

Sustainable development practices in Services Sector: A case of the Palace Hotel from Malaysia

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Abstract: This paper examines how the hotel's operations may enhance their environmental performance by implementing sustainable development practices as a business model. The research design technique consisted of a single case study and an in-depth literature review. Four key methods of data collections were used: (1) Primary data from official company websites, (2) Primary data from hand on observation, (3) Primary data from the General Manager via Table Talk Discussions, and (4) Secondary data from documents (i.e., Newspaper and magazines). With the use of thematic analysis of the evidence practices, the paper reveals that there are seven key sustainable development practices implemented in the Palace Hotel to cut down the running cost while improving their social environment. As a result, technology and sustainable development methods may have a significant influence on the best performance evaluation in a variety of ways., particularly there are very few studies in the area of sustainable development that have been conducted to identify any sustainable development practices in the Malaysian service sector, specifically in the hotel industry and to recommend the best practices implemented from the managers' perspectives. Finally, for scholars, this paper can help them better comprehend sustainable development and point out areas where further research is needed.

Keywords: sustainable development, green practices, business model, the palace hotel, sustainable development practices

1. Introduction

The business environment becomes hazy with unclear interrelationships and overlap between players and functions. The world is evolving at a breakneck pace, with new trends appearing regularly. Inevitably, it is becoming clear that sustainable development has been the centre of growing trends and awareness of the global links between the issues of environmental, economic, and social responsibility.

According to the report of the Development and International Co-operation: Environment - Annex to the document A/42/427, "sustainability is to meet the needs of the present without compromising the ability of future

generations to meet their own needs". As companies continue to attempt to maximize profits while bound by the earth's limited resources, this idea has gained greater relevance in the world today. As several literature studies have suggested, the importance of a sustainable development context is important, such as^{1,2,3,4,5,6,7}. Likewise, developing sustainability will help firms to generate value that enhances profitability and gain a competitive advantage.

Looking from a bigger picture this sustainable development "mantra" is closely linked to Sustainable Development Goals (SDG) where it is the 2030 core agenda on sustainable development which was agreed by

the world leader on 25 September 2015 at the United Nations Conference. SDG is continuing to develop an agenda after the Millennium Development Goals (MDGs) end in 2015. MDGs consist of 8 Goals and 21 Targets. While SDG was expanded to 17 Goals and 169 Targets which continue the goals to achieve the 2030 agenda instability in three dimensions of sustainable development, namely social, economy and environment⁸⁾.

In line with the objective of sustainable development, Ban Ki-Moon clustered Sustainable Development Goals into six “essential elements”: dignity, prosperity, justice, partnership, planet, and people⁹⁾. This approach enforces the firms to engage in activities that positively affect the environment and society besides gaining economic performance.

Few studies have focused on achieving sustainable development, such as enhancing the long-term efficiency of an animal feed production process¹⁰⁾, making use of renewable energy, like wind, water, biomass, geothermal biomass energy, and solar cells^{11,12)}, implementing green human resource management¹³⁾, adopting waste collection systems¹⁴⁾, and repurposing waste to produce more useful commodities¹⁵⁾.

Several studies have been conducted in Malaysia to address the challenges of sustainable development. such as^{16,17,18,19)}. These studies, on the other hand, were designed to evaluate how the sustainable development agenda was being implemented in the areas of ecotourism, entrepreneurship, corporate social responsibility, and brand image. Other studies such as^{20,21)} focused only on analyzing sustainable development from the standpoint of policy issues. While, Le, Rozali, Klemeš, & Towprayoon, (2018)²²⁾; Li & Mathiyazhagan, (2018)²³⁾; Sahimi, Faiz, & Kartina, (2018)²⁴⁾ focused on sustainable development in the manufacturing industry and others such as^{16,25,26)} highlighted on sustainable development link to renewable energy in Malaysia. Whereas Haini, Rahim, & Zainuddin, (2017)²⁷⁾; Ibrahim & Rahman, (2017)²⁸⁾; Rahman & Ismail, (2018)²⁹⁾; Seng, (2018)³⁰⁾ evaluated the impact of sustainable development in public sectors itself.

It appears that the bulk of studies have focused solely on measuring or validating sustainable development from the perspective of consumers, with little attention paid to the concept's examination from the standpoint of management. Many recent studies have also advised looking into the viewpoints of managers (i.e., service providers) in terms of sustainable development, for example^{31,32,33,34,35)}.

The above literature suggests that there is a substantial amount of literature review on sustainable development; however, the majority of studies have been conducted to measure or elicit the view of sustainable development from the perspective of customers, with little attention paid to examining this concept from the perspective of managers and employees (i.e., Service providers). As a result, based on a study of relevant sustainable development literature, this article contributes to the

literature on sustainable development by filling the following gap:

“There are very few studies in the field of sustainable development that have been conducted to identify any sustainable development practices in the Malaysian service sector, particularly in the hotel industry and to recommend the best practices implemented from the managers’ perspectives”.

2. Theoretical Background

2.1 Sustainable Development as an Alternative

Business Model

Today's there are a few authors who have highlighted that the present and the near future lie upon the triple bottom line model^{36,37,38,39)}, with the three key underlying concepts are: (1) Attempts to bring the environmental, social, and economic elements of development together in the present and future.; (2) Recognizes biophysical growth limitations and values ecological services preservation and; (3) Maintaining a fair distribution – the social justice agenda within and across current and future generations. The sustainability model may be seen as a challenge to traditional development methods.

Likewise, Hammer & Pivo, (2017)³⁸⁾ pinpoint that “triple bottom line and sustainability concepts have gained traction in fields related to economic development including business, planning, finance, and real estate. This is evidenced by the growing number of journals, books, professional organizations, certifications, and conferences addressing sustainability in related topics such as impact investing, responsible property investment, and corporate responsibility”. Fig. 1 below summarises the sustainable development model.



Fig. 1: Sustainable Development Model – The Triple Bottom Line Model³⁸⁾

As such, there are several literature studies^{40,41,42,43)} which further elaborate and propose the Sustainable Development Goals – Agenda 2030 as the next future context. Accordingly, the SDG has been defined as below:

“Action-oriented, concise and easy to communicate, limited in number, aspirational, global in nature and universally applicable to all countries while taking into account different national realities, capacities and levels development and respecting national policies and

priorities”.

Source: Remarks to the General Assembly⁴⁴⁾ on the Synthesis Report on the Post-2015 Agenda, available at: https://www.un.org/sg/en/content/sg/speeches/2014-12-04/remarks-general-assembly-synthesis-report-post-2015-agenda_ as retrieved on June 29, 2020.

These are the agenda with the aims of changing the world in 17 steps. As a result, this also brings to the fundamental belief that the Sustainable Development Goals – Agenda 2030 has turned up to become the alternative business model for the near future. The summaries of this SDG are illustrated in Fig. 2 below.



Fig. 2: The Sustainable Development Goals – Agenda 2030⁴⁵⁾

2.2 Services Sector in the Context of the Sustainable Development

After reviewing relevant sustainable development literature and its characteristics in the future, the researchers are better equipped to comprehend how this sustainable development environment may influence various industries.

The service industry, in particular, has emerged as one of the most important drivers of global economic development in Malaysia. According to Cheng⁴⁶⁾, the history of mankind's economic growth changed from agriculture to industrial to a service economy. As the role of service sectors in economic activity and employment continues to rise, all developed nations are on their way to becoming service economies⁴⁷⁾. Furthermore, due to increased rivalry, productivity, and efficiency, many emerging nations are putting in extra effort to improve their respective service positions⁴⁸⁾.

The economy is expected to grow at a rate of 5-6% per year under the Eleventh Malaysia Plan, which runs from 2016 to 2020, based on sustained domestic demand and increasing external sector contribution. Private sector investment will be encouraged to modernize key economic sectors, with the services sector, in particular, pivoting to focus on high-value, knowledge-intensive services.

Source: Eleventh Malaysia Plan, 2016-2020, available at: <http://epu.gov.my/sites/default/files/Chapter%202.pdf>,

as retrieved on July 4, 2020.

In addition, the Malaysian Department of Statistics has issued statistics claiming that the volume index of services increased by 7.0 percent to 157.3 points in the first quarter of 2018 when compared to the same period the previous year. Finance, Real Estate, and Professional (7.7%), as well as Information & Communication and Transportation & Storage, were the driving forces behind this growth (7.2%). This sector's seasonally adjusted volume index grew by 1.8 percent from the previous quarter. Further, this increase was primarily reflected by the positive growth in the accommodation (i.e., Hotel Industry) sub-sector, 6.4 percent respectively. The summaries of this Malaysia's volume index of service and percentage change by sub-sector are presented in Fig. 3 and Fig.4 below.

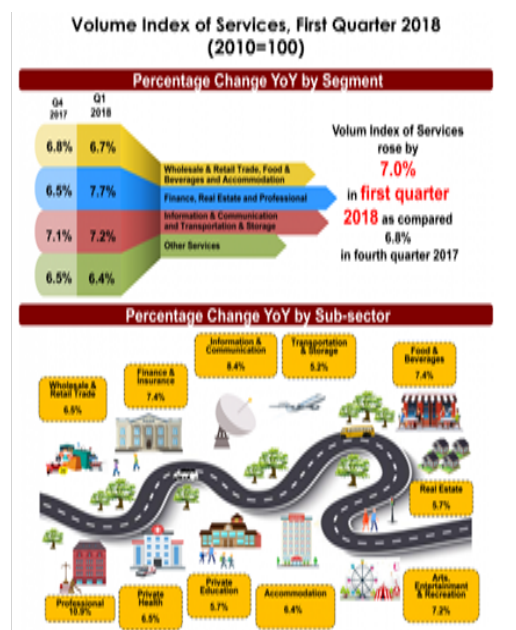


Fig. 3: Malaysia's volume index of service and percentage change by sub-sector⁴⁹⁾

In the third quarter of 2020, total services sector revenues were RM428,3 billion, up 27,6 percent from the second quarter of 2020. The Wholesale & Retail Trade, Food & Beverages and Accommodation segment (+RM79.5 billion; +29.8 percent) contributed to growth. Meanwhile, in the third quarter, gross annual comparison sales contracted by 4.8 percent, an increase from the previous quarter's 24.0 percent decrease. The total number of people participating in this sector was 3.7 million, a rise of 40,118 or 1.1% compared to the second quarter of 2020. However, the year-on-year comparison revealed a negative increase of 2.1 percent or a decline of 77,526 individuals in the number of persons who are actively involved. Salaries & wages paid amounted to RM24.7 billion in this period, a rise of 5.0 percent compared to the previous quarter, although it went down 2.5 percent year-

on-year.



Fig. 4: Malaysia’s volume index of service and percentage change by sub-sector⁵⁰⁾

It should be noted that this department is representing Malaysia’s Official Statistics data. This evidence highlights that the service sector had become the main role of industry to develop economic sustainability in Malaysia.

2.3 Green Initiatives as a Strategy for Green Hotel

Industry

Two decades ago, public awareness about the seriousness of environmental problems has become broader and causing their concerns for the environment^{51,52,53,54,55)}. The potential environmental effects of such expansion, as well as concerns like global climate change, have become particularly heated subjects in the travel and tourist industry today⁵⁶⁾. As a result, green practices have been associated as part of the solutions in order to protect the environment and/or products made within an environmentally and ecologically friendly way^{57,58,59)}. This includes the tourist sector, which uses and generates a variety of resources such as water, electricity, and trash in the course of its everyday operations⁶⁰⁾.

Green Building Index (2019)⁶¹⁾ explained the emphasis on resource efficiency through energy, water, and materials in green buildings. While decreasing the impact of buildings on human health and the environment throughout the building’s life cycle through changes in design, construction, service, repair, and removal. Green buildings should be planned and run to reduce the cumulative effect on their surroundings of the built

environment.

Ding, et al. (2018)⁶²⁾, however, stated that most green buildings certified by Malaysian GBI are exclusively assessed for their design and construction. Therefore, there is a limited evaluation of green building initiatives that are based on the operational stages. Its complete potential is made clearer in the operating phases of the building and the life cycle of a green building can continue beyond the first process of construction and design. A green building life cycle decides whether a building is sustainable.

According to Yusof & Jamaludin, (2013)⁶⁰⁾, in Malaysia, the concept of sustainability has been around for a long time, but it received considerable attention in 1997, following the economic crisis. Sustainability is important to sustain the economy, society as well as the environment. Back at that time, Malaysia had faced many environmental pollution issues. Consistent with this, Borhan and Ahmed, (2012)⁶³⁾ claimed that the Malaysian government had seriously started to incorporate the sustainability concept dated back to the 9th Malaysia plan (2006-2010). All these bring to where the Malaysian hotel industry by now and this reflect that there is an increasing number of hotels that adopt green practices. Beyond that, green hotel management techniques will, in the long term, save operating costs and increase income⁶⁴⁾.

3. Research Methodology

This paper is being conducted as a qualitative study of exploratory. A systematic method to the literature review is based on knowledge, which plays a significant role in evidence-based practises⁶⁵⁾ was implemented in this paper. Sustainable development in general, as well as ‘green practices’ in Malaysia, are among the topics covered in the literature review process. We utilize the phrases ‘sustainable development’ and ‘green practices’ as inclusive created terms in this research. Following that, the researchers used a single case study technique to demonstrate how these phenomena – the characteristics are applied to the real-world environment after examining a patent of the literature.

As a result, the qualitative technique enables researchers to acquire in-depth data to investigate a topic without the requirement for numerical data⁶⁶⁾. The major reason we chose this technique over a quantitative approach as our study design is that it is more suitable. Based on the goals of our research, we want to identify sustainable practices in the Malaysian service sector, particularly in the hotel industry.

Moving forward, the researchers want to narrow their emphasis and be as detailed as possible. As a consequence, researchers picked The Palace Hotel in Kota Kinabalu, Malaysia, since it is unique and they wanted to learn more about what is going on in this part of the world. The Palace Hotel, as one of the businesses that may fit well with the sustainable development model, is one of the alternative methods of working. The Palace Hotel invests a

substantial amount of time and resources in creating a healthy ecology for communities that value environmental stewardship and innovation in sustainable practices and community outreach initiatives. Therefore, the main reason for choosing The Palace Hotel is that they operate successfully in the framework of sustainable development, achieving the criterion purpose and presenting an unusual instance. This was witnessed by their exemplary achievement in obtaining and certified as 'Green Hotel' by the Ministry of Tourism and Culture Malaysia on 31 March 2014. This was followed by the recognition of the 'Best of Blue Fellowship Award' for Outstanding Hotel Partner 2014 for the 4-stars category by Booking.com on 5 November 2014 and 'EarthCheck Benchmarked Bronze Status' certified by EarthCheck Australia on 21 November 2014.

As a result, the authors had access to the official business documents when performing their research. Following on from that, the researchers were fortunate to have a talk session presented by The Palace Hotel's General Manager, Ms. Phang Joo See during the visit to the hotel. The aim of doing this Table Talk Discussion was to enrich the information regarding the hotel value and practices, as a result of which the researchers were able to gain a deeper understanding of what individuals are thinking and saying. Face-to-face interviews, as well as electronic media such as the telephone, the internet, or video calls, can all be used to conduct interviews⁶⁷. Our interviews take place during a table talk session, and the talks are recorded. Later, the article or document may be reviewed, updated for correctness, commented on, coded, and analyzed, as we follow the work of Miles, Huberman, and Saldana, (2013)⁶⁸.

In sum, in this research, we utilized four different collection methods of data: (1) Primary data from official company websites, (2) Primary data from hand on observation, (3) Primary data from the General Manager via Table Talk Discussions, and (4) Secondary data from documents (i.e., Newspaper and magazines). Due to the nature of the study, we are explaining our data based on our observation, discussion with the Hotel's General Manager, the Hotel's printed documents as well as the interpretation we got from the official company website. Following that, the data is subjected to thematic analysis. We aim to detect trends and reactions in this analysis. Thematizing is the act of gathering together a variety of replies and responses into a few smaller themes and labeling them based on past research on the topic of study⁶⁹.

With the use of thematic analysis of the evidence practices, the paper reveals that there are seven key sustainability practices implemented in the Palace Hotel to cut down the running cost while improving their social-environmental.

The seven key factors of sustainable development approaches and green practices in The Palace Hotel, which merit further analysis, namely, green campaign;

reuse and recycle of waste – The 4R activity; sustainable food dining; biodiversity conservation; water system technology; energy saving; and hazardous material free.

4. Research Findings

4.1 Overview of the Palace Hotel

The Palace Hotel Kota Kinabalu is a 4-star hotel located 10 kilometers from the International Airport in Kota Kinabalu (KKIA). On one side, a beautiful peak, and on the other, a peaceful tropical jungle. The city core is only a 10-minute walk away, while the Jesselton Point Ferry Terminal for the islands is only a 30-minute walk away.

The Palace Hotel is a local community of people who believe in preserving the environment by keeping green for present and future generations. The Palace Hotel position themselves as:

"Implement green and sustainable programs in and out of the workplace".

- *"Implement sustainable economic community development program".*
- *"Engagement of hotel guests and clientele, hotel employees and family members on the involvement of the hotel's green and sustainable programs".*
- *"Financially responsible and accountable to our shareholders".*
- *"Engagement of internationally recognized benchmarking and certification body on the hotel's green sustainable program".*

The mission of the company⁷⁰ is summarized in the following quotation:

"To minimize environmental impact and carbon footprint in running the hotel's daily operations, observing the four 'R' mainly Reduce, Reuse Recycle and Respect for the environment".

"To ensure the Hotel services, atmosphere and comfort for our guests are rated to be among the best in Kota Kinabalu and Sabah as a whole".

Aligned with the mission statement of the organization, the management and team of The Palace Hotel Kota Kinabalu are committed to minimizing the environmental impact and carbon footprint of the hotel operation namely providing accommodation, dining, meeting rooms, sports, and recreation activities and aimed to improve its environmental performance. Not only involves awareness among the Hotel's employees and guests but also its suppliers for a sustainable approach as a whole.

4.2 The Palace Hotel Achievement and Success

Stories

The Malaysian Ministry of Tourism and Culture has designated the Palace Hotel as a green hotel, and it has earned EarthCheck Benchmarked Bronze Status Australia accreditation.

The hotel was awarded the Blue Ribbon accreditation by the Malaysian Ministry of Health for establishing a smoking-free zone, and it was also designated as a litter-free hotel by the Kota Kinabalu City Hall (DBKK).

As a result of its environmental dedication and innovation in sustainable practices and community outreach programs, The Palace Hotel was recognized Highly Commended in the Asia Pacific Region in the Green Hotelier Awards 2016.

4.3 Thematic analysis of sustainable development and green practices in The Palace Hotel

This research aims to find common themes that arose from the research. There are seven key factors of sustainable development approaches and green practices in The Palace Hotel, which merit further analysis, namely, green campaign; reuse and recycle of waste – The 4R activity; sustainable food dining; biodiversity conservation; water system technology; energy saving; and hazardous material free. Therefore, this section emphasizes the case study analysis based on the seven themes.

4.4 Green Campaign

Being a responsible organization has always been The Palace Hotel Kota Kinabalu's philosophy that guides the management and team in doing what they do beyond the business. This is aligned with their vision of *"To ensure environmental conservation by keeping our surrounding clean and green for present and future generations"*. The hotel's best practices have always included contributing to the economy's, environment's, and community's long-term sustainability.

One of The Palace Hotel's main sustainability concerns is environmental protection. They are working to create a long-term balance between development and conservation. All of the hotel's projects and operations are carefully planned and designed to minimize and safeguard the hotel's environmental effect. To address environmental concerns and challenges, their team has launched several eco-friendly projects. In so doing, the Hotel has to create green awareness via campaigns, promotions, press releases, newsletters, social media communications, web portals, and visibly communicate and reach out to the hotel guests, staff, clientele, suppliers, contractors, shareholders, and the public at large.

In line with this, the Hotel has put forward the restriction of no plastic bags or bottles or styrofoam, no sharkfin served in all the hotel's dining outlets and dining ballroom, and even no monosodium glutamate (MSG) in all food preparation. Consistent with this, the Hotel also promoting food waste, *"Love food but hate wastage"*, Blue Ribbon – campaigns on our right to clean air (i.e., no-smoking hotel, Earth Hour campaigns and encourage the hotel guests to be responsible for their waste.

As a result, The Palace Hotel has adopted a business strategy that appreciates workers and places a premium on human resource development. To promote these corporate principles, the team invests in staff social evenings, monthly get-togethers, 'gotong-royong,' and other employee development events. This also entails aggressively encouraging employee training, diversity, and jobs for the elderly and disabled. They have a growing team of committed and motivated individuals that are rooted in traditional values of hard work, persistence, and integrity. They also encourage safe and engaging work to maintain a healthy work-life balance. They intended to bring employees together via different sports and social activities through the proactive sports and leisure club. These activities allow workers of all levels to engage and bond outside of the workplace via shared interests.

Furthermore, through the intended aim, the hotel management strives to establish mutually beneficial partnerships with the communities in which they operate as well as with chosen societies. They are focusing on community development to guarantee that our project and activities serve a wide range of community members. Employee volunteerism and contributions to non-governmental organizations (NGOs) reflect this focus. As a result, creating new work possibilities is an efficient approach to improve local communities' socio-economic standards. In terms of charity, the hotel gives its time and resources to a variety of organizations that help the underprivileged and less fortunate, reaching out to diverse segments of the community.

4.5 Reuse and Recycle of Waste - 4R activity

To reduce its environmental effect, the Palace Hotel created essential settings for its building. It complies with the 4R's standards. The term 4Rs that are implemented at this Hotel is referring to Respect, Reduce, Reuse and Recycle. With the cascading ideas is respect for the environment leads to the 3R practices of waste management, ensuring reduced wastage and therefore less negative environmental impact.

Thereby, all the Hotel's employees should respect each other, create mutual respect, and be conscious of environmental awareness. It is a sort of philosophy to initiate concerned behaviour upon the surrounding. Then, the next steps should follow the rule of the 3R mechanism. The 4R activities namely as recycled oil into brick-making by a local collector, recycle citrus peels into enzymes, reusable magazines, reusable cardboards, and packaging boxes, reusable linens into newspaper bags, recycled cooking oil into candles, reusable key card holders, usage of double-sided recycled papers and reuse own cutleries while dining. The 4R activities of the hotel are summarised in the following Fig. 5 as below:



Fig. 5: The 4R Practices in The Palace Hotel⁷¹⁾

4.6 Sustainable Food Dining

Palace Hotel in Kota Kinabalu has developed a new green development strategy in food waste management. The general manager of the hotel has taken full responsibility for the environmental issue.

“We seriously have taken serious measures to ensure that we do not contribute to global food waste. Food as a waste is a worldwide concern and our focus is on what our role is in this global scenario. We are proud of our continuous improvement and commitment to supporting this cause. To date, we have achieved many successes through the development of the best practice standards launched in a broad range of my team initiatives” – Ms. Phang Joo See, General Manager of the hotel.

Following on from that, The Palace Hotel has signed a memorandum of understanding (MOU) with Glomus Ecology Sdn Bhd Kota Kinabalu in order to manage food wastage from the hotel. This is a part of the smart initiatives between the hotel and a waste management organization to highlight the commitment regarding these issues. At the beginning of the food waste management process, the foods wastes are delivered to the factory where a technology called Biomax Thermophilic Digestion converts this organic waste into 100% pure solid organic fertilizer in just 24 hours. It does not stop just there. With the ‘buy-back’ end products, the fertilizer has given the hotel’s organic herbs and vegetable farm bountiful harvest from fruits to many types of local vegetables.

Further, the Hotel has kickoff the program called, ‘Adopt-A-Farmer’ in which twenty farmers from Bundu Tuhan have been selected into the program to produce natural and pesticide-free vegetables by changing their fertilizers from conventional to organic and their harvest to be supplied directly to the hotel. This initiative will enhance the socio-economic of the farmers to increase their living standards and increase their income while promoting healthy living and wellness.

The hotel kitchen serves natural, pesticide free veggies to hotel guests at the end of the procedure. This commitment, the opportunities for improvement, and the positive impact of making a change have not only helped to reduce greenhouse gas emissions and improve air quality, but it has also sought to boost profit margins, start

raising environmental rating levels, and create an impact for a greener hospitality industry while raising community awareness and being more environmentally conscious. The summaries of this management of food waste and sustainable farming at The Palace Hotel are presented in Fig. 6 below.

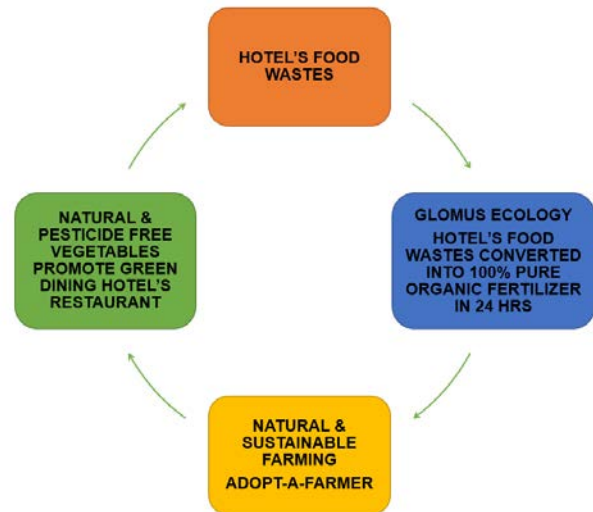


Fig. 6: Organic and sustainable farming at The Palace Hotel
Source: Summarized by researchers

In short, all of the above initiatives, portray that the Palace Hotel has successfully implemented the concept of circular economy in their daily operation.

4.7 Biodiversity Conservation

The Palace Hotel has improved the ecological footprint of biodiversity conservation, and restoration within the hotel as well as nearby surrounding areas by making use of an advantage of the natural surroundings to grow its organic herbs and vegetables. Thus, the plantation of herbs and vegetables is fascinating to a walk through the mini garden near the swimming pool. Among the plants are lemongrass, turmeric, pandan, wild ginger, *misai kucing*, mint, chili, ladyfingers, and galangal, and thumbs up to the usage of organic fertilizer.

The Hotel’s General Manager, Ms. Phang Joo See who initiates the Corporate Social Responsibility (CSR) activities came up with the idea of the garden where it is part of the hotel’s Going Green awareness and at the same time, she promoted the 4Rs, - Respect, Reduce, Reuse and Recycle. This initiative has been named the hotel’s organic herbs and vegetable garden. Plans to be expanding the garden area in the pipeline where the staff from each department will get their hands dirty and grow herbs and vegetables with the guidance of the Landscape Designer. The hotel also welcoming guests to contribute to these kinds of actions in order to provide them the chance, experience, and yet to enjoy an organic garden right at the hotel.

4.8 Hazardous Material Free

The Palace Hotel improve its chemical footprint with the consideration of biodegradability that is locally produced and purchased. One of the famous activities is the hotel's organic herbs garden and farm produces fresh and nutritious vegetables for the hotel's kitchen to promote well-being meals as it is better for the planet and healthier living. In terms of cooking preparation, the Hotel is never used by MSG and all food served is Halal certified.

The hotel management also encouraging and feed awareness on recycling activity like reuse plates, fork and spoon while having buffet meals and refill glass instead of getting of new glass to serve second beverage order. From this activity, they are reducing manpower, energy usage on electricity, and saving of detergent and water consumption for washing. Another activity proposed by The Palace Hotel is practice By Your Own (B.Y.O) container when the order for takeaways as this helps to reduce the usage of plastic bags and no food contamination of chemicals from the plastic bag.

4.9 Water System Technology

The Palace Hotel is aware of these issues and installing water sub-meter devices to monitor the usage of water; use of cubicle shower; use of flow dual flush system and heat pump system to generate hot and warm water to all bathrooms. The hotel management is aware that water is one of the energy resources that can help to sustain their operation level. Through the aid of advanced technology in saving water usage, they can save up to 25 – 30% of water bills which on average RM 271.80 per year (in the currency of Malaysian Ringgit). Further, with the aid of creative knowledge, they are also able to increase water efficiency such as an example by using the water catchments system to harvest farms.

4.10 Energy Saving

At The Palace Hotel, the first step is changing all light bulbs to energy-saving bulbs. They also implemented energy-saving activities such as usage of contactless room key cards, installing smart elevator system, and usage of the energy-saving device – DVCZ-cep controller to control and monitor the usage of energy operations. The growing cost of energy, along with resource depletion, will drive the hotel to look for solutions to reduce energy use while still providing a satisfactory hotel offering. All these have enabled them to reduce their electricity bills to on average RM 78,107.88 per year (in the currency of Malaysian Ringgit) without adversely affecting their performance.

5. Discussion and Conclusion

In conclusion, the key aim of this research is to examine how the hotel's operations may enhance their

environmental performance by implementing sustainable development practices as a business model. In so doing, the researchers have reviewed the pertinent of sustainable development practices and its characteristics particularly in the green initiatives program and this follows with a single case study conducted. Having carried out the research findings regarding the sustainable development method in the Malaysian service sector, we can confirm that the hotel has adopted the circular economy concept, through the program namely; the “make-use-recycle”, that previously mentioned in Fig. 5, the sustainable food dining and also the organic and sustainable farming at The Palace Hotel, as in Fig. 6, in order to less waste and pollution, and as a key to a more sustainable future.

Besides, the researchers have illustrated and discussed the phenomena of specific topics namely; green campaign, reuse and recycle of waste – The 4R activity, sustainable food dining, biodiversity conservation, water system technology, energy-saving, and hazardous material free in The Palace Hotel. In doing that, this enabled the researchers to portray the overall picture of The Palace Hotel context and how The Palace Hotel is aligned and connected to the Sustainable Development Goals (SDG) context, which is illustrated earlier in Fig. 2. In turn, the researchers compare the findings from The Palace Hotel case against these SDG and the summarise from the comparison are presented in Tab. 1 below.

Table 1. Comparison between Sustainable Development Goals (SDG) context and the actual situation at The Palace Hotel

Sustainable Development Goals (SDG)	Is the SDG context being applied in The Palace Hotel?	Justification
SDG 1 End Poverty	YES	The Palace Hotel conducts a long-term economic community development program to guarantee that all sectors of the community benefit directly and, as a result, new job opportunities are created as an effective approach to raise local communities' socioeconomic standards.
SDG 2 End Hunger	YES	The Palace Hotel is not just serving good and healthy food, but also promotes and lives up to “ <i>Love food but hate wastage</i> ” ideal. The hotel invests in to reinforce

		these corporate values not only to their staff but also encourage the hotel guests as well.
SDG 3 Healthy Lives	YES	Healthy lives are one of the hotel principles and have become The Palace Hotel culture (i.e., the hotel organic herbs garden and farm produces fresh and nutritious vegetables for the hotel's kitchen to promote well-being meals and healthier living. In terms of cooking preparation, the Hotel is never used by MSG).
SDG 4 Quality Education	YES	Enhancing quality education becomes habitual in The Palace Hotel work, as The Palace Hotel itself commits off to help the poor children and disable individuals learn and develop through their community outreach program.
SDG 5 Gender Equality	YES	Gender equality is one of The Palace Hotel principles, as the hotel promotes diversity, equality, training, and jobs for the disabled too.
SDG 6 Water and Sanitation	YES	The Palace Hotel install water sub-meter devices to monitor the usage of water and the hotel also using the water catchments system to harvest farm, as this shows their commitment towards increasing water-use efficiency.
SDG 7 Energy for All	YES	The Palace Hotel promotes energy efficiency through energy-saving activities such as usage of contactless room key cards, installing a smart elevator system, and usage of the energy-saving device – DVCZ-cep controller to control and monitor the usage of energy operations.
SDG 8 Inclusive Growth and Jobs	YES	The Palace Hotel jobs offering are beyond their organizational limits, as the hotel also operates, manages processes, and engages within The Palace Hotel communities (i.e., Adopt A Farmer program).
SDG 9		The Palace Hotel's innovation

Industry and Innovation	YES	comes from the practices of the 4R (Respect, Reduce, Reuse and Recycle). In fact, The Palace Hotel is also encouraging choice, innovation, and opportunity online.
SDG 10 Reduce Inequality	YES	The Palace Hotel is truly a model of 'equality', where the hotel promotes diversity, training, jobs for the disabled and elders in the rural areas (i.e., Farmers from Bundu Tuhan – Adopt A Farmer Program)
SDG 11 Sustainable Cities and Communities	YES	The Palace Hotel positions itself as an organization that implements a sustainable economic community development program.
SDG 12 Consumption and Production	YES	The Palace Hotel promotes a healthy menu for wellness and wellbeing. This includes reducing food wastes (i.e., <i>"Love food but hate wastage"</i>)
SDG 13 Climate Change	YES	The Palace Hotel Kota Kinabalu is committed to minimizing the environmental impact and carbon footprint of the hotel operation namely providing accommodation, dining, meeting rooms, sports, and recreation activities and aimed to improve its environmental performance.
SDG 14 Oceans and Seas	YES	The Palace Hotel promotes a <i>"save our ocean"</i> campaign with Scuba International Association.
SDG 15 Ecosystems and Biodiversity	YES	The Palace Hotel is committed to its vision of <i>"To ensure environmental conservation by keeping our surroundings clean and green for present and future generations"</i> .
SDG 16 Justice, Peace and Strong Institutions	YES	The Palace Hotel has a business strategy that prioritizes human resource development and values its workers. (i.e., continuous training and team building activities).
SDG 17 Global Partnership	YES	The Palace Hotel form partnerships with the local waste management company

for Sustainable Development	and also signing the MoU with Environment Department (the local authority) in sharing the principles, values, and vision towards a sustainable approach as a whole.
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Source: Developed by researchers

The conclusion can be drawn that (1) The Palace Hotel way is a viable option, and (2) by learning from the experience, we can gain a better understanding of the big picture and that this learning experience can be generalized - though this does not imply that it is directly applicable to any other business. However, if we looked at a different firm now, we would be able to grasp it more rapidly from the perspective used in this research. As a result, while The Palace Hotel approach is not the only way ahead or the only way it may happen, it can serve as a model for how the case organization was chosen (i.e., prototypal in terms of being green and sustainable in the market where others are more conventional).

Comparable research done in similar organizations to The Palace Hotel is likely to provide similar outcomes. Because the lessons are extracted, it would be incorrect to claim that the findings are universally applicable for all organizations if the conclusions obtained in this study were based on a single case study. However, the research methodology used to review the literature^{72,73} will support the argument that, while the conclusions reached cannot be said to be universally applicable, similar studies conducted in organizations similar to The Palace Hotel (i.e., Green with sustainable development-based business models) are likely to yield similar results.

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