

Holistic Analysis of Triple Bottom Line on Performance and Sustainability of the Hospitality Industry in Kendari City

Analisis Holistik Triple Bottom Line Terhadap Kinerja Dan Keberlanjutan Industri Perhotelan Di Kota Kendari

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ABSTRACT

Triple Bottom Line (TBL), a concept developed by John Elkington in 1994, emphasizes three main aspects in measuring corporate performance: profit, people, and planet. This study highlights the specific challenges in implementing TBL in the hospitality industry in Kendari, which tends to overlook social and environmental aspects. This knowledge gap is addressed by exploring the application of TBL in Kendari hotels through a case study approach combining qualitative and quantitative data analysis. The main findings show that the implementation of TBL in Kendari hotels significantly enhances economic, social, and environmental performance. Hotels adopting TBL experience improved operational efficiency, employee and customer satisfaction, and reduced carbon emissions and waste. Challenges in implementation, such as resource and knowledge limitations, are identified but can be overcome with support from the government and local communities. The study's implications suggest that TBL implementation can be an effective strategy for achieving long-term sustainability in the hospitality industry, particularly in small cities like Kendari. This study significantly contributes to the theory and practice of human resource management and sustainability by offering practical recommendations to improve hotel performance and sustainability. Despite limitations in data scope and methodology, these findings provide a strong foundation for further research.

Keywords: sustainability; performance; Triple Bottom Line

ABSTRAK

Triple Bottom Line (TBL), sebuah konsep yang dikembangkan oleh John Elkington pada tahun 1994, menekankan tiga aspek utama dalam mengukur kinerja perusahaan: profit, people, dan planet. Kajian ini menyoroti tantangan spesifik penerapan TBL pada industri perhotelan di Kendari yang cenderung mengabaikan aspek sosial dan lingkungan. Kesenjangan pengetahuan ini diatasi dengan mengeksplorasi penerapan TBL di hotel Kendari melalui pendekatan studi kasus yang menggabungkan analisis data kualitatif dan kuantitatif. Temuan utama menunjukkan bahwa penerapan TBL di hotel-hotel Kendari secara signifikan meningkatkan kinerja ekonomi, sosial, dan lingkungan. Hotel yang mengadopsi pengalaman TBL meningkatkan efisiensi operasional, kepuasan karyawan dan pelanggan, serta mengurangi emisi karbon dan limbah. Tantangan dalam implementasi, seperti keterbatasan sumber daya dan pengetahuan, telah teridentifikasi namun dapat diatasi dengan dukungan dari pemerintah dan masyarakat lokal. Implikasi penelitian ini menunjukkan bahwa penerapan TBL dapat menjadi strategi yang efektif untuk mencapai keberlanjutan jangka panjang dalam industri perhotelan, khususnya di kota-kota kecil seperti Kendari. Studi ini memberikan kontribusi signifikan terhadap teori dan praktik manajemen sumber daya manusia dan keberlanjutan dengan menawarkan rekomendasi praktis untuk meningkatkan kinerja dan keberlanjutan hotel. Meskipun terdapat keterbatasan dalam cakupan data dan metodologi, temuan ini memberikan landasan yang kuat untuk penelitian lebih lanjut.

Kata Kunci: keberlanjutan; pertunjukan; Tiga Intinya

1. Introduction

Triple Bottom Line (TBL) is a concept developed by John Elkington in 1994 that emphasizes three main aspects in measuring corporate performance: profit, people, and planet. This concept underscores that companies should not only focus on financial gains but also consider the social and environmental impacts of their operations. In the context of the hospitality industry, the application of TBL is highly relevant as this sector directly interacts with local communities and the natural environment. Hotels in Kendari, as part of the growing tourism industry, are expected to adopt TBL principles to enhance their performance and sustainability.

This study highlights specific issues related to the application of TBL in the hospitality industry in Kendari, which still faces challenges in integrating social and environmental aspects into their operations. Most hotels in Kendari tend to focus more on economic profit, while social and environmental responsibilities are often neglected. This has resulted in a lack of contribution from hotels to the welfare of local communities and environmental sustainability. In the context of business management, the importance of TBL application is to ensure that a company's economic growth aligns with sustainable social and environmental development.

Additionally, neglecting social and environmental aspects can lead to various negative impacts, such as decreased quality of life for local communities, environmental degradation, and reduced public trust in the hospitality industry. In the field of human resource management and sustainability, it is crucial to emphasize that companies should look beyond mere financial achievements. Integrating TBL into hotel operational strategies in Kendari will not only help improve the company's image but also contribute positively to social welfare and environmental preservation. Therefore, this study aims to examine the extent to which TBL implementation can enhance hotel performance and sustainability in Kendari, as well as provide effective implementation strategy recommendations.

This research is essential considering Kendari, as the capital city of Southeast Sulawesi province, has great potential in the tourism sector that needs to be well managed to maximize benefits for the local economy. By adopting the TBL approach, it is hoped that the hospitality industry in Kendari can contribute more significantly to sustainable development, ultimately increasing their business competitiveness and sustainability in the future.

An example of TBL implementation can be seen in a hotel in Bali that uses solar panels to generate electricity for daily operations, thus reducing carbon emissions and energy costs. This hotel also conducts training programs for employees on the importance of energy conservation and waste management. Additionally, the hotel has an active CSR program that supports children's education in the surrounding area through scholarships and learning facilities. They collaborate with local communities to provide handcrafted products sold at the hotel, which helps increase the community's income. Through these efforts, the hotel not only enhances its profitability but also has a positive impact on employees, the community, and the environment, reflecting broader corporate social responsibility and supporting long-term sustainability.

This research fills the existing knowledge gap in the literature review by exploring the specific application of TBL in the hospitality industry in Kendari, which has not been widely discussed in previous studies. The research method used in this study is a case study approach that combines qualitative and quantitative data analysis

to provide a comprehensive picture of TBL implementation in Kendari hotels. The expected research results are an improved understanding of how TBL can be effectively applied in the hospitality sector to simultaneously enhance economic, social, and environmental performance. The main contribution of this study is the emphasis on the local context of Kendari, providing new insights into TBL adaptation in a specific environment, and offering practical recommendations for hotel managers to implement sustainability strategies that align with local conditions. This study also differentiates itself from previous research by focusing on locality aspects and the integration of sustainability strategies into the daily operations of the hospitality industry in Kendari.

The main objective of this study is to analyze and demonstrate how the implementation of Triple Bottom Line (TBL) can improve the performance and sustainability of hotels in Kendari City. This research aims to evaluate the impact of integrating economic, social, and environmental aspects into hotel operations on overall performance. Through this study, the researcher intends to identify the best strategies and practices that hotel managers can adopt to optimize the benefits of TBL implementation. Additionally, this research aims to provide empirical data-based recommendations on how hotels in Kendari can enhance their sustainability and competitiveness through the TBL approach.

Research Questions :

1. How does the implementation of Triple Bottom Line (TBL) in hotels in Kendari City affect their economic performance?
2. Does the integration of social aspects in hotel operations significantly contribute to employee and customer satisfaction in Kendari?
3. How can the implementation of environmental sustainability practices in Kendari hotels reduce negative impacts on the local environment?
4. What are the challenges and barriers faced by hotel managers in Kendari in implementing TBL strategies?
5. What are the best strategies and practices that Kendari hotels can adopt to improve their performance and sustainability through the TBL approach?

This research is expected to significantly contribute to the development of literature on TBL implementation in the hospitality industry, particularly in the local context of Kendari City. The research findings are anticipated to serve as practical guidelines for hotel managers to improve their operational performance and sustainability.

2. Literature Review

Research by Vitor Pereira, Graça Miranda Silva, and Álvaro Dias (2021) in their article titled "Sustainability Practices in Hospitality: Case Study of a Luxury Hotel in Arrábida Natural Park" examines the environmental and social sustainability practices implemented by luxury hotels. This study shows that luxury hotels have successfully implemented environmental sustainability practices, including energy efficiency, water consumption reduction, waste management, and carbon emission reduction. Additionally, they focus on relationships with charitable institutions, providing high-quality services to consumers, and creating a safe and healthy work environment.

These research findings provide practical guidelines for hotel managers who want to implement sustainability practices.

Research published by Bonamigo, de Azeredo, Monteiro de Camargo Filho, and de Souza Andrade (2023) titled "Improving triple bottom line (TBL) performance: analyzing impacts of industry 4.0, lean six sigma, and circular supply chain management," found that integrating Industry 4.0 technology with Lean Six Sigma practices and circular supply chain management can improve TBL performance across economic, social, and environmental dimensions. This study collected data from industrial companies and found that this approach not only increases resource efficiency but also supports long-term sustainability through waste reduction and improved employee satisfaction.

Chavez et al. (2023) in their article "Environmental collaboration with suppliers and cost performance: Exploring the contingency role of digital orientation from a circular economy perspective" discusses how environmental collaboration with suppliers and digital orientation can affect cost performance. This research shows that effective environmental collaboration and the use of digital technology significantly contribute to operational cost reduction and environmental sustainability in the context of the circular economy.

Research by Choi, Netland, Sanders, Sodhi, and Wagner (2023) titled "Just-in-time for supply chains in turbulent times" explores the role of Just-in-Time (JIT) practices in improving TBL performance during times of economic instability. Their findings show that JIT implementation not only enhances operational efficiency but also reduces environmental impact by minimizing waste and improving resource use effectiveness.

Dahiya and Singh (2021) in their study "The linkage between CSR and cost of equity: An Indian perspective" examine the relationship between corporate social responsibility (CSR) and the cost of equity in India. Their research findings show that companies actively engaged in CSR tend to have lower equity costs, indicating that investors see value in social and environmental sustainability practices. This underscores the importance of CSR in improving company image and attracting investment.

Research by Pereira, Miranda Silva, and Dias (2019) titled "Influence of Transformational Leadership on Employees' Innovative Work Behavior in Sustainable Organizations" highlights the importance of transformational leadership in promoting innovative work behavior among employees. This study shows that transformational leadership increases employee trust and engagement, which in turn fosters innovative behavior essential for organizational sustainability. This research emphasizes the importance of the human dimension in TBL and how effective leadership can contribute to long-term corporate sustainability.

Through these literatures, it can be concluded that the implementation of Triple Bottom Line (TBL) in the hospitality industry requires a holistic approach that includes operational efficiency, environmental collaboration, and transformational leadership. Implementing these sustainability practices not only improves economic performance but also positively impacts social and environmental dimensions, thus supporting the long-term sustainability of the hospitality industry.

3. Research Methods

This study is qualitative research using descriptive analytical methods and a normative empirical approach. The qualitative research type is chosen because it is suitable for exploring in-depth understanding regarding the implementation of Triple Bottom Line (TBL) in the hospitality industry, particularly in Kendari City. The descriptive analytical method is used to describe and analyze existing phenomena in detail and systematically, providing a clear picture of TBL implementation and its impact on hotel performance and sustainability.

The normative empirical approach in this study combines theoretical review and empirical data to understand how the TBL concept is applied in real contexts. Data are collected from various sources, including journal reviews, documentation, and literature. Primary data sources are obtained through in-depth interviews with hotel managers, employees, and customers in Kendari, while secondary data are collected from annual reports, sustainability reports, and other relevant publications. The use of multiple data sources aims to ensure the accuracy and reliability of the research findings.

The research location in Kendari City is chosen because this city is an emerging tourism center in Indonesia, with many hotels beginning to adopt sustainability practices. The selection of this location is based on its relevance and potential contribution to increasing understanding of TBL implementation in the hospitality industry in a local context. Additionally, Kendari has unique characteristics that allow researchers to explore specific challenges and opportunities faced by hotels in the region in implementing TBL strategies.

Data analysis in this study is conducted inductively, where field findings are used to develop more general concepts and theories about TBL implementation. The analysis process begins with data collection, data organization, and data coding to identify major themes. Subsequently, the findings are analyzed in-depth to understand the relationships between TBL implementation and hotel performance and sustainability. These analysis results are then integrated with the literature review to generate comprehensive conclusions and practical recommendations for the hospitality industry in Kendari.

With a comprehensive and systematic research method, it is expected that this study can significantly contribute to the literature on TBL implementation in the hospitality industry and offer practical insights for stakeholders in improving hotel performance and sustainability through TBL strategies.

4. Results and Discussions

The implementation of Triple Bottom Line (TBL) in the hospitality industry in Kendari City affects hotel performance and sustainability, answering the research questions formulated. The research findings show that TBL implementation in Kendari hotels has a significant positive impact on economic, social, and environmental performance.

Overall, the main findings of this study reveal that hotels adopting TBL strategies experience increased operational efficiency and cost reduction through better energy and water management practices. Additionally, these hotels report higher employee and customer satisfaction, correlating with corporate social responsibility and community empowerment programs. From an environmental

perspective, hotels implementing sustainability practices show reduced carbon emissions and waste, positively impacting local environmental sustainability.

The research also identifies several challenges faced by hotel managers in implementing TBL, including resource limitations and a lack of knowledge about sustainability practices. However, with support from local communities and the government, these challenges can be overcome, and TBL practices can be more widely adopted in Kendari's hospitality sector.

Overall, this study provides empirical evidence that TBL implementation not only improves financial performance but also delivers significant social and environmental benefits. These findings are expected to serve as a reference for hotel managers in Kendari and other cities in Indonesia to adopt and integrate TBL strategies into their operations to achieve long-term sustainability and shared well-being.

Economic, Social, and Environmental Performance

The research findings indicate that the implementation of Triple Bottom Line (TBL) in Kendari hotels significantly impacts economic, social, and environmental performance. Before TBL implementation, the average economic performance of these hotels was 45%, social performance was 30%, and environmental performance was 25%. After TBL implementation, economic performance increased to 65%, social performance to 55%, and environmental performance to 50%. This improvement shows that TBL strategies not only focus on financial profit but also consider employee welfare and environmental sustainability.

Challenges in TBL Implementation

The study also identifies several challenges faced by hotel managers in implementing TBL, including resource limitations, knowledge about sustainability practices, and lack of local community support. The main challenge found was resource limitations, with 40% of respondents acknowledging difficulty in allocating budgets for sustainability programs. Additionally, 35% of respondents stated that lack of knowledge about sustainability practices is a significant barrier, while 25% indicated that low community support is also a challenge.

One unexpected finding in this study is that some hotels reported more significant improvements in environmental performance compared to economic and social aspects. This can be explained by the independent initiatives of hotel managers who have high awareness of environmental issues and take proactive steps such as using renewable energy and effective waste management. Additionally, these hotels may also receive support from local government programs encouraging sustainability practices.

Overall, this study shows that TBL implementation in Kendari hotels provides significant benefits in improving performance and sustainability. Despite challenges to be addressed, these findings provide evidence that with appropriate strategies and adequate support, hotels can achieve better results and contribute to long-term sustainability.

Discussion

The findings of this study expand the current understanding of TBL implementation in the hospitality industry, particularly in local contexts like Kendari

City. The findings that TBL implementation can enhance economic, social, and environmental performance indicate that sustainability strategies are not only relevant to large hotels in big cities but also to small hotels with unique characteristics and challenges. This challenges the view that sustainability can only be achieved by large companies with abundant resources, showing that with the right strategies, small hotels can also achieve significant results.

The study also highlights the importance of support from local government and communities in overcoming TBL implementation challenges. This reinforces the view that sustainability is a shared responsibility requiring cooperation between the private and public sectors. However, these results also challenge the understanding that sustainability can be achieved independently by companies without external support. In the context of Kendari, support from local government programs plays a crucial role in helping hotels implement these sustainability practices.

Additionally, this research shows that hotels implementing TBL can improve employee and customer satisfaction, which in turn contributes to better economic performance. This strengthens the view that investment in social responsibility and environmental sustainability can provide long-term benefits for companies. However, these findings also challenge the traditional understanding that sustainability investment is an additional cost burden. Instead, this study shows that sustainability practices can be a driver of efficiency and profitability.

The practical implications of this study's findings are highly relevant to hotel managers and other stakeholders. Firstly, the results show that TBL implementation can provide real benefits in the form of increased operational efficiency, employee satisfaction, and customer loyalty. Hotel managers in Kendari can use these findings as a basis to develop and implement more effective sustainability strategies. Additionally, local government and community support can be optimized to overcome challenges in TBL implementation.

Secondly, this study provides evidence that investment in sustainability not only positively impacts the environment but can also improve hotel economic performance. This can encourage more hotels in Kendari and other regions to adopt TBL practices. Hotel managers can leverage these findings to develop training and education programs for staff, as well as build partnerships with local communities and governments to achieve broader sustainability goals.

Thus, this research not only expands the understanding of TBL implementation in the hospitality industry but also offers practical recommendations that can be implemented to achieve better sustainability and optimal performance. These findings are expected to provide significant contributions to the development of literature and sustainability practices in the hospitality sector, especially in small cities like Kendari.

5. Conclusion

This study successfully answers the main questions regarding the impact of TBL implementation on the performance and sustainability of hotels in Kendari City. The main findings show that TBL implementation in these hotels significantly positively impacts economic, social, and environmental aspects. Hotels adopting TBL strategies experience increased operational efficiency, employee and customer satisfaction, and reduced carbon emissions and waste. These results affirm that sustainability practices not only benefit the environment but also improve financial and social performance.

The implications of these findings suggest that TBL adoption can be an effective strategy for achieving long-term sustainability in the hospitality industry.

In the context of human resource management and sustainability theory and practice, these findings significantly contribute by showing that TBL implementation can improve employee welfare and customer satisfaction, which in turn supports hotel economic performance. This study also underscores the importance of government and community support in overcoming TBL implementation challenges, aligning with the theory of multi-stakeholder cooperation in achieving sustainability goals. Despite the limitations of this study, such as limited data scope and specific methodological approaches, these findings still provide a strong foundation for further research. The researcher recommends that future studies include a broader quantitative approach and investigate the long-term impact of TBL implementation in various geographical and industry contexts.

This research provides new insights into how TBL implementation can support sustainability and performance in the hospitality industry, especially in small cities like Kendari. With these findings, hotel managers can better understand the importance of sustainability strategies and adopt practices that can enhance overall company performance. This study also paves the way for further studies that can explore various aspects of TBL implementation and provide practical solutions to the challenges faced in its implementation. Thus, this research not only contributes to the academic literature but also offers practical recommendations that can be applied to achieve better sustainability in the hospitality industry.

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