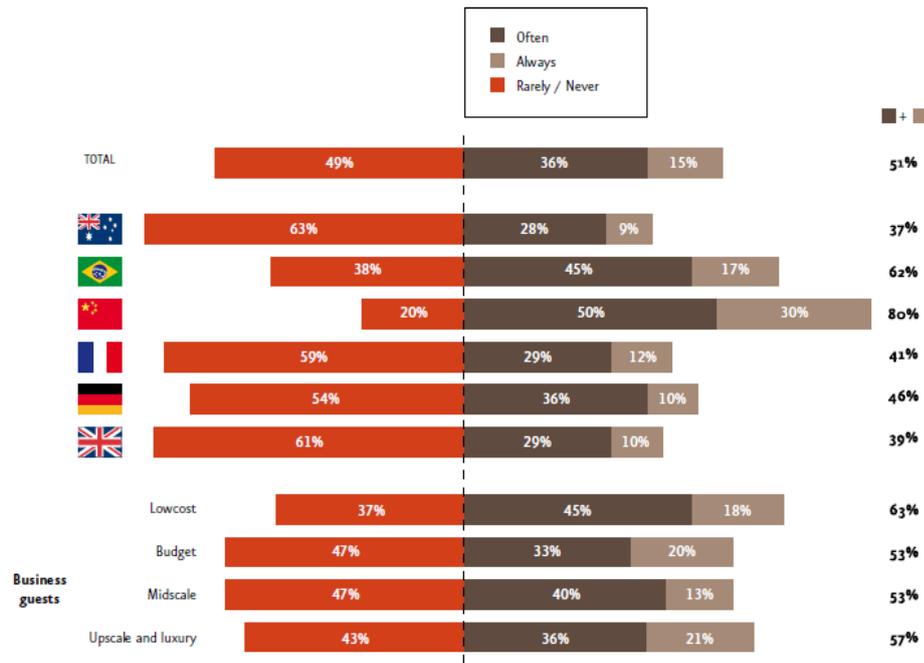


FIGURE 11. Guest reference about sustainable development (Accor 2011)

Returns on capital

Obtaining sustainability means that companies have to minimize their waste to the lowest level, and maximize energy efficiency to the highest level. This will help companies to save cost by reduce energy use and increase the use of renewable energy.

Company can also achieve higher prices or market share because of sustainable products by marketing sustainable attributes. Not only attracting customers, a company with a sustainable vision can also attract and maintain higher quality employees. According to recent studies young people are likely seeking for companies that share their values and about 80% is interested in getting a job where they can have positives impact on the environment and society.

(MonsterTRAK.com. Hitchcock & Willard. 2009. 05)

Risk management

Having a SD plan can become a competitive edge for the company by differentiate companies' image among competitors with consumers. Customers

today not only want to know about the product itself, they also ask for other prospect such as how the company treat their staff, how the company deal with their industrial waste, or how much effort the company put in sustainability. They know that their purchasing decision is the survival factor to the company, that is why they become more conscious about the thing they buy and where it from.

Having a SD plan will also help companies to avoid future regulations concerning environment and social factor. As environment preservation is becoming a global issue, the government is awaring about the cost of economic development to our mother Earth. In Europe and America, there are already numerous laws and regulations concerning this matter. In the future, the government in Asia will be predicted to be more involved in this matter and making having a SD plan an essential request.

3.3 Sustainable development component in hospitality industry

As mentioned in the previous part, SD consist three main elements that are optimize with each other which is: environmental, social and economic factors or planet, people and profit factors. In business practice, growing business through sustainability will have to include three following key elements.

Environmental factor

Environmental aspect could be considered to be the most important aspect of the whole SD idea since the original idea is preserving the environment. Climate change has been a hot issue on every forum. Scientist believes that human activities, especially industrial activities; are the main contribution to global warming. Climate change is affecting lives of millions of people by making them suffer hunger, water shortage and different types of natural disasters. From economic point of view, it can cost global GDP 5 percent each year (Stern 2006). Overexploitation natural resource is also another environmental issue. The rapid growth of nonrenewable consumption endangers the future economic.

Being environmental sustainability means that company need to consider action that can affect the ecological system and preserve of natural resources. Company needs to examine operation activities and to measure energy consumption,

therefore has plan to reduce it. In the field of hospitality, environmental sustainability can comes from many forms. From the simple thing likes selection of paper use to the hotel design itself.

Social factor

As mentioned in previous chapter, a healthy social is a solid foundation for developing economy and environmental preservation. Social sustainability is taking into consideration actions that affect different aspect of society such as poverty, inequality, violence, education, healthcare and human rights. Company can increase their social sustainability performance internal and external. They can increase wellbeing of the staff, create opportunities for employment development and charitable activities. For Hospitality Company, social sustainability also require preserve and cultivate traditional culture in the region and create their own identity culture.

Economic factor

It is a common belief that economic growth means better quality life, but is it true? As stated in previous part, sacrifice for economic growth has not been calculated yet; the gap between rich and poor and wider, the inequality still exists in every corner of the world. The global recession which began in 2008 throw the international economic into chaos with many European countries go into financial crisis due to bad debts.

Economic sustainability are actions that can bring profit to the company while take into consideration their effects on how human needs basic needs.

4 CASE COMPANY: MUONG THANH HOSPITALITY

4.1 Muong Thanh Hospitality Group overview

Muong Thanh Hospitality Group is a Vietnamese hotel chain that founded in 1997 by Mr Le Thanh Than with more than 20 hotels in 18 different cities all over the country. Not only owns the biggest hotel chain in Vietnam, Muong Thanh Hospitality also own ecology park and one tourism center in Nghe An province. At the moment, the headquarter office is located in Hanoi, the capital of Vietnam. The very first hotel was opened in Dien Bien Phu city, after 18 years, the group now has total more than 5000 hotel rooms with 3000 staffs and planning to open 10 more other hotels in the next year.(Muong Thanh 2014).

The main mission of Muong Thanh Hospitality Group is to bring traditional culture of different areas in the country to domestic and foreign guest that come to the hotel and contribute to regional economic development. Although each hotel that locates in different cities has its own characteristics but all the hotels has northern mountain region scent. With the aim of becoming the first ranked Vietnamese hotel system, the group are planning to building and expanding its market in the territory of Vietnam as well as in neighboring countries and make more efforts to improve the service quality to meet all diversified requirement of the customers (Muong Thanh 2014).

4.2 Muong Thanh Vinh Hotel

Muong Thanh Vinh Hotel was opened in 2005, is the second hotel in the hotel chain and one of the oldest hotel in Vinh city. With the renovation in summer 2014, the hotel now has nearly 100 guest rooms, three meeting rooms, entertaining and sport center and 94 employees (Le 2014).

Belongs to the biggest hotel chain in Vietnam, the hotel share the same value and mission with Muong Thanh Hospitality Group, which is bring the local along with northern mountain scent to every guest that come to the hotel. Located in the center of Vinh city, near the railway center and airport, the hotel has becomes a favorable destination of foreign and domestic travelers. As Vinh city is an

industrial city, main customer base of the hotel comes from corporate customers and business travelers (Le 2014).

4.3 Muong Thanh Vinh Hotel SWOT analysis

The table below gives an overview of Hotel SWOT analysis

TABLE 2. SWOT analysis

	Positive factors	Negative factors
Internal factors	<p>Strength</p> <ul style="list-style-type: none"> • Location of the hotels • Increasing market share in middle scale • Differentiate image brand 	<p>Weakness</p> <ul style="list-style-type: none"> • Domestic brand • New organization • Staff quality
External factors	<p>Opportunities</p> <ul style="list-style-type: none"> • Increasing visitors • Support from the government 	<p>Threats</p> <ul style="list-style-type: none"> • Increasing competitor • Oversupply • Quality of the tourism industry in general

Strengths

One of the strengths of the hotel is that it belongs to Muong Thanh. Not only located in tourist destination or in big cities, throughout the country is the presence of the brand. Unlike other midscale and upscale brand, Muong Thanh hotel can be found in every corner all over the country, from the big cities like

Hanoi, Saigon to the small towns like Vinh or Ha Tinh. It put more faith in customers, especially business travelers that require a familiar environment.

As one of the oldest hotel in Vinh city market, the hotel already had a certain number of old loyal customers from the first day it open. In 2013, the hotel renovated and expanded their premise by buying another hotel nearby, increasing the number of rooms, meeting room and other facilities which will promise to bring more customers.

The image that Muong Thanh created is differentiates from other competitors. It is image of Northwest region with long skirt countryside girls and Can wine go with rustic dishes. The staff is promised to be mostly localized, making the experience within each hotel become more memorable.

Weakness

Since Muong Thanh is 100 percent Vietnamese brand, in an international scale, the reputation of the brand has not been consolidated yet. In domestic market, Vietnamese people tend to prefer foreigner brand to domestic brand making more difficult for the group to approach them.

Muong Thanh Hospitality is only 2 years old with the born of headquarter in 2012. Although some of the hotels were opened in early 20s, the group as a whole still needs more time and experiences to connect and function as in the same chain.

Since the staff is mainly local people, they are not training well for the foreign tourist. The English skill and quality of service are still shortages of the hotels.

Opportunities

According to Vietnam National Administration Tourism (VNAT) statistic, the number of tourist that comes to Vietnam over the last few years is increasing year by year. Also according to VNAT's forecast; in 2015 Vietnam will welcome about 7-8 million foreign tourists and 32 – 35 million domestic travelers (VNAT 2014).

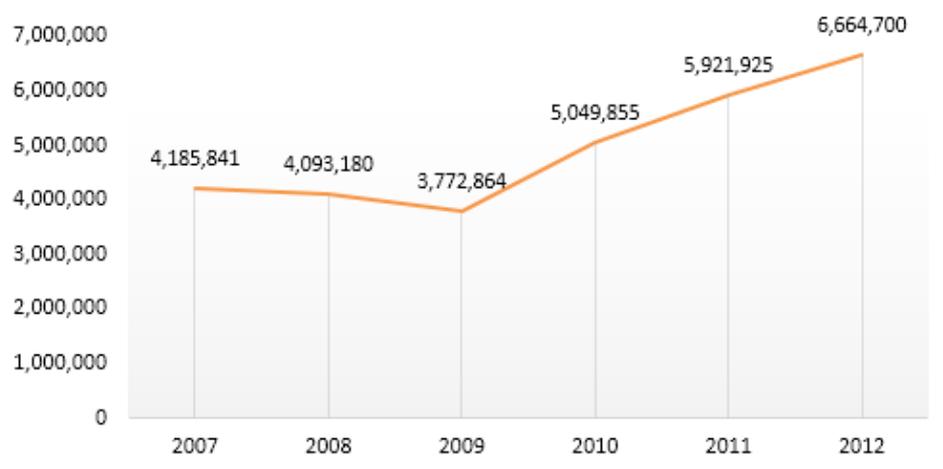


FIGURE 12 The number of Foreign tourist that comes to Vietnam (Adopted from VNAT 2014)

Realizing the great potential that tourism bring, Vietnamese government has been planning for tourism to become the key economic sector in the future. They invested about 94 billion US dollar to tourism infrastructure and promotion.

Threats

One threat that the group will face is the increasing number of international brand enter in the market is predicted that the accommodation market in Vietnam would be oversupply in the near future.

Though the number of foreign tourist come to Vietnam increase gradually over the last ten years, the number of tourist that choose to return to Vietnam is only 5 percent (VNAT 2014). With the increasing of competition, only hotels that provide the best quality will survive.

Though the government has been investing a lot of finance and human resources in tourism but the impression that leaves for tourist is still poor service quality, poor management and lack of cultural diversify. Instead of focused on a strategic direction development, tourism in Vietnam exploit too much of natural resources.

4.4 Situation analysis (STaR mapping analysis)

4.4.1 Changes in society

As mentioned in chapter 3, being one of the fastest growing economies in the world in the past decade has a price of its own. Vietnam is also the country that suffers the most from natural disaster in the world and one of 10 worst countries for air pollution (Nguyen 2013). From a report of Red Cross organization, 70 percent of Vietnamese citizen would be the one face the consequences of climate changes (My Binh 2014). In recent years, the government has launched many new regulations concerned environmental matters to stop the effect of climate changes as well as raise the awareness of the people. With the population of 70 percent is under the age of 35, young Vietnamese are taking more interest in environmental matters. For example, in 2008 Veda, a Taiwanese invested company is accused of discharging wastewater directly into the Thi Vai River without any treatment. As a result, the company was fined 127 billion VND, which is comparatively a small amount to their profit, and is forced to closing the factory unless have other solution for wastewater. Though getting better, it is still a long way to go for Vietnamese government and people to act on it.

In the field of tourism and hospitality, in 2012 with the help from European aid, a program called Environmental and Socially Responsible Tourism (ESRT) capacity development program was launched and up to this point, the program has been a guideline for organizations and individual in the field. In 2012, VNAT issued the criteria for hotels and guest houses to achieve a label called “Green Lotus Label” for sustainable tourism development (Ministry of Culture Sport and Tourism 2012).

In the past decades, the hospitality industry has seen many new entrances of international brands such as Accor, Marriot. In recent years, the numbers of hotels in these brands increases rapidly and brings a totally new environment to the market. These brands not only open new choices for consumers but also make the competition more brutal. Having old history, these brands already have sustainable plan with long term vision to implemented, making domestic companies less advantageous in the race.

In May 2014, due to Chinese HD-981 oil rig installation, the tension between Vietnam and China culminated. Many Chinese and Taiwanese invested companies were attacked lead to Chinese government warned there people not travel to Vietnam anymore (Whiteman 2014). Not only Chinese citizen, many foreign travelers felt unsafe in Vietnam lead to the decrease in the number of foreign travelers. China is the biggest market right now; the situation forces many hotels to focused on the domestic market instead of the foreign market. It also opens more opportunities for hotels which already focus on the domestic customers.

The consumer preferences changes day by day. According to a survey conducted by Grey Group in 2007, 77 percent of Vietnam population prefers foreign brands than domestic brands. They do not believe in the quality of domestic brands and making the competition for domestic company harder. In order to gain the trust from customers, it required companies to prove for the customers that not only they have the quality service; they also have other competitive advantages.

4.4.2 Changes in technology

Although being ranked as one of the fastest growing economic over the last decade, Vietnam ranked quite low on technological readiness, ranked number 102nd (Business in Asia 2011). Technological level of most the industry in Vietnam is comparatively low with other countries in ASEAN region. The reason for that is poor quality IT human resources and copyright infringement issue.

The infrastructure also needs lots of improvement in order to attract more investment. Corruption is the main reason for many delays in big project and is also one of the greatest problematic factors that prevent FDI from entering Vietnam.

4.4.3 Changes in resources

Affected by climate changes and overexploitation, the price of gas and other energy has been increasing rapidly.

Vietnam has a young population with 70 percent population under the age of 35 and considers to be one of top five outsourcing destination in Asia. The labor force is estimated around 53.2 million people and the industrial that people work for the most are agriculture, forestry and fishing. Annually, this number continues to grow by 1.7 percent. Though Vietnamese people are considered to be hard-working and fast learners, the number of labor force that has technical training and qualification are still remain low, about 18.2 percent (General statistic office 2013). To attract more foreign investment, the government has provided basic training for local workers before introduce them to the investors as short-term solution.

In hospitality area, hoteliers are expressing concern with the quality of workforce. Vietnam has four national tourism schools, but fresh graduate still need a lot of training to meet international standards. Consequently, each hotel has to develop their own training program and spend about nine month to make the staff ready (Trung Chau 2011).

As stated in previous part, Vietnamese people tend to prefer foreign brands, this trend is not occur only with purchasing preference but also with labor force. Young people with qualification and skills tend to prefer foreign companies. In their opinions, foreign companies are likely to pay higher, have better working conditions and more opportunities for career development. Though it is not always true, domestic companies have to compete with foreign companies to have better quality staff.

5 EMPIRICAL RESEARCH

The empirical part of this research consists interviews with three employees in Muong Thanh Group: Ms. Le – General Manager (GM) of Muong Thanh Vinh Hotel; Mr. Nguyen, B – Director of Sales (DOS) of Muong Thanh Vinh Hotel and Ms. Nguyen, H – Brand Manager (BM) of Muong Thanh Hospitality Group. The data collected from them will help the author to answer the main research question: “How can Muong Thanh hospitality develop a sustainable development plan?” First, the author will discuss what criteria were selected when choosing the interviewee and the structure of the interview. The finding result from the interviews will be present in the second part.

5.1 Structure of the interview

In order to gain information about company’s present sustainable activities in real life and the plan for it in the future, the authors interviewed three staff that held three different positions in the Muong Thanh Vinh Hotel and Muong Thanh Hospitality Group. Table below gives general information about their positions and responsibilities in the group.

TABLE 3. Background of the Interviewees

Name	Position	Branch	Responsibilities
Ms. Le, Thi Thu Thuy	GM	Muong Thanh Vinh Hotel	<ul style="list-style-type: none"> • Overseeing all administrative functions • Report directly to Chairman
Mr. Nguyen, Viet Bang	DOS	Muong Thanh Vinh Hotel	<ul style="list-style-type: none"> • Developing and executing strategy of sale plans and profit targets • Overseeing sale team
Ms. Nguyen, Thi Thu Ha	BM	Muong Thanh Hospitality Group	<ul style="list-style-type: none"> • Monitors market trends • Develop basic principles and implementation of the Group's brand

The first two interviews were conducted face-to-face when the author was interning at Muong Thanh Vinh Hotel as personal assistant of GM. The last interview with Nguyen, H was conducted via emails due to long distant. The questions given in the interviews were open-ended questions, which is suitable for follow-up questions that were not a part of original questions. Since the topic is quite new in Vietnamese hospitality market, the questions were given to interviewees before the interviews so that they can have time prepare for answers. Figure 13 gives an overview of questions' content.



FIGURE 13. Interview Structure

The first two interviews were conducted face-to-face in May, during the time that the author intern in the case company. The first interview was with Ms. Le - GM of Muong Thanh Vinh Hotel - the case company. The question with her interview mainly focused on general management level such as: the policies Hotel has follow environmental regulations, or their plan to expand social activities for employees in the future. The Interview with Mr. Nguyen, B – DOS of Muong Thanh Vinh Hotel - on the other hand focused mainly on how customers may react towards sustainable development and the involvement from the staffs. The questions were in Vietnamese and the answers were recorded and transcribed into English by the author.

The third interview was conducted with Ms. Nguyen, H – BM of Muong Thanh Hospitality Group – via email in October. The contents of the questions were the same with Ms. Le in order to have comparison between Group’s policies towards sustainability and the Hotel implementation in reality. The author received the answer after a week and was allowed to send follow-up questions if needed.

The complete interview questions can be found in the appendix. The author decides not to publish the transcript of the interviews answer due to confidentiality and length. The later part of this chapter presents the finding from the three interviews.

5.2 Finding result from interviews

Finding result from three interviews will be divided into three parts: activities towards sustainability that company is having, the S-CORE assessment of the company and challenges that company is facing toward sustainable development.

5.2.1 Current activities toward sustainability

Sharing about why Muong Thanh Group chooses to invest in various small towns in different region in Vietnam; Ms. Nguyen, H said: “Besides culture conservation mission, Muong Thanh Hospitality Group would like to contribute to regional economic development through creation of jobs for local workers and assist local people in developing a better community”. With that strategy, hotels that belong to the Group always try to create opportunities for local people, some hotels even have 99 percent of the staff are local (Nguyen, H 2014). The Group also create Muong Thanh Festival every 12 March to celebrate Muong Thanh Hotels own culture. This time of the year is considered to be the time that Ban flowers blooms in northern mountain, a sign of incoming spring with a new hope for crops bumper (Muong Thanh magazine 2014).

In September 2013, with the opening of Muong Thanh Danang Hotel, the group has officially opened Muong Thanh charity fund, a very first step to social responsible business. The source of the funds mainly comes from profit of the group and from staffs. Three month after being founded, the fund had raised Euro 24,749 in cash and a lot of other gifts from many individuals and organizations across the country (Nguyen, H 2014).

Also according to Ms. Nguyen, H; the executive office has just operated for two years, the main concern of the Group at this moment is to unify the hotel chain so they do not have any plan towards sustainable development at this moment. But the head managers are considering about getting the Green Lotus Label certificate and the Group definitely will have a long-term plan in the future. She stated that at this stage, all the hotels belong to Group has managed to follow the protocol to protect environment and contribute to social dimension according to the regional regulations (Nguyen, H 2014).

For Muong Thanh Vinh Hotel, the employees participate actively to charity activities in Vinh city region. The hotel has a program that at the end of every year, they would visit old people and children with disabilities to donate money, gifts along with rice and northern mountain specialties. In term of business activities, the Hotel has implemented environmental monitoring periodically once a year. Ms. Le stated that since emission from the Hotel mainly generated from cooking activities, they has measured to diffuse emissions arising from the kitchen by installing wind system to prevent it from polluting the surrounding environment. The Hotel also reduced air emission by planting trees around the surrounding of Hotel and in guest room. Moreover, they also retrieve food waste in containers to give to household around Vinh city area to retrieve the animals (Le 2014).

5.2.2 S-CORE assessment

During the interview with Ms Thuy and Ms Ha, the S-CORE assessment was given to evaluate Muong Thanh Hospitality Group and Muong Thanh Vinh Hotel current sustainable activities. The purpose of giving the assessment to both the hotel and the Group is to comparing the difference between strategy of the Group and implementation in its branch. The result is the hotel has the same score with the Group in four criterias: vision, performance metric system, reporting and role shift. The hotel has its own SMS and implementation plant toward preserving environment and reducing air emission. Table bellows gives a specific answer for the question

TABLE 4. S-CORE assessment result of Muong Thanh Vinh Hotel

Criteria	Point	Result
SMS	3	The hotel has a temporary structure to identify and make sustainability movements
Vision	5	The hotel has no clear objectives to attain sustainable but do get support from executive office in

		innovating new ideas
Performance metric system	3	Have a measurement system to indicate cost reduction and other benefit of sustainability
Implementation Plan	6	The hotel implement environmental monitoring along with other reduce emission technology. Support Muong Thanh charity fund
Reporting	3	Report directly to Muong Thanh Hospitality Group
Role shift	2	The hotel has not lead sustainability effort

In summary, the hotel is in incubator stage.

5.2.3 Challenges of sustainable practice

Speaking of challenges when it comes to pursuing sustainability, all three interviewees agree that the biggest challenge is to engage employees as sustainability has to be act internally from every corner of organization. Since Muong Thanh Group is very young, the main concern of this group at the moment is about improve quality of service, environmental awareness among employees is not taken seriously.

Being a part of a big corporation, there are certain rules that company has to follow. Since the Group does not have an actual sustainable plan, each hotel in the group follows their own protocol and regulations that sets by local authority. For Muong Thanh Vinh Hotel, Mr. Nguyen, B stated that being a small three-star hotel with under 100 rooms so the hotel has not received much attention from the executive office compare to other hotels in the Group. He also pointed out that after the born of the executive office in 2012, there are more paperwork, more top-down procedure that affecting customer transaction (Nguyen, B 2014).

Another challenge concerning sustainable movements belongs to purchasing process. As the hotel mission is to contribute to local economic, they tried to

create more opportunities for local suppliers but they have no system to ensure how the suppliers work. The reason for that is the regulations in Vietnam concerning these standards are quite loose (Nguyen, B 2014).

After summarizing data from the interview, the author realize that though the hotel follow protocol of safety environment and waste management but they do not have extra effort on pursuing sustainability. As stated in chapter 2, compliance is not enough. For that reason, author feel that the hotel should have a SD plan to help them set a clear objectives and a system to execute and tracking sustainable effort. The details of sustainable development plan will be present in the next chapter.

6 DEVELOPMENT PLAN FOR THE CASE COMPANY

In previous chapters, the author collects information about the hotel's current activities towards sustainable development. This chapter is devoted to develop a sustainable development plan for the hotel in the next three years. Using the strategy and tactics that discussed in chapter two, this chapter gets into the details of objectives of the plan; action plan for each stage and control methods.

6.1 Objectives

Being a part of Muong Thanh Hospitality Group, Muong Thanh Vinh Hotel shares the same mission with other hotels in the chain: delivery traditional culture of northern mountain to every guest that stays with the hotels and contributes to the development of the community. Muong Thanh Vinh Hotel vision is the leader in budget scale section in Vinh city. In order to support that vision, the author proposes a sustainable development plan for the hotel.

The figure below gives an overview of objectives of the SD plan.

Operation Objectives	HR Objectives	Marketing Objectives	Finance Objectives
<ul style="list-style-type: none"> • Reduce water use by 15% • Reduce energy use by 5% • Starting waste recycle • Implement supply chain environmental management system 	<ul style="list-style-type: none"> • Implementing e-learning model • Open kindergarten for employees' children • Have a long-term training plan • Continue embracing Muong Thanh culture 	<ul style="list-style-type: none"> • Set up electric bulletin board and brochure • Promotion plan on website and Facebook page • Engage more customers to donate to Muong Thanh charity fund 	<ul style="list-style-type: none"> • N/A

FIGURE 14. Sustainable objectives for the next 3 years

As sustainable development is a new concept in Vietnam, especially with domestic company, a new SD plan has to begin with the basic thing. Therefore, the author set practical objectives that are achievable in three years.

6.2 Action plan

Using the sustainable strategy that develop by Werbach, there are three stages that hotel take to achieve previous set objectives: Transparency, Engage employees and Engage the networks (Werbach 2009).

6.2.1 Transparency

Find blind spots and awareness

In the beginning, HR department of hotel will hold small session to open up information for the employees. These sessions can be combined with training sessions that will held every three months. The current situation of hotel, including water and energy consumption reports, sustainable objectives in three years will be delivering to the staff. In this session, the staffs not only keep the listeners role, but they are encourage to contribute to point out blinding spots and solutions for hotel. These sessions will be held every three months in order to keep up with the process and keep the information flows smoothly.

Besides giving the information to employees, hotel needs to report to headquarter as well. Report will be prepared and deliver to headquarter every six months. In these reports, process plan will be present through the results, the action that hotels take and cost of the plan.

Delivery the information to the customers will be taken care by Marketing Department and will be discussed in details in later part.

Compliance and transparency

In order to achieve operation objectives of the plan in three years, at this stage, hotel will starting to install new equipment and change regulations regard energy consumption.

To reduce water used by 15 percent:

- Filtered instead of bottled water for meeting use
- Install flow regulator on showers and faucet
- reducing frequency of guest laundering towers to reduce using of water and detergent
- Install rainwater recovery system

To reduce energy consumption by 5 percent

- Change to low-consumption bulbs for 24/7 lighting
- Setting timer for common area air conditioning, setting temperature from 24 – 26 degree in the summer, 20 – 21 in the winter
- Use energy efficient air-conditioning equipment
- Install hot water temperature in guest rooms from 50 – 70 Celsius degree
- Setting temperature for hot water supply in laundry room 70 Celsius degree
- Increasing using of renewable energy such as solar, wind power

Starting to recycle:

- Sorted and recycle batteries
- sorted and recycled fluorescent lamps and tubes
- sorted and recycled paper and cardboard
- used certified paper for printing

To improve well-being

- Implement e-learning model to improve staff's English skills

- Open kindergarten with the size for 15-20 children for staff's children from 3-5 years old

The table below gives a timetable for transparency stage using Gantt chart.

TABLE 5. Gantt chart for Transparency stage

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Small session HR	■			■			■			■		
Report to executive office						■						■
Installing new Equipment	■	■	■									
Recycling	■	■	■	■	■	■	■	■	■	■	■	■
Open kindergarten	■	■	■	■	■	■	■	■	■	■	■	■

6.2.2 Engage employees

As mentioned in chapter 2, after act to improve well-being of the employees, hotel need to align a HR system to train, review and rewards employees. Before set up a new HR system, hotel will have the staff to do small survey about their satisfaction in the workplace. The content of survey will include working hours, working condition, salary, equality and opportunities for promotion. After knowing the status of employees, the next step is aligning new sustainable HR system.

Training

Training for sustainable can be combined with existing training session of hotel. In these sessions, besides training professionally, sustainable development can be talked about, step to do it in every department and the result and question can be discussed here as well. In order to achieve the objectives, training criteria includes:

Engage suppliers

In this stage, hotel will implement a supply chain environmental management system. The step taken including:

- Choose greener products
- Notify the suppliers that the hotel will require green products. The requirement will be specific in request for proposal and contracts.
- Open workshop to introduce specialty product in Vinh city region once a year

The time table for this stage is stated as table below

TABLE 8. Gantt chart for Engage suppliers stage

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Choose greener products												
Notify the suppliers												
Open workshop												

6.3 Control

Control process is executed through the whole plan by different departments with its functions to compare the results to the target set. Through reports to the executive office and information session, the results will be providing.

Besides controlling the objectives, risks should be considered in this stage. Firstly, regarding to external factor, the reactions from customers might become a big challenge for the hotel to continue their plan. Though the environment awareness of Vietnamese consumers is increasing, sustainable hospitality is still a new concept to domestic travelers. The second risk the hotel might face comes from

the executive office. Setting a new SD plan requires new regulations, new protocol in dealing with hiring new staffs, dealing with suppliers. Since the hotels is belongs to Muong Thanh Hospitality Group, these regulations has to be passed through the executive office and it might delay the schedule of the plan.

7 CONCLUSION AND FUTURE RESEARCH DEVELOPMENT

This chapter is divided into three parts. The first part is a brief summary of the findings and results from the research. The second part assesses the reliability and validation of the research. Last but not least, the last part gives suggestions for further research.

7.1 Answer to research questions

This thesis aims to examine the factors that contribute to a sustainable development plan and applies them to prepare sustainable development plan for the case company, Muong Thanh Vinh Hotel. To answer research question in this thesis, the author uses literature review and interview conducted from the managers of the company.

Table below gives brief answers for research sub-questions:

TABLE 9. Answers to research questions

QUESTION	BRIEF ANSWER
What is sustainable development?	Optimization between three dimensions: environment, social and economic factors to drive business to success
Why is it necessary for the companies?	<ul style="list-style-type: none"> • Increasing opportunities for growth • Increasing return on capital • Decreasing risk management.
What are the challenges that company has when pursuing sustainability?	<ul style="list-style-type: none"> • Make employees more involving in sustainable process • More corporation regulations and protocol that slow transaction process • Purchasing system does not have a system to ensure the quality of suppliers

<p>What are company's activities towards sustainable development?</p>	<ul style="list-style-type: none"> • Recruit local people • Established Muong Thanh charity fund • Implemented environmental monitoring once a year • Installing wind system in the kitchen to reduce air emission
<p>What is the actions plan that company takes to create sustainable development plan?</p>	<p>There are three steps of SD action plan:</p> <ul style="list-style-type: none"> • Transparency • Engage employees • Engage network

7.2 Reliability and Validity

The primary data from this research is taken from the interview with the case company in May and in October. The results of the interview are used to develop the plan in later part. Moreover, the secondary sources are theories that collected from official books, journal as well as trusted Internet source. Therefore this research can be considered reliable. The interview questions with company's staff related to company's current situation, their current sustainability effort and their challenges. Consequently, this research is quite valid.

7.3 Recommendation and suggestion for further research

As the main focus of this research was the application of sustainability in hospitality field, the author suggests more studies need to be conducted for fully implementation of this development plan:

Financial aspect. As stated in the beginning of the research, this thesis conducted without financial aspect regarding. Therefore, a study on this issue would give the commissioner a clear number of how much they need to invest and the actual turnover of the plan.

Time scale. Sustainable strategy is always a long-term strategy. This research's main concern is to develop the plan in the first stage. After finishing the first three years, the commissioner needs to examine again their ability and resources so that they can develop a sustainable development plan for the long run.

8 SUMMARY

The main objective of this thesis is to develop the sustainable development plan for the case company – Muong Thanh Vinh Hotel. Accordingly, the author conducts exploratory research with both theoretical and empirical studies to answer the main question: “What are the actions that company takes to create sustainable development plan?” Therefore, structure of this thesis is divided into two parts: theoretical framework and empirical research.

The theoretical framework includes SOSTAC framework model and sustainable theories. These theories provide background knowledge for the author to understand sustainable development and how to step-by-step build a SD plan.

Empirically, changes in Vietnamese business environment is examined carefully through STaR mapping while SWOT analysis and S-CORE assessment are used to examine Muong Thanh Vinh Hotel’s internal and external factor, and their position in sustainable development scale.

In conclusion, the author provides the details of actual sustainable development plan with clear time table of action plan and suitable controlling techniques. The author believes that the recommend plan will help Muong Thanh Vinh Hotel becoming the leader in sustainable effort in Vinh city.

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APPENDICES

APPENDIX 1. Interview question for Ms. Le and Ms. Nguyen, H (English)

1. Who are you, what is your position in the company and what are your responsibilities?
2. Describe your core business (service packages, target customers and main competitors)?
3. How do you define sustainable development?
4. Does your company have any activities towards sustainable development (Socially, environmentally and economically)?
5. Does your company have any certificate or label service package related to sustainable development?
6. Many international brand in Vietnamese hospitality market already have sustainable development plan, being a 100 percent Vietnamese brand, is it bring your company any disadvantages?
7. Where is your company in sustainable scale, calculate your point through S-CORE assessment?

Practice	Incubator 1 – 3 points	Initiative 3 – 6 points	Integrated 6 – 9 points	points
Sustainability management system (SMS): have in place a process to routinely set priorities for sustainability improvements, monitor the results and institutionalize	Implement a formal (maybe temporary) structure and process to identify and make sustainability improvements	Implement an environmental management system that contain the elements prescribed by ISO14001	Implement an SMS with sustainability policies, criteria and targets implanted	

best practice				
Vision: have a clear vision for how sustainability relates to your organization's mission	Develop a business case and obtain executive support for pursuing sustainability initiative	Conduct a backcasting-like process to develop a clear long term vision of sustainability and interim goals. Get support of leadership to communicate these goals	Catalyse the organization in developing a long term vision of your organization's role in a fully sustainable society. Question basic assumptions of your mission or business model and engage in long-term efforts to transform your organization and sector	
Implementation plan: Develop a realistic plan for implementing sustainability in the organization	Develop and implement a plan for a pilot level initiative	Develop and implement a plan to spread sustainable thinking and actions across the organization	Develop and implement a plan to embed sustainability into the fabric of the organization and into other strategic relationships	
Performance metric: develop and track a set of sustainability metrics	Develop and track metrics to show return on investment and other benefits of sustainability	Develop a holistic set of sustainability performance metrics to track the performance of the	Develop a metrics and methods for tracking sustainability performance of strategic partners and	

	projects	organization	major externalities associated with the operation	
Reporting: report regularly on the results of sustainability efforts	Report to management and employees at least annually about the benefits and costs of sustainability projects	Report to management on progress toward sustainability performance metrics. Develop and publish an internal sustainability report	Report to management and other stakeholders in sustainability performance via a publicly available sustainability report	
Role shift: evolve the role of sustainability coordinators over time so that responsibility for SD is throughout the company	Lead the sustainability effort	Show the management how to support sustainability efforts	Educate others outside your organization on how to lead the sustainability efforts	

APPENDIX 2. Interview question for Mr. Nguyen, B (English)

1. Who are you, what is your position in the company and what are your responsibilities?
2. How do you define sustainable development?
3. Describe your target market and customers?
4. What do you think customers' view on sustainable development matter?
5. Being a part of a big corporation, what are advantages and disadvantages of your hotel?
6. What do you think is biggest challenge when engaging employees in sustainable development process?