

Business Sustainability Practices Model for Hospitality Industry

Roxanne H. Bala-an¹, Grayfield T. Bajao²

¹Student, Graduate School, University of Cebu-Main Campus

²Dean, College of Hotel and Tourism Management, University of Cebu-Lapulapu and Mandaue

Abstract

This study was conducted to assess the business sustainability practices within the hospitality industry in Surigao del Sur. It examined the key factors that contributed to the resilience and long-term viability of resorts and hotels amidst operational challenges and changing customer demands. Using a descriptive quantitative research design and data gathered from selected respondents in the hospitality sector, the study determined the extent of sustainability practices implemented in terms of occupancy rate, sales performance, asset management, customer satisfaction, and employee engagement. Results revealed that hospitality establishments adopted various sustainability practices such as flexible booking policies, digital marketing strategies, enhanced health and safety protocols, and operational adjustments to maintain business continuity and financial stability.

Findings further indicated that sustainability practices significantly contributed to business resilience, operational efficiency, and improved customer trust. However, challenges such as declining tourist arrivals, financial constraints, workforce instability, and changing customer behavior were also identified. The study emphasized the importance of integrating economic, environmental, social, and technological sustainability practices into the core operations of hospitality businesses to ensure long-term growth and competitiveness. Based on the findings, an action plan was developed to guide hospitality stakeholders in strengthening sustainability practices, improving adaptability, and promoting resilient business operations within the hospitality industry in Surigao del Sur.

Keywords: Business Sustainability, Hospitality Industry, Sustainability Practices, Resilience and Adaptation, Action Plan

INTRODUCTION

Rationale

Business sustainability practices in the hospitality industry have become important due to the growing need for environmentally and socially responsible operations. Hotels, resorts, and other hospitality establishments are encouraged to adopt sustainable practices that support long-term business growth while protecting the environment and promoting social responsibility. As customer preferences continue to change, hospitality businesses are challenged to improve operational efficiency, customer satisfaction, and business resilience.

The hospitality industry plays an important role in economic development by providing employment opportunities, supporting local businesses, and contributing to tourism growth. However, the industry also faces challenges such as changing customer behavior, financial difficulties, environmental concerns, and

increasing operational costs. These challenges encourage hospitality establishments to adopt sustainability practices that can help maintain stable operations and long-term competitiveness.

Business sustainability in the hospitality industry includes practices related to occupancy rate, sales performance, asset management, customer satisfaction, and employee engagement. Hospitality businesses that implement sustainable practices such as digital marketing, flexible booking policies, waste reduction, and health and safety protocols are more likely to improve customer trust and maintain business continuity. These practices also help businesses become more resilient during difficult situations.

The hospitality industry in Surigao del Sur continues to grow as tourism activities increase in the province. Resorts, hotels, and other accommodation establishments contribute to the local economy by creating jobs and supporting community development. However, many businesses still experience challenges in maintaining sustainable operations because of economic uncertainties and changing market demands. Understanding the sustainability practices adopted by these businesses is important in identifying strategies that can improve business performance and long-term sustainability.

Furthermore, the impact of sustainability practices is seen in the improvement of operational efficiency, customer satisfaction, and long-term business stability within the hospitality industry.

The researcher wishes to conduct this study to contribute to the improvement of sustainability practices in the hospitality industry in Surigao del Sur. Through this research, the findings will serve as the basis for a proposed Business Sustainability Practices Model that may help hospitality establishments improve operational efficiency, business resilience, and long-term sustainability.

Theoretical Background

This study is mainly anchored on the Theory and Concept of Sustainability and Sustainable Development by Khalili (2013) and supported by the Contingency Leadership Theories by Fiedler (1964), and the Eight-Step Model by Kotter (1996).

The Theory and Concept of Sustainability and Sustainable Development by Khalili (2013) provides a comprehensive exploration of the key principles underpinning sustainability and sustainable development. The concepts of sustainability and sustainable development have evolved significantly over time, driven by increasing global concerns about the environment, social equity, and economic growth. Khalili's work delves into these interrelated dimensions and offers a holistic understanding of how they interact within a broader framework of responsible development. One of the core ideas presented in the theory is the recognition that sustainability is not limited to environmental considerations alone, but rather encompasses social, economic, and environmental pillars. This aligns with the widely acknowledged Triple Bottom Line framework by Elkington (1994), which suggests that true sustainability requires a balanced approach across these three areas.

Sustainable development means meeting the needs of people today without harming the ability of future generations to meet their own needs, as stated in the Brundtland Report (1987). It focuses on balancing three important areas: environmental protection, social well-being, and economic growth. This theory explains that development should be fair, inclusive, and use resources wisely. Protecting the environment should go hand in hand with improving people's quality of life and supporting economic progress to ensure long-term benefits.

Sustainability theory also emphasizes that different sectors and stakeholders are connected and influence one another. Actions in areas such as tourism, energy, and industry can affect society and the environment. This is why cooperation among governments, organizations, and communities is important. The theory

supports global efforts like the United Nations Sustainable Development Goals (SDGs), which guide countries and organizations in addressing issues such as poverty, inequality, climate change, and environmental damage. Overall, sustainability theory highlights the need for long-term planning, shared responsibility, and responsible practices to protect both people and the environment.

Contingency Leadership Theory of Fiedler (1964) explains that there is no single best way to lead. Leadership effectiveness depends on how well a leader's style matches the situation. This theory differs from earlier leadership models that assumed effective leaders could succeed in all situations. Instead, Fiedler emphasized that leadership success comes from fitting the leader to the situation rather than changing the leader's natural style.

The theory identifies two main leadership styles: task-oriented and relationship-oriented. Task-oriented leaders focus on completing tasks, following procedures, and achieving goals. Relationship-oriented leaders, on the other hand, focus on building good relationships, supporting team members, and encouraging cooperation. Both leadership styles can be effective, but their success depends on the situation in which they are applied.

A leader's style can be identified using the Least Preferred Coworker (LPC) scale, which measures whether a leader is more task-oriented or relationship-oriented. Leadership effectiveness is influenced by three key factors: leader-member relations, task structure, and position power. Task-oriented leaders tend to perform best in situations that are either very favorable or very unfavorable, while relationship-oriented leaders are more effective in moderately favorable situations. This approach suggests that organizations should assign leaders to situations that best fit their style to achieve better performance and results.

The Eight-Step Change Model by Kotter (1996) provides referenced frameworks for managing organizational change. The model provides a structured approach for leaders to guide their organizations through successful transformations. It was argued that many organizations fail in their change initiatives due to poor execution, and his eight-step process offers a roadmap to avoid these pitfalls by emphasizing key stages necessary for sustainable change. These eight steps can be grouped into three main phases: creating a climate for change, engaging and enabling the organization, and implementing and sustaining the change. The first phase of the model is about creating a sense of urgency and building a strong guiding coalition. Organizations must first establish a clear and compelling reason for change to motivate employees. This urgency can be created by highlighting potential threats or opportunities in the market or industry. Once the urgency is established, a guiding coalition of influential leaders and change champions must be formed. This coalition plays a crucial role in ensuring that the change initiative has strong leadership, support, and resources throughout the process.

The second phase focuses on creating a vision for the change and communicating it effectively. Leaders must develop a clear and simple vision that outlines the desired end state of the change. This vision helps provide direction and purpose, aligning stakeholders around a common goal. Once the vision is created, it must be communicated in a way that resonates with all employees. This step is crucial because employees need to understand why the change is necessary and how it will impact their work and the organization as a whole.

The third phase is about empowering broad-based action, generating short-term wins, and consolidating gains to anchor the change. This emphasizes the importance of removing obstacles that hinder progress and empowering individuals at all levels of the organization to act in support of the change. It's also essential to celebrate short-term wins, which build momentum and help maintain motivation. These early

victories demonstrate that the change is achievable and create a positive feedback loop, reinforcing the desire to continue moving forward.

Lastly, the model states the need to sustain the change by anchoring it into the organization's culture. Change can often be undone if it is not fully integrated into the organization's values, systems, and processes. Successful change requires reinforcing new behaviors and practices, so they become part of the organizational culture and are maintained long after the initial implementation phase. What makes this Eight-Step Model particularly powerful is its structured approach, which provides clear guidance for leaders at each stage of the change process. However, it also highlights the human aspects of change management, recognizing that people's attitudes, behaviors, and resistance to change must be carefully managed throughout the transformation. With the model, organizations can avoid common pitfalls such as a lack of leadership support, insufficient communication, and a failure to address employee concerns, which are often the main reasons why change initiatives fail.

Statement of the Problem

This study aimed to assess the business sustainability practices of the hospitality industry in Surigao Del Sur, Philippines. The findings of this study would serve as the basis for designing a proposed business sustainability model.

Specifically, this study will seek answers to the following questions:

1. What is the profile of the respondents in terms of:
 - 1.1 age;
 - 1.2 gender;
 - 1.3 highest educational attainment; and
 - 1.4 length of service or business operation?
2. What is the extent of the business sustainability practices of the hospitality industry terms of:
 - 2.1 occupancy rate;
 - 2.2 sales performance; and
 - 2.3 asset performance?
3. Is there a significant relationship between the profile of respondents and the extent of the business sustainability practices of the hospitality industry?
4. What are the problems encountered by the respondents in the business sustainability practices in the hospitality industry?
5. Based on the findings, what business sustainability model can be proposed?

Statement of Null Hypothesis

At the 0.05 level of significance, the following hypothesis was tested:

HO1: There is no significant relationship between the profile of the respondents and the extent of the business sustainability practices of the hospitality industry.

Significance of the Study

This study is very beneficial to the following individuals or group of people or entities:

Hospitality Business Owners and Managers. The findings provide valuable insights into how adopting sustainability practices can enhance operational efficiency, improve customer satisfaction, and give businesses a competitive edge in the market. By understanding the implications of sustainability, owners

and managers can make informed decisions to integrate eco-friendly practices into their operations and align with consumer expectations.

Customers/Guests. As the study highlights the increasing demand for sustainability in the hospitality sector, customers/guests can benefit from knowing that businesses are taking responsible actions toward environmental and social well-being. This helps them make more informed choices, supporting businesses that align with their values regarding sustainability.

Government and Regulatory Bodies. The findings of the study suggest that clear policies and incentives can encourage sustainable practices, especially in smaller businesses. Government entities such as the Department of Tourism (DOT), Local Tourism Office, and Local Government Unit (LGU), can use this research to shape regulations, provide financial incentives, and create frameworks that promote sustainability in the hospitality industry.

Industry Associations and NGOs. These organizations can use the insights to support the development of sustainability standards and best practices within the hospitality sector. Additionally, they can help facilitate training, resources, and guidance for hospitality businesses, particularly smaller establishments, to adopt green practices.

Consultants and Sustainability Experts. Professionals advising hospitality businesses on sustainability can utilize the insights from this study to provide more targeted recommendations and strategies, helping businesses implement effective sustainability practices.

Researchers. This study provides a solid foundation for further research on sustainability in the hospitality industry. Researchers can explore the challenges, opportunities, and impacts of sustainability practices in more depth, contributing to the body of knowledge in hospitality and sustainability management.

Future Researchers. This study will also provide an opportunity to explore specific sustainability strategies, the impact of industry certifications, government policies, and consumer behaviors in the hospitality industry. Further investigation into the role of technology and cultural differences can also provide valuable insights into enhancing sustainability practices across diverse hospitality settings.

RESEARCH METHODOLOGY

Research Design

This study used a descriptive-correlational method to assess sustainability practices in the hospitality industry of Surigao Del Sur, Philippines during the pandemic. Data were collected through a researcher-made survey answered by managers or owners, focusing on environmental, social, and economic aspects of sustainability.

A pilot test with ten individuals outside the main sample was conducted to ensure the validity and reliability of the survey. Their feedback helped refine the instrument before full data collection. A research paradigm (Figure 1) illustrates the flow of the study as: inputs (resources and participants), processes (data collection and analysis), outputs (findings), and feedback for improvement. This approach clarifies how sustainability practices were implemented in the hospitality sector during the pandemic, offering insights for future crisis strategies.

Research Environment

This study was conducted in Surigao del Sur, a province in the Caraga region of the Philippines, famously called the "Shangri-La by the Pacific" due to its breathtaking natural landscapes. The province, known for its long coastlines facing the Pacific Ocean, offers beautiful sunrises, lush green mountains, white sand beaches, coral islands, waterfalls, and rivers. Surigao del Sur is home to 17 panoramic islands, mystical

caves, vast mangrove forests, and stunning underwater sceneries, making it a popular destination for eco-tourism and leisure activities.

The province was created as the 56th Philippine province on June 19, 1960, and has since evolved from a 4th-class province to a 2nd-class province with a diverse economy, including agriculture, aquaculture, and mining. Despite the province's rich natural resources and cultural diversity, it is also considered one of the top 20 most vulnerable provinces to climate change in the Philippines, with varying rainfall patterns and a distinctive rainy season from November to March. The local communities, including the Kamayo and Agusan people, contribute to the vibrant cultural landscape, with festivals like the Sirong Festival reflecting the region's history and traditions.

The hospitality industry in Surigao del Sur, particularly in municipalities such as Cantilan and Lanuza, is booming due to its appeal as a surfing destination and its abundance of other tourist attractions. With the presence of 30 hotels and resorts in the province, these establishments have become key respondents in this study, representing the main research environment of the study. The hospitality industry in Surigao del Sur plays a vital role in the local economy, providing leisure opportunities and contributing to the province's growth through tourism.

Research Respondents

This study utilized purposive sampling in selecting the respondents from fifty (50) selected hotels and fifty (50) selected resorts in Surigao del Sur for a total of one hundred (100) hospitality establishments that have the extent of the business sustainability practices in the hospitality in terms of occupancy rate, sales performance, and asset performance. The respondents of this study were the managers or owners of the hospitality industry which includes age, gender, educational attainment, and length of service.

Research Instrument

This study utilized a researcher-made survey instrument to assess the business sustainability practices of the hospitality industry in Surigao del Sur, as perceived by the managers or owners of the selected hotels and resorts. The survey questionnaire is divided into three distinct parts. The first part gathers demographic and background information about the respondents. This section uses a researcher-made checklist to capture details such as age, gender, educational attainment, and length of service in the hospitality industry. This data is essential for understanding the profile of the respondents and their potential influence on business sustainability practices. The second part of the survey focuses on assessing the extent of the sustainability practices hospitality industry. The respondents are asked to rate various sustainability practices using a rating scale. The scale consists of four categories:

- 4 – Highly Sustainable - Practices demonstrate a very high level of sustainability
- 3 – Moderately Sustainable - Practices demonstrate a moderate level of sustainability
- 2 – Less Sustainable - Practices demonstrate a low level of sustainability
- 1 – Not Sustainable - Practices demonstrate no sustainability efforts

This section helps gauge how hospitality establishments have implemented sustainable practices in response to the pandemic, considering factors like environmental, social, and economic sustainability. The third part of the survey identifies the challenges or problems encountered by the respondents in maintaining business sustainability during the pandemic. Respondents can check the specific problems they have faced in terms of sustainability practices in their hotels and resorts, providing insight into the barriers and difficulties faced by the hospitality sector during this difficult period.

A pilot test was conducted with 20 non-respondents of this study to assess the validity and reliability of the survey instrument. These 20 individuals, who were not part of the main study sample, were selected

to ensure that the survey questions were clear, understandable, and relevant to the target respondents (managers or owners of hospitality establishments). The purpose of the pilot test was to identify any issues with the survey instrument, such as ambiguous questions, confusing wording, or technical difficulties, and to make necessary adjustments before the actual data collection. The feedback from the pilot test participants was carefully analyzed and used to refine the survey tool, ensuring that it would effectively capture the necessary data from the managers or owners of the hotels and resorts. By conducting the pilot test with a separate group, the researcher was able to validate the instrument's reliability in terms of consistency and accuracy, helping to ensure that the final survey would yield dependable and meaningful results. This process also helped enhance the overall rigor of the study, ensuring that the findings would be based on well-constructed and thoroughly tested data collection methods.

Research Procedure

The research procedure for this study was designed to systematically collect data, ensure the validity and reliability of the survey instrument, and analyze the sustainability practices in the hospitality industry in Surigao del Sur. The researcher conducted an extensive review of existing literature on business sustainability practices in the hospitality industry. This helped to shape the research objectives, identify key variables, and ensure the study's relevance to current issues in the hospitality industry.

Data Gathering Procedure

Before the actual data-gathering process, the researcher took several preparatory steps to ensure the smooth implementation of the study. The researcher wrote a formal letter of request addressed to the owners or managers of the fifty (50) selected hotels and resorts in Surigao del Sur. The letter sought permission to conduct the research study and explained the purpose, importance, and confidentiality of the research. This step ensured that the research followed institutional protocols and ethical guidelines.

After receiving the necessary approvals, the researcher proceeded to distribute the survey questionnaires to the selected respondents. These respondents were the managers or owners of the hotels and resorts in Surigao del Sur. The survey was distributed over two weeks, during which the respondents were instructed to complete the survey. The researcher made efforts to follow up with the respondents during this time to ensure a high response rate.

Once the completed survey questionnaires were returned by the respondents, the researcher collected them and manually tabulated the data. This manual process involved organizing the responses into categories based on the sections of the survey. The data from the respondents' profiles, sustainability practices, and problems encountered were compiled for further analysis.

After collecting all the completed surveys, the researcher carefully examined the data for completeness and accuracy. The collected data was then analyzed using appropriate statistical tools, including descriptive statistics such as frequencies, percentages, and means. This analysis provided a clear overview of the business sustainability practices in the hospitality industry in Surigao del Sur. The researcher also interpreted the data by looking for patterns and trends in the responses, especially focusing on how sustainability practices were implemented and the challenges encountered by the establishments.

The findings were presented in a structured format, with clear tables and charts that depicted the respondents' perceptions of business sustainability practices. The results were analyzed to identify key areas of sustainability within the hospitality industry and the problems that arose during the pandemic.

Treatment of Data

The treatment of data in this study involves the systematic process of organizing, analyzing, and interpreting the data collected through the survey questionnaires. The researcher employed the following methods to handle and analyze the data:

Data Organization. After collecting the completed survey questionnaires, the data were organized by questionnaire sections. These included respondents' profiles (age, gender, education, and length of service), the extent of sustainability practices (occupancy rate, sales, and asset performance), and the challenges faced in maintaining sustainability.

Manual Data Tabulation. The researcher manually tabulated the data using frequency distributions and categorical responses to summarize the answers and prepare for analysis. Descriptive statistics were then used, including the following:

Frequencies. To determine the number of times a particular response was given by the respondents. This helped to understand the common trends in the data.

Percentages. To express the frequency of certain responses as a percentage of the total number of respondents. This provided a clearer view of the overall trends in the data.

Means. The average rating for each item was calculated to assess the overall extent of sustainability practices in the hospitality establishments. The mean scores were determined for the responses related to sustainability practices (rated on a 4-point scale: Highly Sustainable, Moderately Sustainable, Less Sustainable, and Not Sustainable).

Ranking. This method assesses and prioritizes the problems faced by hotel and resort owners or managers regarding business sustainability. Respondents ranked their challenges, with the top five indicating the most critical issues, helping identify key areas for improvement.

Interpretation of Data. After organizing and analyzing the data, the researcher interpreted the results to address the research questions on sustainability practices, industry challenges, and areas for improvement. Comparisons were made between hotels and resorts to identify any significant differences.

Presentation of Data. The findings were presented using tables to visualize response distribution and overall trends in business sustainability practices within the hospitality industry.

Statistical Treatment of Data

To further enhance the analysis, the researcher may apply statistical techniques (such as t-tests or ANOVA) to compare the means of sustainability practices between different groups (e.g., comparing hotels vs. resorts, or analyzing the impact of respondent characteristics such as length of service on sustainability practices).

RESULTS AND DISCUSSION

Profile of the Respondents

This study involved hotel and resort managers from 50 selected hospitality businesses in Surigao del Sur, chosen to represent the region's hospitality sector and provide insight into sustainability practices. The respondents' demographics, age, gender, education, and length of service or business operation offer important context for analyzing how these factors affect sustainability adoption. Table 1 summarizes these demographic profiles, providing an overview essential for understanding their influence on sustainability practices within their establishments.

Table 1
Profile of the Respondents

Variables	f	%
Age		
20 – 29	20	20%
30 – 39	26	26%
40 – 49	33	31%
50 years old and above	21	21%
Gender		
Male	44	44%
Female	56	56%
Educational Attainment		
College Level	4	4%
College Graduate	91	91%
Post Graduate	5	5%
Length of Service or Years in Operation		
Less than 4 years	30	30%
5 - 9 years	46	46%
10 – 14 years	24	24%

Age

The age distribution of hospitality managers in Surigao del Sur shows that the largest group (31%) is aged 40–49, indicating experienced leaders likely familiar with the sector’s evolution and sustainability practices. The next largest group (26%) is 30–39 years old, balancing experience with openness to new ideas and more likely to adopt innovative sustainability measures. The youngest group, 20-29, makes up only 2%, likely with limited experience and influence on sustainability initiatives.

This means that current sustainability efforts are driven mainly by middle-aged managers who combine experience and adaptability. To ensure continued progress, it’s important to build sustainability awareness and skills among younger managers as they move into leadership roles.

The finding is supported by the study of Chan (2011) found that younger managers tend to be more open to adopting sustainability practices, while older managers, although experienced, can be more resistant to change. However, middle-aged managers often strike a balance, combining their industry experience with openness to new sustainability trends. This aligns with the findings from your study, suggesting that while younger managers may drive future sustainability efforts, the experience of older and middle-aged managers remains crucial in integrating sustainability practices within the hospitality industry.

Gender

The respondents of the study were 56% female and 44% male, showing a slightly higher representation of women in the hospitality management of Surigao del Sur.

This means that women play a significant role in shaping sustainability practices, as the study shows female leaders often emphasize collaboration, communication, and relationship-building, key for long-term sustainable efforts. Women leaders may also be more attuned to community engagement and environmental issues, benefiting the industry’s sustainability goals. This highlights the importance of gender-inclusive strategies that engage both male and female managers in advancing sustainable development.

The finding is supported by Eagly & Carli (2003) support the idea that female leaders often bring distinct advantages to organizational management, particularly in fostering sustainable practices. Their study highlights that women tend to adopt more collaborative, inclusive, and communicative leadership styles, which are vital for coordinating long-term sustainability efforts that require cooperation among various stakeholders. Additionally, women leaders are frequently more attuned to social responsibility and community engagement, key elements in driving environmental and social sustainability within the hospitality industry. This evidence reinforces the important role of female managers in advancing sustainability initiatives and underscores the value of promoting gender-inclusive leadership strategies in the sector.

Educational Attainment

The educational attainment of respondents shows that most hotel and resort managers in Surigao del Sur are well-educated, with 91% holding college degrees, 5% having post-graduate qualifications, and 4% at the college level.

This means that there is a strong academic foundation that likely enhances their ability to understand and implement complex sustainability practices.

The findings is supported by Brammer et al. (2012) emphasize that higher education correlates with greater environmental awareness and commitment to sustainable practices. Educated managers are more informed about current sustainability trends and better equipped to integrate them into operations. Their academic background also indicates openness to professional development and innovative solutions, positioning them well to address sustainability challenges in the hospitality sector. The respondents' educational levels indicate a strong capacity to effectively implement sustainability measures in Surigao del Sur's hospitality industry.

Length of Service or Business Operation

The length of service of hospitality businesses in Surigao del Sur shows a mix of experience and stability. Most businesses (46%) have operated for 5 to 9 years, followed by 30% with less than 4 years, and 24% with 10 to 14 years.

This means that the range reflects both newer and more established businesses in the region. Newer businesses may be more open to adopting innovative sustainability practices from the start, while those operating 5 to 9 years are likely in a growth phase, making it an ideal time to integrate long-term sustainability initiatives. Longer-established businesses (10 to 14 years) may have traditional practices but also possess the experience and resources to invest in sustainable changes in response to evolving consumer demands. This diverse business age distribution highlights the potential for both innovation and gradual sustainability integration, with experience and stability influencing how hospitality establishments adopt sustainable practices in Surigao del Sur.

The findings are supported by Sharma & Ruud (2003), who stated that businesses with more experience tend to have greater capacity to implement sustainability strategies effectively, as their established resources and knowledge allow them to adapt to new market demands and environmental challenges, while younger businesses are often more flexible and innovative in adopting new approaches.

Extent of the Business Sustainability Practices in the Hospitality Industry

This section summarizes responses on the extent of business sustainability practices among hospitality businesses in Surigao del Sur, focusing on their impact on occupancy rates, sales, and asset performance. Faced with unprecedented challenges like travel restrictions and reduced tourism, these businesses adopted

innovative strategies, including new safety protocols, digital technologies, and sustainability measures, to stay operational.

Extent of the Business Sustainability Practices in the Hospitality Industry in Terms of Occupancy Rates

Table 2 shows the responses on the extent of business sustainability practices adopted by hospitality businesses in Surigao del Sur related to occupancy rates. It highlights the different strategies these businesses used to maintain or improve occupancy despite the challenges faced.

Table 2

Extent of the Business Sustainability Practices in the Hospitality Industry in Terms of Occupancy Rates

Indicators	Mean	Interpretation
A.1 Offering competitive discounts to guests can improve the occupancy rate.	3.90	Highly Sustainable
A.2 Offering complimentary meals to guests can increase the average daily room rate.	3.77	Highly Sustainable
A.3. Offering of additional room package can increase the percentage of occupied rooms.	3.76	Highly Sustainable
A.4 Offering affordable and reasonable rates can increase revenue.	3.97	Highly Sustainable
A.5 Offering and accepting advance hotel room bookings can reach forecasted daily occupancy.	3.90	Highly Sustainable
Aggregate Mean	3.86	Highly Sustainable

As shown in Table 2, the extent of business sustainability practices in the hospitality industry in terms of occupancy rates yielded an overall aggregate mean of 3.86, indicating that these practices were generally perceived as highly sustainable by hospitality businesses in Surigao del Sur. This means that many establishments adopted effective strategies, such as offering competitive discounts, accepting bookings, and providing affordable rates, to retain customers and sustain operations during a highly uncertain period. The highest-rated indicator, with a mean of 3.97%, is interpreted as highly sustainable, which is the strategy of offering affordable and reasonable rates to increase revenue. This implies the effectiveness of competitive pricing during the pandemic, when consumer spending was limited and affordability became a key factor in accommodation choices. The finding is supported by Porter (1985), who emphasizes cost leadership as a means of gaining market advantage. By offering lower rates, hospitality businesses attracted price-sensitive travelers, maintained bookings, and strengthened their competitive position despite the crisis.

The lowest-rated indicator, with a mean of 3.77%, involved offering additional room packages, such as complimentary meals. While still considered highly sustainable, this approach was seen as less impactful than pricing strategies. This finding supports the H. Simon (1980) claims that customers prioritize perceived value over price. Affordability and flexibility outweighed the appeal of added perks like free meals.

These findings imply that pricing strategies had the greatest influence on maintaining occupancy rates during the pandemic. While value-added offerings like complimentary meals were appreciated, they were secondary to cost-effective measures that directly addressed consumer concerns. For hospitality businesses navigating financial uncertainty, focusing on flexible and affordable options proved to be the most effective path to sustaining occupancy and building customer trust.

Extent of the Business Sustainability Practices in the Hospitality Industry in Terms of Sales Performance

Table 3 presents the results of the responses on the extent of business sustainability practices in terms of sales performance. The data highlights the adaptive strategies employed by hospitality businesses in Surigao del Sur to remain competitive, sustain revenue, and address the financial challenges brought about by the decline in tourism and travel demand.

Table 3
Extent of the Business Sustainability Practices in the Hospitality Industry in Terms of Sales Performance

Indicators	Mean	Interpretation
B.1 Hiring and assigning the right salespeople or sales team can improve sales performance.	3.95	Highly Sustainable
B.2 Posting online reviews and ratings to different platforms can increase sales performance.	3.82	Highly Sustainable
B.3 Utilizing effective marketing strategies and techniques for different target markets can improve sales performance.	3.94	Highly Sustainable
B.4 Offering loyalty cards, promotions, and discounts to guests can increase sales performance.	3.93	Highly Sustainable
B.5 Offering special room packages can increase sales performance.	3.94	Highly Sustainable
Aggregate Mean	3.92	Highly Sustainable

Table 3 shows that hospitality businesses in Surigao del Sur rated their sustainability practices related to sales performance as highly sustainable, with an overall aggregate mean of 3.92%. This means that these businesses adapted well to challenges through effective sales strategies.

The highest-rated indicator, with a mean of 3.95%, is interpreted as highly sustainable in hiring and assigning the right salespeople, highlighting the importance of skilled teams in improving sales performance. This means that businesses should prioritize the recruitment and training of sales staff to drive engagement and revenue. The finding is supported by Bauer et al. (2020), who stated that strong sales teams help businesses adapt during crises and maintain relationships.

The second-highest indicators, both with a mean of 3.94%, are interpreted as highly sustainable in using effective marketing strategies for target markets and offering special room packages. This means that hospitality businesses should develop flexible packages and targeted marketing to increase bookings. These practices helped attract customers through tailored promotions and value-added services. The

finding is supported by Kim & Lee (2020) who found in their study that targeted marketing improved customer reach and sales performance during disruptions.

The lowest-rated indicator, with a mean of 3.82%, is interpreted as highly sustainable in posting online reviews and ratings. This means that businesses should continue managing their online presence but focus more on direct sales and service improvements. While still considered highly sustainable, it was viewed as less impactful compared to proactive sales strategies. The finding is supported by Kim et al. (2015) who noted that online reviews influence purchasing decisions but work best when combined with quality service.

Based on the results, the researcher believes that the hospitality businesses in Surigao del Sur were able to effectively adjust their sales strategies to cope with the challenges they faced. Focusing on hiring the right people, improving marketing efforts, and offering value-added packages, they managed to stay competitive and maintain their income. These strategies show how important it is for businesses to be flexible and customer-centered, especially during difficult times.

Extent of the Business Sustainability Practices in the Hospitality Industry in Terms of Asset Performance

Table 4 presents the results on the extent of business sustainability practices related to asset performance in the hospitality industry. It highlights how businesses adapted and maintained their asset management strategies during unprecedented challenges. The data covers key areas such as operational efficiency, cost management, and investment decisions, offering insights into how organizations prioritized and protected their assets to ensure business continuity and long-term sustainability amid the crisis.

Table 4
Extent of the Business Sustainability Practices in the Hospitality Industry in Terms of Asset Performance

Indicators	Mean	Interpretation
C.1 Performing corrective or preventive maintenance systems can reduce risk and minimize costs.	3.95	Highly Sustainable
C.2 Conducting an internal audit on employees’ level of satisfaction can help increase work performance.	3.87	Highly Sustainable
C.3 Providing a feedback mechanism to customers can help improve the management system.	3.92	Highly Sustainable
C.4 Developing an effective asset management plan can decrease maintenance costs.	3.94	Highly Sustainable
C.5 Providing internal process quality control can help determine areas of improvement and development.	3.96	Highly Sustainable
Aggregate Mean	3.93	Highly Sustainable

The results in Table 4 reveal that hospitality businesses in Surigao del Sur highly prioritized asset performance, with an overall mean of 3.93%, indicating strong sustainable practices despite financial challenges.

The highest-rated practice was maintaining internal process quality control with a mean score of 3.96%, which is interpreted as highly sustainable, which helped optimize operations and improve efficiency during disruptions. This means that hospitality businesses should continuously improve internal processes to enhance operational efficiency and resilience. The finding is supported by Rahman and Al Zaman (2021) found in their study that businesses focusing on quality control are more resilient in crises.

Corrective and preventive maintenance systems ranked second with a mean of 3.95%, which is interpreted as highly sustainable, allowing businesses to reduce risks and avoid costly repairs. This means that integrating proactive maintenance is crucial for minimizing asset downtime and sustaining business operations. The finding is supported by Saxena et al. (2020) who highlighted that preventive maintenance leads to cost savings and operational stability.

Employee satisfaction audits scored slightly lower mean of 3.87, which is interpreted as highly sustainable but remains important. This means that increasing focus on employee well-being can improve workforce performance and support long-term sustainability. The finding is supported by De Lange (2020) who demonstrated that monitoring employee satisfaction boosts engagement and productivity.

These findings show that adaptive asset management strategies significantly contributed to sustaining business operations during challenging times, emphasizing the value of efficiency, risk management, and employee support for long-term success.

Summary of the Extent of the Business Sustainability Practices in the Hospitality Industry

Table 5 provides a comprehensive summary of the extent of business sustainability practices in the hospitality industry, focusing on occupancy rate, sales performance, and asset performance. The results highlight how businesses adapted their strategies to ensure continuity and resilience during a time of crisis. It also underscores the key areas where significant efforts were made to safeguard operations and maintain sustainability amid the unprecedented disruptions.

Table 5

Summary of the Extent of the Business Sustainability Practices in the Hospitality Industry

Indicators	Mean	Interpretation
1. Occupancy Rate	3.86	Highly Sustainable
2. Sales Performance	3.92	Highly Sustainable
3. Asset Performance	3.93	Highly Sustainable
Aggregate Mean	3.90	Highly Sustainable

Table 5 presents the summary of the extent of the business sustainability practices in the hospitality industry, with the highest-rated indicator being asset performance, with a mean score of 3.93%, interpreted as highly sustainable. This shows that hospitality businesses in Surigao del Sur prioritized effective asset management by reducing operational costs, implementing maintenance, and adopting sustainable technologies. These strategies helped minimize expenses and preserved assets for long-term recovery. This means that businesses should continue investing in preventive maintenance and sustainable technologies to enhance resilience and operational efficiency. The finding is supported by Reilly & Hynes (2020) who emphasized that businesses investing in sustainable asset management, such as routine maintenance and energy efficiency, experience better resilience and reduced costs during crises.

The second-highest indicator is sales performance, with a mean score of 3.92%, also highly sustainable. Businesses adapted by shifting to online marketing, offering flexible booking policies, and creating alternative revenue streams like takeaway services and virtual events. These efforts maintain customer engagement and sales despite disruptions. This means that continued focus on digital marketing, flexible sales strategies, and diversified revenue streams is essential for long-term sustainability. The finding is supported by Luchs et al. (2021) who found in their study that hospitality businesses embracing digital transformation and flexible services during crises were more successful in sustaining sales and poised for faster recovery.

The lowest, yet still highly sustainable indicator is the occupancy rate, with a mean score of 3.86%. Although occupancy declined, strategies such as competitive discounts, flexible bookings, and strict health and safety protocols helped maintain operations. This means that maintaining guest confidence through health protocols and flexible policies is vital to sustaining occupancy during uncertain periods. The finding is supported by

Kiatkawsin & Han (2020) who highlight that the hotels enforcing safety measures and flexible policies retained guest trust and occupancy during challenging times.

Significant Relationship between the Profile of Respondents and Their Assessment of the Business Sustainability Practices in the Hospitality Industry

Table 6 presents the significant relationships between the profile of respondents and their assessment of business sustainability practices in the hospitality industry. It provides insights into how demographic and organizational factors, such as age, gender, educational attainment, and job position, correlate with evaluations of sustainability in terms of occupancy rate, sales performance, and asset performance. The findings help determine whether specific respondent profiles are more inclined to perceive sustainability practices as effective or strategically valuable, offering a deeper understanding of the key factors that influence sustainability perceptions within the industry.

Table 6
Significant Relationship Between the Profile of Respondents and The Extent of the Business Sustainability Practices in the Hospitality Industry

Variables	Chi-Square p-Value	Critical Value	Significance	Result
Age				
Occupancy Rate	0.016	0.05	Significant	Ho Rejected
Sales Performance	0.354	0.05	Not Significant	Ho Accepted
Asset Performance	0.078	0.05	Not Significant	Ho Accepted
Gender				
Occupancy Rate	0.722	0.05	Not Significant	Ho Accepted
Sales Performance	0.805	0.05	Not Significant	Ho Accepted
Asset Performance	0.805	0.05	Not Significant	Ho Accepted
Educational Attainment				
Occupancy Rate	0.006	0.05	Significant	Ho Rejected
Sales Performance	0.085	0.05	Not Significant	Ho Accepted
Asset Performance	0.000	0.05	Significant	Ho Rejected

Job Position

Occupancy Rate	0.112	0.05	Not Significant	Ho Accepted
Sales Performance	0.975	0.05	Not Significant	Ho Accepted
Asset Performance	0.620	0.05	Not Significant	Ho Accepted

Table 6 summarizes the relationship between respondent profiles and their assessment of sustainability practices in the hospitality industry across three performance areas: occupancy rate, sales performance, and asset performance.

A significant relationship was found between age and occupancy rate ($p = 0.016$), suggesting that perceptions of space utilization varied across age groups. This implies that businesses should consider age-related preferences in designing physical layouts or service delivery.

Educational attainment significantly influenced assessments of occupancy rate ($p = 0.006$) and asset performance ($p = 0.000$). Respondents with higher education were likely more aware of strategic asset management and space optimization, indicating that communication and sustainability planning should be tailored to audiences with varying levels of business understanding.

Gender and job position showed no significant relationships across all performance indicators, implying that sustainability practices were perceived consistently regardless of these attributes.

These findings are aligned with Aye et al. (2020), who noted that individuals' age and education significantly affect how sustainability strategies are perceived, with younger and more educated individuals often favoring innovation and long-term planning.

The study concludes that age and educational attainment influence how hospitality professionals assess sustainability practices, particularly in terms of occupancy and asset performance. Businesses can enhance engagement and alignment by tailoring sustainability strategies and communications to these demographic factors.

Problems Encountered by the Respondents in the Business Sustainability Practices in the Hospitality Industry

Table 7 outlines the problems encountered by respondents in implementing business sustainability practices in their resorts and hotels, identifying the top three most significant challenges faced by the hospitality industry in Surigao del Sur. The first and most pressing issue was room booking cancellations. Fluctuating travel conditions and heightened uncertainty led to a sharp decline in bookings, directly affecting occupancy rates and reducing revenue. Businesses were forced to manage frequent cancellations, often without sufficient notice, which disrupted planning and strained financial resources.

Table 8

Problems Encountered by the Respondents in the Business Sustainability Practices in the Hospitality Industry

Statement	f	Rank
Room booking cancellation.	84	1
Changes in marketing trends and dynamics.	70	2
Changes in guest expectations.	59	3
Government regulatory requirements.	55	4
The rising cost of daily consumables.	54	5

Operational issues.	52	6
Housekeeping issues.	43	7
Hiring and retaining the staff.	39	8
Data security challenges.	20	9
Irregular cash inflows.	18	10

The second major challenge involved changes in marketing trends and dynamics. As traditional marketing methods became less effective, hospitality establishments had to quickly adapt to digital platforms, online promotions, and contactless communication strategies. However, the transition to digital marketing posed difficulties for some businesses, particularly those lacking technological infrastructure or familiarity with emerging tools and strategies. This shift required new investments in marketing and staff training, adding to operational burdens.

The third significant challenge was the change in guest expectations. Travelers began to demand higher standards of cleanliness, more flexible booking terms, and enhanced health and safety measures. Meeting these evolving expectations often meant overhauling existing service protocols and increasing operational costs. While necessary for maintaining customer trust, these changes placed additional pressure on businesses already grappling with reduced revenues.

The finding is supported by Gössling et al. (2020) who noted that the hospitality sector, during major disruptions, encountered similar issues, including widespread cancellations, shifting marketing dynamics, and evolving guest demands. Their study emphasized the need for hospitality businesses to rapidly adopt digital communication, strengthen customer engagement, and implement robust safety measures findings that are consistent with the results of this research.

CONCLUSION

The findings of this study highlight that hospitality businesses in Surigao del Sur have implemented highly sustainable practices across key areas: occupancy rate, sales performance, and asset performance. Despite various challenges, such as booking cancellations, evolving marketing dynamics, and shifting guest expectations, businesses demonstrated adaptability and resilience. The study also revealed that certain respondent profiles, particularly age and educational attainment, significantly influenced perceptions of sustainability efforts. These insights emphasize the need for strategic planning, employee involvement, and continued innovation to meet both markets demands and operational goals. Overall, the development of a business sustainability model tailored to the hospitality sector is essential to guide future actions, improve long-term resilience, and support industry growth in the face of ongoing and future disruptions.

RECOMMENDATIONS

Based on the findings and conclusions of the study, the following recommendations are proposed:

1. The researcher recommends adopting the proposed business sustainability model.
2. The researcher recommends that the hospitality industry management consider conducting further studies on the following areas to enhance business sustainability:
 - 2.1 Enhancing flexibility in booking policies to accommodate changing guest needs and improve customer satisfaction;
 - 2.2 Investing in digital marketing strategies to reach a broader audience and adapt to evolving consumer behavior;

- 2.3 Upgrading health and safety protocols to ensure guest confidence and comply with emerging health regulations;
- 2.4 Focusing on staff training and retention to maintain a skilled and motivated workforce, particularly in a post-pandemic environment;
- 2.5 Leveraging technology for operational efficiency to streamline processes, reduce costs, and improve service delivery; and
- 2.6 Monitoring and addressing demographic differences to tailor sustainability strategies that meet the diverse needs of guests and staff, based on factors such as age, education, and job roles.

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