

# **CHALLENGES TO SUSTAINABLE RESORT AND HOTEL DEVELOPMENT IN MALAYSIA**

by

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## **ABSTRACT**

Tourism is one of Malaysia major source of income and continues to growth both in scale and scope. Concerning scale, the country recorded 23 millions arrivals in 2011 and contributes to \$58 billion in tourism receipts. The strong and significant rise of tourism development over the past few decades is one of the most remarkable social, economic and cultural phenomena in Malaysia. Consequently, the tourism industry has experienced increased scrutiny in regards to social, economy, environmental and local cultural impacts. Efforts are being made to achieve more sustainable forms of tourism development. Researches done internationally found out that using sustainable principles in the process of resort and hotel development can produce significant benefits that is not likely to result from standard or conventional practices. In the light of this situation this research tries to analyses the challenges to implement sustainable tourism development in the tourism accommodation sector in Malaysia. Using qualitative data obtain from interviews, analysis of previous research works and observation, the paper discusses the main challenges facing by tourism accommodation sector in Malaysia. The article concludes with recommendation for addressing the challenges associated with such challenges.

## **KEYWORDS**

Sustainable Tourism, Sustainable Resort, Tourism Development

## **INTRODUCTION**

Tourism is one of the Malaysia's largest industries. According to Ministry of Tourism Malaysia (2012), income generated by inbound tourism including passenger transportation exceeded, RM 50 Billion (USD10.8Billion) in 2012. Also tourism represented an estimated 6.7% of direct contribution to national economy in 2012. And is forecast to rise by 4.0% in 2013, and to rise by 4.6% pa, 2013-2022, to MYR90.7Bn in 2022 (World Travel & Tourism Council 2012). In 2012, the total contribution of Malaysia tourism industry to local employment was 12.9% of total employment and expected to rise by 2.8% pa in 2022. Despite this positive continue growth, there is increasing concern about sustainability of the tourism industry. This paper examines the challenges facing the sustainability of the tourism industry with a particular focus on resort and hotel developments in Malaysia and proposes an approach for addressing the challenges.

The current use of the term 'sustainable tourism' is the result of the growing awareness of the global links between mounting environmental problems, economic issues and social responsibility. The concept of sustainable tourism development should be seen as an adaptive paradigm, a part of the main concept of development and sustainable development, and it must focus at contributing to objectives of sustainable development in general.

Blancas et al (2010) and Day & Cai (2012), describes basic sustainable tourism development should:

- Providing socio-economic benefits to all stakeholders and local communities, and reduce inequality and absolute poverty in local tourist destinations by providing stable employment and income earnings opportunities and social services to local people.
- Protect and Conserve socio-cultural authenticity of local communities, respect and preserve their culture heritage, built and living tradition.
- Helping to conserve local environment and biodiversity. Maintaining ecological processes and makes use of environmental resources that constitute a key element in tourism development.

In the research done by Day & Cai (2012), they stated that sustainability is not an absolute concept and different stakeholders have variety of perspectives on what constitutes appropriate action. In the article wrote by Cernat & Gourdon (2007) notes that sustainable tourism is the vision to be reached rather than a specific product type.

There is increasing consensus that all tourism stakeholders play a role towards achieving sustainability. This includes tourism accommodation facilities which may contribute by responding positively to sustainability issues. This article will focus on sustainable resort and hotel development issues; particularly those are environmental related. The complexity of tourism accommodation facilities development requires examination of these sustainability issues from a variety of perspectives. Furthermore, the principle of sustainable resort and hotel development appear to have been established by developed countries without taking into account condition in the developing world. Most of the research and guidelines fail to provide a conceptual instrument for plan and strategy formulation to achieve sustainable resort and hotel development in those countries.

The main objective of this article is to analyse challenges to sustainable resort and hotel development in the context of Malaysia. There is a need to examine challenges and its impacts and show how this relates to the achievement of more sustainable tourism industry especially for developing nation like Malaysia. In addition, by outlining and understanding barriers to achieve successful sustainable resort and hotel development, this research tries to provide important lesson for local tourism stakeholders.

## METHODOLOGY

The methodology for this research entailed a multi-dimensional research approach with a combination of both qualitative research strategy including a literature review, expert interviews, as well as an in-depth observation of selected case studies which is resort and hotel in Malaysia. The research tries to identify challenges and barriers in developing sustainable resort and hotel in Malaysia.

The research process involved a review of literature on barriers and challenges in implementing sustainable tourism in lodging industry. Academic literature was reviewed to identify possible challenges and barriers.

The second phase of this research was designed to accumulate data to achieve research objective. From the review of tourism and sustainable development literature questionnaire was formulated for in-depth expert interview session. 23 respondents were interviewed in this phase. This process helped to understand more accurately the issues and realities of developing sustainable tourism in Malaysia particularly in the context of resort and hotel development in Malaysia. 23 respondents from four groups were surveyed about their views and perspectives on challenges to implementing sustainable resort and hotel development in Malaysia.

- a. Tourism and Sustainable Development Academics (who had written about sustainable tourism development and sustainable tourism development in Malaysia).
- b. Government bodies (Ministry of Tourism Malaysia, Local Authority, Government technical experts, and researchers).
- c. NGOs (related to tourism and sustainable development)
- d. Resort and hotel operators identified as implementers in the case studies.

Once the primary research was completed, barriers in developing sustainable tourism identified were then examined in two Malaysian tourism coastal destinations (Langkawi Island and Kota Kinabalu). The data analysis process followed the process suggest by Dodds (2007). By using this method the data were analysed using comparative methods which allowed the researches to identified similar phases, relationship between variables, themes and differences between categories.

## RESULTS

From the in-depth interviews and observation of case studies in Langkawi and Kota kinabalu, Malaysia, challenges and barriers were then cross referenced with those identify from literature study to determine similarities existed.

### **Priority of local and national economy**

This challenge is connected strongly to political governance's focus. Economic priority over environmental concern and social responsibility focus by government can creates negatives impacts to Malaysian tourism industry. Due to national policies for tourism that specifically designed to promote and foster tourism industry for economic benefits, this situation has developed a negative attitude towards developers and tourism operators that accommodation facilities for tourism exist simply for profit and as such contribute to national economic growth. From the survey process, respondents said that tourism destinations in Malaysia developed their product base on economic focus and significant number of resorts and hotels development in Malaysia exploited resources without understand the impact to the environment and local community. This is due to the late development of tourism in Malaysia compare to well establish South East Asia destinations such as Thailand and Indonesia. Some respondent considers many destinations in Malaysia are actually copy from what Thailand and Indonesia have. This pattern of tourism development in Malaysia has not change since the tourism boom in South East Asia of the 1990s with continue attempts by resort and hotel developer to make their product competitive with other South East Asia destinations. Local governments and developers justify this approach by figuring out that new resort and hotel development projects are vital to prevent a destination's decline and to maintain competitiveness. As with the case of Langkawi Island and Kota Kinabalu in Sabah, thought the concept of luxury and mass resorts and hotels destinations is appealing however, up-scale resorts and hotels often only succeed in term of serving their guests. For example one of the respondents from the interview session stated that, from his research done in Langkawi Island, Malaysia, the research found out that energy and water consumption by tourist is normally considerably higher than of local residents. A local resident consumes an average 31% less water a day compared to average tourist consumption. In term of energy local people consumes 52% less of energy a day compared to average tourist consumption. One of the reason this happen because Malaysian resort and hotel facilities have diversified into activities such as golf and theme park to attract more upscale tourists and to increase their profits margin although the environmental impacts and social benefits of the local community can be considerable.

### **The lack of infrastructure to support sustainable tourism development**

Resort and hotel developers in Malaysia face significant number of issues in developing sustainable tourism accommodation in Malaysia. From the interview session with hoteliers, they felt that there are insufficient technology and skill people to developed sustainable resort and hotel in Malaysia. For example most of the low environmental impact construction materials like recycle timber and lightweight bamboo frames are being imported from foreign countries. Furthermore, technology such as low flow plumbing water system, water recycling system technology, solar energy, and wind turbine technology need to be imported from other country and the cost of transporting the technology to Malaysia are expansive. The developer also stated that, this situation will increase in the overall development costs compare to conventional resort and hotel development. Besides that, the resort's or hotel's employers need to be sent to other countries to undergo training courses on the sustainable or clean technologies. This research also identified that luxury resorts and hotels in Malaysia (Langkawi and Kota Kinabalu) sent their workers to undergo training to other developed country to learn about sustainable management and practices or employ foreign workers to help the company to develop and practice sustainability. Some resorts and hotels also trained their marketing and sales personals to specially focus and understand the sustainable tourism principles. However, small and medium size resorts and hotels in Malaysia cannot afford to spent significant amount of money to train their workers and use green technology in their practices.

Tourism accommodation facility operators also felt that there are inadequate infrastructures to support sustainable practices. For instance technology to recycle waste, in Langkawi Island paper and plastic can be recycle if collected in sufficient amounts for the recycling centre run by local residents. However most of the centre in the Island did not recycle glass and metal (from case study observation), due to high cost to recycle metal and glass because the

wastes need to be transported to the mainland of Malaysia. Recycling plans for these items can only be found in the south of the peninsula. Thus waste from Langkawi Island has to be transported to these destinations before it can be recycled. One of the resort operators stated that they separate their garbage but sometimes it all ends up in the same dumpsite.

### **Sustainable development policy focus**

Majority sustainable resorts and hotels development policy in Malaysia are for new or developing facilities rather than for developed or mature tourism accommodation facilities. From the interview session with local tourism experts they stated that most of tourism stakeholders assume that only early planning at design stage for new development tourism facilities can incorporate issues of environmental, culture, social and local economic empowerment. However those mature mass tourism destinations are actually attract the greatest number of visitors. Many of these established destinations already received significant numbers of tourists, and sustainability should be viewed as a way to regenerate and improve stagnant or decreasing tourism numbers. The expert suggested that to overcome decreasing tourism destinations is by to legislate sustainable policy or standards for local tourism industry not only for new development but also for existing tourism facilities, so that it helps to improve local tourism industry.

### **Structure of public administration system**

Another challenges identified by the research is that a lack of coordination between government bodies. 65% of the respondent suggested that this as a barrier and respondents citing this is one of main factor in implementation of sustainable tourism policy. Malaysia is a country contains a network of local government official who are centrally appointed and closely related to locally elected bodies. In this system of management power is devolved to subordinated small local units; however federal government always retains sovereignty and the right to determine the degree of autonomy for every small local units. Local governments mostly were not permitted to develop independent. Tourism experts have recognized this problem, and have identified a need for the local governments to develop their own sustainable tourism policies and programs for tourism facilities to meet specific environmental and local sustainability goals. The reason is because every tourism destination has its unique economic, environmental, cultural, technological, ecological and social conditions. Hence, it is necessary to devise a policy that is pertinent to its specific purposes and addresses local conditions.

In order for sustainable resort and hotel development to succeed, it has to be adopted as a common agenda that entails close collaboration from all relevant parties. This clearly was not the situation at the time of the research fieldwork. The respondents in this research agreed that participation by tourism stakeholders such as different level of public agencies, private sectors, local community and NGOs is important in the process of making sustainable policy and plan. However, in Malaysia NGOs are often excluded from policy development and implementation, the respondents said it is possibly because they rarely have prime economic interest and have more focus towards social responsibility and environmental protection and conservation. Economic interest of regional or central government can sometimes clash with local desires which usually trying to limit tourism's impacts to local environment and local people. Therefore there's a need for a collaborative efforts from all tourism stakeholders to develop a proper sustainable tourism plan and policy.

### **Lack of awareness**

From the research respondents agreed that one of the main problems in developing sustainable tourism in developing country like Malaysia is there were no obvious driving factors for developers and resort operators to adopt sustainable practices. Resort and hotel Developers feel that the implementation of sustainable principle in their practices is difficult and will increase their operational cost. According to Ministry of Tourism respondent, asking resorts and hotels operators to adopt the recommendation of international sustainable assessment system is not easy. This is because of lack of infrastructure, expensive assessment process, and limited social awareness of sustainable development, have a poor understanding of why sustainability is needed or fail to support all aspects of triple bottom-line. For example although energy-efficiencies products and practices benefit were realised by many operators due to smaller energy bills, resort operators stated that they also in the dilemma between environment protection strategy and providing high quality of services and comfort for resort and hotel guests.

Lack of awareness barriers can also be detected from general responses of resorts and hotels staff efforts to integrate sustainable measure into their work. Resorts owners said that staffs were often have different perspective towards sustainability because they think the measure will always involve additional duties and workloads. One example of such attitudes was the local empowerment initiatives effort plan by one of the case study resorts in Kota Kinabalu. The employees were asked to voluntarily get involved in the effort of teaching and helping local community to protect their local beach, but not many staff actually turned up on the programme day, causing the event to be postponed until a later

date. This situation just shows how difficult it is to involve the staff in a sustainability effort. The resort owner also said that event like this cannot take off without some form of rewards for the staff in order to motivate the workers to come because they don't really understand why they have to do the extra work. The general lack of awareness and also lack of sustainability education in school curriculum and information through the media have been identified as the causes of poor attitudes among local people.

## CONCLUSION

The findings of this research indicate that instilling sustainability in resort and hotel developments in developing country like Malaysia may prove to be a challenging and difficult process. Without the introduction of strong development method and strategy, and without understanding and addressing the various challenges that have been discussed in this research, it may a daunting task to make tourism accommodation facilities more accountable towards environment, social benefits and local economic development.

For a developing country like Malaysia a top down approach is one of the most effective drivers for resort and hotel developments to adopt sustainable elements in their practices. Furthermore, accommodation facilities developers and owners inclination towards sustainability may depend on other drivers such as regulatory pressure from government, local community, social pressure, negative impacts of environment from development process and demand from tourists. The economic conditions need to be conducive to further motivate Malaysian tourism industry to be sustainable.

From this research it can be conclude that the pressure for economic growth resulting in economic factors having priority over social and environmental concerns. Incorporating different stakeholders (governments agencies, resort developers, local community and NGOs) in development process of resort and hotel developments were seen as one of the best solutions forward for all triple bottom line sectors (social, environmental and economic).

The strong collaboration in tourism business and awareness among tourism operators can become easier to achieve through strong support from government. This approach has been rather successful in other developing nations like Costa Rica and Brazil, although this may reflect the importance of sustainable tourism in a country that attracts more sustainable conscious visitors. But there is a requirement for significant major shift of sustainable tourism policy implementation in those countries. For instance they have implemented progressive programs to conserve energy and reduce carbon dioxide emissions. These are admirable goals developed within the tourism destinations itself.

The ability of tourism facilities to adopt and implement sustainable tourism principles is dependent on the capacity of entities at different level. While tourism destinations must be proactive at developing new technologies t and method to reduce negative impacts of tourism development, the whole tourism industry must support behavioural change that leads to positive sustainable outcomes because technology is only one of contributing factors. Sustainable tourism development requires changes in personal attitudes and behaviours among tourism stakeholders, as well as changes in management behaviours within tourism businesses. Implementing such change will require detailed understanding of individual behaviours of tourists' tourism actors, and organizations within specific cultural contexts. Therefore, one major challenge for Malaysian tourism industry is to increase the intellectual capital required and educate local people to address the new changes in tourism development. Nevertheless improving the overall sustainability of the tourism system in developing country like Malaysia will provide significant benefits to the country in term of economic, environment and welfare of local community.

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