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Research Paper

Restaurant Industry: A Strategic Move Towards Sustainable Development

Management

KEYWORDS : Sustainable Development, Sustainable Development Practices, Strategic Approach, Restaurant Industry, Environmental Sustainability.

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ABSTRACT

Restaurants have a cumulative impact on the environment, economy, and society. Sustainable development is the means by which an organization progresses towards achieving an identified set of Sustainability goals and harnesses competitive advantage. The purpose of this study is to explore the strategic approach that will help the restaurant industry in developing a clear concept about sustainability and a paradigm shift towards a sustainable society; this study is exploring the possible strategic model practices in restaurant industry that will help restaurant industry as well as society to move towards sustainability. Design of the study is exploratory, and source of data is available secondary data.

Introduction

Sustainable Development

The term "Sustainable Development" is fast becoming a popular phase. In order to achieve the goals of sustainable development, every fabric that makes up our society needs to be examined. Sustainable development is one of the most fundamental challenges confronting humanity. While everybody agrees about the need for sustainable development, operationalizing this consensus goal in public policy is extremely difficult because there is as yet no commonly accepted definition of the term. The concept of sustainable development encompasses three dimensions of welfare – Economic, Environmental and Social- and involves complex synergies and trade-offs among them.

Restaurant Industry in India

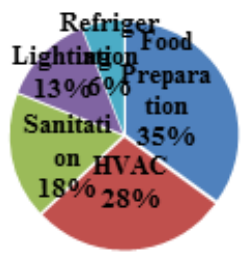
The diverse culinary habits, wide range of cuisines and the diverse cooking techniques are some of the main factors behind the growth of restaurants in India. With the market liberalization policies undertaken by the government, India has also become a consumer market with a huge customer base. According to recent surveys, the rate of growth of the restaurant industry in India is expected to be around 4.5% on an average. A significant number of the workforce in the country is also engaged in the restaurant industry. According to recent surveys, by the end of 2012, the overall restaurant industry in the world will employ around 13.3 million people, of which India will have a significant share (restaurants.mapsofindia.com).

Restaurant Industry and Sustainability

The restaurant industry is the number-one electricity consumer in the retail sector (Green Restaurant Association, 2005). Electricity use is responsible for roughly three-quarters of the GHGs (Energy Star, 2010). Increasing restaurants' energy and water efficiency can save restaurant owners an estimated 10 to 20 percent on utility bills and reduce GHG emissions (Energy Star, 2010). Energy costs represent 30 percent of a typical commercial building's annual budget, and increase at an average rate of 6-8 percent per year. Restaurants use five times more energy per square foot than other commercial buildings and five times more energy in the kitchen than in the rest of the building (Johnson, 2010). Increased efficiency in natural resource use, and decreased production of waste and pollution are measurable markers of progress towards sustainability. These markers can be used be large and small businesses alike, including restaurants. Restaurants use an average of 5,800 gallons per day of water (Tampa,2010). Since, restaurants have significant economic, environmental, and social impacts, restaurants need to be studied from the perspective of sustainability. Addressing the inputs and outputs of the industry, its social influence, and its consumption and use practices will provide us a more comprehensive consideration of sustainability.

Fig. 1

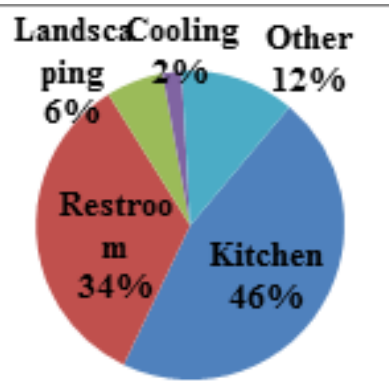
Energy use in a Full Service restaurant in British Thermal Units (BTU)



Source: (Energy Star, 2010 in Freeman Emily McConnell (2011)

Figure 2

Water use in a restaurant



Source: MWD audit data of 89 restaurants (MWD, 2002) &

(Pacific Institute, 2010) in Freeman Emily McConnell (2011)

Purpose of the Study

- To explore the strategies that will help the restaurant industry in developing a clear concept about sustainability and to make a shift towards a sustainable society.
- To explore Environmental aspect of model sustainable development practices in restaurant industry that will need to be followed in order to move restaurant industry as well as society towards strategic sustainability.

Research Plan and design

Realizing the importance of sustainable development, the work has been undertaken to explore the strategic approach to sustainability in restaurant industry that can help it in moving towards a sustainable society and also to explore environmental

sustainable practices in restaurant industry which should be followed to achieve sustainability in industry and society. The study is exploratory in nature. It explores information largely through secondary data source.

Approach for the study

In- depth literature review as well as available secondary data from various sources has been used to develop this paper.

1. **Strategic Approach**

Reviewing a lot of literature and through our knowledge of strategic sustainable development, we have developed this strategic approach to sustainability for being used in the restaurant industry to help in moving towards a sustainable society.

i Brainstorming

To solve any complex problem it is necessary to think systemically and vigorously. By understanding the patterns and the relations of problems it is easier to find successful solution. To resolve the problem of depletion of natural resources it is important to think about sustainable development simultaneously with the growth of business.

ii. Back casting approach

The concept of "Back casting" is central to a strategic approach for sustainable development. It is a way of planning in which a successful outcome is imagined in the future. Backcasting can be a successful and strategic approach to planning whereas forecasting runs the risk of repeating present day issues.

iii. Information/Awareness

Restaurants should understand the impact of their business on society and the environment. This awareness will pull the attention of restaurants to the areas which have large impacts and need to be focused with priority.

iv. Active involvement of stakeholders

To achieve sustainability in society and business, it is important that shareholders, employees**,** consumers etc**.** involve in whole process. External stakeholders such as government, NGOs, media etc, all play important roles in the restaurant industry. These external forces can assist in the changing process in order to make this shift more efficient and successful.

v. Criticism

Feedbacks from experts, expert agencies, customers, media etc is very helpful in self assessment and achievement of sustainability objectives. With the help of these feedbacks the restaurant will see these changes as easy to implement and the benefits of these solutions.

vii Holistic and Proactive Approach

When thinking about strategic approach, it is very important to look at each aspect of daily operations to ensure all areas of business are considered. For example: materials, energy, water uses, wastes, emissions and effluents, transportation, building design, supply chain, stake holders etc. By developing a proactive rather than reactive approach to this process, we can decrease the likelihood of problems occurring in the future instead of acting when they become a problem.

ix Transparency

Transparency is a very important aspect between consumers and businesses for consumers to base their purchasing decisions on. An approach of transparency will add confidence and trust for consumers in the industry.

2. Exploring Environmental aspects of Sustainable Development Practices in Restaurant Industry

Environmental aspect of sustainable development focuses on an organisation's impacts on living and non-living natural systems, including ecosystems, land, air and water. The restaurant shall establish and maintain a procedure to identify the environmental aspects of its activities, products or services that it can control and over which it can expect to have an influence, in order to determine those which have or can have significant impacts on the environment. The restaurant shall ensure that the aspects related to these significant impacts are considered in setting its environmental objectives. The restaurant shall keep this information up-to-date. Following are the model practices that need to be followed:

1. Materials

- Measurement of total materials used other than water, by type.
- Measurement of waste materials (processed and unprocessed)

2. Energy

- Electrical or gas equipments (Refrigerators, Freezers, Ovens, Stoves, Microwaves, Dishwashers, Boilers, Fryers etc) should be certified energy efficient.

3. Water

Wash rooms

- Water-efficient pre-rinse spray valves and aerators should be used.
- Low flow toilets should be installed in the restrooms.
- Waterless urinals should be installed in the men's restroom.

➢ **Drinking water**

- Tap/Filtered water should be used instead of bottled water.
- Water should be served to customers only on demand.
- Automatic turnoff taps should be used.

➢ **Cleaning water**

- Limited water should be used
- Grey water should be recycled and used.

4. Biodiversity

- Location and size of land owned, leased or managed in biodiversity rich habitats should be known to restaurant authority.
- Description of the major impacts on biodiversity associated with activities and/or products and services should be very clear.

5. Emissions, Effluents and wastes

- The approach 'reduce, reuse, and recycle' should be used; staff and suppliers should be trained accordingly.
- Sorting and collecting systems for waste with separate bins should exist.
- Paper products should contain recycled content.
- Plastic, aluminum, and polystyrene should not be used.
- Organic waste should be reused or composted.
- Grease and oil waste should be collected and properly disposed or reused.

6. Suppliers

- Suppliers should be local and aware about performance of sustainability.
- Purchase of food products should be done directly at the local farm/supplier with attention being paid to fair prices.

7. Products and Services

➢ **Food**

- Organically certified food products should be purchased and used for food preparation.
- Locally sourced food products should be purchased and used for food preparation.
- Menu should be adjusted to use seasonal food products.

- A percentage of sustainably sourced sea food should be purchased.
- Fairtrade certified products should be used.
- Food products should be purchased directly at the local farm with attention being paid to pay fair prices.
- Kitchen staff should be trained on methods that enhance the dietary goals and guidelines of the country (low fat, reduced salt etc.)
- The menu should be labeled with choices such as "low fat", "vegetarian", "gluten-free", etc.

8. Compliance

- Incidents of and fines for non-compliance with all applicable international declarations/conventions/treaties and national, sub-national, regional and local regulations associated with environmental issues should be recorded and dealt properly.

9. Transport

- Amount of products that come from local organization should be measured.
- Amount of products that come from international imports should be measured.
- Distance of delivery area (large/small) should be known or measured.
- Pick up/take out as alternative should be encouraged.
- Mode of transportation used-(fuel used, bike?) should be monitored.
- There should be a Carbon offset plan in place.

10. Overall

- Total environmental expenditures should be measured by type.

Conclusion

The restaurant industry has an increasing impact on the development of society. However, it alsosignificantly contributes to environmental degradation, pollution, and global warming, etc. After reading articles and journals in this field, it is found that they mainly focused on only one or two aspects of sustainability, usually not providing a complete definition of what a sustainable restaurant (industry) would look like. This is felt that by developing an strategic approach one can bring the awareness of the basic principles for a sustainable society, it will not only assist in educating the industry as to what a truly sustainable industry would look like, but also will assist consumers in making more educated decisions on where to spend their money. By making these sustainability principles a part of our approach, it enabled us to have a more complete view of the industry and assisted in finding a way to lead it towards sustainability.

Present study applies sustainability themes to the restaurant industry. Sustainable business practices must not only meet certain performance criteria, but also be part of the restaurateur's value structure. Sustainability does not imply and end state, nor is there a clear demarcation between what is sustainable and what is unsustainable. Sustainable development involves qualitative assessment of the values that guide the decision-making process and are communicated to staff and the public. This work focused on a framework to evaluate environmental sustainability in the restaurant industry. Simply meeting the practices for energy, water, waste, and food does not necessarily imply that sustainability has been accomplished. The integration of a value structure throughout the entire business is essential to true sustainability. Sustainability is not an end state, but a group of practices and values that need to be reviewed at least annually. The review of practices and progress constitutes the process-based aspect of sustainable development in businesses. Re-evaluation is an opportunity for owners and managers to consider their progress, integration of new practices, and provide a time to reflect on future goals. Restaurants are making progress towards sustainability, but the industry must look beyond indicator analysis and incorporate qualitative measures to address the key components of sustainability.

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