THE SUSTAINABLE TOURISM

Balancing Community, Compliance, and Human Capital in Island Paradigms

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PREFACE

The classic mechanics of tourism development are rapidly dissolving into a new operational reality. The modern destination is no longer just a physical space of rest and leisure; it is a hyper-connected, bio-digital ecosystem where environmental thresholds, regulatory algorithms, and workforce adaptation collide. *The Responsustable Tourism: Balancing Community, Compliance, and Human Capital in Island Paradigms* confronts this shifting frontier, offering a strategic blueprint for navigating destination management in an increasingly complex world.

As automated governance, predictive compliance engines, and real-time ecological tracking redefine host-guest interactions, island destinations stand as frontline testbeds. Their inherent constraints finite land, fragile biodiversity, and isolated resource loops magnify every technological and socioeconomic shift. Destination survival now demands a precise equilibrium between data-driven policy compliance, human talent development, and the authentic preservation of social capital.

At the core of this transformation is the evolution of community systems and social cohesion within high-yield, tech-integrated visitor economies. As smart infrastructure and automated platforms streamline visitor flow, safeguarding local identity, equitable wealth distribution, and cultural continuity becomes paramount. True destination resilience requires that technological integration amplifies, rather than displaces, the socio-ecological fabric of host populations.

Simultaneously, regulatory structures are transitioning from reactive policies to predictive, algorithmic compliance frameworks. Environmental monitoring networks, automated carrying-capacity protocols, and international compliance architectures now enforce ecological limits in real time. Navigating this dynamic regulatory landscape requires island governance to move beyond baseline environmental law, aligning local operations with global standards through responsive, data-driven oversight.

Finally, the future of island tourism relies on cultivating next-generation human capital equipped for a rapidly evolving service paradigm. Fostering adaptive capabilities, bio-digital literacy, and resilient leadership is essential for a workforce operating at the intersection of automation and human-centric service delivery. Building local capacity ensures that emerging technologies serve as catalysts for socio-economic mobility rather than vectors of displacement.

Targeted at academics, strategic planners, policymakers, and industry leaders, this work moves beyond traditional sustainability models toward adaptive, forward-looking frameworks. *The Responsustable Tourism* provides the analytical rigor and conceptual tools required to design resilient, thriving island futures in an age of constant disruption.

Vers des industries du tourisme et de l'hôtellerie compétitives aux Philippines!

Dr. Jimmy Bernabe Maming
Editor | Author

TABLE OF CONTENTS

CHAPTER I

Dr. Gloria Wong Baken Siy
Founding President. *Association of Administrators in Hospitality, Hotel and Restaurant Management Educational Institutions (AAHRMEI) & AJAM*

Macro-Level Forces: Global Tides and National Pressures in Tourism and Hospitality Industries

Abstract

This chapter adopts a qualitative multiple case study to examine the talent acquisition strategies and human resource management dynamics of various accommodation types on Boracay Island, Malay, Aklan, Philippines a premier island global tourism destination highly volatile. Through a comparative multiple case study design, data were collected by conducting in-depth semi-structured interviews with key human resource practitioners and operational leaders from the fifteen hospitality establishments which included resorts, hotels, and Mabuhay accommodations. Based on the findings, talent acquisition is dictated by organizational context (scale, operating structure, culture and employer branding), industry context (seasonality, occupancy, shortage of national skills), and local environment (regional labor mobility, cost-of-living inflation, post-benefit turnover, and generation on the job market). Smaller Mabuhay lodgings were noted to have more operational strength compared to large hotels and resorts. This was due to their flexible structure, local workforce and cultural affinity. The multi-level framework produced illustrates how a firm's scale and market focus makes HR resilient to the macro environment. This provides hospitality executives, destination management organizations and policymakers, with implementable strategies for designing flexible staffing structures, managing seasonal labor turnover, and building sustainable workforce pipelines in island tourism enclaves.

Keywords: *Macro-level forces, global trends, national pressures, tourism and hospitality industries, human resource practices, case study*

Introduction

The world of tourism and hospitality is a continuous and changing ecosystem, one that is constantly shaped by macro-level factors, such as international travel policy changes, geopolitical turmoil, and global economic cycles, national regulatory requirements, labour mobility, and destination-level socio-economic factors (Baum, 2012; Smeral, 2010). Across newly developing tourism markets and island enclaves, local hospitality operators, hotels, integrated resorts and non-star Mabuhay accommodations, are highly vulnerable to these macro-environmental changes, which govern visitor arrivals, revenue predictability and workforce stability (Department of Tourism, 2023; Song et al., 2011).

There is a wealth of information on the macro-tourism economics and human resource management. However, their operationalization is critical and traditionally understudied. Therefore, there is a need to understand how macro pressures influence institutional level talent acquisition, retention and human resource decision-making in place multilevel accommodation (Ghani et al., 2022; Solnet et al., 2015). Scholarly analyses of hospitality labor often adopt a micro-level operations approach. They fail to consider the broader system of the nation's labor policies, region's cost of living inflation, seasonality of occupancy and generational shift (Nickson, 2013; Postolov, 2025).

By finding out how hospitality human resource practitioners cope with competing global and national pressures. This study seeks to overcome this academic divide. This paper theoretically contributes to contingency and institutional theory literature within hospitality, modelling how the volatility of the macro environment determines the adaptation of micro-organisations (Knox and Walsh, 2005; Kravariti et al., 2022). In practical terms, it will enable destination management organizations (DMOs), policymakers, and hospitality managers to obtain empirically driven actionable insights to equip them with resilient talent management frameworks, mitigate seasonal labor churn, align wages with cost-of-living on a regional basis, and ensure sustainable workforce development across accommodation types (EHL Insights, 2023; World Travel & Tourism Council [WTTC], 2024).

Objectives of the Study

The study mainly aims to investigate the impact of macro forces (the global travel trend, the national regulatory framework, the regional economy, and the seasonality of tourism) on human resources (HRM) and talent acquisition practices of multi-tier hotel (Resorts, hotels and mabuhay accommodation). Specifically, it sought to answer the following research objectives.

1. Critically assess the tourism seasonality for effective workforce planning;
2. Evaluate Local Socio-Economic Factors on Retention;

3. Explore the changes in operations regarding businesses across accommodation typologies; and
4. Determine how generational Shifts are Influencing the Workforce in Hospitality Industry.

Methodology

This qualitative investigation employed a multiple case study design to analyze differences within and across cases, facilitating comparative analysis across distinct accommodation typologies to anticipate either analogous or divergent outcomes based on theoretical assumptions (Baxter & Jack, 2008; Yin, 2003).Furthermore, this investigation was conducted in Boracay Island through an interview guide in collecting the data. In alignment with qualitative paradigms, the design prioritizes the nuanced, real-world experiences of fifteen (15) key informants, making it ideal for answering the "how" and "why" operational questions within real-life contextual conditions where boundaries between phenomenon and context are blurred (Creswell, 2007; Yin, 2003). By examining real-world entities focusing on the macro-level forces like the global tides and national pressures in tourism and hospitality industries, this approach enables a comprehensive exploration of complex institutional realities and shared human experiences within the hospitality sector (Creswell & Poth, 2018).

Chapter Discussions

A. Resorts Talent Acquisition Practices

A resort is a full-service commercial hospitality facility designed to offer overnight accommodation with a broad range of recreational, leisure, entertainment, and dining facilities on the same premises (Brey, 2011). According to Mill (2012), unlike commercial hotels that offer limited services to transit passengers' oriental guests just to generate income through the sale of guest rooms, a resort is a self-contained destination where the surrounding environment and leisure infrastructure generate demand for visitors. Properties of this type usually comprise multiple operating systems such as water and spa facilities, outdoor activities management, food and beverage, and event facilities in a master-planned space development (Gee, 2000). Coastal and beach resorts that cater to those who engage in marine recreation mountain and ski resorts that are structured around seasonal winter sports health and wellness resorts that offer holistic or hydrotherapeutic programs eco-lodges which place emphasis on low-impact conservation tourism and mega-scaled integrated resorts that combine lodging with casinos convention centers and retail complexes (Brey 2011 World Tourism Organization, 2019) resorts.

Hotel management alone is insufficient for successful resort operation. Rather, a hybrid model is needed that combines this activity with the planning of recreational facilities, the management of the environment, and the marketing of destinations to provide structured, extended-stays of leisure (Mill, 2012). The nuances of their narratives emerge in the ensuing discourses. The recruitment processes are largely affected by the trend of macro factors in resorts comprising supply demand, economic situation, national-level policies, and global settings. Due to a scarcity of qualified applicants with extensive experience, they regularly present problems. Participant three clarified that "We get many applicants but very few experienced ones which causes issues in our hiring process."

In Addition, the cost-of-living stopping applicants from getting their application which makes it hard to retain employees. Participant 1 believed that, *"It is the living standards that are high in the island.* Because of this, the salary cannot be sustained. *We expect that every January is the season of employees leaving the company".* Moreover, the policies at a national level further affect the salaries and benefits of employees. While there may not be a direct effect, they influence the decisions of potential applicants. Participant 5 stated that, "*International travel policies and global trends impact hiring since they depend on international tourist arrivals.*

In contrast, Participant 3 observed that, *"the entry-level applicants are more than experienced professionals"*, which is in line with HHRM discussions. Although the service sector often generates a high volume of candidates, specialized operational skills useful in deluxe resort delivery remain scarce (Maxwell et al., 2010). In the context of island destinations, structural geographic isolation constrains the local supply of experienced personnel, hence organizations have to make use of either immigrant workers or extensive in-house training models (Nickson, 2013). The mish-mosh of talent pools furthermore results in operational friction, as hiring-managers are constantly evaluating the cost of operating capability versus the cost of developing talent (Solnet et al., 2015).

In line with this, Participant 1 points out that, *"the high costs of living in the local area erode the real value of resort wages which results in predictable, cyclical turnover processes especially during the restructuring period at the beginning of the year".* Tourist resorts located within the island economies often shows higher consumer price index (CPI) as a result of the transportation cost of materials and goods shortage, housing shortage, and visitor-induced inflation (Pratt, 2015). When pay structures do not adequately compensate for local costs of living, real wage depression occurs, prompting voluntary turnover and off-island migration (Baum, 2012). The annual cycle of tourist activity presents a challenge for the respective tourism labor market, as average tenure of temporary workers who are not local as a result of high living costs lowers and the direct costs of recruitment and training increase (Deery & Jago, 2015).

According to the findings, the indirect impact of national-level labor and compensation policies demonstrates the institution environment where resort human resource exists. Mandatory increases in minimum wage, compliance with statutory benefits as well as national employment legislation set the minimum financial frame for hospitality operators (Knox & Walsh, 2005). Despite the effort to safeguard workers through regulatory innovations, unintended effects occur as regional wage boards and national regulations modify cost structures through the adjustment of operators' total compensation and withdrawal of non-wage benefits, directly affecting their ability to attract and retain candidates (Marchante et al., 2006). Participant 5 also notes how staffing levels at resorts are sensitive to overseas tourist numbers and global economic conditions. "*The demand for resort labor primarily depends on tourist inflow and confidence in international travel".* Overnight Occupancy Rates and Top-line Revenues (26 Words)

Occupancy rates and top-line revenues are quickly affected by macro shocks such as geopolitical changes, international visa reforms, the global economic crisis, and health shocks (Song et al. 2011). Due to payroll being one of the biggest controllable operating costs in resort management, human resource departments need to adjust workforce capacity through flexible scheduling, seasonal contracts, or hiring freeze as a response to external demand (Guerrier & Deery, 1998).

B. Hotels Talent Acquisition Practices

According to Brotherton (2012), a hotel is a commercial establishment that offers pay-for-stay short-stay lodging, basic amenities and daily guest services for travelers and tourists at a uniform pay. A resort is not an extended-stay property or a self-contained resort. Traditionally, hotels have developed around transport infrastructure to cater to the transient population. Bardi (2010) divided the accommodation components into spatial accessibility, security and basic accommodation needs. There are few provisions for on-site recreation. Modern hotels are complex systems of operations. A modern hotel functions like a high-tech organization. A modern hotel administers its front office, housekeeping, revenue management and food and beverage departments to ensure service standards are consistent across various market segments (Hayes et al., 2022).

The hotel industry is segmented and classified according to star ratings and also by service levels. Most hotels will be in one of three categories economy and limited-service properties focusing on room inventory, mid-market commercial hotels targeting business travelers, and full-service luxury hotels with fine dining, conference facilities, and concierge services tailored to the individual (World Tourism Organization, 2019). (47 words) Demand occupancy and revenue per available room (RevPAR) can also be attained through the use of dynamic pricing systems, property management systems (PMS) and global distribution systems at competitive urban and destination sites (Bardi, 2010; Hayes et al., 2022). Apart from that, Brotherton (2012), World Tourism Organization (2019) and the emerging guest demand for digitalized, low-touch service technologies also influence the contemporary hotel operations which become informed by sustainability standards and international brand franchising concepts.

The Macro-level factors influence recruitment processes in hotels. Tourism seasonality is a supply and demand concept. The level of staffing is aligned to seasonality and occupancy level of each property. After it is January, *"we could find it hard to hire…when already the employees get their year-ends benefit…they will get out or resign*" this was noticed by Participant 2. Meanwhile, "*it is bounded with seasonality…we always based our manning on the occupancy of the hotel",* this is remarked said by Participant 5. The conditions of the economy, laws, and culture these local factors affect recruitment. Participants mentioned issues at work, particularly those connected with turnover and absenteeism. Due to conditions in the macro environment of the locality, conditions of seasonal supply of labor, the socio-economical truth in the locality of the players in the hotel industry and generational characteristics, there is a loss in retention and attraction; that is, sufficient manpower is not available for the hotel industry.

According to Participant 2 and Participant 5, *"hotel staffing models are largely beholden to the turnover rates incurred through resignations following the receipt of benefits"*. The HHRM or human resource management for hospitality indicates that the rate at which hotel staffing level demand generated is a derived demand from the speed or rate of hotel occupancy, as well as revenue per available room (RevPAR) (NetSuite, 2025) which is the impact of seasonality on the loss of retention in the hotel industry. The superior presents are only able to be presented at over occupancy periods. The use of informal labor when occupancy is not high also has an impact on payroll (Postolov, 2025; UN Tourism, 2025). The early year resignation after receipt of benefit (e.g., 13th month pay or post-year-end bonus) are highly participative events. The behavior of the local labor market of hospitality and other sectors of seasonal (low season) employment shows all clear evidence of this where the worker shows his exit from seasonal work.

C. Mabuhay Accommodations Talent Acquisition Practices

Mabuhay Accommodations alludes to the government classification by the Philippine Department of Tourism (DOT) that is used for the economy accommodation facilities or non-star rated accommodation businesses that serve tourists especially found in Boracay Island. According to the DOT (2023); and Emerhub, (2026) defines Mabuhay Accommodation as a budget accommodation or a generic umbrella term for tourist inns, pension houses, motels, bed and breakfast, vacation houses, hostels, guest houses and other similar facilities as stipulated under DOT Memorandum Circular No. 2023-0003. Mabuhay accommodations are not luxury hotels and/or resorts. They provide standardized room facilities, local hospitality and experience of basic night security. According to Elmedulan et al. (2024) and Jur.ph (2025), this facility does not require heavy recreation and multiple manufacturer food and beverage outlets. As part of the Philippine Progressive Accreditation System (PPAS), the Mabuhay accommodation is the basis for the formal operation of micro, small and medium enterprises (MSMEs) in tourism centers. This facility aims to meet the basic requirements of the government in terms of safety, sanitation and the like. According to Elmedulan et al. (2024) and Jur.ph (2025), these attributes are indispensable for the economic growth of a region. Small-scale facilities are functional in making tourism development, geographical sustainability. Furthermore, they help draw tourists to Philippine destinations during peak seasons.

Respondents from the five Mabuhay accommodation places, viewed the impact of macrolevel tourism on hiring. As explained by participant 2 *“adjustment is seasonally adjustable in Boracay. To handle off-seasons, we have seasonal on-boarded staff focusing on retention*”. Recruitment is driven by demand as Participant 5 further articulated *“During peak season, we need more staff”.* The rate of occupancy influences an organization’s decision to either increase or decrease number of employees in the organization. Tourism sector labor demand is directly related to tourist arrivals.

The hiring policies get influenced by economic conditions like labor, competition, etc. Along with the first participant, participant 2 stating that "*Staffing costs are dependent on the economic and regulatory context".* This on the other hand influences the decision to pay above market rate. Similarly, the participants stated that*, "if the experience is within the local context"*. They may further strengthen cultural identity. According to participant 2, *"technology affected them as the digitalization of processes allows for 'streamlined applications"*; however, they did mention they prefer a face-to-face interview still to access culture fit of the applicants.

Participant 5 practice uniquely on the island due to competition and will show identity. They undertake this activity to manage competition. Another force that affects Mabuhay Accommodations staffing is the national policies and trends in the economy. According to the second participant, "*the standards have an effect on laborers as well as the wages".* Participant 2 believes that the high costs of the tourism industry are "*it's the staffing costs and employee benefits".* As the number of tourists grew, national campaigns and resilient economic conditions were cited as the reason and demand for hiring another employee. According to the participant, "*political stability would enable us to recruit more labor for tourism services".*

On the other hand, global trends and tourism patterns also impact the recruiting system. According to Participant 2, *"the recent changes in tourist destination preferences, rise of Eco-tourism and shift in tourist behavior may have altered the skill sets required from an aspirant".* On the other hand, Participant 5 indicated that, "*globalization and technology advancement has put them in tough spot in terms of labor competition".* Similarly, these two principles influence the expectations of guests, making it compulsory for them to engage the services of staff with greater cultural competence. The small scope for financing has caused transnational pressures to adapt to accidents and diversify.

Overall, it was revealed from the qualitative data that the human resource management of Mabuhay accommodations, countervails different operational constraints, applies a talent management strategy, does recruitment from the local vicinity, and enjoys flexibility of human resource of a small enterprise. The small and medium hospitality enterprises (SMHEs) recognition of talent acquisition research is shown in the attempt to modernize job recruitment by assessing applicant potential, not credentials. As reported by Maming, et. al (2025), Smaller establishments such as Mabuhay accommodations put a lesser value on the minimum formal qualifications. They instead emphasize the behavioral flexibility, orientation to customers and fit to internal culture. Small accommodation providers often apply flexible and decentralized hiring frameworks allowing for recruitment in local communities, often on short notice (Escarilla et al., 2026; Maming et.al, 2025). To ensure the responsiveness and flexibility of the recruitment process, the properties must resolve the shortage of labor. In addition, Castillo et al. and Escarilla et al. state that an ongoing effort is being made in achieving a multi-skilled workforce in the front office, housekeeping and basic guest services. The workplace and pay structure of employees affect retention and stability of operations in non-star accommodation. The employees who work at lower levels experience operational friction due to the lack of material means and inadequately structured incentive schemes or seasonal wage pressure.

A study on the Mabuhay accommodation establishments located in tourist destinations in the Philippines reveals that organizational resilience is significantly related to human resource practices, more specifically those practices enhancing job stability and competitive pay and supportive work environment (Caynila et al., 2022; Escarilla et al., 2026). According to the Asian Development Bank (2023) and Caynila et al. (2022), when budget accommodation properties invest in effective communication, fair labor compliance, and a supportive workplace climate, the risk of sudden resignations and AWOL in the seasonal tourism enclave can be mitigated.

While agility in recruitment is often essential to get the first batch of hires, ongoing operational quality in the budget hotel chain segment is primarily a function of structured socialization and skill upgradation. According to Escarilla et al. (2026), some regional Mabuhay establishments are not yet mature professionally and require training programs. According to ADB, as well as Escarilla et al., and Maming et. al, by empowering localized skills development and digitalization, and clarifying expectations, we can sustain and enhance the micro and small-scale accommodation facilities' service quality, resilience and enjoyment of accommodation experience as peak tourist arrivals at enterprise level occur.

Conclusion

This study aimed to explore the influence of macro-level forces specifically global travel trends, national regulatory policies, regional economic conditions, and tourism seasonality on human resource management and talent acquisition practices across multi-tiered accommodation establishments (Resorts, Hotels, and Mabuhay Accommodations). The findings of the study revealed that in resorts, macro-level forces like economic fluctuations, seasonal tourist arrivals, national regulations, and changing workforce demographics heavily impact hospitality operations. These external pressures create operational challenges, including talent shortages, high turnover, and regional cost-of-living strain, forcing resorts, hotels, and budget accommodations to continuously adapt their recruitment and employee retention strategies. While in the hotel establishments, macro-level factors like tourism seasonality, and local economic conditions strongly dictate hotel recruitment and staffing models based on occupancy. Managers face major operational friction, including post-year-end benefit resignations, high local employee turnover and absenteeism, and shifting generational work attitudes among younger hires, creating persistent recruitment and retention challenges.

For Mabuhay Accommodations, the macro-level influences in terms of fluctuations and seasonality dictate demand-driven hiring in this type of industry, expanding or contracting staffing based on tourist arrivals. Economic regulations and national wage policies directly impact staffing costs, while local competition, digitalized applications, and Filipino cultural alignment shape talent acquisition and retention strategies amid national economic stability. Interestingly, among the three typologies the most resilient one in transnational influences is the mabuhay accommodations because their operations are not extensive compared with the two. The latter's market is local with localized type of hospitality services. Therefore, they can rigout source employees locally through conventional approach or they give preference to the local pool of applicants. The findings extend Institutional and Contingency Theories within hospitality literature by demonstrating how macro-environmental volatility (seasonality, economic shocks, and national wage mandates) forces micro-level human resource adaptation across varying accommodation sizes.

The resilience observed in Mabuhay accommodations highlights how lower organizational complexity and reliance on local labor markets buffer small enterprises against macro-level talent disruptions, whereas capital-intensive resorts and hotels faced higher operational vulnerability due to rigid staffing overheads and multi-tiered talent requirements. This study advances hospitality literature by establishing a comparative, multi-tiered framework showing how firm scale and market focus influence human resource resilience against macro-level pressures. Practically, it equips accommodation managers, local governments, tourism and hospitality researchers, and tourism boards with actionable strategies to design dynamic staffing, mitigate cost-of-living turnover, and support sustainable destination workforce planning. This investigation is limited to the macro or transnational forces of talent acquisition in a hospitality industry of island destination. Future study may explore the Meso and Micro aspects of influences in relation to recruitment in the hospitality industry.

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Dedication

This work is lovingly dedicated for the advancement of tourism and hospitality industries in the Philippines and to my dear AAHRMEI and AJAM families.

- *Dr. Glo*

Author's Profile

Dr. Gloria Baken Wong-Siy is a distinguished Filipino scholar-administrator, institutional consultant, and a premier authority on vocational education, outcomes-based curriculum design, and quality assurance across the Philippines and the ASEAN region. Born on February 26, 1950, in Cagayan de Oro City, she earned a Bachelor of Science in Business Administration major in Accounting from the University of the East, a Master of Arts in Industrial Education major in Hotel and Restaurant Management, a Doctor of Public Administration from the Eulogio "Amang" Rodriguez Institute of Science and Technology (EARIST) in 2004, and completed the academic requirements for a Doctor of Education. Throughout a career spanning over 50 years, she married the late entrepreneur Leonardo Nubla Siy, raising five successful children across medicine, engineering, nursing, graphic design, hospitality, and business.

In academic administration, Dr. Wong-Siy has served in high-profile executive roles, including Vice President for Academic Affairs at Pamantasan ng Lungsod ng Muntinlupa and Dean of the College of Hospitality and Tourism Management at Trinity University of Asia. As an Education Specialist and Regional Quality Assessment Team (RQAT) Member for CHED-NCR, she was instrumental in establishing the HRM departments of De La Salle University–College of St. Benilde, National Teachers College, and College of the Holy Spirit. She maintains an active role in higher education by teaching graduate students at Lyceum of the Philippines University, LPU-Batangas, and Holy Angel University.

Beyond institutional management, Dr. Wong-Siy has significantly shaped national technical standards and professional organizations. She is the Founder and past National President of the Association of Administrators in Hospitality, Hotel & Restaurant Management Educational Institutions (AAHRMEI), a Charter Board Member of the Council of Hotel and Restaurant Educators of the Philippines (COHREP), a long-time Board Member and Treasurer of the Tourism Industry Board Foundation Inc., and the Founder of AJAM, a platform for emerging hospitality talent. Additionally, as an expert panel member for TESDA, she developed National Training Regulations and evaluation instruments for Housekeeping, Front Office, and Food & Beverage Services.

On the international stage, Dr. Wong-Siy holds credentials as a Certified ASEAN Master Trainer, Certified ISO 22000 Lead Auditor, and Accredited Technical Consultant for ISO 9000 systems. She serves as an institutional accreditor for PACUCOA, AACCUP, and ALCU-COA, and has conducted corporate training for luxury establishments globally, including One & Only Resort in the Maldives, iHotel Baloi in Indonesia, and ASCENDENS Asia in Singapore. A Toastmasters champion, professorial fellow, and frequent guest host on Radio Veritas, her lifetime contributions have been recognized with the AAHRMEI Lifetime Leadership Excellence Award (2021), the Global Artists Creative Collaboration Honorary Ambassador of Goodwill title (2020), the TESDA Grandfather's Award (2019), Honorary President for Hospitality & Tourism by the Royal Institution Singapore, and Most Outstanding Professor awards from DLSU-CSB and La Consolacion College.

Chapter II

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Meso-Level Realities in Hospitality Enterprises
Aligning Organizational Culture, Managerial Enactment, and Human Resource Systems

Abstract

This chapter develops a meso-level framework for understanding how organizational culture, managerial enactment, and human resource management (HRM) systems jointly shape workforce and service outcomes in hospitality enterprises. Using a critical narrative review, it integrates multilevel organizational theory, HR-system-strength scholarship, and hospitality workforce research with Philippine policy and competency frameworks. The synthesis is organized around four domains: organizational structures and management styles; operational scale, from multinational resorts to Mabuhay accommodations; institutional talent-acquisition and retention practices; and the alignment of training infrastructure with employer expectations. The review argues that formally sound HR policies do not produce uniform outcomes because they are interpreted and enacted by line managers within departmental cultures, resource constraints, labor-market conditions, and service settings. It proposes the Meso-Level Alignment Framework for Hospitality HRM, in which strategic intent is translated through organizational structure, managerial enactment, employee sensemaking, and feedback. Alignment across these mechanisms can strengthen consistency, employee well-being, service quality, adaptability, and retention; misalignment can generate policy ambiguity, uneven employee experiences, burnout, and service failure. The chapter concludes with practical implications for hospitality leaders, HR practitioners, educational institutions, and Philippine tourism agencies, and identifies priorities for empirical research across enterprise types and island destinations.

Keywords: *meso-level analysis; organizational culture; human resource management systems; hospitality workforce; Mabuhay accommodations; skills alignment; Philippines*

Introduction

Hospitality is simultaneously a service system and a human system. Buildings, technologies, brands, and operating standards matter, but guests ultimately encounter the enterprise through the judgment, emotional labor, coordination, and responsiveness of its people. For this reason, hospitality performance cannot be explained adequately by corporate strategy alone or by individual employee competence alone. Between these levels lies the meso level: the organizational structures, departments, supervisory practices, communication networks, and local cultures through which institutional intentions become everyday work.

Meso-level analysis connects macro-level strategy with micro-level behavior (House et al., 1995). Corporate leaders may prescribe service standards, staffing policies, performance metrics, and talent-development priorities. Employees, however, experience these policies through departmental routines and through the managers who schedule work, allocate resources, interpret rules, provide feedback, and respond to operational pressure. Organizational culture operates as an informal system of shared assumptions and behavioral expectations, while HRM systems constitute the formal architecture for recruiting, developing, evaluating, rewarding, and retaining people. The practical value of either system depends on how the two are combined in a particular workplace.

This distinction is important because intended HR practices are not automatically equivalent to implemented or perceived HR practices (Wright & Nishii, 2013). A policy designed at corporate level may be applied differently across departments, properties, shifts, or supervisors. Employees then form judgments not merely from the written policy but from its consistency, fairness, visibility, and practical consequences. Research on HR-system strength similarly suggests that practices exert clearer influence when they communicate distinctive, consistent, and consensual signals about the behaviors the organization values (Bowen & Ostroff, 2004). Meso-level structures and actors therefore serve as both transmission mechanisms and potential points of distortion.

The hospitality context intensifies this problem. Demand fluctuates; service production and consumption often occur simultaneously; frontline personnel exercise judgment in real time; emotional demands are substantial; and failures become immediately visible to guests. At the same time, the sector encompasses enterprises of radically different scale—from multinational integrated resorts supported by specialized departments and digital systems to small Mabuhay accommodations sustained by multiskilled employees, owner-managers, and community relationships. A useful HRM framework must therefore explain both standardization and local adaptation.

The Philippine setting adds particular significance. National policy calls for a tourism industry that is sustainable, resilient, competitive, and anchored in Filipino identity. CHED's standards for hospitality education emphasize outcomes-based preparation and industry exposure, while TESDA competency standards translate workplace functions into demonstrable knowledge, skills, and attitudes. Yet the continuing concern over work readiness indicates that curriculum, assessment, workplace induction, and employer expectations do not always form a coherent talent-development system. This chapter examines that problem through the meso level, where educational preparation encounters organizational reality.

Purpose and Objectives

The chapter aims to explain how meso-level organizational mechanisms shape the implementation and effects of HRM systems in hospitality enterprises. Specifically, it seeks to:

1. examine how organizational structures and management styles influence daily operations, workplace culture, and the employee experience;
2. compare how operational scale affects resource availability, service delivery, regulatory capacity, standardization, and organizational flexibility across multinational resorts and Mabuhay accommodations;
3. analyze how hospitality HR practitioners recruit, select, socialize, develop, and retain talent in dynamic labor markets; and
4. assess the alignment between educational and training infrastructure and employers' changing competency expectations.

Beyond these objectives, the chapter proposes an integrative framework that identifies the mechanisms through which strategic intent is translated into employee experience and service outcomes.

Methodology: Critical Narrative Review

This chapter employs a critical narrative review. Unlike a systematic review intended to exhaustively identify and statistically aggregate all eligible studies, a critical narrative review synthesizes conceptually relevant bodies of scholarship to clarify relationships, expose tensions, and develop an integrative explanation. The unit of analysis is therefore the body of published theory, empirical hospitality research, and official policy or competency documents are not original interviews, observations, or participant narratives. Sources were selected purposively for their contribution to one or more of four analytical domains: multilevel and meso-level organizational theory; organizational culture and HRM-system implementation; hospitality workforce management; and Philippine hospitality education, tourism policy, and competency development. Foundational works were retained when they supplied the theoretical architecture of the chapter, while more recent research and official documents were used to address contemporary concerns such as digitalization, workforce resilience, employee well-being, and education–industry alignment.

The synthesis proceeded in three stages. First, the literature was organized according to the four objectives. Second, recurrent mechanisms were compared across domains, including structural centralization, line-manager discretion, HR-policy consistency, employee interpretation, resource asymmetry, and feedback. Third, these mechanisms were integrated into the Meso-Level Alignment Framework for Hospitality HRM. Because the review is interpretive and purposive, it does not claim exhaustive coverage or causal estimation. Its contribution lies in conceptual integration and in generating propositions that can be examined through subsequent quantitative, qualitative, and mixed-method studies.

Chapter Discussions

A. Conceptual Foundations

The Meso Level as the Organizational Bridge

The meso paradigm directs attention to the reciprocal relationships among organizational levels rather than treating strategy, departments, and individuals as isolated subjects (House et al., 1995). In hospitality enterprises, corporate strategy establishes broad priorities, but departments convert those priorities into staffing patterns, routines, role expectations, and service encounters. Front-office, housekeeping, food-and-beverage, finance, security, and engineering units may all operate under the same brand while developing different occupational identities, pressures, and subcultures.

Meso-level analysis therefore asks a different question from conventional policy evaluation. Instead of asking only whether an HR policy exists, it asks how the policy is interpreted, by whom, under what operational constraints, and with what meaning for employees. This orientation makes the line manager, department, work team, shift, and property important levels of explanation.

Organizational Culture and HR-System Strength

Organizational culture consists of shared assumptions and meanings that guide what members regard as appropriate behavior. Organizational climate concerns employees' shared perceptions of the practices and priorities that are rewarded and supported (Ostroff et al., 2012). In hospitality, these perceptions influence whether service quality, learning, safety, inclusion, and employee well-being are treated as authentic priorities or merely as corporate slogans.

Bowen and Ostroff's (2004) concept of HR-system strength is especially relevant. An HRM system sends a strong message when its practices are distinctive, internally consistent, and supported by agreement among decision makers. A recruitment message promising empowerment, for example, loses credibility if supervisors punish reasonable discretion. A policy declaring employee well-being becomes weak if workloads, scheduling, and performance metrics systematically contradict it. Thus, culture and HR systems should not be treated as parallel inventories; they form an interacting signal environment from which employees infer the organization's actual priorities.

Intended, Implemented, and Perceived HR Practices

Wright and Nishii (2013) distinguish intended HR practices from those actually implemented and from those perceived by employees. The distinction explains why identical policies can generate unequal outcomes across properties or departments. Line managers may lack time, competence, resources, or commitment; departmental cultures may resist corporate initiatives; and employees may attribute HR practices to motives different from those intended by senior leaders. Nishii et al. (2008) demonstrated that employees' attributions concerning management motives help shape attitudes and unit-level outcomes. Implementation quality and employee sensemaking are therefore central, not peripheral, to strategic HRM.

B. Thematic Synthesis

Organizational Structures and Management Styles

Hospitality structures distribute authority, information, expertise, and accountability. Large chain or resort operations commonly employ differentiated functional units, formal reporting relationships, standardized operating procedures, and specialist HR teams. Such arrangements support control, brand consistency, compliance, and the coordination of complex services. Their principal meso-level risk is distance: decisions made centrally may be slow to respond to local guests, labor markets, community norms, or departmental realities.

Smaller and independently managed properties often rely on flatter structures, direct owner involvement, informal communication, and broader job roles. These conditions can accelerate decisions and create close relationships among employees and guests. They may also blur accountability, concentrate discretion in one or two individuals, and limit access to specialist HR expertise. Neither centralized nor decentralized structure is inherently superior. Effectiveness depends on the fit among property scale, service promise, risk exposure, workforce capability, and the quality of managerial judgment.

Management style determines how structure is lived. Directive leadership may be appropriate where safety, legal compliance, or tightly sequenced operations require uniformity. Participative and empowering approaches are more valuable where employees must recover service failures, customize guest experiences, or contribute local knowledge. Transformational leadership can strengthen meaning and commitment, but inspiration cannot substitute for adequate staffing, fair scheduling, clear procedures, and competent supervision. Hospitality leadership must therefore combine relational credibility with operational discipline.

Line managers occupy the decisive translation point. They convert abstract expectations into rosters, assignments, coaching, recognition, discipline, and access to development. Recent scholarship on line-manager involvement in HRM reinforces the importance of organizational support, role clarity, capability, and opportunity. An enterprise cannot reasonably demand consistent HR implementation while treating people management as an unresearched addition to operational work. Managerial selection and development must explicitly include HR responsibilities.

Operational Scale: Multinational Resorts and Mabuhay Accommodations

Operational scale changes both the resources available to an enterprise and the mechanisms through which it coordinates work. Multinational and integrated resorts can spread compliance, technology, procurement, marketing, and training costs across a large organization. They are more likely to employ specialized recruiters, learning-and-development staff, HR information systems, property-management platforms, and formal succession processes. Scale can create resilience through reserves and redundancy, although it may also create bureaucracy and reduced local voice.

Mabuhay accommodations including eligible tourist inns, pension houses, bed-and-breakfast facilities, homestays, and comparable small establishments—operate closer to the community and commonly depend on multiskilled personnel. Their comparative strengths may include authenticity, relational service, local knowledge, and rapid adjustment. Their vulnerabilities may include constrained cash flow, narrow recruitment pools, limited technology, informal documentation, and dependence on a small number of key individuals. The same HR practice may therefore impose very different administrative and financial burdens across enterprise types.

The appropriate comparison is not 'large and professional' versus 'small and informal.' Small enterprises can institutionalize fair and reliable people practices without imitating the full bureaucracy of a resort corporation. Scaled HRM may consist of clear role profiles, structured interviews, documented onboarding, transparent scheduling, accessible grievance procedures, periodic skills assessment, and shared training arrangements. Industry associations, destination-management organizations, educational institutions, and government agencies can reduce resource asymmetry by pooling training, providing templates, supporting digital adoption, and recognizing portable competencies.

For island destinations, resilience is inseparable from workforce and community conditions. Seasonal volatility, transport constraints, housing costs, environmental limits, and dependence on tourism demand influence recruitment and retention. HR strategy must therefore extend beyond vacancy filling. It should consider local talent pipelines, decent work, disaster and business-continuity preparation, employee mobility, and the preservation of community-based knowledge that contributes to authentic guest experiences.

Institutional Talent Acquisition, Socialization, and Retention

Talent acquisition in hospitality occurs where technical competence, interpersonal adaptability, labor-market supply, and the employer's service identity intersect. Digital applicant-tracking systems can improve processing efficiency, but screening should not confuse easily measured credentials with service potential. Technical requirements must be job related, transparent, and complemented by structured methods that assess behavioral evidence, learning agility, emotional regulation, teamwork, communication, and ethical judgment.

Recruitment quality depends on the validity of the entire process. Clear competence profiles should guide sourcing, screening, structured interviews, work samples, reference verification, and selection decisions. Algorithmic tools require human oversight because historical data and proxy variables may reproduce bias. Smaller establishments that cannot invest in sophisticated platforms can still improve validity through standardized questions, anchored rating guides, multiple assessors for critical roles, and documented reasons for selection.

The employment relationship begins before hiring. Employer branding communicates what the organization promises; onboarding tests whether that promise is credible. When new employees encounter inconsistent instructions, inaccessible supervisors, or norms that contradict formal training, early turnover becomes more likely. Socialization should explain not only tasks and standards but also decision boundaries, service-recovery authority, communication channels, safety expectations, and the values that govern guest and coworker relationships.

Retention is not a single HR program. It is an accumulated judgment about workload, scheduling, supervisory treatment, development, voice, recognition, fairness, safety, and future opportunity. Guest (2017) argues that employee well-being must be treated as a legitimate HRM outcome rather than merely as an instrument for performance. This is particularly important in hospitality, where emotional labor and irregular work arrangements can make apparent service success dependent on hidden employee strain. Sustainable performance requires systems that protect both service quality and human dignity.

The Skills-Alignment Dilemma

The frequently described ‘skills gap’ should not be attributed automatically to educational institutions or graduates. Apparent mismatch may arise from rapidly changing technology, unrealistic entry-level requirements, insufficient workplace induction, weak communication between employers and educators, or the failure of enterprises to provide conditions in which skills can be exercised. The more useful concept is skills alignment: the continuing coordination of curriculum, assessment, recruitment criteria, onboarding, work design, supervision, and professional development.

CHED Memorandum Order No. 62, series of 2017, establishes policies, standards, and guidelines for Bachelor of Science in Hospitality Management and Bachelor of Science in Tourism Management programs. Its outcomes-based orientation and required industry exposure provide a foundation for workplace relevance. TESDA competency standards likewise specify observable performance in occupational contexts. These formal frameworks become more effective when employers communicate emerging needs with precision and participate in authentic assessment, mentoring, internship design, and curriculum review.

Current workforce requirements combine technical, digital, relational, and adaptive capabilities. Property-management systems, online distribution channels, data security, cashless transactions, and technology-mediated guest interactions increase digital demands. At the same time, no technology eliminates the need for communication, cultural intelligence, ethical judgment, teamwork, and service recovery. Sustainability and resilience add further expectations involving resource stewardship, risk awareness, and continuity during disruption. Training systems should therefore avoid treating ‘hard’ and ‘soft’ skills as separate worlds.

Work-integrated learning is the primary bridge, but its quality matters more than its duration. An internship becomes educational when outcomes are explicit, tasks progress in complexity, supervision is prepared, feedback is documented, and performance evidence is jointly assessed. Industry-led mentoring, simulation, micro-credentials, recognition of prior learning, and faculty immersion can supplement—not replace—coherent degree programs. Stackable credentials are most valuable when they represent verified competence, articulate with broader qualifications, and remain portable across employers.

Proposed Meso-Level Alignment Framework for Hospitality HRM

The synthesis suggests that hospitality HRM operates through five connected mechanisms. Together they constitute the proposed Meso-Level Alignment Framework for Hospitality HRM.

Mechanism	Central question	Typical evidence
1. Strategic intent	What service, workforce, and institutional outcomes are formally valued?	Strategy, policy, brand promise, workforce plan
2. Structural translation	How are authority, resources, roles, and information distributed?	Organization design, staffing, SOPs, systems
3. Managerial enactment	How do line managers interpret and implement HR practices?	Scheduling, coaching, appraisal, discipline, discretion
4. Employee sensemaking	What motives and priorities do employees infer from actual practice?	Climate, fairness, trust, well-being, voice
5. Outcomes and feedback	What operational and human consequences occur, and how does the enterprise learn?	Service quality, retention, errors, adaptability, learning

Alignment exists when these mechanisms communicate compatible expectations and mutually reinforce one another. Misalignment can occur at any interface: strategy may exceed resources; structure may obscure accountability; supervisors may contradict policy; employees may perceive practices as cost control rather than support; or outcome data may never inform redesign. The framework therefore treats feedback as essential. Turnover, guest complaints, absenteeism, training results, employee voice, safety incidents, and service-recovery patterns should be interpreted together rather than in isolated dashboards.

The framework yields several propositions for future testing:

- The relationship between intended HR practices and service outcomes will be mediated by line-manager enactment and employee perceptions of HR-system consistency.
- The effects of centralization and formalization will depend on operational scale, service complexity, and the need for local discretion.

- Culture–HR alignment will predict employee trust and retention more strongly than the mere number of formal HR practices.
- Skills alignment will improve when educational assessment, selection criteria, onboarding, and workplace performance standards use compatible competency language.
- Resource-sharing arrangements will strengthen the HR capability of small accommodations without requiring them to replicate large-enterprise bureaucracy.

Implications for Practice and Policy

For Hospitality Executives and HR Leaders

Leaders should audit the journey from policy design to employee experience. This requires comparing written practices with how different departments and shifts actually implement them. HR dashboards should be disaggregated where appropriate because organization-wide averages can conceal local breakdowns. Line managers should be selected, trained, and evaluated for people-management capability, and they should receive sufficient time and support to perform that role.

Enterprises should also distinguish practices that require strict consistency from those that permit local adaptation. Safety, nondiscrimination, due process, data protection, and core employment standards demand reliable compliance. Guest recovery, community engagement, work methods, and development activities may benefit from bounded discretion. Clear decision rights reduce both bureaucratic delay and arbitrary management.

For Mabuhay Accommodation Operators and Industry Associations

Small establishments should prioritize a minimum viable HR architecture: competency-based role descriptions, structured selection, documented onboarding, transparent scheduling, basic performance conversations, accessible grievance channels, and records of training and credentials. Associations and destination networks can support pooled recruitment, shared learning programs, model policies, mentoring, and access to HR or legal expertise. Such arrangements preserve entrepreneurial flexibility while strengthening fairness and reliability.

For Higher Education and Training Institutions

Curriculum review should begin with evidence of changing work, not with generalized claims that graduates lack readiness. Advisory boards should identify specific tasks, technologies, judgment requirements, and performance conditions. Faculty members and workplace supervisors should jointly design assessments that require students to integrate technical execution, communication, ethical reasoning, and service recovery. Graduate-tracer evidence and employer feedback should inform periodic improvement, while avoiding the reduction of higher education to narrow training for current vacancies.

For Government and Destination-Level Institutions

The Department of Tourism, CHED, TESDA, local governments, and industry organizations occupy complementary roles. Coordination can improve the articulation of standards, portability of credentials, quality of internships, access to continuing development, and workforce planning. Destination-level data are particularly important because labor supply, seasonality, transport, housing, and community impacts vary geographically. Policy should therefore establish national expectations while permitting evidence-based local responses.

Research Agenda

The framework requires empirical examination. Future research should compare intended, implemented, and perceived HR practices across departments and enterprise types. Multilevel designs can test whether HR-system strength and culture–HR alignment explain differences in employee well-being, turnover intention, service quality, and organizational adaptability. Comparative case studies can examine how multinational resorts and Mabuhay accommodations achieve consistency with different resource configurations.

Research in Boracay and other island destinations would be especially valuable, provided that the design specifies sampling, participants, instruments, ethics, and analysis. Studies should include not only HR officers and managers but also rank-and-file employees, interns, educators, guests where appropriate, and community stakeholders. Longitudinal research could determine how HR systems respond to seasonality, technological change, environmental regulation, crises, and shifts in labor mobility.

Further inquiry should also examine algorithmic recruitment and workforce-management tools. Efficiency claims should be assessed alongside validity, transparency, bias, privacy, employee autonomy, and the redistribution of managerial responsibility. Finally, skills research should trace the complete pathway from curriculum outcomes and assessment evidence through recruitment, onboarding, workplace deployment, and continuing development. This would replace the static language of ‘skills gaps’ with a more accountable analysis of the entire skills ecosystem.

Conclusion

Hospitality strategy becomes real at the meso level. Organizational structures allocate authority and resources; managers interpret policy; departmental cultures define credible behavior; and employees form judgments from the practices they actually experience. Consequently, a formally sophisticated HR system can fail when it is inconsistently enacted, while a resource-constrained enterprise can build a strong employment relationship through clarity, fairness, competent supervision, and coherent signals.

The comparison between multinational resorts and Mabuhay accommodations shows that scale changes the means of HRM but not its fundamental obligations. Large enterprises must prevent standardization from becoming distance and bureaucracy. Small establishments must prevent flexibility from becoming arbitrariness and undocumented practice. Both require alignment among service strategy, organizational design, managerial behavior, employee well-being, and learning.

The skills challenge is likewise systemic. Educational institutions, employers, professional bodies, and government agencies share responsibility for ensuring that competencies are current, assessable, transferable, and supported in the workplace. Work-integrated learning, mentoring, micro-credentials, and digital tools are useful only when they form part of a coherent developmental pathway.

The Meso-Level Alignment Framework for Hospitality HRM contributes a practical and testable explanation of how strategic intent travels through structure, managerial enactment, and employee sensemaking to produce service and workforce outcomes. Its central proposition is straightforward: hospitality organizations do not achieve sustainable performance merely by possessing policies or talent. They achieve it by aligning the systems, relationships, and interpretations through which people transform institutional purpose into service.

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Chapter III

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Micro-Level Realities Organizational Culture and Human Resource Systems

Abstract

This qualitative study looks at the relationship between workplace realities at the micro-level individual job satisfaction, organizational culture as well as intrinsic worker motivation, and formal systems (HR) human resources in small-scale island destination hospitality businesses. The research was designed using a multiple case study analysis. Empirical data were collected using semi-structured interviews with key informants from different accommodation types. The analysis indicates that the human resource policies of the organization internally and externally govern the company's viability and recruiting. Initially, it is sound job satisfaction that usually helps keep workers from quitting their jobs. Satisfied frontline workers (like those working in customer service) are essentially brand ambassadors for your company. They help draw in the best talent for the organization, whereas, on the contrary, dissatisfied workers usually tend to quit on their own accord. Furthermore, in closely-knit island labor markets, the image of the company is heavily reliant on the sentiments of those at the front line. For instance, a workplace with an inclusive family-oriented culture generates a word-of-mouth pattern among the community which is positive. Employee analysis, carried out via regular probation assessment, also stimulates the intrinsic motivation of employees, causing operational service quality and buffering early dropout in multivariate environments. According to this study, small hospitality organizations should create a conducive internal environment that assists both formal HR structures, and worker motivation, to enable sustainable talent retention and service level excellence, converting frontline workers into the primary sources of organizational reputation.

Keywords: *Hospitality management, human resource systems, organizational culture, job satisfaction, employer branding, qualitative case study, small-scale accommodations*

Introduction

In industries where human labor is of utmost importance, such as small-scale hospitality industries, organizations perform well when internal human resource (HR) systems are in sync with daily reality (Holland et al, 2020). Schein (2010) argues that micro-level realities the lived experience, social relations, and cultures of front-line staff determine the actual enactment or operationalization of strategies. The operation of HR systems on the ground is a reflection of shared values, mutual respect and internal lines of communication. Ghani et al. (2022) argues that the HR processes of recruitment, probation and performance management should take place in a positive internal environment so they can be linked to satisfaction and motivation of the frontline employees. Thus, to understand how localized HR systems ensure retention among workers and quality of service deployment, it is necessary to know the micro workplace realities.

In recent times, there has been a growing interest in hospitality HRM. Nonetheless, there is a gap in the empirical literature regarding how informal micro-level workplace realities interact with formal human resource systems in small island destination hospitality settings (Plaikner et al., 2023). Most studies predominantly focus on the macro level HR framework, looking at standardized corporate policies at large luxury hotel chains, giving negligible importance to the different smaller establishments with localized labor market. In these small island contexts, word-of-mouth contact tends to flow quickly within the locality. Employee sentiment thus becomes a core engine of the employer brand and recruitment (Plaikner et al., 2023). There is little empirically evidence on whether the joint mediating role of frontline job satisfaction, intrinsic motivation and internal culture (we are family) exist on formal Human Resource Outcomes such as onboarding success, transition from probation and talent attraction in the small-scale accommodation sector.

This study aims to address these empirical voids by analyzing micro-level contexts of organizational culture and HR systems in the small-scale hospitality industry. According to the previous studies, it provides local qualitative data and shows how the satisfaction and motivation of the frontline employees affect HR functions which is hiring efficiency and performance (Ghani et al. 2022). By demonstrating how a family-oriented internal climate that is inclusive can project a credible external image in small-island labor markets, it thereby makes a contribution to the theoretical literature on employer branding in tourism (Plaikner et al., 2023). The study provides practical insights on the use of a culturally diverse HR method by small hospitality managers to foster employee retention and lower employee voluntarily turnover while enhancing customer service quality (Holland et al., 2020).

Objectives of the study

1. Evaluate the Impact of individual job satisfaction on recruitment and retention;
2. Examine the role of organizational culture in employer image perception;
3. Assess the influence of intrinsic motivation on operational performance;
4. Identify the interaction between informal workplace realities and formal HR practices; and
5. Formulate practical HR strategies for small-scale hospitality management.

Methodology

This qualitative investigation employed a multiple case study design to analyze differences within and across cases, facilitating comparative analysis across distinct accommodation typologies to anticipate either analogous or divergent outcomes based on theoretical assumptions (Baxter & Jack, 2008; Yin, 2003). In alignment with qualitative paradigms, the design prioritizes the nuanced, real-world experiences of fifteen (15) key informants over statistical generalizability, making it ideal for answering "how" and "why" operational questions within real-life contextual conditions where boundaries between phenomenon and context are blurred (Creswell, 2007; Yin, 2003). By examining real-world entities focusing on the macro-level forces like the global tides and national pressures in tourism and hospitality industries, this approach enables a comprehensive exploration of complex institutional realities and shared human experiences within the hospitality sector (Creswell & Poth, 2018).

Chapter Discussions

The following discussions are the thematic results of the micro factors from resorts, hotels, and Mabuhay Accommodations in a top tourist’s destination in the Philippines:

Theme 1: Individual Job Satisfaction

The participants consistently emphasized the direct link between individual employee job satisfaction and recruitment outcomes. Satisfied staff function as organic "advocates" for the establishment, thereby strengthening the organization's overall employer brand. Conversely, dissatisfaction drives voluntary turnover, triggering an inefficient cycle of continuous recruitment. Participant 2 underscored this dynamic, observing that, "*satisfied staff naturally transform into brand advocates who attract talent".*

Furthermore, beyond recruitment, job satisfaction directly dictates ongoing operational performance and staff retention. As Participant 5 noted, "*satisfaction correlates with performance and progress"*, explaining that routine monthly assessments determine whether onboarding employees transition to probationary status or face dismissal. These insights align with broader hospitality research, which demonstrates that employee job satisfaction serves as the cornerstone of staff retention, mitigating costly turnover and stabilizing frontline service capacity (Ghani et al., 2022). Consequently, individual workplace experiences directly dictate overall staffing stability within the organization.

Theme 2: Perception of Company Image

The data indicated that hospitality industry relies heavily on its existing staff to project a favorable corporate image and attract potential applicants. As Participant 2 highlighted, *"happy staff act as brand ambassadors,"* whereas negative employee perceptions disseminated through word-of-mouth quickly deter prospective talent. In a small island labor market where reputational signals diffuse rapidly across tight-knit community networks maintaining a positive organizational image is vital for workforce sustainability.

To capitalize on this dynamic, the establishment fosters an inclusive, supportive workplace culture built on mutual respect and shared objectives. Participant 3 illustrated this collective ethos: *"We are one since we are family; it is the image of the company that they are creating. Each one is treated with respect and camaraderie. We work harmoniously and focus on the goal."* This reliance on internal culture to project external quality reflects established principles of employer branding in tourism, where internal alignment and authentic organizational identity significantly enhance talent recruitment and market positioning (Plaikner et al., 2023).

Theme 3: Worker's Motivation

Employee motivation emerges as a pivotal determinant of operational performance in small-scale hospitality establishments, where staff routinely multitask and directly shape the guest experience. Participant 2 emphasized the priority of hiring individuals *"who find satisfaction in delivering exceptional service."* Furthermore, Participant 5 highlighted the structural role of motivation within the probationary evaluation system, wherein regular evaluations encourage staff to meet operational standards consistently.

Collectively, these findings demonstrate that hospitality industry seeks employees who exhibit strong intrinsic motivation and shared industry values. By prioritizing candidates whose personal drivers align with hospitality service standards, the business enhances guest satisfaction while simultaneously safeguarding against early turnover.

Conclusion

The study indicates that internal human resources govern external business viability of small island tourism establishments. Individual job satisfaction, corporate image and intrinsic motivation are interconnected. High job satisfaction and compatibility of values make employees turn into real ambassador brands that facilitate recruitment externally through word-of-mouth and delivering high-quality services. On the other hand, workplace dissatisfaction speeds up voluntary turnover thereby enhancing ineffective recruitment processes in dense community networks. In the end, the retention of the staff, guest satisfaction, and operational stability depends on the internal environment addressing the employee motivation in conjunction with the organization standards so that the frontline employees become shapers of the reputation of the company.

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Author's Profile

Dr. Jimmy Bernabe Maming is a distinguished multidisciplinary scholar and "philomath" operating at the intersection of educational leadership, tourism and hospitality, global management, and technological convergence. He holds four doctoral degrees: a PhD in Management and a Doctor of Public Administration (DPA) from Cebu Institute of Technology – University, a Doctor of Education (EdD) from the University of the Visayas, and a Doctor of Ministry (DMin) from the Asian Center for Leadership Education and Development.

Dr. Maming's academic pedigree includes graduating with top honors (summa, magna, and cum laude) and completing elite executive fellowships. A CHED-AIM Scholar, he completed the Global Academic Leadership Program at the Asian Institute of Management. He also trained at UP Los Ban˜os, De La Salle University–Manila, and completed a Futures and Foresight Thinking program at the Development Academy of the Philippines.

A prolific researcher, Dr. Maming has over 35 international refereed publications, including six Scopus-indexed articles. As an editor for IGI Global, he spearheaded volumes on micro-credentials, bio-digital convergence, and the post-human travel industry. His theoretical contributions deposited with the Intellectual Property Office of the Philippines include Maming's Theory on Sustainable Development, Maming's Adaptive-Talent Acquisition (MATA) Theory, and the Maming–Catacutan–Tabasa Micro-Credentialing Framework.

Dr. Maming has served as Editor-in-Chief for the Journal of Advanced Studies in Tourism, Hospitality, and Management and holds national board roles with AAHRMEI. His administrative trajectory features executive roles as Vice President of ACLEAD College, Acting College President, Dean, and Research Coordinator at Malay College, Head of Quality Assurance at AMA University-Manila, and Program Head at Balete Community College – BS Hospitality Management Program. Grounded in seven years of hospitality leadership, former Auditor of Boracay M.I.C.E Alliance, he contributed to the Boracay Action Plan under the Region VI RDC and remains active in peace advocacy. Guided by his philosophy of Vision, Passion, and Action (VPA), Dr. Maming continues to shape post-modern enterprise and educational governance.

Chapter IV

Teodorico "Teddy" Jimenez
Tourism Alliance Group (TAG)

Next-Gen Hospitality: Elevating Human Touch in the Automated Era

Abstract

Artificial intelligence, robotic process automation and Internet of Things ecosystems are accelerating a transformation in the middle of the hospitality industry, transformation. Overreliance on automated solutions for efficiency and lower transaction costs can harm customer emotional resilience and loyalty, despite their overall benefits. The High-Tech, High-Touch Synergy Model working matrix produced by the authors focuses on the high-impact technology of frontline employees that can enhance and not replace human capital. This narrative review studies the automation of routine operational tasks like contactless mobile check-in, dynamic distribution of inventory, algorithmic guest messaging etc and its impact on employee capacity and guest satisfaction indexes. The results show that moving away from the hours spent doing administrative tasks toward micro-moments of high empathy in a hotel or restaurant can improve your net promoter scores and give you ADR premium. In the end, this document can be a material reference for the people using the technology in the industry to generate synergy between technology and design of meaningful service.

Keywords: *Next-generation hospitality, service automation, human-touch augmentation, service experience design, high-tech high-touch paradigm, hospitality AI*

Introduction

There is a fundamental shift in the global hospitality business functions. With continuous labor shortages, changing demographics of guests, and declining margins, lodging & service businesses have increased the automation of systems. Self-service kiosks, voice-activated room controls, predictive maintenance algorithms and intelligent agents are no longer considered additional expensive luxuries. They are now taken for granted features of operational infrastructure (Al-Romeedy 2026; Hasanein 2025).

The hospitality service design faces a core issue which is the efficiency – empathy paradox despite everything being rapidly digitized. Hospitality originates from the Latin word *hospitalitas* which refers to being friendly and welcoming to guests. When interaction methods with customers are digitized on a systemic scale, service encounters are at risk of being transactional, smooth and impersonal. It appears that entirely automated, employee-free models may only work in the low cost or limited-service sector, which is principally functional. However, the premium and luxury sectors leverage differentiated emotional connectivity, instinctive service execution and relationship tie ups to create long term equity.

Automation should be perceived as an enabler and not a replacement of labor and not as a zero-sum trade-off across the next generation of hospitality. Digital tools help frontline workers concentrate on their high-empathy and creative impacts by reducing friction, taking care of the more repetitive essential work.

Aims of the Study

1. In modern hospitality venues, the operational intersection of technology automation and human service delivery is examined through this investigation. The purpose of the study is to.
    1. Assess operational redistribution;
    2. Assess the experience metrics impact of AI in the hospitality industry; and
    3. Create a Framework that is High-tech and High-touch.

Methodology

This investigation employed Narrative Review. A narrative review synthesizes qualitative published literatures to create a global thematic case of a topic without rigid systematic procedures. In contrast to systematic reviews, it relies on expert review to identify gaps in the research, conceptual development and theory building (Green et al., 2006). The major strength of qualitative is to provide rich, holistic context. Nevertheless, the method may have a selection bias (Creswell & Poth, 2018).

Chapter Discussions

Evaluate Operational Reallocation

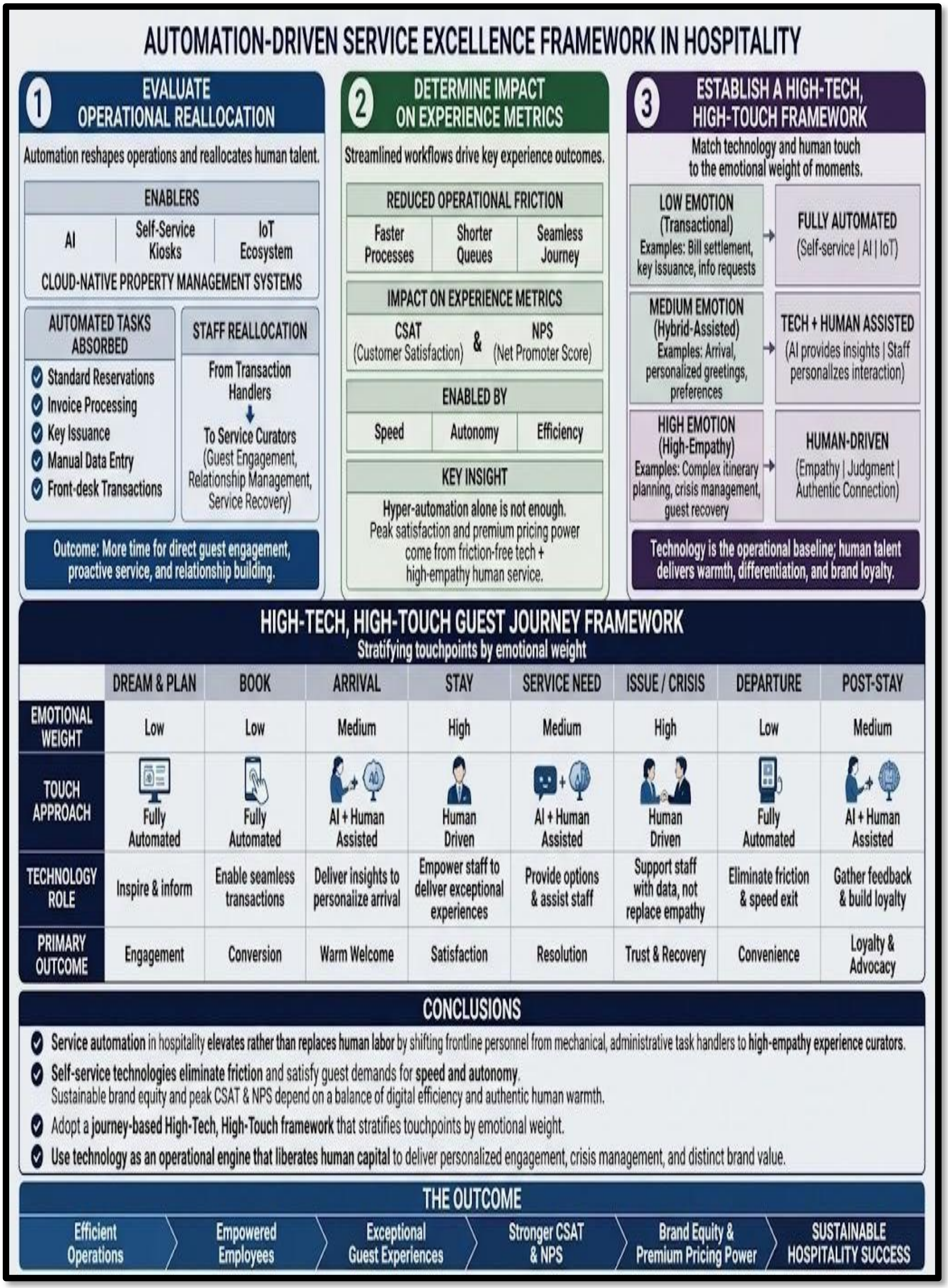
The accelerating pace of automation in hospitality operations is ushering in a paradigm shift in service delivery models. In light of this development, researchers are working to find out how the introduction of artificial intelligence (AI), self-service kiosks, and internet-of-things (IoT) ecosystems are altering labor needs, the visitor perception of service, and service quality. An analysis of operational reallocation indicates that cloud-native property management systems, automatic check-in module and AI messaging agents would change the allocation of frontline labour by taking on the mechanical and administrative tasks of standard reservations, billing and payments processing and key issuing. As the duration of manual data entry and front desk transaction shrinks, operational staff move away from repetitive transaction handlers towards active service curators who can divert their hours of work towards guest engagement, relationship management and service recovery (Ivanov & Webster, 2019; Solnet et al., 2015).

Determine Impact on Experience Metrics

The analysis of the influence on experience metrics reveals a direct and manageable correlation between transport workflow integration and core hospitality KPIs like Customer Satisfaction (CSAT) and NPS scores. The advanced, self-service technologies respond to modern consumer demands by ensuring operational friction points are eliminated, while also reducing long waiting queues. As a result, consumers can interact swiftly, freely and for less expensive benefits. However, the empirical literature shows that hyper-automation does not itself result in permanent brand equity, as peak satisfaction resulted at the precise moment that customers took advantage of frictionless digital touchpoints, but at the same time they also leveraged attentive, high-empathy human service. As an example, see Neuhofer et al. (2015) and Kravariti et al. (2022).

Establish a High-Tech, High-Touch Framework

By stratifying the guest journey according to emotional weight, this framework reconciles the efficiency-empathy paradox and prevents the depersonalization caused by fully staff less environments. The transactional moments where guests settle their bills and take the keys of their rooms will be completely automated. In hybrid-assisted arrival moments, AI will be used to provide staff with guests' preferences for personalized greetings. High-empathy moments will primarily be human-driven, such as complex itinerary planning, crisis management, and guest recovery main. Technology is the operational baseline and will empower human talent to deliver authentic warmth and brand differentiation (Maming et al, 2025). The above discussions are illustrated in a framework below:



	DREAM & PLAN	BOOK	ARRIVAL	STAY	SERVICE NEED	ISSUE / CRISIS	DEPARTURE	POST-STAY
EMOTIONAL WEIGHT	Low	Low	Medium	High	Medium	High	Low	Medium
TOUCH APPROACH	Fully Automated	Fully Automated	AI + Human Assisted	Human Driven	AI + Human Assisted	Human Driven	Fully Automated	AI + Human Assisted
TECHNOLOGY ROLE	Inspire & inform	Enable seamless transactions	Deliver insights to personalize arrival	Empower staff to deliver exceptional experiences	Provide options & assist staff	Support staff with data, not replace empathy	Eliminate friction & speed exit	Gather feedback & build loyalty
PRIMARY OUTCOME	Engagement	Conversion	Warm Welcome	Satisfaction	Resolution	Trust & Recovery	Convenience	Loyalty & Advocacy

Figure 1. *Automation-Driven Service excellence Framework in the Hospitality Industry*

Incorporating automation into hospitality work transforms operational models by moving employees from transactional processors to service curators. In cloud-based property management, AI, IoT systems, and self-service kiosks take over most routine administrative tasks such as payment processing, data entry, key generation, and handling regular reservations. Humans not replaced but optimally redeployed.

By relieving staff of tedious tasks, they are ultimately freed up to concentrate on higher-value activities requiring judgment, communication and emotions e.g. proactive service recovery and deeper engagement. Despite the continual improvement of these processes, waiting times are minimized further, and friction is cut down to the extent that their baseline metrics like CSAT and NPS are positively varied. However, it is not just about being efficient, but being insightful that makes for an unforgettable stay. The value of service comes from High-Tech, High-Touch architecture which links technology with human connection. The higher the technology automation index, the more the emotional reaction or response from the guest interacts. Involvement of technology for convenience and quicker resolution is witnessed in the low-emotion exchanges such as bill payment, routine inquiries etc. Medium-emotion interactions (arrival and customized stay requests) are a hybrid of digital and human touchpoints. The tech part is that AI surfacing preferences, and the human touch comes in the form of staff personalization. On the other hand, the decisions involving complaints, crises, and complicated planning are entirely human, which need empathy.

This helps ensure that automation across the end-to-end guest journey is targeted rather than uniform. Services, such as booking and departure, should be automated to enhance convenience for a traveler. Arrival may use AI to influence flow but should still have a human touch to welcome you. Your stay should emphasize human interactions at every stage, while service issues must rely only on personal goodwill to recreate trust. In the end, it is technology which works as the operating engine and human talent as the real differentiator. This initiates a value chain whereby efficient operations leads to empowered staff, better experience, higher CSAT and NPS scores, and long-term brand equity.

Conclusion

The literature synthesis shows that service automation in the hospitality industry does not replace humans but elevate them by transforming frontline workers from simple, admin-task sellers to experience creators with high-engagement empathy. In order for a brand to achieve sustainable brand equity and peak customer satisfaction (CSAT) and net promoter scores (NPS), the frictionless digital efficiency of self-service technologies should be complemented by responding with genuine human warmth to guest demands. In the end, operators must take a journey-based High-Tech, High-Touch framework that stratifies emotional weight across touchpoints. It must deploy technology as the engine of operations, freeing human capital to deliver memorable engagement, crisis management, and brand differentiation.

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Author's Profile

Teodorico "Teddy" Miranda Jimenez is a distinguished Philippine hospitality leader, seasoned resort General Manager, and community catalyst with over three decades of executive excellence across Luzon, Visayas, and Mindanao. Hailing from General Trias City, Cavite, and belonging to a legendary family of eight brothers who are all hoteliers, Teddy built his career on absolute integrity, operational discipline, and a deep, people-first philosophy.

A true industry trailblazer, Teddy became one of the country's youngest HR Managers in a five-star property when he assumed the HR leadership of Puerto Azul Beach Hotel at age 25. His 15-year career in strategic HR and talent development includes shaping workforce programs for premier properties such as Astoria Plaza, The Pearl Manila, Days Hotel Philippines (across seven national locations), Club Malarayat Golf & Country Club, and Silahis International Hotel & Casino.

With 19 years dedicated to directing major property launches and managing flagship resorts, Teddy's executive portfolio highlights pre-openings and operational stewardship for Subic Grand Seas, Stotsenberg Hotel & Casablanca Casino, Crown Regency properties (Davao, Cebu, and Boracay Stations 1–3), and luxury destinations in Vigan and Lucena. Most recently, he served as General Manager of the ultra-exclusive, 14-hectare Kandaya Resort in Cebu. In recognition of his enduring influence on regional tourism, he was honored with the **2025 Department of Tourism (DOT) Region 7 Excellence Award**.

Beyond resort operations, Teddy is a committed nation-builder and industry innovator who has generated sustainable employment nationwide. He is the Founder and Chairman of Tourism Alliance Group, Inc. and Turismo Pilipinas, as well as the co-creator of I-SHORE, Inc. (Ilocos Sur Hotel, Resort & Allied Industries) alongside the late Deputy Speaker Deogracias Savellano. During the historic tenure of DOT Secretary Richard Gordon, Teddy served as the principal architect and founding organizer of the iconic Manila Baywalk project along Roxas Boulevard.

During the global pandemic, Teddy demonstrated visionary leadership by providing free, industry-level online hotel training to students across 21 educational institutions, while continuously upskilling hospitality professionals from rank-and-file staff to senior managers. A sought-after master trainer and mentor collaborating with AHRM, HRAP, and the Lions Club, Teddy remains dedicated to empowering the next generation of Filipino tourism leaders.

Chapter V

Prof. Chester Saavedra Tabasa
Prof. Allan Borres Delantar - Professor
Prof. Jean A. Lavandero - Professor
Prof. Joyce Simbajon - Professor,
Cebu Institute of Technology – University

The Triad of Sustainable Development in Global Travel: Political Ecology, Institutional Imperatives, and Community Autonomy

Abstract

The chapter global tourism's rapid post-industrial growth exposes an acute tension at once epistemological and operational between macro-economic expansion, ecological degradation and micro-cultural dislocation. This chapter takes up the issue of multi-scalar tension related to the national development priorities and the ecological regenerative capacity and socio-cultural self-determination of host communities. This failure is due to prevailing neoliberal institutional frameworks. Utilizing a convergent parallel mixed-methods design, four international tourism corridors underwent study through both quantitative datasets and qualitative primary data. Quantitative datasets included regional financial leakage, bio-physical carrying capacity thresholds, and visitor density metrics. Moreover, qualitative primary data derived from semi-structured stakeholder interviews and institutional policy archives. Our results indicate a statistically significant difference in financial retention: destinations with community-enterprise anchors retained up to 62% more revenue than corridors with foreign-owned multinational concessionaire anchors ($p < .001$). In addition to this, thematic discourse analysis shows that top-down environmental governance mandates often operate as a means of market driven greenwashing, pushing the costs of ecological stewardship onto local populations without giving them formal decision-making powers. This research builds on political ecology to explore the ways in which a sustainable equilibrium might be achieved – through market efficiency, eco-certification and so on. Genuine sustainability, in contrast, requires a binding, tri-partite governance

framework that institutionalizes local economic autonomy, ecological carrying-capacity constraints, and socio-cultural sovereignty over top-down capital extraction.

Keywords: *Sustainable Tourism, Political Ecology, Economic Leakage, Ecological Carrying Capacity, Socio-Cultural Resilience, Local Governance Sovereignty*

Introduction

According to the World Tourism Organization, tourism is one of the most vital socio-economic processes to have emerged worldwide over the last fifty years. With countries across the globe having lifted their COVID-19 restrictions tourism is picking up. According to statistics released by World Tourism Organization, the International Tourist Arrivals stood at 25 million in 1950. However, it crossed 1.4 billion before the pandemic. According to UNWTO (2023), WTTC (2022) global tourism trends are gathering speed and this figure is expected to hit an estimated 1.8 billion by 2030. More and more, those in positions of power and influence both today and in the past including researchers and policymakers came to view the travel and tourism industry as an important tool of foreign direct investment (FDI), capital accumulation, infrastructure upgrade and cross-societal integration (Sharpley, 2020; World Bank, 2021). As per recent interpretations, tourism is a passer-by agent of environment degradation, resource depletion, and inequality and untoward development in the host destination (Higgins-Desbiolles, 2018; Fletcher, 2019; Gössling et al., 2021).

The main conflict of expansion is that the variety in bio-physical landscapes and cultural heritage that attracts world travelers for consumption increasingly declines through the economic structures that are created for their commodification (Bramwell et al., 2017). The planning models of tourism that have stood the test of times have employed neoliberal market logics and attended rational macro level issue states with such as contribution to gross domestic product (GDP), foreign exchange earnings, aggregate visitor arrivals (Hall, 2019). With increased tourism revenues, the world's poorest nations are turning a blind eye to serious structural deficiencies. One of these shortcomings is the leakage of economy. The significant international players produce and maintain large portions of the revenue that is not earned (Lacher & Nepal, 2010; Sandbrook, 2010; UNCTAD, 2022). As a result, local people bear the costs of the increase in tourism (also in implementation). The authorities are again guilty of not paying them fairly nor governing them (Mowforth & Munt, 2015; Saarinen, 2014).

In this chapter, we critique how global travel governance sets the stage for redressing systemic imbalances. Effective sustainability of global tourism will never come through eco-efficiency, through voluntary market-based certification or government regulation and standards. An integrated tripartite operation is the only way to achieve a systemic stability which prioritizes local economic autonomy, ecological regeneration capacity and socio-cultural self-determination above top-down corporate extraction.

The principal goal of academic work is to promote human rights. For tourism to be sustainable in the true sense, it will have to be imagined using one integrated tripartite framing where local economic autonomy, ecological regenerative capacity and socio-cultural self-determination all are accorded considerably priority over top-down corporate extraction.

Chapter Discussions

Contextual & Historiographical Grounding: The Evolution of Sustainable Tourism Discourse

The notion of 'sustainable tourism' has gone through important paradigm shifts along international development theory and environmental governance in the past forty years (Butler 1999; Saarinen 2006). From World War II to the late 1970s, tourism was seen as a totally smokestack-free engine for economic modernization (Rostow, 1960; Jafari, 2001). During this era, policy frameworks insisted on building up infrastructure and capabilities, penetrating market with the assumption environment systems have unlimited assimilative capacity for human waste and resource extraction (Catton & Dunlap, 1978).

The World Commission on Environment and Development's (WCED) report, 'Our Common Future' (the Brundtland Report, 1987) was the first official institutionalization of the idea of sustainable development in global policy discourse. The World Commission on Environment and Development (WCED) recognized in 1987 that wishes or needs should not infringe on the ability of anyone to meet their needs and they should do so without compromising the future generations' needs or desires. In response to the emergence of mass tourism, the early sustainable tourism academics adopted eco-centric perspectives, and promoted small-scale low-impact alternatives like 'ecotourism', 'nature tourism', and 'responsible tourism' (Ceballos-Lascura´in 1996; Weaver 2006). The early thinkers attempted to break the link between economic growth and environmental degradation through resource conservation and local environmental education.

Nevertheless, critical historiography has shown that these early eco-centric paradigms were quickly seized upon by global capital (Mowforth and Munt 2015 Fletcher

2019). During the 1990s and 2000s, many multination tourism companies began folding sustainable discourse into the marketing of their corporate social responsibility (CSR), and eco-labels, voluntary green certification and carbon offsetting became more widespread (Font, 2002; Gössling et al., 2012). Scholars of political ecology contend that these voluntary schemes worked as clear cases of greenwashing or the commodification of nature to create new spaces for capital accumulation, while core industrial activities remained shielded from binding regulation (Bianchi, 2009; Honey, 2008). A comparison of the evolution of the sustainable tourism governance paradigms over time.

Table 1

Historical Evolution of Sustainable Tourism Paradigms

Paradigm Era	Primary Policy Focus	Dominant Economic Model	Governance & Environmental Impact
Modernization Era (1950s–1970s)	Rapid infrastructure & arrival growth	Top-down capital accumulation; high foreign investment	Unregulated environmental extraction; acute socio-cultural disjunction
Ecocentric/Green Era (1980s–1990s)	Conservation, ecotourism, Brundtland alignment	Niche market expansion; localized eco-enterprises	Isolated conservation projects; rising risk of localized displacement
Neoliberal/CSR Era (2000s–Present)	Eco-certification, voluntary carbon offsets	Global corporate consolidation; market-driven efficiency	Systemic greenwashing; continuous rise in net global travel emissions

Methodological Approach & Data Presentation

The study applied a convergent parallel mixed-method design to methodologically assess the sustainability travel framework (Creswell & Creswell, 2018). Through field data collection, we successfully completed numerous case study and participatory rural appraisal (PRA) exercises at the four high density tourism corridors which differ with respect to institutional governance. Corridor A is a resort archipelago dominated by corporate interests;

Corridor B is a state-run buffer zone of a national park; Corridor C is a community-based network of eco-tourism cooperatives; Corridor D is a hybrid urban-heritage tourist complex.

The study design utilized qualitative and quantitative data collection through various means. At the qualitative end, the researcher undertook the following activities. The quantitative data collection will include structural financial audit records to monitor the regional revenue capture vs capital leakage. Simultaneously, an additional qualitative data collection was undertaken through 48 in-depth, semi-structured interviews with municipal policy stakeholders, representative individuals from indigenous communities, local business owners, directors of conservation groups. Furthermore, thematic archival policy analysis of municipal zoning by-laws and regional tourism development masterplans.

The governance structures were evaluated using descriptive and inferential statistical methods (one-way ANOVA and multiple regression modelling) in SPSS/R to assess their impact on economic retention and environmental compliance. The qualitative transcripts were analyzed thematically using NVivo with a coding framework derived from the political ecology literature (Bryman, 2016; Braun & Clarke, 2006). Including these analytical streams will allow findings to cross-validate empirically and provide wider context for social-ecological patterns.

Analytical Foundation, Economic Viability and Wealth Retention.

Local economic retention is a fundamental principle of sustainable travel governance. Classical economic models posit that foreign capital inflows have multiplier effects which will create employment and regional development (Archer 1982; Dwyer et al. 2004). On the contrary, through empirical analysis across our corridor sample, we find that in destinations dominated by foreign multinational corporations, as is the case with Corridor A, financial leakages ranged from 78% to 84% of gross tourism expenditure. As explained by Sandbrook (2010) and Lacher and Nepal (2010), the main channels through which capital leakage occurs are: the profit repatriation of corporations, the import of non-essential consumer goods and building materials, management commission fees paid to foreigners and booking platform fees.

Conversely, Corridor C, which utilizes a decentralized, community-owned cooperative model, experienced a much lower level of capital leakage, retaining an additional 62% of revenue in the local economy ($p < .001$). An analysis of regression establishes that geographical equity ownership, regional farming participation, and government management of business licensing are the main determinants of wealth retention. Table 2 presents a comparison of economic multipliers and leakages across the four tourism corridors.

Table 2

Comparative Economic & Ecological Indicators Across Governance Corridors

Corridor ID	Governance Structure	Capital Leakage (%)	Local Revenue Capture (%)	Per-Capita Water Use (L/Day)
Corridor A	Corporate Multinational Resort	81.4%	18.6%	680 L
Corridor B	State-Managed National Park	52.3%	47.7%	340 L
Corridor C	Community Cooperative Network	19.2%	80.8%	180 L
Corridor D	Hybrid Urban-Heritage Cluster	44.6%	55.4%	290 L

Analytical Core: Ecological Regeneration & Carrying Capacity

The second dimension of the three-dimensional framework concerns the bio-physical limits and ecological regeneration. According to O'Reilly (1986), Coccossis and Mexa (2004), conventional destination management models often rest on fixed formulations of Tourism Carrying Capacity (TCC) designed to calculate the absolute maximum of visitors a destination can accommodate without environmental harm. Nonetheless, it is now clear that ecosystems are dynamic and complex systems that show non-linear tipping behavior and threshold responses (Folke et al. 2010; Rockström et al. 2009).

The empirical evidence from Corridor A shows the effects of exceeding bio-physical carrying capacities. There, daily per-capita water consumption by tourists exceeds daily per-capita water consumption by local residents by 5 to 1 (680 Liters/day as opposed to 135 Liters/day). This is causing salinization of coastal aquifer and severe depletion of groundwater. In addition, during peak season the localized waste infrastructure was compromised to such an extent that it discharged untreated effluents into neighboring marine biomes (Gössling et al., 2012). On the contrary, in Corridor C, binding ecological limits were set based on continuous monitoring of resources. Corridor C has restricted daily visitors while closed-loop water recycling has been implemented. 25% of gross entrance fees are reinvested into forest regeneration. Additionally, monitoring of freshwater reserves has ensured these crucial levels are not exceeded.

Analytical Core: Socio-Cultural Resilience & Local Governance

The third-dimension deal with the local culture and community members at the site of development. The unchecked expansion of travel often produces serious socio-cultural disruption such as the commercialized commodification of indigenous cultures, hyper-gentrification of residential property markets, and physical dislocation of long-standing residents (Doxey, 1975; Johnston, 2006; Colomb & Novy, 2016).Thematic discourse analysis grounded in political ecology shows how top-down tourism masterplans treat host populations as scenery, rather than decision-makers.

Interview transcripts from Corridor D suggest that rapid conversion of homes into short-term rental increased residential housing prices by 140% in seven years, which pushed out low-income working families from the historical core. In counterpoint, in Corridor C, indigenous governance councils-maintained veto power over zoning laws, commercial building footprint, and cultural tour licensing. The social cohesion, transmission of knowledge from one generation to the next and lack of resentment from the residents is what confirmed that it is binding localized political authority that actually enables socio-cultural resilience (Scheyvens, 1999; Tosun, 2000).

Theoretical Interpretation of the Findings

Looking at these empirical results through the lens of political ecology establishes that there cannot be a sustainable equilibrium via market forces or voluntary corporate compliance. When tourism governance is subjected to global market forces, capital will always seek maximum return, by externally displacing adverse environmental and social impacts on populations of the host destination(s) (Fletcher, 2019; Harvey, 2005). The evidence proves that ownership by people local to the area enhances the probability of a financial return, ecological limits adherence and social and cultural resilience.

Moreover, our findings indicate that environmental stewardship cannot be separated from political self-determination. Many top-down environmental regulations, negotiated without local democratic input, end up being forms of eco-colonialism, denying traditional resource access by local people while allowing for greenwash high-impact commercial upscaling (Mowforth & Munt, 2015). As such, our principal theoretical proposition is that sustainable travel needs binding institutional structures that codify community ownership, enforce strict carrying capacities and protect local socio-cultural self-determination.

Methodological Limitations & Alternative Interpretations

Several methodological limitations should be recognized for academic rigor. Initially high-density tourism corridors were selected as sample to introduce selection bias. According to Creswell and Creswell (2018), different financial leakage structures and socio-cultural interactions may exist in remote, low-density rural destinations, which limit the immediate applicability of these results. Moreover, qualitative interview responses are susceptible to social desirability bias and institutional self-justification regarding compliance. In conclusion, fluctuations in foreign exchange rates, fuel prices, and the post-COVID travel shift can also explain variations in local wealth retention that could not be completely disentangled in the report.

Conclusion

The theoretical paradigms and operational realities governing sustainable global travel were re-examined in this chapter. By mapping existing data on tourism governance to a political ecology framework, it is argued that the current growth-oriented, market-led model of global governance of travel is incompatible with ecological harmony and socio-economic equity at local levels. Various initiatives like Voluntary Corporate Social Responsibility initiatives, eco-certifications and top-down mandates for conservation have not been able to stop degradation of ecology and capital flight. They are essentially capital accumulation strategies and mechanisms for greenwashing.

Consequently, this study proposes the establishment of a binding, Tripartite Sustainable Governance Framework as a way forward. Brief on true sustainability requirements for local economic autonomy, bio-centric ecological limits and socio-cultural sovereignty illustrated in Figure 1, below:

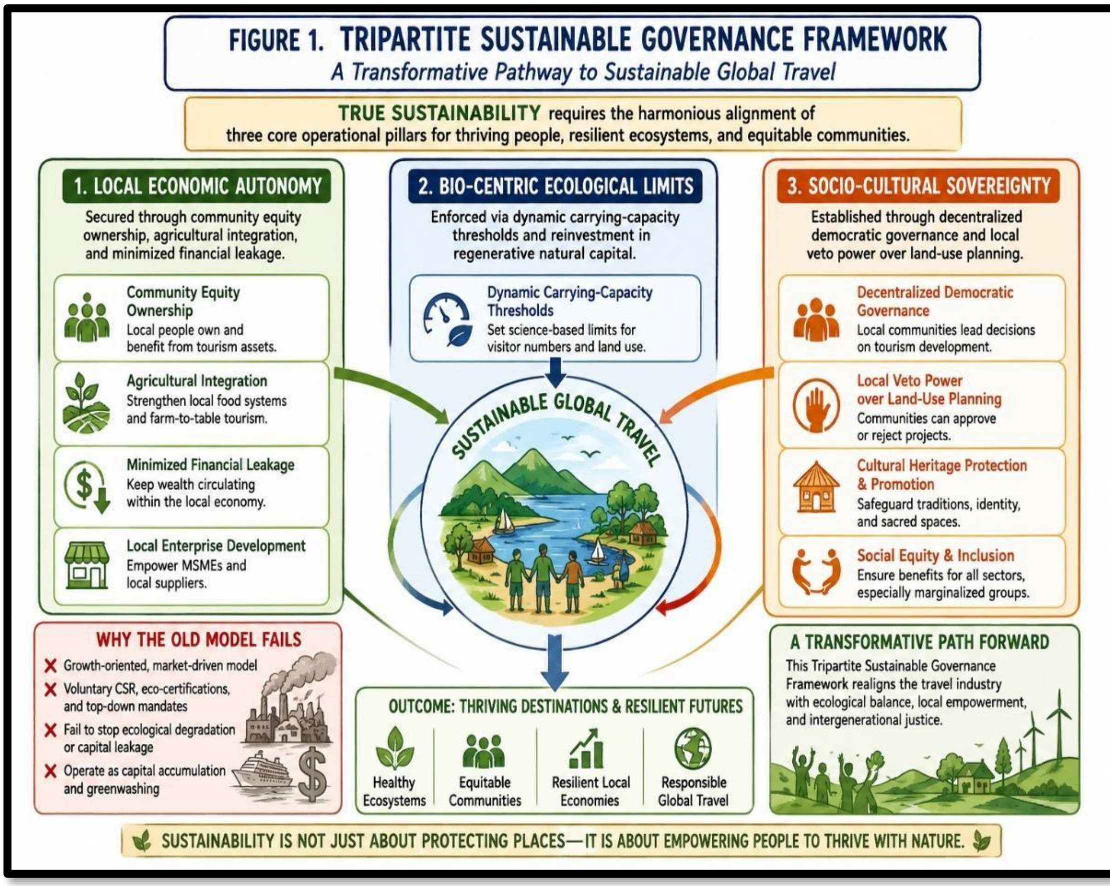

Figure 1. *The Tripartite Sustainable Governance Framework*

The implementation of this operating model requires swift changes in policy at the international, national and municipal levels. Governments must no longer use raw arrival numbers as the main measure of tourism success, and instead replace it off with net localized wealth retention, per-capita ecological footprint metrics, localized resident satisfaction indices. Municipalities should implement progressive zoning controls, limit short-term rental of residences and create community land trusts to protect local housing markets from capital speculation. For sustainable global travel to become a reality, we need to shift from top-down commercial extraction to bottom-up ecological stewardship and community self-determination.

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Chester S. Tabasa is a highly accomplished, versatile, and multidisciplinary professional whose career seamlessly bridges academic leadership, business administration, secondary education, and agricultural expertise. As a Licensed Professional Teacher, Mr. Tabasa uniquely combines robust corporate acumen with a deep, unwavering commitment to inclusive education, pedagogical innovation, and sustainable industry practices.

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Beyond the classroom, Mr. Tabasa boasts over 16 years of extensive, hands-on experience in pig farming and agricultural economics. Operating as both a farm owner and a professional consultant, he specializes in livestock management, resource planning, operational efficiency, and sustainable agricultural practices, helping organizations optimize their daily operations through structured capacity-building frameworks.

As an active contributor to academic scholarship, Mr. Tabasa's international publications explore educational governance, organizational development, classroom management, and agricultural resilience amidst crises like the African Swine Fever outbreak. Complementing his research is a robust commitment to lifelong learning, evidenced by his participation in numerous district- and other conferences.

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Her research interests include human resource management, organizational behavior, training and development, leadership, digital payment adoption, microenterprise development, and business management. Through her teaching, professional practice, and research collaboration, she aspires to contribute to the development of competent and ethical professionals and to support organizations and communities in achieving sustainable and inclusive growth.

Prof. Joyce Simbajon, MBA, is an educator, academic practitioner, and operational strategist currently serving as a faculty member within the College of Management, Business and Accountancy at Cebu Institute of Technology – University (CIT-U). Holding a Master in Business Administration, she bridges high-level business theory with real-world execution, delivering data-informed, industry-relevant instruction. Her academic contributions are backed by a versatile professional history spanning banking operations, financial management, records administration, and client services, providing a well-rounded perspective on organizational efficiency and corporate governance.

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Leveraging this background, Ms. Simbajon's research agenda centers on applied business management, financial sustainability, and organizational performance. Her scholarly interests explore capital efficiency and financial management models, consumer behavior dynamics and service operations, as well as team leadership structures and employee engagement strategies. By analyzing administrative systems and business process improvements, her research aims to optimize service delivery and operational productivity, contributing meaningfully to both academic scholarship and modern industry practices at CIT-University.

Chapter VI

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Behind the Tourism Paradox: Analyzing the Socioeconomic Disruption and Environmental Costs of Rapid Destination Growth

Abstract

The purpose of this chapter is to critically explore the "Tourism Paradox", which refers to the situation where unplanned rapid growth of tourists degrades the basic environmental assets and social fabric that make a destination attractive. This would be achieved by systematically assessing the socioeconomic disruption, environmental degeneration and management and governance gap. This research utilized the Meta synthesis approach. The methodology underpinning this study draws on the qualitative meta-analysis approach (Kuckartz, 2014). This is a nonstatistical approach to aggregate, evaluate and integrate findings from existing qualitative researches on destination growth and overtourism. The meta synthesis of existing literatures provided the following themes: Socioeconomic disruption; Environmental degradation; Management & governance gaps; The Duality of Contemporary Tourism Growth; Housing Hyper-Inflation and Spatial Displacement; Commercial Transformation and Economic Vulnerability; Cultural Commodification and Social Friction, and Management & Governance Gaps. This particular study focuses solely on island destinations. This research will provide a deeper understanding of the tourism dynamics in an island destination. Future researchers may employ quantitative or mixed methods to study the trajectories of sites on the mainland.

Keywords: *Tourism Paradox, Socioeconomic disruptions, environmental degradations, and management and governance gaps, meta synthesis*

Introduction

When destinations grow too fast, it causes a structural problem in global tourism, namely that the economic growth threatens the environmental and social base of the destination. If left unchecked, mass tourism and rapid infrastructural growth can be damaging to local ecology and communities. This is according to Doxey (1975), Untaru & Han (2021), and similar studies. This is generally referred to as tourism paradox. The island destinations are commercially exploited very fast; hence, there are immediate monetary benefits rather than socio-ecological stability in the long run. Such situation leads to the violation of carrying-capacities, environmental degradation and depletion of resources. Please provide me with relevant information. Existing literature has already documented the macroeconomic benefits of tourism growth e.g. foreign exchange earnings, employment generation (Donner and Neubauer, 2020) but does not account for the friction caused by heavy capital and infrastructure development. Beyond understanding the integral trade-off that exists between destination growth and destination sustainability, sustainable tourism management must become a critical imperative.

Research on deterioration of destinations has grown immensely since 2011. The large scale of infrastructure projects of this type, implemented in a top-down manner, has so far been the subject of only scant attention in official reports. The literature tends to focus on macro-economic processes or subsequent environmental impacts, giving less consideration to the socio-ecological issues that are happening in the present-day or lived experiences of the grassroots (Hannam et al. 2021; Tourism Management 2022). Furthermore, limited research empirically explores the impact of the seamless connectivity drive through mega-infrastructure bridge and transport projects on the maritime economy, the continuity of culture, and indigenous livelihoods in island ecosystems (Sheller, 2021). Destination shock is having adverse effects on the tourist destinations, their residents and surroundings due to the development of the destination. A comprehensive empirical synthesis exists in the existing literature that links qualitative community perceptions with formal destination governance framework. One such relation may be a “social license to operate” (SLO), which may be a precondition for avoiding shock through the destination development as a result of infrastructure development.

This research seeks to address gaps in the literature by investigating the socio-economic disruptions and environmental costs caused by the quick growth of tourist destinations and infrastructure expansion. Utilizing a conventional content analysis approach, the research systematically analyses qualitative indigenous narratives from residents, workers and business owners generating an empirical categorization of socio–ecological risk from the subjective experiences of stakeholders (Hsieh and Shannon, 2005; Krippendorff, 2018). The research utilized the Sustainable Destination Management Theory and extended the application of social license framework to mega-infrastructure projects in island tourism. Nevertheless, the policy's success over a longer time frame was ultimately undermined by those local anxieties which were not dealt with. The findings of this outcome as a practical and managerial implication would serve as a useful reference for project planners, local government units and policy developers in balancing physical connectivity against socio-cultural preservation, ecological carrying capacities and inclusive governance of destination sites.

Aims of the Study

The main objective of the study is to assess the "Tourism Paradox" whereby the rapid, unmanaged expansion of tourism weakens the environmental and social resources which form the foundation of a tourism destination's appeal systematically.

1. Social or economic disruption. An examination of hyper-growth's impact on local housing displacement and the gentrification, infrastructural overload, and commercial destruction of old cultures.
2. Damage to the natural environment. It is important to measure the overall impact on vulnerable ecosystems, depletion of natural resources (water and land use) as well as the waste management ability of local communities.
3. There are gaps in management and governance. Recognizing regulatory failures and short-sighted economic indicators that prioritize visitor numbers over destination health.

Methodology

This study employed Meta synthesis. Qualitative meta synthesis serves as the foundational methodology for this study, offering an interpretive, non-statistical approach to aggregate, evaluate, and integrate findings from existing qualitative research on destination growth and overtourism (Sandelowski & Barroso, 2007). Rather than aggregating numerical data, metasynthesis translates concepts, metaphors, and themes across diverse primary studiessuch as local resident ethnographies, environmental impact reports, and policy evaluationsto construct higher-order theories and holistic models without stripping away site-specific contextual nuances (Noblit & Hare, 1988). Guided by Noblit and Hare's (1988) seminal framework, the research process entails systematically selecting rigorous qualitative studies, comparing their findings through reciprocal translation, and executing a line-of-argument synthesis to systematically map how social disruption and ecological stress interact across different global settings (Walsh & Downe, 2005). While this methodology inherently carries risks of subjective bias and data decontextualization, its key strength lies in its ability to elevate isolated case studies into a unified, transferable framework that offers actionable policy insights for sustainable destination management (Sandelowski et al., 1997).

Chapter Discussions

Socioeconomic disruption, Environmental degradation, Management & governance gaps

The qualitative meta synthesis brings together and interprets qualitative empirical findings from three major themes of the "tourism paradox"– the socio-economic disruptions; environmental degradations; and management and governance lapses. Following the interpretive synthesis framework of Noblit and Hare (1988), the study uses secondary qualitative data from various global destinations (Venice, Bali, Boracay, Barcelona, and Maya Bay) to present a line-of-argument model explaining destination vulnerability, institutional failures, and systemic collapse.

The Dual Nature of Contemporary Tourism Growth

According to global development agencies and national governments, tourism has been a vital engine of macroeconomic growth, foreign exchange earnings, and job creation. However, today's world of travel showcases an important contradiction in the form of the Tourism Paradox. When destinations grow rapidly and uncontrollably, they often consume, disrupt and destroy the socio-cultural structures and ecological capital that attracted them in the first place.

Unregulated tourist arrivals do not create self-sustaining growth but set in motion a cycle of environment degradation, social marginalization and inst sub- syst strain. This study employs qualitative meta synthesis to aid in a summation, evaluation and re-interpretation of the empirical qualitative literature on rapid destination growth to offer a consolidating evidence-based model of the rapid growth paradox.

Housing Hyper-Inflation and Spatial Displacement

In a study done about destination overtourism involving qualitative meta synthesis, imminent socioeconomic disruption creates a human problem due to speed growth. A hyper-commodification of space markedly changes life (Noblit & Hare, 1988; Sandelowski & Barroso, 2007). Relying primarily on qualitative accounts, evidence shows that short-term vacation rentals and speculative investment are key drivers of hyper-inflation in housing costs which displace local residents and push living costs beyond the pay levels of local workers.

The mass conversion of residential buildings into commercial tourist units causes a serious supply shortage. These forces push rents up over time and change the makeup of neighborhood cores. Working class families, municipal employees and youth are being priced out to the urban periphery or far away rural hinterlands, leading to long commutes and rupturing inter-generational support networks.

Commercial Transformation and Economic Vulnerability

As local businesses cease to provide daily services for the local population and instead concentrate on offering high-yield tourist products and services, the host community undergoes a hollowing out of social fabric, job precarity and aggressive commodification of culture to the point that meaningful practices are reduced to commercial acts of consumerism.

As shops like bakeries, hardware stores and grocery markets are being replaced by fancy souvenir shops, high-end eateries and short trip operators for fleeting visitors. Consequently, the remaining residents are required to travel farther for their day-to-day necessities. The most important by-product of tourism is employment generation. It is often said that they generate local employment. However, qualitative evidence suggests that such employment is usually seasonal, low-paid, non-unionized, and vulnerable to global economic shocks, fuel price fluctuations, and health crises. When regional economies become wholly dependent on servicing tourists, non-tourism sectors (agriculture, local manufacturing, traditional crafts) are cannibalized, leaving destination communities in a one-legged, single-industry economy reliant on a fickle clientele.

Cultural Commodification and Social Friction

Rapid tourism growth enormously impacts places and communities, especially their intangible cultural heritage. Real-life sacred rituals, traditional festivals, and genuine culinary practices are often shortened, sensationalized, and staged to cater to the short attention span of short-stay tourists.

This process strips cultural expressions of their original spiritual and social significance, turning living heritage into a static commercial product. Over time, persistent overcrowding, noise pollution, and displacement foster systemic alienation among residents, transforming initial economic enthusiasm into active anti-tourism sentiment and “tourismphobia” directed at governing bodies and commercial operators alike.

The public spaces, transit networks and neighborhood plazas of the residents are filled with tourists. Hence, they don’t feel at home anymore. The people disconnect, manifests in localized social movements, public protests, anti-tourism graffiti, and political resistance demanding hard limits on tourist arrivals and short-term rentals.

Environmental Degradation. Exceeding Carrying Capacity and Strain on Infrastructure. In line with the social displacement, environmental degradation is also an environmental crisis due to excessive tourism demand beyond local capacity (Sandelowski et al. 1997). Qualitative evidence from coastal, urban and island contexts show how the fast pace in the construction of hotels and arrival of visitors collapse municipal waste and sewage and freshwater infrastructures. The absorptive capacity of fragile ecosystems of human presence without permanent structural damage gets breached in peak seasons. Municipal utilities devised for small resident populations get overwhelmed by seasonal inflow. As a result, they frequently run out of water; local electrical grids fail; municipal garbage landfills overflow.

Ecological Resource Strain and Habitat. The unplanned growth of the industry is leading to serious extraction of resources, like taking water away from agricultural uses for luxury resorts, while the physical destruction of fragile ecological zones and the marine life of coastal waters through untreated flows and footprint pressures is a direct result. Be it in a dry or tropical destination, high-end tourism development needs huge quantities of freshwater for swimming pools and landscaped grounds, as well as operation of hotel which have high consumption. This diverts vital water resources away from local agricultural production and residential wells, reducing the regional water table and worsening local droughts. In coastal and marine environments, damage is incurred to coral reefs, sea turtle nesting grounds, and coastal mangrove systems from heavy foot traffic, uncontrolled boat anchoring, fuel leaks, and offshore construction.

Degradation of Primary Destination Assets. As nature sanctuary becomes pollution-plagued commercial centers, their natural aesthetic and environmental value deplete. This threatens the long-term environmental viability and public health of nearby communities. When pristine beaches, turquoise coastal waters, and serene natural places become polluted, littered, and overcrowded, the destination loses its core market appeal.

The system is self-destructive since the environmental degradation lowers satisfaction and market value. Consequently, operators will often lower the price to attract more visitors who spend less. This intensifies environmental pressure further while the return isn't proportionate for the locals.

Management & Governance Gaps

Neoliberal Growth Paradigms and Flawed Metrics. The structural management and governance gaps that underlie both socioeconomic disruption and environmental degradation are the underlying causes of the destination paradox (Walsh & Downe, 2005). Qualitative findings reveal ongoing dependence on shallow neoliberal models assessing tourism success based on visitor numbers and short-term revenues, rather than on non-economic indicators such as local well-being and/or environmental integrity.

Tourism authorities at the national and regional levels often have mandates to maximize gross arrivals of tourists, passenger throughput and direct spend.

As a result of these quantitative metrics, host municipalities incur internal costs that do not appear in the calculation. These internal costs refer to the tiredness of the infrastructure, along with waste treatment and environmental rehabilitation costs. Moreover, healthcare costs are attributable to the pressure exerted by increased population density. Public policy undermines the health of ecosystems, accelerates the depletion of destination capital by focusing more on raw visitor numbers than value retention.

Institutional Fragmentation and Policy Paralysis. Decision-making by institutions is a fragmented process among disconnected agencies resulting in paralysis of enforcement relating to the Zoning, Daily visitor quotas and Definition of waste standard. The management of destination resources is usually divided amongst competing government agencies. For example, the Department of Tourism attempts to focus on promotional marketing and growth of arrivals. On the other hand, all Departments of Environment try to enforce ecology protection bylaws or zoning bylaws or other regulations with the limited budget at their disposal. Local Municipalities take on the daily burden of waste management, public safety, and infrastructure upkeep but do not get a fair share of tourist tax revenue. This separation within the institution hinders coordinated operations. Commercial builders take advantage of gaps in jurisdiction and loopholes in regulations to get building permits in eco-sensitive zones or for conversions from residential to commercial use.

Marginalization of Community Stakeholders. Top-down governance disregards local voices in strategic planning, emphasizing short-term investor returns. As a result, rapid growth damages social life in the community and ecological health in the region. Decisions regarding strategic destination marketing are very often made in centralized policy offices or corporate boardrooms in locations distant to the everyday realities of the host communities. When local residents, indigenous groups, and small business owners are excluded from destination planning, the parameters of policy frameworks default to the interests of external capital, large hotel chains, and international cruise operators. The communities are deprived of legal and institutional means for protecting their neighborhoods and the local economy, as well as their natural environment. Illustrating the Tourism Paradox: Growth, Strain and Sustainability, below are the illustration in Figure 2:

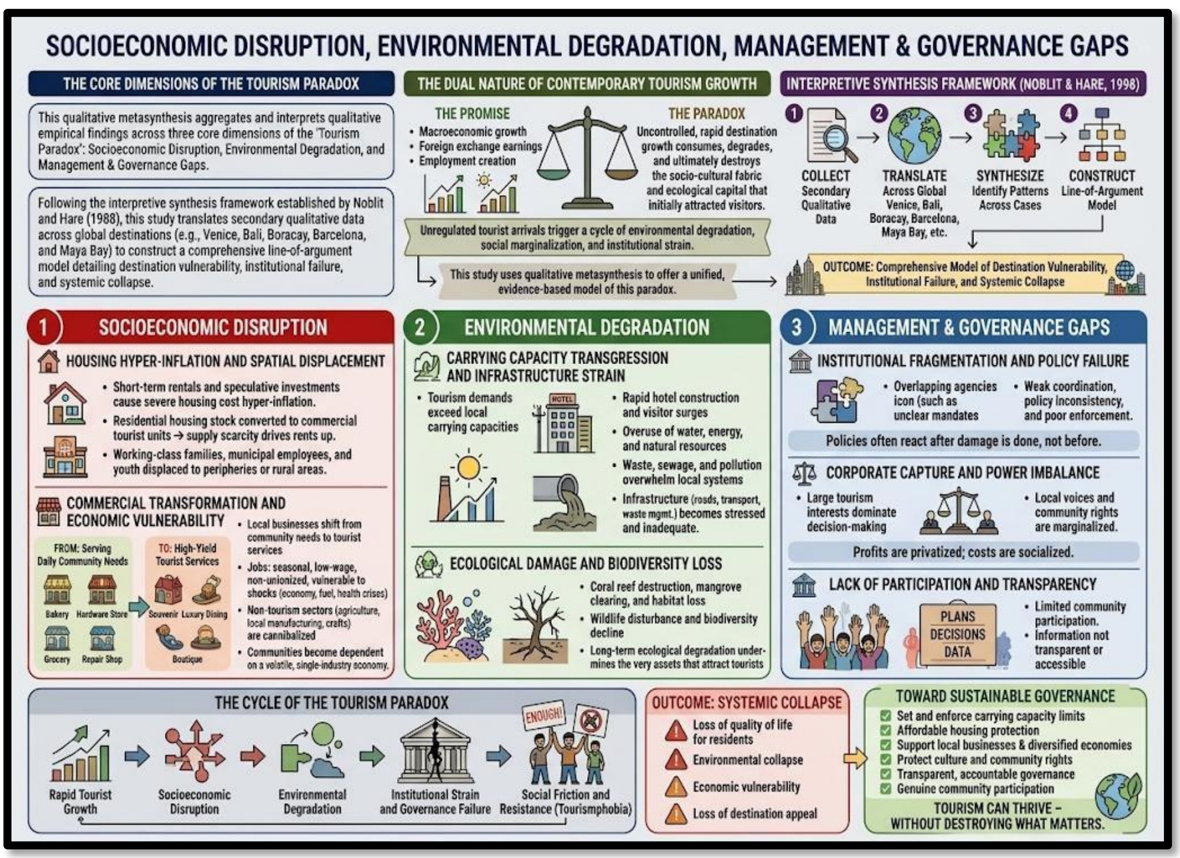

Figure 2. *Tourism Paradox: Growth, Strain, and Sustainability*

The issues surrounding the tourism paradox will lead to socio-economic disruptions, environmental degradations, and management and governance gaps trajectory.

Socioeconomic Disruption

Human-centered impacts in locales experiencing hyper-growth include the spatial commercialization of host communities, causing adverse effects on local livelihoods, housing affordability and social fabric (Noblit & Hare, 1988; Sandelowski & Barroso, 2007).

Housing Hyper-Inflation and Spatial Displacement. The commercial conversion of long-term residential housing into short-term vacation rentals (e.g., Airbnb) significantly reduces the housing supply for residents (Acar & Avcıkurt, 2026). This shift causes steep rent inflation that systematically displaces native populations, municipal workers, and lower-income wage earners toward peripheral suburban or rural areas (Bertocchi et al., 2020).

Commercial Transformation and Economic Vulnerability. Unique souvenir shops, high-end restaurants, and high-income tourist services are increasingly replacing essential community-serving retail businesses such as bakeries, traditional markets, and repair shops (Chong, 2020). Because tourism generates jobs for local people, they are usually seasonal, poorly paid and susceptible to global shocks. As regional economies switch entirely into serving visitors, cannibalize other sectors such as agriculture and local manufacturing, leading to fragile dependencies on single industries (Telfer & Sharpley, 2016).

Cultural Erosion and Social Friction. Intangible cultural heritage, sacred customs, and local traditions are often modified and staged for rapid commercial consumption, stripping them of their historical and spiritual significance (Mowforth & Munt, 2015). Continuous overcrowding, noise pollution, and public space congestion generate significant friction between residents and transient visitors, cultivating widespread anti-tourism sentiments, often termed "tourismphobia" (Mercade´ Mele´ et al., 2026).

Environmental Degradation

Environmental degradation of the nature of the area occurs when the volume of visitors exceeds the ecological carrying capacity of the host ecosystems. All Nature reserves turn into over-extracted and polluted areas (Gössling et al., 2012; Sandelowski et al., 1997).

Infrastructure Strain and Pollution. Rapid hotel development and seasonal influxes of population frequently overwhelm municipal services. Due to the overload of waste treatment facilities and landfill systems which are designed for small resident populations, there occurs an untreated wastewater discharge to coastal marine environments and there is solid waste accumulation in a widespread manner (Bertocchi et al., 2020; Gössling et al., 2012).

Resource Extraction and Freshwater Stress. High-consumption tourist facilities—such as luxury resorts, swimming pools, and manicured golf courses—divert substantial volumes of fresh water away from municipal and agricultural supplies, depleting aquifers and causing localized water crises (Gössling et al., 2012).

Ecosystem Fragmentation and Biodiversity Loss. Marine vessel overcrowding, anchor damage, heavy foot traffic, and unmonitored coastal construction disrupt wildlife habitats, damage coral reef systems, and accelerate shoreline erosion (Buckley, 2012; Folke et al., 2004). This ecological damage degrades the primary natural assets that initially attracted visitors to the destination (Butler, 1980; Saarinen, 2006).

Management and Governance Gaps

Structural governance failures act as the root drivers of destination decline, allowing commercial expansion to override long-term ecological and community stability (Plummer & Armitage, 2007; Walsh & Downe, 2005).

Over-Reliance on Volume-Driven Metrics. Tourism boards and destination marketing organizations (DMOs) routinely define success through quantifiable key performance indicators (KPIs) such as total arrival counts and direct passenger throughput (Sharpley, 2000). These metrics overlook the internal costs that host municipalities absorb, like the wear and tear on infrastructure, waste processing, environmental remediation, and rising health care need (Acar & Avcıkurt, 2026).

Institutional Fragmentation and Policy Paralysis. Regulatory authority over natural and urban resources is frequently divided among disconnected public agencies (e.g., tourism promotion, environmental protection, urban planning, transport). This lack of institutional coordination creates regulatory loopholes, leading to unauthorized development in ecologically sensitive zones and unmonitored residential conversions (Erika et al., 2026; Mercade´ Mele´ et al., 2026).

Top-Down Exclusion of Local Voices. Strategic destination marketing and development decisions are frequently executed without participation from resident councils, civil society organizations, or small local business owners (Blackstock, 2005). By prioritizing external capital investors and multinational operators over community well-being, top-down policy design exacerbates local displacement and resource depletion (Ashley & Roe, 2002; Telfer & Sharpley, 2016).

Conclusion

The 'Tourism Paradox' refers to the situation where the uncontrolled increase in tourists damages the environmental assets and social fabric of the destination that makes it a popular place to visit. This study aims to analyze the socio-cultural disruption, environmental degradation and management and governance gap. This study will be limited only to island destinations. This can enhance our comprehension of the tourism trends identified in an island locality. Future researchers may examine the trajectories of a mainland destinations using quantitative or mixed methods.

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Profile of Authors

Dr. Ronald B. Payao, is a distinguished academic leader, graduate school professor, researcher, and certified technical-vocational trainer with over two decades of multifaceted experience spanning higher education administration, industrial research, and hospitality management. He currently serves as a College Instructor and Graduate Studies Professor at the Cebu Institute of Technology–University (CIT-U) in Cebu City, where he mentors undergraduate and postgraduate scholars in advanced management, research methodologies, and organizational governance. His administrative background includes serving as Department Head at Indiana Aerospace University, Academic Consultant for Northern Samar College, and part-time faculty at Colegio de San Antonio de Padua, alongside industry experience as a Marketing Field Researcher for Research Innovation Corporation.

Dr. Payao holds an extensive academic credential portfolio grounded in management, pedagogy, and specialized education. He earned his Doctor in Management (DM) with a major in Human Resource Management from the University of the Visayas, a Master in Business Administration (MBA) from the University of Cebu, and a Bachelor of Science in Hotel and Restaurant Management (BSHRM) from the same institution. Enhancing his pedagogical foundation, he completed both a Diploma in Special Education (SPED) and a Certificate in Professional Education (CPE) at Cebu Technological University. He is a Licensed Professional Teacher (LPT) under the Professional Regulation Commission and holds widespread technical qualifications from the Technical Education and Skills Development Authority (TESDA), including the National TVET Trainer Certificate (NTTC Level I) and National Certificates (NC II) across Cookery, Housekeeping, Food and Beverage Services, Bartending, Bread and Pastry Production, Commercial Cooking, and Driving, as well as proficiency in the Amadeus Global Distribution System.

Beyond classroom instruction, Dr. Payao actively contributes to institutional quality assurance, public policy, and regional governance. He served as an evaluator for the Department of the Interior and Local Government (DILG Region VII) Seal of Good Local Governance (SGLG) Assessment Team, evaluating local government units on administrative integrity and community service delivery. Additionally, he served on the Commission on Higher Education (CHED Region VII) Regional Quality Assessment Team (RQAT) and participated in the DILG Region VII Multi-Stakeholder Advisory Council (MSAC). As an active researcher, his co-authored scholarly publications span educational policy and AI governance, talent acquisition in the hospitality sector, HACCP food safety compliance toward ISO certification, institutional management, supply risk engineering, municipal infrastructure, and organizational psychology. He maintains dynamic professional memberships in key bodies including the Association of Administrators in Hospitality, Hotel and Restaurant Management Educational Institutions (AAHRMEI), Council of Hotel and Restaurant Educators of the Philippines (COHREP), Philippine Association of Institutions for Research (PAIR), and the Philippine Statistical Association Central Visayas (PSACV).

Dr. Analiza Payao stands as a distinguished academic administrator, institutional strategist, and seasoned educator whose career spans over two decades of transformative leadership across higher education, industry marketing, and hospitality management. Currently serving as the **Assistant College Department Head (Vice President for Administration and Finance)** at Lapu-Lapu City College (LLCC), she drives the institution's non-academic operations, fiscal sustainability, administrative modernizations, and physical campus development.

In her current executive role, she exercises direct oversight over the formulation and execution of the college's Internal Operating Budget (IOB) and Annual Procurement Plan (APP). She leads the institutionalization of digital administrative systems to enhance operational efficiency and manages the Physical Plant office's "Green Campus" initiative, embedding environmental sustainability into campus infrastructure. Beyond fiscal and operational governance, she serves as the institutional Lead Coordinator and Technical Working Group (TWG) Head for Gender and Development (GAD), where she authored the GAD 5-Year Institutional Development Plan (2025–2029), drafted the institutional GAD manual aligned with CHED and PCW mandates, and spearheaded comprehensive capacity-building awareness programs across the college. Furthermore, she serves as the Coordinator for the Drug-Free Committee Selection Board, reinforcing institutional integrity and student welfare.

Prior to her executive appointment in finance and administration, she served for nearly twelve years as **Assistant College Department Head / College Dean (2013–2025)** at Lapu-Lapu City College. During this tenure, she provided strategic leadership for academic, research, and community extension programs. Among her flagship achievements was securing official CHED Program Recognition and Government Authority for both the Bachelor of Science in Hospitality Management (BSHM) and Bachelor of Science in Tourism Management (BSTM) degree programs. She institutionalized quality assurance frameworks, established the Practicum Training Program framework by forging key Memoranda of Agreement (MOA) with Host Training Establishments (HTE), and founded the *LLCC-Journal of Hospitality and Tourism Studies* in 2022. Additionally, she served as Prefect of Discipline, drafting the college's student conduct and grievance operational manual.

Her professional background is rooted in curriculum design, instruction, and industry engagement. She previously served as a faculty member in the Department of Hospitality and Tourism Management at the University of San Carlos (2008–2014), where she integrated Australian Qualification Framework (AQF) competencies into hospitality coursework. Her earlier academic contributions include serving as a College Instructor at Indiana Aerospace University (2003–2008). Complementing her academic tenure is substantial industry leadership, including her role as Vice President for Marketing at Exodus Adventure Holidays and Tours (2008–2011), Marketing Editor for Research Innovation Corporation (2002–2004), and guest service operations at Cebu Marine Beach Resort.

As an active scholar, her research agenda focuses on food safety compliance standards (HACCP pathways to ISO 22000:2005), regional tourism dynamics, and consumer behaviors in mobile food delivery services. Her scholarly work has been published in peer-reviewed journals and presented at major international forums, notably the 9th International Conference on Global Practice of Multidisciplinary Scientific Studies in Havana, Cuba (2025). Grounded in a deep commitment to social responsibility, she has directed numerous Community Extension Services (CES) projects, leading entrepreneurial skills development programs, food preservation workshops, out-of-school youth initiatives, and eco-community immersion summer projects in Siargao Island.

Chapter VII

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Social License: Lessons for Project Developers in a Tourism Destination

Abstract

This chapter aimed to investigate the proposed₱7.8-billion bridge project connecting the Caticlan to Boracay Island has raised new debates on sustainable destination management and the importance of securing a social permit for a major infrastructure and its trajectories. The controlled-access bridge ensures reliable all-weather supply chains, improved emergency response, and optimized logistics. However, serious concerns arise from local stakeholders. Using a traditional content analysis design (Hsieh & Shannon, 2005; Krippendorff, 2018), this study examines community responses on the proposed bridge, which seems to disrupt socioeconomic activity but mobilizes sustainable connection. The open-ended survey responses from the residents, workers, and business owners in Malay, Aklan were unitized and inductively coded to extract manifest and latent themes. The results reveal intense worries from stakeholders about the livelihoods of maritime boat operators being displaced, disruption of the cultures of indigenous communities and the breach of carrying-capacity due to influx of unmonitored tourists. Conversely, respondents pointed out that the project could stabilize utility lines and reduce freight costs. Through mapping these worries against perceived benefits, this study derives valuable lessons for project development at tourism destinations, which, a social permit must be secured for the sustainability and governance of infrastructure.

Keywords: *Social Permit to Operate, Boracay Bridge Project, Community Perceptions, Sustainable Tourism Development, Infrastructure Destination Impact, Content Analysis*

Introduction

Building a bridge to any island destination generally allows the island to 'make it economically' but it is often the death knell for its ecology and culture.

The critical paradox of modern tourism planning where fragile island ecosystems are becoming occupied by demands for modernization for accessibility and socio-cultural preservation (Gössling et al., 2012). Tension has sharply crystallized in the Philippines with the government's proposed ₱7.8-billion bridge project to connect mainland Caticlan to the world-famous island of Boracay. Supporters have argued that the controlled-access infrastructure will provide highly resilient and all-weather supply chains. Furthermore, it will help in the quick response to emergencies and the seamless flow of goods in municipal corporations. However, amid all the advantages, the project has caused serious concern among locals. They fear that it will untold change their way of living.

According to the current literature on sustainable tourism, the impact of physical connectivity on regional development is well documented. Fixed links (such as a bridge) are seen as catalysts which lead to an accelerated economic integration (Baldacchino, 2007). Nevertheless, most of the existing literature focuses on transport corridors in the continential tourism space while not paying attention to the acute vulnerabilities of hyper-specialised island economies with strict ecological carrying capacities (Weaver, 2012). In addition, the Tourism Area Life Cycle framework states that unmanaged infrastructure changes can push over-tourism destinations to accelerate to the decline phase through degradation of local infrastructure (Butler, 1980). Most studies found in scholarly literature are unable to report on time and closer to place stakeholder responses in the pre-construction of mega-infrastructure projects located in the extremely sensitive eco-systems. This results in a major gap in research on how state-led infrastructure impositions interact with grassroots perceptions of socio-ecological carrying capacities and local economic displacements.

This study presents the key research question at hand, the growing tension between macro-level infrastructure roll-out and micro-level community resilience. The main aim of the study is to assess community perception of the Boracay bridge – weighing the promise of connectivity against the threat of socioeconomic disruption. In particular, the aim of the study is to ascertain how various groups of stakeholders assess the impact of the bridge on their principal livelihood, the local environment and ecology, and cultural integrity and the socio-economic parameters that influence the community's resistance or acceptance of the bridge.

Ultimately, this research aims at designing a reproducible model for inclusive co-design of infrastructure in small-island contexts. The findings of this study have the potential to reformulate small-island sustainable development perspectives through a better understanding of the concerns of stakeholders. This includes everything from maritime boat operators being displaced to indigenous groups seeking to safeguard their heritage. The research which goes beyond economic cost-benefit analysis and integrates human and socio-ecological dimensions in infrastructure planning provides an essential diagnostic tool for policymakers, urban planners and environmental scientists (Nunkoo & Ramkissoon, 2011).

Objectives of the Study:

This study examines opinions of the proposed Boracay bridge stakeholders on socio-economic disruption. In particular, it seeks to address the following objectives.

1. assess the perceived socioeconomic benefits and environmental risks regarding the Caticlan-Boracay Bridge;
2. investigate the risks of livelihood displacement and the adaptive strategies of maritime transport workers and cooperatives who will be impacted;
3. check what stakeholders are saying about the bridge's impact on carrying capacity and overtourism risks for Boracay Island; and
4. Analyze the project's governance from a student and community perspective.

Methodology

Design. This study adopts a content analysis research design to assess the feelings of the people in the pre-construction phase of the ₱7.8-billion Panay-Boracay bridge project. This empirical non-reactive approach allows the researcher to capture the views of a community naturally without the pressure or bias often found in interviews (Krippendorff, 2018; Neuendorf, 2017). The framework collects two types of information: a quantitative count of explicit worries (for example, environmental risk, job loss) and a qualitative probe into the deeper worries and community dynamics behind these words (Babbie 2021: Graneheim & Lundman 2004). To ensure dependability and objectivity of findings, a sample of the data will be cross-checked by two independent coders for clear statistical agreement (kappa ≥ 0.80) (Schreier, 2012).

Participants. In a content analysis design, "participants" are not live humans but actual text and media produced by key stakeholder groups in the Boracay Bridge proposal discourse. To encapsulate the "voices on the ground", data units will be garnered from grassroots transport cooperatives (local motorized outrigger boatmen and jetty port crew directly displaced from their livelihood), local business consortiums, concerned government agencies and other stakeholders. The sampling strategy aims to identify publicly available texts produced before construction. This includes reports from local and national news, formal position papers, formal local government resolutions and public social media conversations, which can be wholesome raw community sentiments (Krippendorff, 2018; Maming, 2026).

Settings. This study setting covers the Tabon Strait corridor linking the main Caticlan to the three barangays of Boracay Island (Balabag, Manocmanoc, and Yapak) of Malay, Aklan, Philippines. Due to Boracay's delicate ecosystem and its prior implementation of vigorous environmental rehabilitation, this geographical area is significant for sustainable tourism management. By building a ₱7.8-billion fixed-link bridge across the strait, the traditional maritime barrier is removed. This context offers an excellent laboratory for understanding how significant infrastructure projects change local governance and disrupt island sustainability.

Instrument. This content analysis employs a structured and expert-validated coding template and codebook which is managed via the NVivo software for its research instrument. This digital instrument instead of physical survey transforms text content into quantifiable variables based on sustainable tourism development and destination carrying capacity frameworks (Sun et al., 2021). The codebook provides clear definitions for how to define 'manifest content' (words such as livelihood displacement or pollution that can be tracked) and 'latent content' (invisible themes of community anxiety and institutional exclusion). To ensure objectivity and consistency, the instrument applies an inter-coder reliability protocol that sets a high threshold for statistical agreement (kappa ≥ 0.80).

Data Collection. The process of data collection refers to the collection of public news articles, official documents and online community discussions based on the bridge activities in the pre-construction period. Textual data are collected from regional news portals, local government resolutions, transport cooperative manifestos, and public social media dialogues to collect unfiltered community sentiment (Krippendorff, 2018). Utilizing carefully crafted web searches and manual extraction, these documents are stored in a database. The timing for collection relates to major milestones of the project, such as debates on environmental compliance and announcement of concession, so that the collection is truly adequate to the real-time anxieties and hopes of the locality (Maming, 2026).

Data Analysis. Using qualitative content analysis on the texts. The researcher obtained using thematic analysis. Qualitative data analysis identifies themes, power structures and emotional tones around the bridge and the island's sustainability (Graneheim

& Lundman, 2004). Ultimately, two independent coders analyze a sample of the data to guarantee academic rigor. Thereafter, they achieve a high Cohen's Kappa statistic (kappa ≥ 0.80$) to reduce the researcher's bias before full coding (Krippendorff, 2018).

Ethical Considerations

This research uses only publicly available documents, media reports, and open online discussions. Therefore, there is no requirement for institutional ethical clearance for human subject interaction. Nonetheless, keeping ethical integrity remains a priority. All personal identifiers, social media handles, and names of private citizens are anonymised in reporting and data extraction to respect individual privacy (Krippendorff, 2018). Moreover, quantitative data will be analyzed with the utmost objectivity, ensuring that there is no selective quotation or contextual alteration so to ensure that the true fears and hopes of the community regarding the bridge project are fairly and accurately represented without researcher bias (Saunders et al., 2019).

Chapter Discussions

After the gathered data has been analyzed, the following themes emerged: Theme 1) Economic and Accessibility Benefits (Pro-Bridge); theme 2) Political Skepticism, "Vested Interests," and Bureaucracy; theme 3 Environmental and Aesthetic Concerns; and Theme 4: Infrastructure Mismanagement and Logistical Realities.

Theme 1: Economic and Accessibility Benefits (Pro-Bridge)

Many participants strongly support the bridge, viewing it as a catalyst for economic growth, a way to lower the cost of goods, and a necessary upgrade for accessibility. Below are the nuance narratives of the participants:

According to participant 1, the reduction of delivery and transfer costs would greatly benefit local businesses, resorts and produce shops. Another participant mentioned that the road will help lower prices of items sold in Boracay, as well as serve as an important emergency route. As per the accessibility & inclusivity, participant 3's comment was that he lost the use of his left arm and so the bridge would make getting to the island much easier for him than being on the boat. Moreover, Participant 4 stressed the importance of consumer choice, emphasizing that the bridge only offers an option, tourists can still choose to pay for the boat or use the bridge. Furthermore, Participant 5 emphasized General progress, "*Everyone will benefit in due time*" (Lahat tayo makikinabang pag dating ng panahon)" was backed by Participant 6 that showed eagerness for construction to push through.

According to academic literature, there are tangible economic benefits. Sari et al. (2021) reported an increase in income by 50-70% in Holtekamp Beach after bridge construction. According to Suriyani et al. (2024), a bridge would enable the smooth distribution of goods and services and increase business turnover. Sidabutar (2024) reported a bridge increases the growth of the trade sector and the price of properties. In relation to accessibility, Suriyani et al. (2024), noted bridges "facilitate the accessibility of children to go to school" while Dizon et al. (2025) discovered that "strongly agreed" of the respondents on travel time and economic activities usefulness.

Theme 2: Political Skepticism, "Vested Interests," and Bureaucracy

A dominant theme is the belief that politicians and corporations are playing games, flip-flopping on decisions, or protecting their own financial "rackets" at the expense of the public. Below are the stories on the ground by the participants:

A participant claimed about Political Misdirection**.** Participant 1 claims that SMC's Ramon S. Ang (RSA) merely postponed the project and those local politicians (the Congressman and Governor) misinterpreted or twisted the statement. Similarly, this was affirmed by Participant 2 that said the *"hidden agenda"* of politicians and references allegations that the governor's personal businesses would be negatively impacted by a bridge.

In addition, Participant 3 emphasized Corporate Agendas and Collusion. He strongly stated that he is against the bridge and that only SMC will benefit from it ("SMC mag ganar") and that it will pave the way for politicians to steal money in other words, *"Just to steal money"* ("maka pangurakot ro mga politiko"). Participant 4 pointed out that SMC "acquired so many properties ahead of time, quietly and secretly." Similarly, Participant 5, highlights the flip-flopping and delays. He referred to the situation as forward and backward "*Sulong atras…atras sulong"*, implying that he was fed up and angry. Participant 6 describes it as *" Vested Interest at its best!!!*' suggesting that the project is just currently cooling off.

The theme is supported by multiple community voices expressing three distinct concerns: political misdirection (allegations of hidden agendas and misrepresentation), corporate collusion (claims that SMC prioritizes profits and enables corruption), and project indecisiveness (frustration with repeated delays). However, the evidence base is limited to qualitative statements from named individuals without independent verification of underlying facts.

Broader infrastructure literature supports the plausibility of these concerns. Batalla et al. (2018) documents that political interference in Philippine roadworks occurs "at various stages of the project management cycle" through "collusive and kickback arrangements." Benitez et al. (2010) note that infrastructure sectors with "huge vested interests combined with complicated funding schemes" are particularly vulnerable to private agenda. Askali (2025) found that political will is "often perceived as inconsistent, influenced by electoral cycles." The evidence demonstrates community perception and documented patterns in Philippine infrastructure politics, but not definitive proof of specific misconduct in this case.

Theme 3: Environmental and Aesthetic Concerns

The impact of a massive infrastructure project on Boracay's fragile ecosystem is a polarizing topic, dividing users between environmental protection and developmental pragmatism. Below are the narratives of the participants:

Participant 1 addresses about "*Anti-Bridge/Pro-Nature*" stand. His demanding says *"Leave nature alone! I am afraid this will commercialize the island casinos, illegal gambling, drugs and it will happen*." On the other hand, Participant 2 stressed on reducing environmental footprint. He believed that boats could "practically damage the water and corals more than the bridge can ever dream of". Making this statement makes participant 3 dismiss environmentalists as only *"privileged ecologists",* further adding that a suspension bridge would cause no damage as "*corals will grow back, over time*". Further, participant 4 stressed on alternative compromises. He deduced that some users are suggesting eco-friendly/ high-tech alternatives of a bridge. While participant 5 and 6 suggested that a *"cable car or gondola ride as a "win-win"* for tourists, participant 7 creatively suggested an "*underwater glass tunnel to preserve the view".*

The potential ecological footprint of the bridge heavily divides the community between environmental preservation and developmental pragmatism. On one side, protective voices passionately demand to "leave nature alone," fearing that heavy commercialization and social vices will destroy the island's fragile ecosystem and unique identity (Butler, 1980; Gössling et al., 2012). Conversely, pro-development pragmatists argue that a clean suspension bridge causes minimal long-term damage compared to the existing boat fleet, which continuously disrupts marine life and coral reefs through constant water agitation and fuel emissions (Maming, 2026). Seeking a middle ground, several participants advocate for creative, eco-friendly alternatives suggesting that high-tech cable cars, aerial gondolas, or even an underwater glass tunnel could seamlessly balance tourist mobility and regional economic growth while preserving Boracay's iconic views and natural landscapes (Salmon & Cruz, 2020; Weaver, 2012).

Theme 4: Infrastructure Mismanagement and Logistical Realities

Several commenters point out that a bridge solves the wrong problem, arguing that Boracay and Caticlan have far more pressing infrastructure failures that need attention first. Below are the nuances of their narratives:

Participant 1 emphasized the challenges likely with the Parking Nightmare. He raised a very practical concern: "*Where are you going to park thousand cars in that small island if all the tourists… have their own service vehicles?*". Similarly, Participant 2 pointed out misplaced priorities. He stated that, "*the government should build a hospital instead of a bridge. Fix those heavily flooded areas and the existing roads in Boracay*" ("obrahon nyo ang hospital ag mga lugar nga ginabaha… Fix those roads!"). Participant 3 spoke about congestion at the airport. He pointed out that, "*due to the congestion of the Caticlan airport terminal and runway, there are delays despite the adjustment of terminal fe*es". Development of airport improvement should be completed long before the bridge.

Indeed, the participants' concerns reflect longstanding thinking in infrastructure policy. According to Latta (2010), the maintenance and repairs of existing infrastructure instead of building new roads is termed 'fix baby fix'. This framework argues that before expanding connectivity projects, Boracay must focus on addressing transportation and flooding as well as road issues.

According to Salmon et al. (2020), Boracay has documented sustainability issues with "threats on its unfortunate transportation system" and "uncontrolled urbanization". As stated by Cal (2021), urban development in the Philippines is characterized by worsening transport and traffic problems and drainage/flooding issues.

The discussion suggests that while it is convenient to have a bridge, the project is stalled as there is a considerable lack of faith in the motives of local governance and corporations. Those opposed to the bridge view it as a symbol of corporate greed and environmental destruction, while supporters see it as an overdue modernization that politicians want to block for their own gain.

Conclusion

The opposing opinions on the proposed ₱7.8 billion Caticlan-Boracay bridge illustrate the gap between aspirational goals for development and real fears of the community. There are those who are welcoming the bridge for various reasons. Some feel that the cost of doing business will tremendously drop along with prices for the everyday consumer. Others simply enjoy better travel options or better access for the disabled. With a permanent link, locals fear it will take away the natural water barrier that has always protected Boracay from serious overcrowding, which pushes the island over its carrying capacity. The project directly threatens the livelihood of the outrigger boat workers and provided cooperatives who feel left out. People-first planning is needed by the community in this region. In particular, they want the leadership to protect local transport jobs and sort out existing issues of road damage, flooding and utilities, before inundating area with heavy traffic.

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The professional technical expertise she possesses mainly focuses on ensuring a compliance program for an institution, development of outcome-based syllabi, development of long-term financial projections, establishment of internal controls to mitigate risk and coordination of faculty development activities. Professor Escarilla earned her Bachelor in Science in Accountancy at the University of the East – Manila and Master's in Business Administration from the Lipa City Colleges. Currently, she is pursuing her scholarly career as a Ph.D. student in Business Administration at the University of the Visayas in Cebu City.

Chapter VIII

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Extractive Tourism: Confronting the Reality of Tourism Leakage in an Island Destination

Abstract

This study reviewed how tourism leakage works as a structural mechanism of extractive tourism within an island destination, providing a fresh perspective on a familiar theme. The notion of economic leakage is shifting from a mere monetary deficit to a more active economic and social removal. Through a qualitative meta synthesis of empirical evidence, three priority themes emerged. Tourism Leakage: The Operational Route. The structural impact of the leakages of socio-economic capital to ensure value retention, institutional mechanisms for ensuring the retention of tourism value. To conclude economic leakage is a systematic structural phenomenon which has arisen due to foreign corporate control, vertical integration and weak inter-linkage rather than an unintended trade inefficiency. The overall contribution of the study to the literature is to link political ecology and tourism economics, through re-conceptualizing leakage as an active extractive mechanism within a bounded geographical locality. Specifically, this study identifies specific structural nodes for leakage, including the foreign pre-bookings system, where capital leaks out. The findings of the study will provide useful baseline data to municipal governments and DMOs to plan specific interventions to enhance domestic value capture. It is important to note that, a key limitation of this study is that this secondary qualitative synthesis might limit the direct generalizability of the conceptual framework across island destinations with differing regulatory environments. Financial capital loss cannot be accurately measured as the required primary micro-economic quantitative data is absent. Future empirical studies should take into account the application of a mixed-methods approach involving econometric modelling and gathering of field-level primary data, in order to quantify local value chain leakage in various island contexts.

Keywords: *Extractive tourism, tourism leakage, island destination, meta synthesis*

Introduction

The tourism industry has been a vital contributor to the prosperity of numerous economies of small island destinations. Despite dependence on tourist revenue, many developing countries suffer from what Michael Hall calls 'extractive tourism'. The contemporary forms of extractive tourism are quite similar to traditional extractive industries. Extractive tourism leads to environmental degradation, overuse of local resources and commodification of local culture, it offers little in the way of reinvestment in local communities, unlike traditional extractive industries (Sharpley, 2012).

One of the key explanations for this imbalance is tourism leakage, which is a structural mechanism through which a large proportion of the expenditure of international tourists does not enter the local host economy at all. These capital flows, instead, go directly to foreign-owned hotel conglomerates, international air carriers and imported goods and services needed to satisfy Western tourists' preferences. Hampton & Jeyacheya, 2020; Meyer, 2007). In small island developing states (SIDS), vulnerabilities characterize the tourism sector and its associated industries. With an inexorable reliance on extra-island inputs, internal industrial capacity and local supply chain linkages are inherently limited. The leakages in tourism can wipe-off between 70% and 90% of gross tourism revenues in SIDS, sharply undermining the economic promises of this sector (Pratt 2015).

Even though there is a vast number of macroeconomic studies that estimate leakage percentages, there remains an important theoretical and empirical gap. The existing literature seldom analyse leakage through the conceptual lens of extractivism. To be precise, the literature gives shows an incomplete picture of how the structural dependencies, foreign ownership models as well as all-inclusive resorts disempower local island entrepreneurs at the micro-level (McElroy, 2003).

This study makes three key contributions that fill in these gaps. First, on a theoretical level, it connects political ecology and tourism management by theorizing economic leakage not as a passive, unintentional by-product of trade but as an active, structural form of socio-ecological extraction. Secondly, the second empirical provides a granular field-based insight that explains the points in time where economic capital detaches from the local supply chain within an island. To wrap things up, this study also suggests tangible actions for destination management organizations (DMOs) and island governments to build resilient local supply linkages for community-based ownership to keep value creation closer to the host community.

Aims of the Study

The primary objective of the research is to look at tourism leakage as a form of extractive tourism in an island destination and not just as a financial leak but on a structural level of socio-economic extraction. To achieve this overall objective, the study has three specific objectives.

1. Analysis of the operational pathways of tourism leakage;
2. Evaluate the effect on local socio-economic factors; and
3. Create Solutions for Retaining Value of tourism.

Methodology

A meta-synthesis design was adopted in this study. This research adopts qualitative meta synthesis to rigorously evaluate how tourism leakage operates as a structural form of socio-ecological extraction. Based on Noblit and Hare meta-synthesis approach (1988) and Sandelowski and Barroso guidelines (2007), a qualitative research synthesis method translates, compares and integrates primary qualitative studies to produce "third-order interpretations", higher-level theoretical insights that go beyond the individual empirical case studies quality. The PRISMA guide has been followed (Page et al. 2021); the Scopus and Web of Science databases have been searched for qualitative studies published in peer-reviewed journals that contain information on tourism leakage, ownership and supply chain of islands. Methodologically rigorous, contextually deep and conceptually clear (Walsh & Downe, 2005) quality appraisal of candidate papers was undertaken using a Critical Appraisal Skills Program (CASP) checklist.

When relevant literature is selected, raw respondent data (first-order constructs) is separated from the original authors' interpretive concepts (second-order constructs). This synthesis compares mechanisms commonly found in different islands (reciprocal translation) and analyzes mechanisms producing contrasting outcomes (refutational translation). It reveals core structural nodes of where capital leaves local economies, such as transnational corporate domination, reliance on imported inputs, and all-inclusive business models (Noblit & Hare, 1988; Sandelowski & Barroso, 2007). In the end, the results that were translated are placed into a comprehensive lines-of-argument synthesis that sees economic leakage not just as an unintended loss of trade, but as a systematic extractive tourism venture in fragile islands.

Chapter Discussions

Operational Pathways of Tourism Leakage

An organized and multistage operational system structural dependency resulted in an organized tourism leakage in the island destination as revealed in qualitative meta synthesis of empirical literature. In small island contexts, empirical data indicates that capital departs local host economies through three operational channels: the pre-booking system, structural dependence on imports, and capital repatriation.

Corporation Enclave System

Pre-arrival Leak proofing. In fact, the main leak takes place even before the tourist arrives at the island. Studies investigating the qualitative nature of island tourism make clear that transnational tour operators; foreign-owned online travel agencies (OTAs); and international cruise lines take a massive share of tourism expenditure from the point of origin. Payments for flights, accommodation, meals, and excursions are sent to foreign corporate headquarters, as is the case with an all-inclusive resort model and bundled travel package. Consequently, capital flows only between the origin country of the tourist and the foreign corporate account under it creating an enclave model which totally by-passes local transport operators, independent restaurants, and community vendors. Meyer (2007) and Sandbrook (2010) argue that these pre-booking structures restrict local economic linkages, while Hampton and Jeyacheya (2020) state that as much as 80% of total vacation spending in small islands contexts can leak out prior to arrival at destination.

Import Dependency and Broken Local Linkages (In-Destination Leakage)

When visitors arrive on the island, the secondary leak happens when basic hospitality operations becomes reliant on imports. The ongoing qualitative field research has revealed that small island economies often do not have the agricultural productivity, manufacturing techniques or technology to produce food items, luxury spirits, construction materials and specialized equipment for hotels. Large resorts and multinational hotel chains avoid having fragile local markets and start bulk-procurement contracts with suppliers abroad. Every deal for imported goods is instantaneously a capital outflow. According to Sharpley (2012), the structural disconnection means that the money spent by tourists fails to generate significant economic multipliers locally. Consequently, island producers are disconnected from the global tourism value chain.

Capital Repatriation and Expatriate Remittances (Post-Consumption Leakage)

The last operational pathway directs the profits generated by the company and the salaries of managers outward. The majority of the ownership of luxury resort property on island destinations rests in the hands of foreign capital investors and global corporate giants. Therefore, net operating profits (N.O. Ps) are typically repatriated to the parent firm abroad without reinvestment in the local hosting infrastructure. Furthermore, foreign expatriates are disproportionately assigned the top management and specialized technical roles in these properties. Most of these executive incomes leave the island via overseas remittances. As a result of this, the empirical studies undertaken by Hampton and Jeyacheya (2020) as well as Sharpley (2012) show that local residents are consistently confined to low wage, entry-level jobs. This reinforces a structural pattern where the island carries tourism's socio-environmental costs while external actors reap the bulk of the economic benefits.

Impact on Local Socio-Economic Retentions

According to a qualitative meta synthesis of empirical literature, high levels of tourism leakage fundamentally change the socio-economic structure of small island host communities (Hampton & Jeyacheya, 2020) The economic leakage does not develop the regions as the engine of wealth generation, rather it inhibits the ability of local capital to circulate and strengthens socio-economic vulnerabilities in the long-run at three broad levels, namely, domestic entrepreneurship, labour market, and living cost (Sharpley, 2012).

The local market is displaced and entrepreneurship suppressed. Across the island case studies, qualitative findings suggest that systemic leakage poses a barrier to entry for indigenous entrepreneurs. As the vertical value chains are managed by foreign conglomerates and generalists, local micro, small and medium enterprises (MSMEs) such as independent restaurants, local craft artisans and community guided tours are excluded from the tourism value chain (Meyer, 2007). Local vendors are often limited to informal or peripheral markets, where earnings are unpredictable and profit margins are low. In addition, commercial bulk-importers that are backed by foreign capital will displace traditional island livelihoods, and will not offer other commercial alternatives, which local agricultural and fishing sectors cannot compete with (McElroy, 2003)

Labor Market Segmentation and Wage Stagnation. Despite the ongoing claims from the industry that tourism creates jobs, qualitative data suggests that local jobs are of very low quality with limited upward mobility under an extractive model (Hampton and Jeyacheya, 2020). Most island residents occupy positions that are either poorly paid, require minimal skills, or are seasonal. For example, these roles include housekeeping, maintenance, and simple service staff. Foreign expatriates predominantly receive higher-paid executive, technical and administrative positions. According to Sharpley (2012), the structural division of work leaves host populations trapped in vulnerable economic conditions of stagnant wages and limited skill transfer, with seasonal downturns and shocks on global economy.

Inflationary Pressures and "Tourism Paradox" Vulnerabilities. By not keeping the tourism capital in the local area, an economic paradox emerges in which the locals suffer the external costs of tourism development (e.g. environment degradation, loss of land, overuse of infrastructure) while receiving a mere fraction of the benefits (Pratt, 2015). The local land value, real estate price and essential commodity price are inflated by the demand of foreign resort development. According to McElroy (2003) local wage gains remain suppressed due to high leakage rates, the cost of living is increasing at a faster rate than household income reducing the real purchasing power of the local population and increasing spatial inequality across the island.

Formulate Interventions for Retaining Tourism Value

A qualitative meta synthesis of structural interventions across small island developing states (SIDS) demonstrates that mitigating tourism leakage requires a shift from passive, market-led expansion toward active institutional governance (UN Tourism, 2024). To counter extractive practices, qualitative evidence highlights three strategic domains of intervention capable of retaining economic value locally: strengthening intersectoral supply chain linkages, regulating foreign capital while building community ownership, and leveraging policy, taxation, and destination management mechanisms (Pratt, 2015).

Building Cross-Sectoral Linkages and Local Value Chains. A key intervention strategy is to enhance the economic integration of tourism with non-tourism sectors, especially those in agriculture, fisheries and creative industry (Meyer, 2007). The empirical synthesis indicates that targeted procurement mandates by island governments can help local agricultural cooperatives supply hotels, resorts, and cruise operations directly. Programs to set up distribution hubs, micro-finance local farmers, and certify standards help producers in the host community meet hospitality volume and health and safety demands. When these supply chain gaps are filled in, passive expenditure on imports can turn into local circulating revenue and increase the domestic economic multiplier effect (Hampton & Jeyacheya, 2020).

Institutional Reform, Taxation, and Community-Based Ownership Models. "Regulatory intervention and alternative ownership models are essential to disrupt enclave models, according to qualitative literature" (Sharpley, 2012). Policies requiring foreign investors to enter into joint ventures with local entrepreneurs ensure that equity and the power to make decisions remain within the host country. In addition, taxes can be used to gain access to a part of foreign hospitality income such as environmental taxes, eco-taxes, or bed night taxes. By reinvesting it into the municipal infrastructure, vocational training, local heritage protection, it transforms extracted capital into community assets. According to UN Tourism (2024), Community-Based Tourism (CBT) models provide corresponding support to host populations to directly govern the delivery of the tour as well as accommodation with a view to optimizing the retention of profits locally.

Human Capital Up-Skilling and Destination Governance. An important strategy for ensuring long-run value retention is upgrading domestic human capital to shift local labour away from low-skill, low-wage service sector jobs and towards higher-level occupations in executive, managerial and administration functions (McElroy 2003) The states can replace the hired expatriates by requiring corporations to have a structured succession plan for the executives, and creating hospitality leadership institutes funded by the state. By granting local Destination Management Organizations (DMOs) statutory authority, island destinations can impose local sourcing regulations, limit the expansion of all-inclusive resorts and broaden tourism beyond the corporate enclave (Pratt, 2015).

Conclusion

The study focuses on tourism leakage as a type of extractive tourism of an island destination, moving the focus away from the view of leakage as a loss of money and toward regarding this phenomenon as a structural socio-economic extraction. From the metastasis of relevant literatures, the first theme operational pathways of tourism leakage. The second theme impact on local socio-economic retentions. Third, interventions for retaining the tourism value. This study finds that tourism leakage is a mechanism to structurally extract value, and not merely a loss of trade. As a result, island governments must halt uncontrolled growth, require supply chains to be local, enforce progressive taxes, and provide community-owned businesses with the ability to capture tourism capital within host communities. The main contribution of this study is to re-frame tourism leakage from a passive economic loss to active socio-ecological extractivism. Through qualitative literature synthesis, it sheds light on a theoretical framework and empirical clarity of how broken local supply chains and foreign corporate dominance undermine host island communities. Nonetheless, the study's use of secondary qualitative synthesis limits the generalization of findings to islands governed differently. In addition, the unavailability of primary quantitative data precludes measurement of capital loss accurately at destination level with future empirical field research mandated to validate the findings and can be taken as a focus area for future studies.

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Chapter IX

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The Global Travel and Sustainable Development

Abstract

The aim of the chapter was to examine the global travel and sustainable development. The narrative review method was utilized for the design. A narrative report design is a technique for collecting, analyzing and presenting data in descriptive form about human experiences, institutional processes, and the complex interrelationships of human beings in their contexts.The narrative review revealed following themes: Sustainable travel: political ecology, institutional imperatives and community autonomy, Political Ecology of Global Travel: Monetization, enclosure and ecological degradation, Contextual / historiographical grounding and Economic sustainability and wealth retention, Biophysical limits and socio-ecological regeneration in tourism governance. Because of this reliance on secondary literature, as well as the lack of primary empirical data from existing and newly established corridors based in different Global South regions. The macroeconomics is too all-encompassing to pay much attention to local cultural differences. Along with ignoring the short-term operationalization problems to the implementation of policy relating more especially to sustainability, to do with global travel governance. It is recommended practical implications to use dynamic socio-ecological carrying capacity models instead of static visitor caps and integrate local supply-chains. Policymakers must prioritize community ownership of equity structures in order to stop leakage. Furthermore, they should explore closed-loop resource management such that tourism income finances long-term ecological restoration that protects the regional destination and restores its quality. In order to conduct longitudinal and mixed research empirical study in various corridor of the global soth and indigenous tourism corridor. It is also necessary to assess the long-term impact of these community-

owned equity schemes. Moreover, to further investigate, better tools for real-time digital monitoring of dynamic socio-ecological carrying capacity (SECC) and localized supply-chain integration mechanisms will be important.

Keywords: *Global Travel, Sustainable development, narrative report, tourism development, narrative review*

Introduction

The travel and tourism sector, over the last fifty years, has grown on a global basis and this is considered one of the most important socio-economic developments which took place in modern times. Transnational mobility has shifted from being an elite activity to now one of the leading global drivers of foreign direct investment, infrastructure and cross-border trade (Milne & Ateljevic, 2001; Sharpley, 2000). International tourist arrivals grew rapidly during the pre-pandemic period and were indeed on a path to strong growth over the long term (Gössling et al., 2012). So, tourist arrival development is a major element of national planning effort. For the longest time, international development agencies promoted global travel as "smoke stack-free" engine of capital accumulation (Rostow, 1960; Sharpley, 2000). The high end of the growth graph is equally creating serious socio-ecological disturbances on the hosts' systems. They constitute a major enclosure of resources, waste generation and economic leakage and commodification of the host community culture (Bryant & Bailey, 1997; Fletcher, 2011; Mowforth & Munt, 2015). As a result, there exists a basic structural contradiction within contemporary global travel: the biophysical resources and cultural heritage which is the product of global tourism are systematically degraded by the market that seeks to profit from them (Fletcher, 2011).

The global travel and sustainable tourism literature remains significantly under-researched, notwithstanding four decades of academic interest since the formal institutionalization of sustainable development through the Brundtland Report (WCED, 1987). Intention of that tourism can either affect or disturb biodiversity. Nature-based tourism can affect flora and fauna. Various critical habitat forms must be left to movement of these through such tourism spaces. Existing studies majorly get segregated on two levels. Policy studies on a macro level advocate using growth indicators regarding economic metric. On a micro-level site studies focus only on eco-efficiency or voluntary CSR schemes. This type of division creates a substantial empirical and conceptual gap regarding how meso-level governance structures, institutional arrangements and local power dynamics interact to mediate sustainable development in destination territories (Bramwell & Lane, 2011; Milne & Ateljevic, 2001). In addition, mainstream sustainability discourses ignore the political ecology of global travel. The neoliberal market structure promoted by these discourses supports foreign economic leakage and excludes the host community from genuine decision-making (Britton, 1982, Hall, 2011, Tosun, 2000). It is essential that critical inquiry be done in order to assess how local economic autonomy, ecological carrying capacity and community self-determination can be operationalised so as to withstand the corporate extraction and top-down development (Buckley, 2012; Scheyvens, 1999).

This research study presents theoretical, empirical, practical and policy contributions to the fields of tourism management and sustainable development that advance knowledge and practice in tourism. Based on theory, it refines existing thinking by viewing global travel enterprises as dynamic socio-technical systems straddling political-ecological and institutional boundaries that bridge global market forces and local destination realities (Bramwell & Lane, 2011; Milne & Ateljevic, 2001). The study provides location-specific, evidence-based information regarding the workings of host sites, and especially the manner in which structural scale from capital-intensive multinational operations to small-scale localized accommodations influences resource allocation, the retention of economic benefits at the local level in the host economy, and environmental leakage (Fletcher, 2011; Sharpley, 2000). As per Ashley and Roe (2002) and Font (2002), this study will provide tourism administrators/developers and destination managers with practical frameworks through which to minimize economic leakages, impose binding ecological limits and optimize local human capital systems. In conclusion, from a policy perspective, the study offers empirical evidence for municipalities and regional planners to reorganize destination governance, shift from passive community participation towards true socio-cultural self-determination and ensure educational and regulatory policies align with sustainable development (Hall, 2011; Scheyvens, 1999; Tosun, 2000).

Aims of the Study

Through this chapter, the researchers explored the tourism industry and sustainable development. In particular, it seeks to undertake the following.

1. The triple bottom lines of sustainable tourism development;
2. Institutional failures and capital leakage in destination management; and.
3. bio-physical sustaining capacities and ecological limits.

Methodology

The analysis was conducted through a narrative review. A narrative review design was utilized for the collecting, analyzing, synthesizing, and presenting of in-depth descriptions of human experiences, institutional processes and social interactions in all their complexities, placed within their specific real-life contexts (Clandinin & Connelly, 2000). As opposed to quantitative designs that collate numerical data in order to create statistically generalizable conclusions, the narrative approach accentuates contextual depth, temporal sequencing and thematic coherence (Riessman, 2008). It allows researchers to organize well-ordered descriptive accounts, field observations, and accounts from participants. In this manner, they can capture how phenomena take place in time (Polkinghorne, 1995). In the realm of management, tourism, and organizational studies, narrative reporting is especially useful for investigating meso-level processes, such as leadership actions, institutional transformations, and organizational culture. Such processes are difficult to disentangle from their contexts (Czarniawska, 2004). Through thick description and contextual grounding, narrative methodology succeeds in providing an avenue for understanding how organizational actors interpret policies, negotiate obstacles and derive meaning from their workplaces (Geertz, 1973; Riessman, 2008).

Chapter Discussions

Sustainable travel: political ecology, institutional imperatives, and community autonomy

The aim of this chapter is to explore how global tourism expansion itself presents structural contradictions and what alternative governance options might reconcile economic growth with socio-ecological integrity. This chapter has four objectives which will help us critically analyze world travelling through the lens of sustainability.

The first aim is to explore the political ecology of global travel through analyzing how tourism commodification driven by the market causes biophysical degradation, resource enclosure and spatial marginalization in host destinations (Bryant & Bailey, 1997; Fletcher, 2011). The second objective examines institutional imperatives and market failures arising from the structural limitations of neoliberal governance models, macro-growth measures and the leakage of foreign economic influences to the periphery (Hall, 2011, Milne and Ateljevic, 2001). The third objective analyzes community autonomy and governance paradigms through devolution mechanisms for local decision-making, local resource control and socio-cultural self-determination (Scheyvens, 1999; Tosun, 2000). The fourth goal is to make operational the triplet of sustainable developments through integrated development framework aimed at achieving balance between environmental regenerative capacity, institutional accountability, and local economic self-reliance (Bramwell & Lane, 2011).

Political Ecology of Global Travel: Monetization, Enclosure, and Ecological Degradation

The worldwide spread of tourism is basically a product of political-economic forces that remould biophysical environments into commodities. The transformations of nature into a commodity can be analyzed effectively using the critical lens of political ecology as it shows how there is enclosure of resources, restructuring of spaces, and dispossession of local host populations. (Bryant & Bailey, 1997; Fletcher, 2011) Scenic natural features, like coastlines and forests, are often enclosed in host locations for high-value tourism infrastructure. This is the transformation of common-pool natural resources into economic zones (Fletcher, 2011). The measures established for the capitalisation of ecological assets systematically undermine the very biophysical system that sustains them. This is evident from habitat fragmentation, aquifer depletion, waste generation etc. In addition to the above, power differences in global travel networks ensure the negative effects of environmental degradation fall mainly upon marginalized peripheral communities. In doing so, corporate bodies capture the major monetary returns (Bryant and Bailey, 1997).

Institutional Imperatives and Market Failures: Neoliberal Governance and Economic Leakage

More established models of the tourism planning field have tended to operate under a neoliberal market (read: capitalism dominated) paradigm which favours a top-down approach based mainly on an anticipated contribution to gross domestic product (GDP), total volume of visitors and an inflow of foreign capital (Hall, 2011). While these macro-level indicators are often used to justify development and tax incentives for local infrastructure, they mask serious structural inefficiencies within the destination economy. One major impact of tourism is "leakage" where a large part of tourism expenditure does not stick within the destination. For example, it may be diverted to multinational hotel companies, international airline operators and global Internet booking systems. This structural drain restricts the accumulation of local capital; this undermines domestic supply chains while fostering dependence on volatile global markets. Certification programs and eco-efficiency measures are voluntary and market driven and do not disturb the broad planes of imperial extraction (Hall, 2011; Milne & Ateljevic, 2001). The institutional governance frameworks exacerbate such market failures.

Community Autonomy: Decentralized Governance and Socio-Cultural Self-Determination

Achieving systemic equity in destination regions requires a more proactive view on community participation (Tosun, 2000). It must be viewed not as an outcome, but as a means to achieve absolute community autonomy and decentralised governance. The historical models of community-based tourism have often acted as co-optative mechanisms, giving local stakeholders only the illusion of influence, with real agency left with the state bureaucracy and private developers (Scheyvens, 1999; Tosun, 2000). Actual community autonomy, on the other hand, will require the recognition of legally protected land rights, local revenue-sharing mechanisms, and community resource management frameworks that give host populations the power to determine the scale, rate and nature of tourism development in their territory (Scheyvens, 1999). Developing self-determination protects cultural heritage and local social systems from commodification and enables a community to weigh up the external travel demand against its internal social, cultural and ecological priorities (Scheyvens, 1999; Tosun, 2000).

Contextual / Historiographical Grounding

The main goal of the section is to sustain able tourism conceptual development over a four-decade period. In addition, the shifts in mechanisms of governance as international development discourse and mode of … will be examined. Specifically, the paper has four aims which help further the history and critical aspect of the discipline. The first objective of this case study to look at the post-war modernization period to examine how “smokestack-free” growth models prioritized infrastructure development and resource extraction on the assumption of infinite environmental assimilative capacities (Rostow, 1960; Sharpley, 2000). The second objective is to investigate the projected institutional shift of the WCED report towards an ecocentric paradigm. The objectives of earlier sustainable tourism models were to decouple economic growth from ecological degradation via small-scale, low-impact alternatives (Ceballos-Lascura´in, 1996; WCED, 1987). The third objective studies how the corporate co-optation of sustainable tourism discourse occurred in the 1990s and 2000s. Market forces turned environmental protection into a series of voluntary green certifications, eco-labeling, and corporate social responsibility schemes (Honey, 2002; Mowforth & Munt, 2015). The fourth aim is to assess critical political ecology views of market-based sustainability mechanisms as forms of "greenwashing" that commoditize natural capital while simultaneously insulating core corporate activities from binding regulations (Fletcher, 2011; Font, 2002).

From the end of World War II until the late 1970s, international development policy predominantly defined tourism in line with modernization theory (Rostow, 1960; Sharpley, 2000). Tourism was designated by international development organisations as a smokestack-free industry; it was viewed as an industry that can enable poor countries to quickly accumulate capital and earn foreign exchange and modernize infrastructures. (Sharpley, 2000) The development of policy frameworks during this period was almost wholly on volume expansion, construction of airports, development of resorts, and penetration of markets. Sustaining Meaningful Future Destinations by Rethinking Planning Assumptions

Early destination planning assumed that biophysical systems had unlimited assimilative capacity for human waste and resource extraction. Carrying capacities, spatial crowding, and ecological externalities were systematically neglected (Gössling, 2002; Sharpley, 2000).

The publication of the World Commission on Environment and Development's (WCED) visionary report, Our Common Future (1987), announced a formal institutional shift the embedding of sustainable development into the global policy discourse. One of the more well-known definitions of sustainable development is development that satisfies the needs of the present without compromising the ability of future generations to satisfy theirs. This report resulted in some of the early tourism scholars developing ecocentric operational models (Ceballos-Lascura´in, 1996; WCED, 1987). The small-scale and low-impact travel modes focus on ecotourism, nature-based travel and responsible tourism to break the link between economic revenue generation and environmental damage (Ceballos-Lascura´in, 1996; Honey, 2002). Ecocentric paradigms sought to incorporate humans into nature through localized conservation, environmental education and management of visitors in small groups (Ceballos-Lascura´in, 1996).

Critical historiography shows how these ecocentric paradigms were quickly co-opted by global market forces during the 1990s and 2000s (Fletcher, 2011; Mowforth & Munt, 2015). As consumers increasingly favored sustainable travel, multinational hotel chains, commercial airlines and global cruise operators began using sustainability rhetoric within corporate social responsibility (CSR) strategies. This led to an explosion of voluntary green certifications, eco-labels and carbon offset schemes (Font, 2002; Honey, 2002). According to political ecology scholars, these voluntary schemes mostly act as market-driven schemes of greenwash, enabling corporations to commodify nature, access premium markets and environmental branding, while insulating their core industrial activities from binding regulation (Fletcher, 2011; Font, 2002; Mowforth & Munt, 2015).

Economic Sustainability & Wealth Retention

Local Economic Retention, a building block of sustainable travel governance, is a contemporaneous challenge to the modernization paradigm which views unrestrained foreign direct investment as an unqualified engine of regional development (Rostow, 1960; Sharpley, 2000). In classical and neoclassical economists, foreign capital inflows are said to have a powerful multiplier effect on creating jobs, upgrading infrastructure, and distributing wealth to a country's destination (Archer, 1995; Mbaiwa, 2005).

Nonetheless, recent empirical assessments of a range of international tourism corridors suggest that these trickle-down mechanisms are generally not working, especially in destinations dominated by foreign multinational corporations and enclave tourism (Brohman, 1996; Britton, 1982). According to empirical studies on tourism supply chains, destinations with structural dependence on foreign ownership and mass tourism operations experience capital leakages of between 78% and 84% of gross tourism expenditure (Meyer, 2007; UNEP, 2011). According to Mowforth and Munt (2015), the massive loss of economic benefits negates the growth intended for international arrivals, turning host destinations into resource mines rather than self-sustaining systems.

The repatriated corporate profits, the fortified influx of luxury consumables, the commissions for foreign management, and booking fees are four structural channels through which capital leaks out of these corporate-dominated corridors (Hawkins & Mann, 2007; Telfer & Sharpley, 2016). Contrastingly, tourism corridors that are decentralized and community-owned cooperative structures have a remarkably less structurally leakier capital by up to 62% more to the micro-economy ($p<.001$) (Blackstock, 2005; Scheyvens, 2007).

In-depth econometric and regression analysis indicate that the retention of regional wealth is not a mere consequence of visitor numbers but rather determined by particular institutional variables (Ashley & Roe, 2002; Goodwin, 2011). Such variables include local equity ownership, local supply-chain linkages and municipal regulatory control. Embedding tourism governance in democratic, community-based institutional frameworks will allow destinations to decouple visitor economies from extractive leakage and steer the sector towards true sustainable development (WCED, 1987; Saarinen, 2006).

Biophysical Limits and Socio-Ecological Regeneration in Tourism Management

The second dimension of the tripartite governance framework which deals with biophysical limits and ecological regeneration advocates a move away from standard destination management systems which tend to apply a fixed Tourism Carrying Capacity (TCC) calculation to impose a hard cap on visitor numbers (Saarinen, 2006; Liu, 2003). In the past, static thresholds were used to reduce visitation, however, today's ecological science suggests that natural systems behave as complex adaptive systems that fluctuate around thresholds and evolve in a dynamic way. Furthermore, stressors do not have linear outcomes but instead occur through tipping points, feedback, and threshold responses (Folke et al. 2004, Gunderson 2000).

The ecological consequences of transgressing these complex biophysical limits are severe as empirically seen in high-density archipelagos. The per-capita drinking water consumption of tourists often exceeds resident consumption by a ratio of approximately five to one, averaging 680 liters per day (tourist) and 135 liters per day (resident), which leads to serious coastal aquifer salinization and upside down saltwater intrusion (Gössling et al. 2012; Tortella & Tirado 2011) Moreover, municipal infrastructure capacities are regularly surpassed by the generation of solid waste and wastewater peak season and as a consequence, untreated effluent is discharged directly into the adjacent marine and terrestrial environments (Hunter & Shaw, 2005; Priskin, 2003).

On the other hand, proactive destinations which employ a dynamic Socio-Ecological Carrying Capacity (SECC) enforcement can successfully reverse baseline ecological degradation through the application of adaptive management (Farrell & Twining-Ward, 2004; Plummer & Armitage, 2007). These new systems allow for flexible visitor capacities and require the use of closed loop water recycling technologies, with fees for entry invested directly into local reforestation and marine habitat rehabilitation (Buckley, 2012; Bushell et al., 2007). Through aligning destination governance with the local ecosystem complex adaptive cycles, tourism could turn from being an extractive enterprise to becoming a restorative tool for regional environmental health (Filion et al., 1994; WCED, 1987).

Socio-Cultural Resilience & Local Governance

The study analyzes how the expansion of tourism affects the culture and socio-economic lives of host communities. The article then examines the power local governments wield in these situations through an evaluation on the top-down commercialization and bottom-up containment. Sustainable travel specifically focusses on four areas, giving an insight into the social dimension. First Objective is to study the socio-cultural dislocation mechanisms through uncontrolled growth of tourism causing commodification of indigenous heritage, hyper-gentrification of local real estate and physical dislocation of host populations (Cole, 2006; Mowforth & Munt, 2015). The second objective seeks to investigate the official municipal policy environments and top-down tourism master planning, and the old style of administration that alienate host communities by treating them as a net operational backdrop (with the non-human resources sub-text) rather than a primary decision-making stakeholder (Tosun, 2000). The third objective examines the economic and spatial impacts associated with the expansion of short-term rentals taking place in urban-heritage clusters. Moreover, the objective looks at the ways these short-term rentals facilitate the rapid conversion of properties leading to escalating costs of residential housing and displacement of population. The fourth objective is to evaluate the capacity of indigenous governance councils and the community for veto power. According to Johnston (2006) and Scheyvens (1999), Local control over zoning, building sizes for commercial use, and cultural licensing promote social cohesion and intergenerational learning.

The socio-cultural dimension of sustainable development refers to the examination of the various realities of a host community due to intensive tourism growth. If a tourist area develops too quickly this may lead to problems. The phoney authenticity and commodification of indigenous culture are evident in mention of hyper-gentrification of local housing markets and physical ousting of long-term residents (Cole, 2006; Mowforth & Munt, 2015). Photonic Therapy bears an uneven financial and environmental burdens due to tourism revenues causing a disproportionality of impact. Local governing bodies prioritize tourism profit above all other factors which causes this phenomenon. Planning models that prioritize visitor experience and public expenditure/investment forget the public-making public, thereby creating a rift between the local and the municipality. Consequently, the affinity for place is diminished (Cole, 2006; Tosun, 2000).

The conversion of housing units for short-term vacation rentals in high-density tourist zones has severely disrupted housing markets. Research has found that the price of residential housing may inflate by as much as 2.5 times over seven years due to quicker property mediated conversions via platforms. This ultimately out-prices lower-income families leading to huge residential displacement (Cocola-Gant & Gago, 2021; Wachsmuth & Weisler, 2018). On the contrary, when decision-making is autonomous at the local level, arrangements at the institutional level generate a high level of social-ecological resilience. By having local management bodies and indigenous-municipal governance councils with formal veto power, host destinations can be able to avoid spatial displacement regarding municipal zoning ordinances, commercial building footprints and cultural licensing (Johnston, 2006; Scheyvens, 1999). According to Johnston (2006) and Scheyvens (1999), tourism development needs to reflect the social priorities of the communities in order to enable governance over autonomous communities; social integration; intergenerational knowledge transfer; and reduced interference by residents against visitors.

Conclusion

The study intends to find out world travel and sustainable development. The narrative report design was utilized in the investigation. Five themes stand out from the narrative review: Sustainable travel: political ecology, institutional imperatives, and community autonomy, Political Ecology of Global Travel: Monetization, Enclosure, and Ecological Degradation, Contextual / Historiographical Grounding, Economic Sustainability & Wealth Retention, and Biophysical Limits and Socio-Ecological Regeneration in Tourism Governance. Practical impacts including prioritizing dynamic socio-ecological carrying capacity models over static visitor caps and urging for local supply-chain integration. Community equity should be owned by local residents to reduce leakage. Resource system in tourism should be closed loop ensuring revenues are utilized on- site for long-term ecological restoration and protection of destination resilience in the region. Future researchers should conduct longitudinal, mixed-methods empirical work in Global South and Indigenous tourism corridors to assess the long-term impact of community-owned equity structures. In addition, there is a need for further research into real-time digital monitoring tools for dynamic tourism and localized supply-chain integration mechanisms.

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Profile of Authors

Chester S. Tabasa is a highly accomplished, versatile, and multidisciplinary professional whose career seamlessly bridges academic leadership, business administration, secondary education, and agricultural expertise. As a Licensed Professional Teacher, Mr. Tabasa uniquely combines robust corporate acumen with a deep, unwavering commitment to inclusive education, pedagogical innovation, and sustainable industry practices.

His academic journey reflects a strong multidisciplinary foundation, highlighted by a Master of Arts in Education Major in Special Education (SPED) from Cebu Technological University and a Master in Business Administration from Cebu Institute of Technology - University. This advanced education is further complemented by a Diploma in Special Education, a Diploma in Professional Education, and a Bachelor of Science in Business Administration Major in Human Resource Management.

Prof. Tabasa's core competencies span multiple domains, notably academic and educational leadership. This is demonstrated by his tenure as an instructor at Cebu Institute of Technology - University (2004–2009), where he drove curriculum innovation in management, business, and accountancy, and his current role at Minglanilla Science High School, where he acts as an internal advocate for practical, hands-on instruction. Armed with specialized SPED training, he expertly balances business administration insights with a deep understanding of neurodiverse learning needs to foster equitable, effective educational environments.

Beyond the classroom, Mr. Tabasa boasts over 16 years of extensive, hands-on experience in pig farming and agricultural economics. Operating as both a farm owner and a professional consultant, he specializes in livestock management, resource planning, operational efficiency, and sustainable agricultural practices, helping organizations optimize their daily operations through structured capacity-building frameworks.

As an active contributor to academic scholarship, Mr. Tabasa's international publications explore educational governance, organizational development, classroom management, and agricultural resilience amidst crises like the African Swine Fever outbreak. Complementing his research is a robust commitment to lifelong learning, evidenced by his participation in numerous district- and other conferences.

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She is a Certified Lean Six Sigma Yellow Belt and a Certified Operations Management Specialist (COMS)®. Her more than 20 years of corporate experience span the financial services, distribution, manufacturing and production, trucking, and nonprofit sectors. She has also served as a Quality Management System (QMS) consultant for a construction firm. Before joining academia, her most recent corporate role was Quality Systems Specialist at the Ramon Aboitiz Foundation.

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Dr. Celso L. Ouano is an esteemed Filipino scholar, academic administrator, and multidisciplinary researcher specializing in business management, economics, quantitative methods, and organizational development. Associated with the Cebu Institute of Technology – University (CIT-U), he has built a distinguished career defined by a strong dedication to higher education, curriculum enrichment, and research mentorship across graduate and undergraduate programs.

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Prof. Ma. Sonia Fate Cal-Dela Peña, known professionally as “Sonia Cal,” is an academic leader, public administration educator, and public service practitioner. She currently serves as the Public Administration Coordinator and a faculty member of Cebu Institute of Technology–University (CIT-U), where she is engaged in teaching, academic coordination, research, and student development. Her academic and professional interests include public administration, governance, public policy, political development, and public sector management.

Alongside her academic career, Ms. Cal-Dela Pen˜a is an elected local government official with eight years of experience in public service. Her work in local governance has provided her with extensive practical experience in community development, public-sector decision-making, program implementation, and addressing the needs of constituents. She currently serves as the Secretary General of the Barangay Councilors League of the Philippines (BCLP) – Cebu City, where she contributes to the coordination of initiatives and activities involving barangay officials and local governance.

She has also served as a Malasakit Program Coordinator, assisting constituents in accessing medical assistance, healthcare services, and other government support programs. This experience has strengthened her commitment to responsive, accessible, and people-centered public service, particularly in helping individuals and families navigate government assistance and health-related services. Her dedication to public service and community initiatives has been recognized through awards for outstanding performance and meaningful contributions to the community.

Ms. Cal-Dela Pen˜a holds a Master’s Degree in Public Administration and is currently pursuing a Doctor of Public Administration (DPA). Her academic, professional, and public-service experiences enable her to connect public administration theory with actual governance practices and community realities. Through teaching, research, leadership, and public service, she aims to contribute to the development of competent and ethical public servants and to promote effective, responsive, inclusive, and evidence-based governance.

Chapter X

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The Spatial Economy of Leisure: A Qualitative Meta-Synthesis of Tourism Gentrification

Abstract

This chapter synthesizes qualitative evidence to map how urban transformation driven by leisure generates economic displacement, place alienation, and cultural erasure across macro-, meso-and micro-spatial scales. The main aim of this qualitative meta-synthesis is to synthesize and reinterpret empirical qualitative literatures in tourism gentrification. The researchers used a meta-synthesis approach. The synthesis demonstrates that three themes emerge: 1) Rent gaps, financialization, and the platforms are turning housing into leisure facilities, 2) cultural loss and the weakening of social cohesion and the global capital through the platforms, and 3) drive micro-level neighborhood displacement. The qualitative nature of this study obviates its generalizability. By leveraging qualitative evidence on the divisive effect of leisure capital in urban spaces, this study helps build a unified theoretical framework regarding the processes of displacement in economic, psychological and cultural terms. The need for inclusive spatial planning is politically relevant. In future research, mixed-method longitudinal studies should be done to assess future resilience of that community.

Keywords: *Spatial economy, Leisure tourism, Qualitative meta-synthesis, Tourism Gentrification*

Introduction

The rapid escalation of global leisure capital has profoundly transformed urban and rural landscapes, affording tourism a lofty place on the public policy agenda. No longer just a temporary economic impact, tourism is now a considerable driver of spatial reconfiguration. Gotham coined the term 'tourism gentrification' following analysis of New Orleans' French Quarter (2005). Tourism gentrification means that local neighborhoods, often working class, are transformed into expensive, consumption-based neighborhoods due to corporate tourism, real estate investment and visitor-oriented amenities. Unlike traditional gentrification in which rich households settle in the residence of poor members, tourism gentrification is different. Under this model, space is continuously commodified for the benefit of super-mobile, transient consumers, creating huge rent gaps, substantially increasing short-term vacation rentals, commercial restructurings and dislocating long-term residents on a systemic basis. The world over, cultural sites and neighborhood retail as public infrastructure are being reconfigured to extract visitor spend. Increased rejection of social-spatial polarization, local sense or place loss and greater civic opposition have been outcomes.

The theorization of tourism gentrification is divided at the level of structure, despite empirical studies appearing with an increasing rapidity across a range of diverse geographical contexts, from heritage European city centers to coastal Global South locations. These findings are not designed to yield general insights; rather, they are meant for case studies. The theoretical incoherence in this field has generated an important gap: scholars do not have jurisdictionally transcending knowledge of how the spatial economy of leisure presents itself in tenureships, economic settings and forms of governance. Quantitative reviews are sometimes conducted to pool market factors or property prices. However, they largely ignore the qualitative experience of residents around marginalization, spatial contestation, and loss of neighborhood identity. There is now a pressing need for the synthesis of qualitative evidence that will help build an overarching conceptual model showing how local spatial dynamics interact with global leisure flows.

This study aims to conduct a qualitative meta-synthesis of primary qualitative research on tourism gentrification. The synthesis of qualitative studies yields more abstract theories from localized studies. In particular, we unveil the mechanics of the leisure-based forms of capital accumulation, reveal the common socio-spatial pathways of impacted communities which straddle different parts of the world, and construct a framework connecting economic restructuring to everyday life. The research presents a clarification of the conceptual vocabulary useful in urban geography and tourism studies through a comparative thematic synthesis that teases out the differences between residential gentrification, touristification and commercial displacement.

The research will be useful in the academic, practical and policy spheres. Theoretical contributions reinforce contemporary urban sociology and critical tourism studies by providing a holistic, human-centered framework for understanding how leisure capital reshapes geography and resident rights. The findings discussed above, which draw on case studies and testimonies from various countries, highlight the inadequacy of both economic and social indicators to fully capture the complex causal links between displacement and well-being. These results provide useful evidence for urban planners, executing authorities and destination management organizations for proactive governance interventions. According to this synthesis of evidence, deregulating of short-term rental market and leisure-led development endanger local communities, as per the policymakers. Furthermore, the development will develop a pro-poor policy on housing to prevent gentrification.

Aims of the study

The overarching purpose of this qualitative meta-synthesis is to synthesize and re-interpret empirical qualitative literatures on tourism gentrification. Specifically, this study aims to:

1. Compare how rent gaps, real estate financialization, and short-term rentals convert residential spaces into leisure hubs;
2. Examine lived experiences of direct economic eviction alongside indirect impacts like place alienation and cultural loss; and
3. Translate qualitative evidence into a unified framework linking macro-level capital flows to micro-level neighborhood change.

Methodological Design

In order to logically collate, explain and synthesize findings related to varied geographical contexts, this paper uses a meta-synthesis approach (Noblit and Hare 1988; Thorne et al. 2004). Instead of combining numerical data as traditionally done in meta-analyses, a meta-synthesis instead attempts to transform primary qualitative findings across individual studies into higher order theoretical constructs, while still retaining the contextual richness of the original fieldwork (Paterson et al., 2001; Sandelowski & Barroso, 2007). This method is particularly useful for tourism gentrification, which requires an understanding of the multi-scalar complexity of this phenomenon in order to build theory regarding the unique experiences involving displacement, cultural degradation and spatial reconfiguration in these settings.

Search Strategy and Information Sources

A search was conducted on Scopus, Web of Science, ScienceDirect and Google Scholar for relevant peer-reviewed studies until date. This was done by systematically and comprehensively searching major databases. The three main concepts were combined using Boolean operators to formulate the search string.

Initially, In-vitro Micropropagation. Displacement of residents by affluent leisure classes and their uses. Second, the Spatial and Economic Context. The Impact of Airbnb on Urban Transformation. Third, a Thematic Analysis of Case Studies. This article aims to present a summary of the thematic content analysis of the case studies of Airbnb listings. Airbnb case studies were thus, carefully selected through several methodological and practical filters. It first establishes the urban transformation between Airbnb and gentrification, before defining "gentrification" in the theoretical framework of Airbnb's literature review. It then negotiates the first ontology filter: "Airbnb" or "Impact of Airbnb on the city". It proceeds to the second urban ontology filter: "rent gap" or "short-term rentals" or "goal-economy" or "urban transformation". It then unpacks the methodology filter: "qualitative" or "interviews" or "case study" or "thematic analysis". In the first part of this paper, an analysis of Airbnb literature is accomplished. This presents a paragraph of a thorough analysis of Airbnb literature. This analysis presents evaluation criteria, data reliability, data range and relevance, and case studies. Third, the urban transformation will further develop Airbnb's economic relation through gentrification. This develops a summary literature of the economic theory of spatial targets.

Inclusion and Exclusion Criteria

The studies were examined in light of the predetermined eligibility criteria to assess their quality and concept.

Dimension	Inclusion Criteria	Exclusion Criteria
Study Design	Primary qualitative or mixed-methods empirical studies using identifiable qualitative analysis (e.g., interviews, fieldwork, visual ethnography).	Purely quantitative studies, conceptual commentaries, policy briefs, editorials, or book reviews lacking primary qualitative data.
Focus	Explicit focus on tourism gentrification, tourist-driven displacement, short-term rental impacts, or leisure spatial restructuring.	Classic residential gentrification without a distinct tourism or leisure investment driver.

Dimension	Inclusion Criteria	Exclusion Criteria
Language & Publication	Peer-reviewed journal articles and book chapters published in English.	Non-peer-reviewed gray literature, conference proceedings without full text, or master's theses.

Quality Appraisal and Data Extraction

Eligible studies were methodologically appraised using the Critical Appraisal Skills Program (CASP) qualitative checklist to assess credibility of data collection and transparency of analysis. The qualitative analysis software imported the studies' meeting quality benchmarks for data extraction. Following extraction, data comprised contextual identifiers (location, geographic scale, country), participant characteristics, methodological design and main findings i.e. author interpretations, participant quotes and themes related to spatial economy and leisure dynamics.

Data Analysis and Synthesis Framework

The data synthesis essentially follows the seven-phase interpretive qualitative meta-analysis strategy structural framework of Noblit and Hare (1988).

1. First - Order Concepts Voices and lived experiences of direct participants that are recorded in primary texts.
2. Second-order ideas Theorists explanations, categorizations and interpretations authors of primary studies.
3. Synthesis of the Third Order Significant translation of findings across studies for novel third-order interpretations.

In this study, the researchers used reciprocal translation (comparing similar findings in different contexts) and refutational analysis (explaining an anomaly or contradictory case, e.g., different state regulations), to coalesce critical ideas into an integrated conceptual framework detailing how the leisure spatial economy reconfigures urban and coastal destinations in a systematic way.

Chapter Discussions

Rent gaps, financialization, and platforms convert housing into leisure hubs

According to the organizers, the transformation of urban residential neighborhoods into leisure destinations is one of the most important spatial transformations in contemporary critical urban geography and tourism studies. Instead of happening in a natural way through gradual changes in residential structures, the process is driven by the structural realignment of real estate markets, financial mechanisms and digital platform technologies. The spatial economy of leisure possesses a tripartite structural convergence, comprising two capital rent gap widening processes and the financialization of housing, as well as the Short-Term Rental (STR) widespread. Through these two mechanisms, urban space is systematically extracted from the local housing market and integrated into the global circuits of speculative accumulation. Qualitative research undertaken on a primary basis across the various global geographies registers the housing insecurity, altered retail composition and exclusion of long-term residents. This meta-synthesis aggregates, compares and interprets level evidence from contemporary scholarship to explain how these three structural pillars work together to transform residential spaces into commercial leisure spaces.

Changes in Rent Gap and Use of Capital. The rent gap's widening and exploitation is schemed around leisure-based spatial transformation. In the original conceptualization by Smith (1996), the rent gap can be seen as the difference between the actual ground rent of a property arising from its current residential use and the potential ground rent under its highest and best use. In destination cities and historic districts, the possible ground rent that could be collected from short-term leisure visitors, transient tourists and high-yield commercial amenities far exceed what local wage earners would be able to pay as long-term residential leases. Qualitative studies show that investors and property owners employ such methods in a systematic manner, of withholding maintenance, ending long-term residential leases or the conversion of building stock, in order to capture visitor yields. Gotham (2005) demonstrated in his analysis of gentrification in urban tourism that local real estate markets are purposely altered so that land value is determined not by local socio-economic conditions but rather by global consumption capacity. As a result, this rent gap is not just any abstract economic measure but more of a driver of physical and economic displacement that effectively extracts property from local community utilization.

Real Estate Financialization and Housing Commodification. Economic incentives for spatial conversion are created by rent gaps. Meanwhile, institutional capital and vehicles needed to scale the process are provided by real estate financialization. The financialization of housing and urban land refers to the deep structural shift which transforms housing and urban land from social goods and human rights into financial assets, equities and commodities which are tradeable and designed to yield returns for global investors. In markets affected by tourism, private equity firms, REITs, and institutional property managers are snatching up residential housing stock en masse, to create portfolios entirely devoted to short-term tourist accommodation. The qualitative research by Harvey (2012) and Sequera and Nofre (2018) shows that financialization disjoints local housing markets from local wages.

When housing stock becomes integrated into transnational financial markets, it enables its property value to be driven by international capital flows and investment yields. Consequently, it prevents housing from being affordable for local wage earners. Their income level is still anchored to regional labor markets.

The qualitative literature highlights that the financialization of real estate influences municipal planning and local governance frameworks, standardizing public administration with investor agendas. Because of their potential to attract foreign direct investment and boost municipal tax revenues, local governments routinely adopt favorable zoning regulations, tax abatements and urban renewal subsidies for corporate tourism developments. Qualitative accounts by residents reveal an increasing political disaffection, as municipal stakeholders prioritise the protection of investors and tourism growth over the adoption of affordable housing policies and tenant rights. Such institutional backing allows corporates financial entities to encroach geographies of whole residential blocs, evict existing tenant networks, and privatize public spaces for commercial leisure activities. The process of financialization can be understood as a systemic commodification of residential space that is structurally supported by private capital as well as public governance.

Short-Term Rentals and Digital Platform Commodification. The swift expansion of peer-to-peer digital platforms, notably Airbnb, is the main technological enabler that actualizes rent gap exploitation and real estate financialization at the micro-level. Through investment in technology, the transaction cost of entering the hospitality market has fallen dramatically. The transactional technology platform allows both individual speculators and corporate property managers to convert long-term residential units into flexible, high-yield vacation accommodation. According to Cocola-Gant (2018), STR platforms enable the creation of "ghost hostels" as well as unlicensed commercial use in multi-family residential buildings. The conversion of dwellings into short-stay tourist accommodation results in a reduction in the available supply of long-term rental housing. This leads to increasing market rents and vacancy rates throughout whole districts. Therefore, hospitality services such as Airbnb and booking.com have taken over spaces that were previously immune and "protected" from the penetration of commercial tourism.

Unsurprisingly, having STRs in any neighborhood not only reduces the supply of housing, but it also negatively impacts the livelihood of those residents that remain. The qualitative interviews across touristified neighborhoods show recurring mentions of disturbances, insecurity and alienation. Frequent and rapid changing of transient guests impairs building security, causes constant noise pollution, and increases use of shared building amenities like lifts and waste disposal. Worse still, losing your permanent neighbors weakens localized informal support systems, mutual aid and community cohesion. Residents of the buildings feel alienated from their surroundings as a result they feel like they are impacting a form of indirect displacement. Short-term rental platforms, therefore, do not just change the use of properties; but actively dismantle the social fabric needed for longer-term communal living.

The combination of these qualitative compilations, rent gaps, financialization of property-related income and short-term rentals, can be proved not just to be a process with a causal link, but more realistically an integrated self-reinforcing cycle of spatial commodification. There must first be a rent gap to attract financialized capital seeking urban high-yield assets. Once financialized capital enters a neighborhood, short-term rental platforms provide the operational apparatus for rapid scaling of unit conversions. The increase of platform-mediated conversion has also widened rent gaps in the surrounding residential neighborhoods to attract further speculative investment. This further drives out remaining forms of residential use.

According to the qualitative literature, this integrated cycle converts residential neighborhoods into specialized leisure areas in a systematic way where the spatial design, commercial activity and property rights completely orient towards transient consumption. To counter housing insecurity, to regulate digital platforms, to reclaim the right to the city for resident populations understanding this structural interplay is key for urban scholars, public policy actors, and community advocates.

Direct economic eviction alongside indirect impacts like place alienation and cultural loss. The neighborhood's spatial transformation into leisure and entertainment hubs changes not only real estate markets and economies but also the social realities of local people. Structural mechanisms such as rent gaps and short-term rental conversions create the conditions for spatial commodification, but the human cost manifests through multi-layered displacement. The complexities of tourism gentrification displacement are exhaustive. It ranges in type, scope and intensity, beginning from first round economic removal and ending at second round socio-cultural removal. The primary qualitative research emphasizes that long-standing residents experience displacement of not a singular event but as an ongoing, continuous process that undermines security, sense of belonging, and cultural identity. By synthesizing qualitative evidence collected from a variety of global contexts, it has been found that economic evictions have direct negative consequences on local communities, while indirect social and cultural impacts encompass place alienation, social network fragmentation and cultural disintegration.

Direct Economic Evictions and Housing Insecurity. The most direct and visible means by which long-term residents are ousted from touristified neighborhoods is through economic eviction. The rising values of real estate and the potential for short-term profits are leading landlords and corporate property managers to adopt increasingly aggressive tactics to take over residential units for visitors. Cocola-Gant (2018) has documented qualitative accounts in which steep, unaffordable rents, non-renewals of leases and deliberate landlord neglect aimed at forcing tenants out, are all commonplace practices. In a number of city and seaside locations, property owners are making use of loopholes which are embedded in regulations. They are using an official "owner-occupancy" clause or minor building work permissions as a guise to remove longstanding renters. After this, they are putting up the renovated property on short-stay rental sites soon after the eviction.

Direct economic eviction is accompanied by devastating psychological impacts, financial instability and severe housing affordability stress. Long-term residents low-wage service workers working-class households and fixed-income seniors are being priced out of the neighborhoods where they have lived for decades. According to qualitative studies conducted by Jover and Dı́az-Parra (2020), individuals who are evicted take up housing options on the outskirts of the city as their choices have been severely curtailed and do not have access to their workplaces, health services, social networks, etc. As people are forced to avail of an unusual geographic dispersion such moving further from workplace increases cost of commute and everyday financial burdens and breaking long-established community ties so stable residential lives become cycles of housing instability.

Place Alienation and the Psychosocial Loss of Home. In addition to physical eviction, long-term residents who manage to maintain their housing may still suffer profound indirect displacement, and most notably this takes the form of place alienation or "displacement in place". As Marcuse (1986) notes, and has picked up on in the critical tourism literature, place alienation occurs when the social, physical and commercial environment in which a resident life is so radically altered that they feel like a stranger in their own home neighborhood. The neighborhood's utility for everyday use is eroded as the local grocery shops, hardware stores and community pharmacies give way to fancy cafes, souvenir shops, and ephemeral facilities designed for tourists alone. Figure 1 represents the alienation of Place and the psychosocial stripping of home**.**, below:

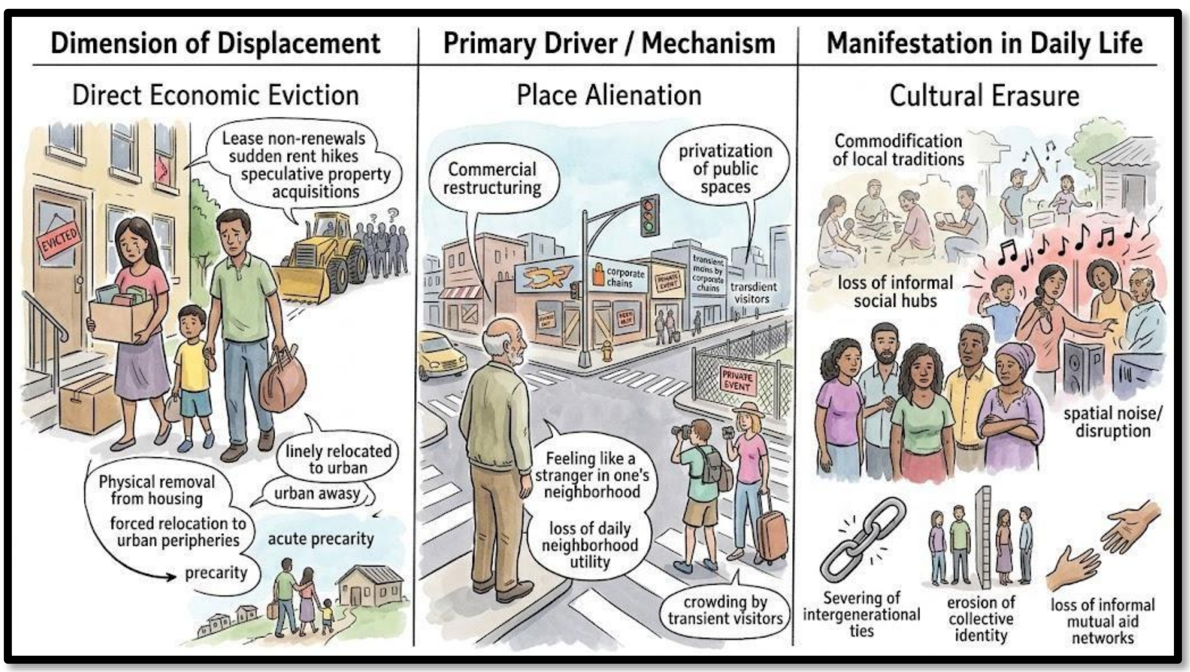

Figure 3. *Place Alienation and the Psychosocial Loss of Home*

According to qualitative evidence, residents left behind bear a heavy psychological burden of place alienation. In historic town centers and seaside resorts affected by transient leisure flows, public space which once served civic, neighbor and children's purposes is privatize or overcrowded by commercial outdoor seating and tour groups. Residents say they are lost, anxious and alienated because noise pollution, waste management and security issues caused by short-term renters are disrupting their everyday lives. While their physical homes may remain unchanged, the very relationships that made it a home the bodily social relationships in the home become not useful for the individual.

Cultural Loss and the Erosion of Social Cohesion

The social atmosphere of neighborhoods is systematically erased by direct evictions and alienation of spaces coupled with making these places inhospitable. Neighborhoods are not just residential buildings; they are living organisms that survive on the neighbors' networks of mutual aid, informal social support, shared memories and inter-generational traditions. As long-term residents are ousted and substituted by a revolving population of transient tourists, the informal support systems collapse. Older residents lose trusted neighbors, support for daily tasks disappears, children's arrangements break down and associations cannot remain active or politically favored.

In addition, local culture gets commodified and homogenized through tourism gentrification. Qualitative studies show that domestic festivals and real neighborhood identities are transformed by tourism business operators into sanitized and consumable spectacles for tourists. This procedure severs local heritage from the society that developed it and recasts it as a marketing device to elevate land values and further attract leisure capital. Sequera and Nofre (2018) argue that this cultural stripping deprives the locals of their history and collective memory while the tourist landscape is a commodified celebration of culture. Those who carry the culture are pushed out economically and spatially.

The qualitative evidence that exists in the field indicates that there is an economic eviction (direct) and socio-cultural loss (indirect) gentrification that is often one and the same. Evictions with forced removals reduce residents and optimize Local Resistance Capacity, while yielding good commercial restructuring. Through this reshuffling we intensify place alienation and cultural erasure of those who stay, generating unsustainability or undesirability of staying in the neighborhood. It is important for researchers and policymakers to understand that displacement is a process that continues over time and space, to assist in the implementation of comprehensive housing protections, the defense of community rights and the minimizing of socio-cultural harm arising from unregulated tourism gentrification.

Global capital flows through platforms, driving micro-level neighborhood displacement

To appreciate how global financial systems affect the everyday life of households in specific neighborhoods, we need a theoretical model that links the macro-economic and the micro-social. Traditional urban geography usually studies the relationships between the flow of capital and local population displacement as two separate issues. However, a qualitative synthesis of these two issues indicates that they are intimately related to one another as two successive stages of a single spatial process. The spatial economy of leisure relies on a straightforward set of connective mechanisms: macro-level capital flows pursue high-yield opportunities, intermediate market institutions and digital tools facilitate those investments, and micro-level neighborhood change unfolds across the physical, commercial, and socio-cultural. Analyzing various urban and coastal cases qualitatively reveals a third-order theory framework that explains how global leisure capital reconfigures local residential space into commodified visitor space.

Macro-Level Drivers: Global Capital Flows and Spatial Fixes. The initial step involves the transition of surplus capital seeking real estate investment at the macro level. According to Harvey (2012), global financial capital tends to turn towards urban real estate and leisure infrastructure in search of heightened returns during periods of economic downturns, which forms what has widely been termed as “spatial fix”. In contrast, transnational development funds along with global private equity and corporate real estate investment trusts (REITs) are targeting historical city centers, waterfronts and cultural-districts in destination markets. These flows of financial capital view urban land more as a type of asset class than a place for communities, due to the high yield potential of the global tourism market relative to local wage-based residential rents. This macro-level influx is supported by national and municipal governance frameworks that offer tax incentives, deregulate land use, and invest heavily in visitor infrastructure to attract foreign capital, thereby setting up the structural conditions for neighborhood conversion.

Meso-Level Mechanisms: Platform Mediation and Market Intermediaries. The meso-level market intermediaries and digital technologies enable the transition from macro-level turbulence to micro-level disruptions. Airbnb other short-term rental (STR) platforms, property management companies, and speculative real estate brokers function as the operational conduit that enables global capital to access local housing stock. According to the work of Cocola-Gant (2018) and Sequera and Nofre (2018), the use of these platforms greatly eases the friction involved in changing long-term residential leases to temporary visitor units. Digital platforms bundle singular housing units into financialized portfolios to facilitate the quick injection of capital into entire neighborhoods. At the same time, the local trade networks also adjust to the capital investment; neighborhood services make way for tourism-related equipment. At the meso level, these intermediaries translate macro financial flows into local property market pressures. The analytical levels, drivers, and Operational manifestations. are illustrated in Figure 2, below:

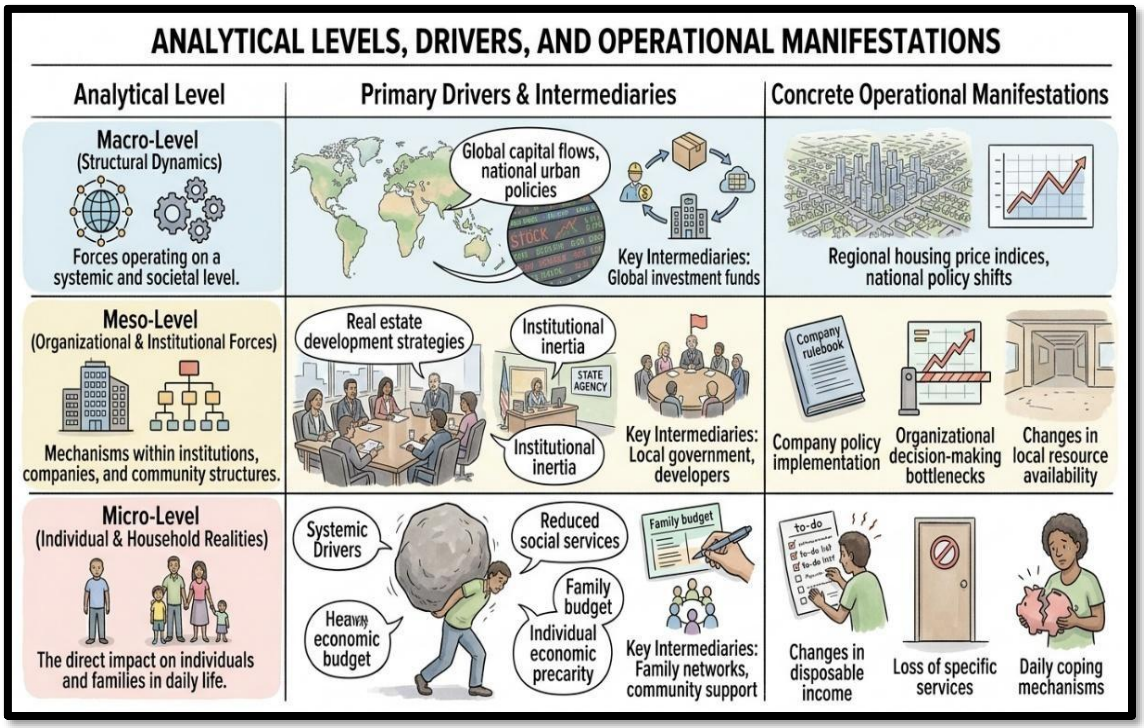

Figure 4. *The Analytical Levels, Drivers, and Operational Manifestations*

Micro-Level Outcomes: Neighborhood Transformation and Lived Realities. At the micro-level, the arrival of financialized capital and platform-mediated tourism fundamentally alters the daily environment for long-term residents. This transformation occurs in three distinct phases:

Firstly, **Physical and Tenure Restructuring.** In this level the property owners exploit widening rent gaps by terminating long-term leases, converting multi-family apartments into unlicensed vacation units, and elevating asking prices, which directly drives housing precarity and economic evictions (Smith, 1996).

Secondly, **Commercial Restructuring.** It has been noticed that high margin businesses are taking over essential local businesses (grocery stores, hardware stores laundries, etc.) (Jover & Dı´az-Parra, 2020).

Finally, **Socio-Cultural Disruption.** With the departure of permanent residents and the commercialization and overcrowding of public spaces, place alienation among the remaining residents rises significantly. Moreover, loss of local social support systems and cultural homogenization are likely consequences.

The main contribution of this third-order theory synthesis is to show that these three levels do not work in isolation but rather they feed into one another. Micro-level changes include the disappearance of local residents and the emergence of high-yield commercial outlets. This increases the value of nearby properties, opening up rent gaps locally. The larger rent differentials reflect the macro investment thesis well, attracting greater inflows of cross-border capital and further mediation of conversions through platforms. Recognizing this entire cycle allows researchers, urban planners and community organizers to identify structural intervention points platform regulations, land value capture and municipal housing protections that can break this cycle of leisure-based displacement and preserve neighborhoods' livability.

Conclusion

The main aim of this study is to synthesize and re-interpret empirical qualitative literatures on tourism gentrification. From the synthesis emerged the following themes 1) The conversion of housing to leisure hubs due to rent gaps, financialization and platforms, 2) Loss of culture and social fabric and global capital flows through platforms and 3) Displacing at the micro-level in neighborhoods. This research effort contributes to the same theoretical framework by combining qualitative evidence on the ways leisure capital restructures urban space that drives displacement in both economic or psychological and cultural terms. It suggests activating inclusive spatial planning from the political end. It is also recommended for future researchers who would want to conduct longitudinal, mixed-methods studies to focus on community resilience.

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Profile of Authors

Dr. Jimmy Bernabe Maming is a distinguished multidisciplinary scholar and "philomath" operating at the intersection of educational leadership, tourism and hospitality, global management, and technological convergence. He holds four doctoral degrees: a PhD in Management and a Doctor of Public Administration (DPA) from Cebu Institute of Technology – University, a Doctor of Education (EdD) from the University of the Visayas, and a Doctor of Ministry (DMin) from the Asian Center for Leadership Education and Development.

Dr. Maming's academic pedigree includes graduating with top honors (summa, magna, and cum laude) and completing elite executive fellowships. A CHED-AIM Scholar, he completed the Global Academic Leadership Program at the Asian Institute of Management. He also trained at UP Los Ban˜os, De La Salle University–Manila, and completed a Futures and Foresight Thinking program at the Development Academy of the Philippines.

A prolific researcher, Dr. Maming has over 35 international refereed publications, including six Scopus-indexed articles. As an editor for IGI Global, he spearheaded volumes on micro-credentials, bio-digital convergence, and the post-human travel industry. His theoretical contributions deposited with the Intellectual Property Office of the Philippines include Maming's Theory on Sustainable Development, Maming's Adaptive-Talent Acquisition (MATA) Theory, and the Maming–Catacutan–Tabasa Micro-Credentialing Framework.

Dr. Maming has served as Editor-in-Chief for the Journal of Advanced Studies in Tourism, Hospitality, and Management and holds national board roles with AAHRMEI. His administrative trajectory features executive roles as Vice President of ACLEAD College, Acting College President, Dean, and Research Coordinator at Malay College, Head of Quality Assurance at AMA University-Manila, and Program Head at Balete Community College – BS Hospitality Management Program. Grounded in seven years of hospitality leadership, former Auditor of Boracay M.I.C.E Alliance, he contributed to the Boracay Action Plan under the Region VI RDC and remains active in peace advocacy. Guided by his philosophy of Vision, Passion, and Action (VPA), Dr. Maming continues to shape post-modern enterprise and educational governance**.**

Dr. Aligonero loves education, socio-political sciences, tourism and hospitality management. He currently holds the prestigious positions of International Linkages Director and Chairperson of the College of Tourism at Southville International School and Colleges, Philippines, where his leadership and vision continue to inspire both students and faculty.

Dr. Aligonero's academic credentials speak of his 34 years in the academe. He holds a Bachelor of Arts major in Political Science from Central Philippine University and a Bachelor of Science in Tourism. He further advanced his education with a Master in International Hospitality Management (MIHM) from Lyceum of the Philippines Batangas, where he is also a Licensed Professional Teacher. Dr. Aligonero has achieved the highest level of academic excellence with a Doctor of Philosophy in Management from the same institution. Additionally, he has completed the academic requirements for a Master of Arts in Educational Management with specialization in Educational Management at the Philippine Normal University.

His professional journey is as distinguished as his academic one. Dr. Aligonero has extensive international experience, having visited Hong Kong; China and its provinces and cities like Shenzhen, Guangzhou, and Beijing; Thailand; Qatar; Indonesia; South Korea; and Cambodia as part of his work. He has served as the Chairman of the National Board of Advisers and Treasurer of the Junior Tourism and Hospitality Management Association of the Philippines (JTHMAP) from 2021 to 2023. Currently, he is the Committee Chair for Instruction and Programs (2023-2025) for the Association of Administrators in Hospitality, Hotel, and Restaurant Management Educational Institutions (AAHRMEI). He also serves as an officer of Metro Manila Education Tourism Association (MMETA).

Dr. Aligonero is also the Convention Co-Chair of the 2nd AAHRMEI International Convention 2023 and the 23rd National Convention in Seoul, South Korea. He has held various significant roles such as the General Membership Meeting (GMM) Chair of AAHRMEI in 2023, Training Development Head of Taylor Center for Professional Development, International Baccalaureate Program faculty, and Subject Area Head of Social Living and

Global Education.His interests are diverse and include ecotourism, destination marketing, green practices, farming, traveling, writing, hosting corporate and related events, events management, wellness and fitness, training and development, student leadership, and auditing (internal ISO auditor). Dr. Aligonero is also an avid animal lover with 12 dogs.

Most recently, Dr. Aligonero delivered an insightful talk on "Responding to the Challenges of Artificial Intelligence in Tourism and Hospitality" at the Manila Grand Opera Hotel on May 4, 2024. Lately, he was invited to deliver a talk, "Diplomacy Beyond Borders: Peace through People-to-People Tourism Initiatives" an international collaboration with Jyoti Nivas College Autonomous, Bangalore, India on September 26, 2024.

Rene is devoting his time for charity works and in 2021, he founded the Julian and Remedios Espulgar Aligonero Community Outreach and Productivity Engagement (JREA-COPE) which the family began with KINDNESS PROJECTS and now into FAITH KINDNESS.

Chapter XI

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Sustainable Hospitality and Tourism: Creating Shared Value Through Community Engagement and Social Innovation

Abstract

The hospitality and tourism sector today faces a variety of interrelated economic, social, cultural and environmental issues that need new strategies that go beyond traditional sustainability efforts. This chapter explores the role that community engagement and social innovation can play in creating shared value and sustainable tourism development. Building on recent research related to sustainable tourism, stakeholder engagement, value co-creation, social innovation and shared value, this chapter provides an integrated conceptual framework in which community engagement acts as a link between sustainability goals and social innovation and multidimensional value creation. It is argued that genuine community engagement is a tool that allows the incorporation of local knowledge, culture, skills and preferences into the process of tourism development. This can lead to social innovations in tourist services, local economies, governance, and environmental practices and result in the creation of economic, social, cultural and environmental value for a wide range of actors. The framework also highlights the importance of considering the distribution of tourism benefits, responsibilities and participation opportunities in the creation of shared value.The chapter contributes to the sustainable hospitality and tourism literature by integrating community engagement, social innovation, and shared value into a unified conceptual framework and by positioning community well-being as an integral component of destination competitiveness and long-term sustainability. The framework provides implications for tourism managers, destination organizations, policymakers, and communities seeking to develop more inclusive, resilient, and sustainable tourism systems.

Keywords: *Sustainable Hospitality; Sustainable Tourism; Community Engagement; Social Innovation; Shared Value Creation; Value Co-Creation; Community Empowerment*

Introduction

A tremendous change has taken place in the hospitality and tourism sector as technological advancements, changes in consumer needs, business model changes, and growing interconnection of the tourism ecosystem have changed the process of delivering tourism experiences. The hospitality and tourism sector is no longer about the traditional interaction in face-to-face settings between the provider and the tourist. Rather, modern tourism functions through interlinked networks that include hoteliers, restaurants, transport providers, technology, destination management organization, the local community, government agencies, and the tourists themselves. This has widened the scope of value creation in tourism and made the hospitality and tourism businesses think about organizing their resources differently, interacting differently with stakeholders, and developing new services and experiences. Current academic studies show that digital transformation has become an important topic in hospitality research especially when talking about technology adoption, stakeholder effects, customer behaviors, e-purchasing, and service innovation (Peng et al., 2024).

Among the factors contributing to this change, one of the most significant is the fast spread of digital technologies. Technologies such as artificial intelligence, big data analysis, Internet of Things, cloud computing, mobile applications, blockchain, digital payments, and other Industry 4.0 technologies have become increasingly widespread in the field of tourism and hospitality. They affect both the supply side and demand side of the industry. For the consumers, digital technologies have changed the way tourists look for information, compare destinations, make bookings, interact with service providers, navigate destination, share their experience, and assess the tourism services. On the organizational side, digital technologies offer additional ways of collecting data, forecasting the demand, managing relations with customers, personalizing services, coordinating operations, and making decisions. As shown by a systematic review on Industry 4.0 in tourism, technological transformation has had an impact on interactions between visitors and technology, tourism value chains, destination management, and development of digital skills in tourism (Rodrigues et al., 2024).

The change becomes especially clear in the hospitality industry. Hotel firms and other accommodation organizations are employing various technologies, including online booking platforms, CRM, electronic payment solutions, smart rooms, automated communication, artificial intelligence, and data analytics, for improved service delivery and efficiency. Importantly, digital transformation is not only about implementing specific technologies;

rather, it involves various changes in organizational process, business models, relationships, and mechanisms of value creation. The findings from the bibliometric analysis of 2,527 peer-reviewed articles on hospitality digital transformation reveal four key themes: technology adoption, stakeholder outcomes of digital transformation, factors affecting online purchases, and online reviews analysis. As is clear from the themes revealed by the analysis, digital transformation influences not only organizational performance but also service quality, relationships among stakeholders, consumer behavior, and stakeholder welfare (Peng et al., 2024).

In terms of organizations, digitalization has also motivated hospitality firms to question their conventional business model designs. The growing availability of customer and business data has enabled organizations to come up with a data-based approach in the design of services and decision making. For instance, Troisi et al. (2023) show that organizations within the hospitality industry are becoming increasingly obliged to redesign their business models by adopting a data-oriented perspective within larger smart hospitality ecosystems. It becomes apparent that digitalization can be used as a means of innovating and creating value while enabling hospitality firms to incorporate data into their strategic and operational functions. This transformation is especially relevant to small and medium-sized hospitality organizations because digitalization enables them to gain access to markets and comprehend the customers' preferences without resorting to conventional competitive practices.

As a result of digital tourism ecosystem emergence, the relationship between tourism organizations and tourists changed considerably. Tourists have become active participants in value creation, rather than passive recipients of pre-made services. Reviews, posts, user-generated content, digital communities, and interactions with destinations give tourists the opportunity to affect their reputation and experience improvements. On the other hand, tourism organizations rely more on the information they receive from interactions with consumers. Digital transformation results in increased interactivity when value is created during continuous interaction between tourists, business organizations, destinations, and other parties. The importance of stakeholder outcomes for digital transformation of hospitality confirms the idea that technological change should not be considered in terms of efficiency only but also in terms of relationships and experiences (Peng et al., 2024).

Changes in tourism and hospitality are also apparent in the appearance of new types of tourism ecosystems. Instead of functioning as separate organizations, tourism firms are now becoming more and more dependent on an interdependent set of actors and platforms for delivering comprehensive tourism experiences. The provision of accommodation, transport, food services, attractions, culture, digital platforms, and destination management organizations can all participate simultaneously in creating an experience for the visitor. This interdependence raises the stakes when it comes to coordination, information exchange, and innovation. Troisi et al. (2023) define the concept of hospitality in a smart ecosystem where innovation and value generation are facilitated by the interaction of data, technology, organizations, and stakeholders. In addition, Rodrigues et al. (2024) illustrate the growing influence of Industry 4.0 technologies on different segments of the tourism value chain.

Moreover, such a transformation opens up possibilities for local businesses and community-based tourism practitioners. For instance, digital technologies may be used to enhance market access by enabling the direct interaction of local tourism service providers with tourists to advertise local products, culture, accommodations, food, and activities. In addition, digital technologies may be used to enable communication, monetary transactions, knowledge sharing, and collaboration between dispersed stakeholders. The systematic review carried out by Ratna et al. (2024) demonstrates the possible contributions of blockchain, financial technology, and knowledge management in generating innovations in the field of tourism and hospitality industry. It is important to note that such a transformation is not only a technical one but also includes organizational, knowledge, and stakeholder perspectives.

But, technological transformation is not necessarily going to result in favorable results for everyone involved in tourism. There can be a disparity among technological capabilities, IT skills, financial resources, infrastructure, and access to information between the parties involved, which would lead to unequal opportunities for entering the newly forming tourism systems. Big companies will have more capability to afford high-level technological solutions and data analysis, while smaller businesses and local communities might have problems integrating them. Thus, digital transformation can increase the already present inequalities because of the inequality in the access to technology and its proper use. According to Rodrigues et al. (2024), along with technology adoption, it is important to pay attention to digital skills and organizational readiness; according to Ratna et al. (2024), there are organizational and knowledge aspects of technological transformation in tourism and hospitality.

Moreover, the digital transformation of the hospitality and tourism industry also touches upon the issue of sustainability. Digital technologies have the potential to help achieve better resource management, environmental monitoring, informed decision-making, and sustainable business model innovation. The evidence from the hospitality industry reveals that digital transformation may contribute to environmental sustainability if it is coupled with sustainable business model innovation. In their study, Bekele et al. (2024) revealed the positive impact of digital transformation on environmental sustainability and found that sustainable business model innovation mediated the effect of digital transformation on environmental sustainability. Nonetheless, one should not see the contribution of technology to sustainability as an automatic and ubiquitous process. While digital transformation may lead to increased efficiency and innovation opportunities, its impacts cannot be defined by operational efficiency and competitiveness alone because they also depend on the way technologies are implemented and distributed. Hence, the digital transformation of tourism brings about not only issues of efficiency and competitive advantage but also questions related to the effects of the transformation on the local community, employment, culture, environment, and economic benefits that are provided by tourism.

The change in hospitality and tourism may therefore be viewed as a multifaceted phenomenon, which entails technology, business, relations with stakeholders, engagement of consumers and creation of value. In terms of development, the industry is shifting from a rather linear approach of service delivery to an ecosystem approach, where many players collaborate to create tourism experience. Technology has increased the ability of tourism firms to innovate and customize their offerings, while at the same time increasing dependence among firms, tourists, destinations and communities. It is clear from this evolution that the competitiveness of hospitality and tourism industry in the future would be defined by not only the adoption of new technology, but also by innovation to meet various expectations.

The transformation of hospitality and tourism is conceptually significant in many ways. It is not only about finding new ways for tourism businesses to be able to use technology to enhance their performance but also about discovering ways in which the transformation of tourism is going to add value for the participants of the tourism development process. The significance of this concept lies in the fact that tourism business is firmly rooted in local contexts. All the resources that make destinations attractive such as culture, heritage, landscape, local knowledge, tradition and social relations, etc., tend to belong to the very community where the process of tourism development occurs. This way, it becomes obvious that understanding the transformation of hospitality and tourism requires understanding of not only technological but also social relations involved in the process of value creation within tourism.

Sustainable Hospitality and Tourism

1. **The Concept of Sustainable Tourism**

From being an environmentally-oriented concept of tourism, sustainable tourism has grown to become a multidimensional strategy of tourism development which is focused on the economic, social, cultural, and environmental impacts of tourism operations. The basic principle of sustainable tourism is that tourism development must meet the needs of present tourists and host community members without compromising the ability of future generations to meet their own needs. Sustainability means that tourism development will not only be judged by its performance in terms of number of tourists visiting a destination, generation of income, creation of jobs, or competitiveness of the destination, but also by its impacts on the community, culture, environment, and sustainability of the destination. Recent studies show that sustainability has become one of the main topics in hospitality and tourism research because of the increasing awareness of the interconnection between tourism development and sustainability (Epstein et al., 2017; Legendre et al., 2024).

The importance of sustainable tourism stems from the inherent nature of the tourism industry itself. Whereas most other industries have the capability of separating their production from their consumers in terms of geography, this is not possible for the tourism industry. The tourists visit specific destinations owing to the attributes of the destination such as natural landscapes, cultural heritage, the local community, hospitality industry, leisure facilities, and special experience at the destination. It is therefore evident that any damage done to the resources in terms of the environment, culture, or society can harm the very viability of the destination.

The increased amount of tourism sustainability literature demonstrates this expansion of the perspective. The large-scale bibliometric study conducted on tourism sustainability literature revealed the following themes: biodiversity conservation, climate change, environmental management, sustainable attitudes, protected areas, tourism development, rural tourism, poverty, ethics, and education

(John & Supramaniam, 2024). The development described above means that tourism sustainability research has progressively shifted from the narrower focus on environmental management toward an extended perspective on the relations between tourism development and societal welfare. Thus, sustainable tourism development involves the consideration of various and often conflicting objectives. It is necessary for tourism business to be economically sustainable, for tourism destination to remain competitive, for tourists to have enjoyable experience, for the community to gain from tourism and participate in the process and for environmental assets to be sustainable. It is not possible to ensure all these goals simultaneously without compromise and collaboration. Sustainable tourism implies mechanisms that allow different stakeholders to participate in decision-making and shape the future of destinations.

The stakeholder-oriented perspective has gained prominence in current research in tourism. In addition to viewing sustainability as a set of practices to be carried out by tourism enterprises, recent efforts have focused on collaboration, participation of stakeholders, co-creation of value, and shared responsibility. For instance, John & Supramaniam (2024), through a systematic review, illustrate that value co-creation has emerged as one of the key streams of research in tourism and hospitality, owing to the realization that value creation in tourism depends upon the interplay of tourists, firms, employees, host communities, and other stakeholders. Consequently, sustainable tourism goes beyond being merely "greener tourism"; rather, it requires rethinking of issues such as the use of tourism resources, distribution of benefits and costs of tourism, participation of stakeholders, and sustaining the ability of destinations to create value.

2. Sustainability in the Hospitality Industry

Hospitality is one of the critical elements of the tourism industry since the services like accommodation, food and beverages, events, recreation, and many others affect both the tourist experience and impact on destinations. On the other hand, such operations in hospitality have the potential to produce significant negative impacts on the environment and community due to energy and water consumption, production of food waste and garbage, procurement processes, working conditions, and relations with the host community. Thus, the issue of sustainability in hospitality implies not only environmental efficiency but also good relations with all stakeholders.

There is substantial scientific literature on the environmental aspect of sustainability in the hospitality industry since such businesses use large amounts of energy, water, food, and other resources. Accommodation facilities, such as hotels, need energy around the clock to provide lighting, heating, cooling, laundry, kitchen services, and other facilities. Additionally, accommodation facilities produce food, packaging, waste, wastewater, and greenhouse gas emissions. Scientific research focused on the impact of tourism on the environment has underscored the importance of carbon, water, and ecological footprints resulting from tourism and highlighted the necessity to develop more holistic approaches to estimating the impact of tourism on the environment (Miralles et al., 2023). Moreover, the high dependence of tourism activities on energy consumption, particularly non-renewable energy, represents a major barrier to the development of sustainable tourism models. Reducing dependence on fossil fuels, increasing the contribution of renewable energy, and improving energy efficiency are therefore important components of the transition toward more sustainable tourism systems (Osorio-Molina et al., 2023).

However, environmental efficiency is not enough to consider hospitality sustainable. While a hotel can be energy efficient, it might still engage in exploiting workers and not contributing anything valuable to the community. As a result, there has been an increasing focus on social and governance aspects of sustainability in addition to the environmental aspect in contemporary sustainability considerations. Legendre et al. (2024) in their bibliometric review of environmental, social, and governance studies in hospitality and tourism show the growing interest in ESG considerations among researchers in the field. The considerations involve environmental performance and social factors like diversity, equity, inclusion, and good governance.

Social sustainability becomes critical due to the labor-intensive nature of hospitality business operations. The employees play an integral role in delivering services to the customers, which makes the social sustainability of hospitality firms synonymous with the well-being of the workers, employment practices, skill acquisition, inclusivity, and appropriate working conditions. Social sustainability at the supply chain level applies to not only the suppliers but also the neighboring communities. According to a systematic review of social sustainability in hospitality and tourism supply chains, society/community development emerges as one of the predominant research areas in the field of social sustainability, in addition to the need to focus on stakeholder perception, collaboration in the supply chain, human rights, and small enterprises in developing nations.

Hospitality sustainability also includes the business-community connection. Hospitality businesses are operating in the local social environment where they rely on local labor, produce goods and food products, have a community identity and infrastructure. In such a case, the sustainability of businesses cannot be separated from the well-being of host communities. Hassanli & Williamson (2024) offer an example of creating shared value by small accommodation companies through adapting products with food programs of local businesses. In such a way, accommodation companies, consumers, local businesses and communities may benefit. The approach implies that sustainability has to be incorporated into core processes of hospitality business instead of being considered only a part of corporate social responsibility program. Local procurement, reducing waste, training staff, community partnerships, hiring people and designing services responsibly can be integrated into the business value proposition.

An evolution from isolated environmental practices into integrated sustainability becomes imperative under such conditions. Organizations in the hospitality industry require consideration of environmental practices in relation to their interaction with social relations, economic performance, and governance structures. Integration of practices is especially critical since sustainability processes tend to be interconnected. The purchase of foodstuffs from local suppliers can lead not only to the reduction of the transportation impact but to the development of local economy; investment in staff training will allow improving the quality of services and increase their well-being; and the involvement of local communities in destination experience will help to provide better customer experience and maintain culture at the same time. Thus, sustainable hospitality can be seen as a sustainable business practice through which hospitality firms achieve economic sustainability and contribute to environmental and social sustainability as well as to destination sustainability.

3. Economic, Social, and Environmental Dimensions

Multi-dimensionality of sustainability is usually captured using three dimensions of economics, society, and environment. While each of these dimensions may be considered individually for analytical purposes, in practice, there is a very close connection between them in relation to tourism and hospitality. Sustainable development means that all three dimensions must be considered in terms of their interaction, not the maximization of one at the expense of the other two.

The economic perspective relates to the ability of the tourism and hospitality sector to create a sustainable income flow, employment, investments, entrepreneurship, and sustainable businesses. Tourism plays an important role in the economy through tourist spending, employment creation, investment, taxes, and local product and service demand. Economic sustainability goes beyond the increase in tourism revenues. It encompasses the distribution and sustainability of the benefits from tourism. The destinations that have a significant increase in tourists but keep a relatively small share of tourism spending in their destination can create economic activity, without developing economically. This means that the sustainable tourism industry should create economic ties between the tourism industry and the community.

The social dimension deals with the impact of tourism on society. These impacts include quality of employment, social inclusion, equality, community well-being, involvement of stakeholders, cultural identity, and tourism opportunities. The aspect of social sustainability is now widely acknowledged as an important but somewhat understudied part of hospitality and tourism sustainability. Social sustainability is particularly important in hospitality and tourism supply chains because tourism activities connect businesses with employees, suppliers, local enterprises, and host communities. A systematic review of social sustainability in hospitality and tourism supply chains identified society and community development as a major area of social practice, while also highlighting issues related to human rights, stakeholder perceptions, supply-chain collaboration, and support for small enterprises, particularly in developing-country contexts (ElBelehy & Crispim, 2024). A large-scale bibliometric and science-mapping analysis of sustainability research in hospitality and tourism identified biodiversity conservation, sustainable attitudes, climate change, protected areas, satisfaction, and environmental management as major motor themes. The study further identified sustainable behavior and environmental sustainability, consumption and economic growth, tourism development and strategies, as well as rural tourism, poverty, ethics, and education as important areas for future research (Molina-Collado et al., 2022).

The environmental perspective relates to resource protection and proper resource utilization. Tourism largely relies on environmental resources like natural landscapes, natural ecosystems, natural water sources, beaches, forests, and others. At the same time, tourism activities put pressure on natural resources due to the following factors like energy use, waste production, transport emissions, water use, and land use. According to Miralles et al. (2023), the environmental footprint of tourism involves carbon, water, and ecological elements, meaning that environmental impacts cover various aspects of tourism. Digitalisation is increasingly interconnected with sustainability in hospitality and tourism. Digital, smart, and green technologies can support resource efficiency, environmental monitoring, information exchange, and sustainable destination management, although their sustainability implications may also include challenges associated with energy consumption, digital inequality, and other social and environmental effects (Gonzalez et al., 2025).

These three aspects should not be viewed in isolation from each other. Sustainable hospitality and tourism require their combination. An action that brings positive environmental effects but results in huge expenses for the local community does not mean sustainable development. In the same way, a tourism program that helps to create jobs but destroys environment irreversibly may have negative economic effects on the destination. Sustainable development thus implies recognition of trade-offs, complementarities, and synergies of economic, social, and environmental goals. Rising importance of ESG further underlines this point. According to Legendre et al. (2024), environmental, social, and governance aspects have become more important topics in hospitality and tourism research. The importance of governance lies in the fact that economic, social, and environmental results are determined to some extent by decisions, transparency, accountability, stakeholders' participation, and coordination of institutions. From the practical viewpoint, sustainable development cannot be measured via separate indicators. Hospitality businesses and destinations need to adopt more comprehensive approach to see how their activities influence different stakeholders and value dimensions.

4. Beyond the Triple Bottom Line

The triple bottom line approach is considered a significant conceptual base for analyzing sustainability as it promotes simultaneous consideration of economic, social, and environmental performance of organizations. In the field of hospitality and tourism, it has proved to be quite effective since tourism organizations have a certain impact on all three spheres. However, the modern debate on sustainability increasingly shows that this alone is not enough.

However, the problem with a traditional triple bottom line approach is that the three components may be considered independent of each other. However, sustainable development by nature is relational. Environmental deterioration may impact communities' health and make tourist destinations less attractive; social inequality may harm community engagement in tourism activities; economic instability may limit the abilities of companies to finance their environmental and social activities. Thus, sustainable hospitality and tourism development need to address interdependencies of all three components. This issue is illustrated in recent scientific literature. For example, Legendre et al. (2024) point out the growing relevance of ESG studies in the hospitality and tourism industries while emphasizing differences between ESG and previous frameworks of corporate social responsibility. In addition, modern reviews of sustainable hospitality and tourism often cover topics of stakeholder relations, governance, supply chains, employee well-being, community development, and value creation in addition to environmental management.

The more expansive approach also involves issues of cultural sustainability. Many times, tourism is reliant on cultural heritage, local culture, cuisine, crafts, architecture, ceremonies, and local identity. While these aspects can serve as unique tourism assets, the commercialization process poses a threat of cultural commoditization or loss of local control. Zhang et al. (2025) emphasize the need for holistic consideration of cultural sustainability in hospitality and tourism and the factors at micro, meso, and macro levels. This perspective recognizes that cultural sustainability is a result of the interplay between individuals, organizations, communities, destinations, and institutional contexts. The more broadened concept puts stronger focus on destination resilience. Sustainable tourism is not about preserving the present state of affairs but about creating the ability to cope with various environmental, economic, technological, social, and geopolitical challenges. Destinations should have a diverse economy, competent institutions, involved communities, flexible tourism enterprises, and sustainable resource management. Thus, sustainability means the development of resilience to external threats and the ability to generate value without destroying future tourism resources.

The other shift that is essential relates to the involvement of stakeholders. Tourism destinations consist of numerous stakeholders who have different interests and degrees of power. Whereas tourists focus on experience and service quality, firms are interested in profit generation; whereas governments are interested in job creation and economic development, communities focus on quality of life, cultural heritage preservation and environmental sustainability. Thus, in order to move beyond the triple bottom line, it is important to introduce the mechanism for negotiating and combining the interests of all these parties involved. It is at this point that the notion of value co-creation becomes particularly relevant. John & Supramaniam (2024) prove that the notion of value co-creation has become the important research area within tourism and hospitality studies. Unlike traditional assumption that businesses generate value independently and consumers later consume it, value co-creation approach highlights the fact that value can be generated during interaction between several stakeholders. Therefore, moving beyond the triple bottom line does not mean abandoning economic, social, and environmental dimensions. Instead, it means understanding these dimensions as interconnected components of a broader system of value creation. Sustainable hospitality and tourism should ultimately be concerned with how value is created, for whom it is created, how it is distributed, and whether the resources required to create that value can be maintained over time.

From Stakeholder Engagement to Community Engagement

Sustainable development of tourism and hospitality is becoming more dependent on a transition from organizational to stakeholder approaches where the interdependence between tourism businesses, tourists, employees, government agencies, local communities, suppliers and other stakeholders in the destination system becomes recognized. Tourism destinations represent a complex system where the activities of one stakeholder could affect the interests and results for other stakeholders. Therefore, sustainable development of tourism cannot be ensured just based on decisions taken by tourism companies or destination managers. The processes that would allow the stakeholders to share information about their interests, exchange knowledge, participate in decision making, and develop tourism together need to be initiated. A stakeholder approach to sustainable tourism development is becoming increasingly relevant as tourism studies move from their traditional emphasis on customer satisfaction and performance to more comprehensive issues related to social inclusion, destination well-being, resilience, and value creation (John & Supramaniam, 2024).

This stakeholder-oriented perspective is theoretically grounded in Stakeholder Theory. Freeman (1984) conceptualizes stakeholders as individuals or groups that can affect or are affected by the achievement of an organization's objectives. From this perspective, organizational success cannot be understood solely in terms of the interests of owners or firms but must also consider the relationships, interests, and contributions of multiple stakeholder groups. In hospitality and tourism, this perspective is particularly relevant because tourism development involves continuous interactions among businesses, tourists, employees, local communities, suppliers, government institutions, and destination organizations. These actors possess different resources, interests, levels of influence, and expectations regarding tourism development. Stakeholder Theory therefore provides an appropriate theoretical foundation for understanding why sustainable tourism requires dialogue, coordination, participation, and the balancing of interests among actors rather than relying exclusively on firm-centered decision-making (Freeman, 1984).

Stakeholder engagement is a broad term used to describe the processes through which an organization engages with people, groups, or other institutions that may either impact or be impacted by the organizational activities. Stakeholder engagement in hospitality and tourism may encompass tourists, employees, local population, suppliers, government, DMOs, community organizations, NGOs, and other organizations connected to tourism business. Successful stakeholder engagement is not only limited to notifying stakeholders about the decision made by the organization. It encompasses a range of activities including dialogue, participation, collaboration, as well as decision making and value co-creation in advanced cases of stakeholder engagement. Such differentiation is necessary due to the fact that stakeholders have various knowledge, resources, interests, and power. Tourists can inform the organization about changing preferences, employees can offer their experience with service delivery, local population can offer knowledge about cultural and environmental resources, whereas governments offer institutional power and infrastructure.

Another reason why stakeholder engagement is increasingly becoming important in today's world is because of the realization that the effects of tourism are not evenly distributed among the stakeholders of the destination. The tourism business gains from the extra money spent, employment opportunities, and investments resulting from tourism, while the local population gains from some of its development, but at the same time faces certain challenges. The community receives job opportunities, infrastructure development, entrepreneurial opportunities, and demands for their products. On the other hand, they receive overcrowding, rising living expenses, environmental pollution, commodification of culture, and limited access to local resources. Tourism development can generate employment, business opportunities, and other economic benefits for host communities, but these benefits may coexist with social, cultural, and environmental costs. Previous research has identified potential negative consequences such as increasing living costs, unequal distribution of tourism revenues, crowding, and degradation of natural and cultural resources. These contrasting outcomes demonstrate that tourism sustainability should also be evaluated from the perspective of host communities rather than exclusively from the perspective of tourism businesses or visitors (Lee & Jan, 2019).

In relation to the more comprehensive stakeholder framework, community engagement plays an especially significant role. Communities do not form just one of many stakeholder groups since tourism development takes place within the sociocultural and natural environment created by communities. Communities usually serve as a source of culture, expertise, tradition, labor force, natural resources, networking, and other elements that create appeal for tourists. As a result, the process of tourism development might affect the quality of life, social relations, culture, and use of local resources of communities. The understanding of communities as stakeholders in tourism development, rather than its passive beneficiaries, represents an important change in the philosophy of sustainable tourism and hospitality management. Community engagement is a process when residents and organizations representing communities get involved in activities related to tourism planning, development, implementation, monitoring, and evaluation. The degree of engagement can vary dramatically. At the minimum level, the community receives information about tourism projects. More serious engagement includes consultation, planning, working with the tourism industry, and the development of tourism products/services. At the maximum level, communities can participate in decision-making and governance processes.

This distinction is crucial as the involvement of community members may not reflect a truly engaged relationship even if the community is involved in participating in meetings or making comments. In fact, the community members do not actually have any power or influence on the decisions being made. Likewise, tourism agencies could involve communities in the processes but at the same time control tourism resources and economic benefits. Truly engaged relationship implies some mechanisms through which community knowledge and preferences impact decisions being made. It is also crucial for the process of engagement to include openness of how benefits and risks will be distributed.

Community engagement and empowerment are closely linked concepts. Empowerment can be defined as increasing the ability of the people in a community to have an influence on the decisions that affect them and to benefit from the resources and opportunities created by tourism. For example, empowerment can include skills development, entrepreneurship, market access, involvement in tourism governance, employment opportunities, ownership and control of the community's cultural and natural resources. The result of these efforts can help the community to move from simply benefiting from tourism to participating in its development.

Community empowerment is especially significant for destination areas where there are large foreign investments made in the development of the area's tourism industry. In cases where tourism operators, developers, or investors do not come from within the destination area, the chance exists that the economic benefits derived from tourism activities may drain away from the local economy. Enhanced involvement of the community can play an important role in creating better economic linkages within the local community through practices such as local procurement, creation of community enterprises, local hiring, and collaboration with local suppliers. Community members may contribute local knowledge, cultural narratives, traditional skills, culinary practices, environmental knowledge, and social relationships to the development of tourism experiences. These resources can be combined with the managerial, technological, financial, and marketing capabilities of hospitality organizations to develop products and experiences that are simultaneously commercially attractive and locally meaningful. For example, local residents may collaborate with hotels or tour operators to develop culinary experiences, cultural tours, handicraft activities, ecological excursions, or heritage-based tourism products. In such cases, the community is not simply supplying labor or cultural content but participating in the creation of the tourism experience itself.

This mode of co-creation may create multiple values at the same time. In relation to tourists, community involvement may make the experience more authentic, personalized, learning-rich, and better. In relation to hospitality firms, it may help in developing differentiating products, identity of destination, customer engagement, and possibly competitive advantage. In relation to the community, it may earn them money, employment, entrepreneurship, recognition, and the ability to pass on cultural knowledge. As far as destinations go, community involvement can provide them with social legitimacy and resilience.

Knowledge of the locals is especially critical for this purpose. While tourism bodies may have knowledge of how to market their services, manage operations, etc., local communities usually have knowledge that cannot be substituted by any other. Locals know their history, culture, environment, relationships, seasons, and needs. The inclusion of such knowledge in the tourism plan could increase the relevance and authenticity of the plan and reduce the likelihood of creating products inconsistent with local values or environment. Knowledge of the locals is especially critical for this purpose. While tourism bodies may have knowledge of how to market their services, manage operations, etc., local communities usually have knowledge that cannot be substituted by any other. Locals know their history, culture, environment, relationships, seasons, and needs. The inclusion of such knowledge in the tourism plan could increase the relevance and authenticity of the plan and reduce the likelihood of creating products inconsistent with local values or environment.

Community involvement is also vital for environmental sustainability. Local inhabitants have much knowledge about the environment and may be personally affected by the environmental impact of tourism activities. Community involvement, therefore, might help to achieve conservation, waste management, water management, biodiversity preservation, and sustainable use of natural resources. The inclusion of local community in the tourism environmental activities might also motivate them towards conservation, as they will see the direct connection between environmental state and opportunities for tourism development. It is particularly true of nature-based tourism destinations, as the quality of natural resources plays an important role there.

Within such an approach, community involvement should not be seen as a distinct process that is tacked on to the tourism development process once strategic decisions have been made. Instead, community involvement needs to take place throughout the whole tourism development process. Communities could be involved in processes relating to opportunity and problem identification, product and service design, sustainability efforts, implementation of tourism projects, impact assessment, and evaluation. This would transform community involvement from merely being a process of communication into one of collaborative problem solving and innovation. This is where the idea of social innovation is especially relevant. Community involvement will identify social, economic, cultural, and environmental problems that traditional tourism business models will fail to consider. Working collaboratively amongst themselves as well as with hospitality businesses, governments, entrepreneurs, and others, those problems can be turned into opportunities to develop innovative products, services, business models, and governance arrangements.

The relationship can thus be characterized by a process that moves from stakeholder engagement, to community engagement, to participation and empowerment, and finally to collaboration and co-innovation and the creation of value. Stakeholder engagement provides the relational context of sustainable tourism. Community engagement focuses on people and social systems at destinations. Empowerment enhances the ability of the community to influence tourism development. Co-creation allows both communities and other stakeholders to bring together their capabilities and knowledge. Social innovation can then turn these collaborations into innovations that create value. This approach also redefines sustainable hospitality and tourism. Sustainability is not about efficiency alone, nor is it about certifications or responsible operations. These things still matter, but sustainable tourism is also about the social processes of destination communities making decisions about whose interests are considered, whose involvement is recognized, who controls the resources, and who will benefit from the tourism development process. Community engagement becomes an essential aspect of sustainability since it deals with the social foundations on which sustainable tourism development depends.

Social Innovation in Hospitality and Tourism

Increasingly, social innovation has become an essential tool in dealing with the problems related to tourism and hospitality development. While traditional innovation may be considered from the angle of its technological character, efficiency, market expansion, and competitiveness, social innovation stresses the need to create new ideas, practices, connections, and institutions aimed at producing social value. The focus on social innovation becomes especially relevant when it comes to the hospitality and tourism industry since tourism development is rooted in local communities, cultures, the environment, and networks of public and private actors. Thus, innovation in tourism cannot be viewed only through the prism of new products or technologies. Innovation in tourism requires changes in the way that tourism stakeholders work, communicate, cooperate, and share benefits and costs of tourism development.

A theoretical foundation for this perspective can be found in the concept of social innovation developed by Phills et al. (2008). Social innovation refers not simply to the introduction of something new, but to novel solutions to social problems that create social value and improve existing approaches in addressing societal needs. Importantly, social innovation can emerge through new products and services as well as through new practices, relationships, organizational arrangements, and forms of collaboration. This perspective is particularly applicable to hospitality and tourism because many tourism-related challenges cannot be addressed effectively by individual organizations acting independently. Social innovation therefore provides a mechanism through which communities, tourism businesses, governments, and other stakeholders can reorganize their relationships and combine their resources to develop solutions that generate broader social, economic, cultural, and environmental benefits (Phills et al., 2008).

This importance of social innovation is even clearer when one examines the structural aspects of the hospitality and tourism industry. Tourist destinations are complex systems wherein the interplay between hotels, restaurants, attraction sites, transportation services, destination management organizations, government bodies, the local community, cultural institutions, and tourists occurs continually. Any change in one of the parts may have consequences for other parties involved. For instance, the growth of hotel capacity could create jobs and stimulate economic activity in the area, but at the same time, it would increase strain on local housing facilities, water, waste management, land usage, and cultural space. Likewise, the development of digital tourist networks would expand the market opportunities for tourism-related businesses, but at the same time, it could result in increased competition and dependency of some actors upon others. Social innovation offers an analytic tool for solving such interconnected problems by not only looking at what is innovated, but also at who benefits from innovation, its process, and effects on relationships in the destination.

From this perspective, social innovation could be considered to refer to innovations that are driven by societal demands and generate social values in the form of practice, relationship, governance, and institutional innovations. The importance of social innovation within tourism has been further emphasized in the wake of increased understanding that sustainable development of tourism destinations requires collective action rather than just organizational actions. Sustainable technologies or sustainable practices may be adopted by tourism organizations; however, the overall contribution of tourism toward sustainability will be limited in terms of their involvement of communities in decision-making or distribution of economic benefits of tourism activities among a few individuals only.

One such feature of social innovation is collaboration and participation. Social innovation frequently happens in situations involving the interaction of different actors with varying types of knowledge, resources, interests, and capabilities. In tourism destinations, locals may have contextual knowledge regarding culture, environment, community needs, and historical identity which might not be known by external tourists or other tourism organizations. The tourism firms, on the other hand, may have marketing capabilities, funding, technology, and access to broader markets. Public bodies may bring regulatory backing and infrastructure, and universities and non-governmental organizations could provide research and facilitation services. This innovative idea emerges from the collaborative efforts of the combined capabilities of all these rather than one particular actor.

The collaborative nature of social innovation makes it possible to link it directly to the idea of community engagement that was raised in the previous part. The notion of community engagement forms the basis of social innovation. If communities are seen as passive objects of tourism development, the chances of socially innovative activities being undertaken are quite limited. In the opposite case, when people of the community become involved in the problem identification and definition, the design and management of tourist experiences, and evaluation of its outcomes, their knowledge becomes an integral part of the process of innovation.

Innovations within the hospitality and tourism industry can take a number of different shapes. At the service level, social innovations within the industry may consist in the creation of touristic experiences that are designed to cater to local needs and at the same time create value for the guests. Among these innovations are community-based cultural experiences, locally organized heritage activities, sustainable culinary tourism, ecotourism guided by the local community, as well as tourism products that combine local traditions and knowledge. Innovations do not necessarily require the application of modern technology. The novelty of such innovations comes from the reorganization of relations between locals, tourism businesses, guests and destination institutions.

Social innovation at the organizational level could also entail innovations in the way hotels and restaurants conduct themselves in relation to the different groups of people, including their employees, suppliers, local communities, and so on. For instance, hotels and restaurants can come up with local procurement practices that will give priority to small-scale producers, local farmers, craftspeople, and so forth. This can have the effect of fostering local economic connections, but at the same time it can improve the quality of their product in terms of its authenticity and uniqueness. In addition, local procurement reduces the distance between tourism consumption and production, allowing a larger share of tourism spending to stay in the destination.

Social innovation might even come about through the establishment of new destination governance structures. It is common for traditional tourism governance to be marked by centralized decision-making, whereby government bodies, investment companies, or tourism organizations dictate the priorities of development. The innovative social governance structure on the other hand tries to create avenues whereby communities and other interested parties can participate in agenda-setting, resource management, monitoring and evaluation. Multi-stakeholder forums, participatory tourism planning, community consultation, cooperatives, and collaborative destination management are some of the possible ways that could lead to a more participatory tourism governance.

The significance of governance is further highlighted by the imbalance of power that often prevails in tourist destinations. All the parties do not have the same level of economic resources, political power, information, and ability to participate in decision-making. In addition, community participation does not necessarily lead to social innovation. Communities can be included in the consultation process, but at the same time, they cannot significantly affect the final decision. Social innovations are achieved through active participation in which communities are capable of affecting the design and implementation of tourism projects.

Another equally essential element in relation to social innovation is the aspect of cultural identity preservation and regeneration. The phenomenon of tourism is capable of offering both opportunities and threats to local cultures. In one respect, tourism may serve as an economic inducement for preserving traditional art forms, cuisine, performing arts, cultural festivals, heritage sites, and indigenous knowledge. In another respect, tourism that is overly commoditized might make culture nothing more than a commodity devoid of any cultural significance for the locals. Through social innovation, however, a more balanced approach to handling the issue could be achieved because it would allow the community to have control over interpretation and representation of cultural resources.

Further, digitalization opens up even more opportunities for social innovation. Through digitalized communication platforms, social networks, mobile apps, e-commerce platforms, and smart tourism systems, it is possible to establish communication between communities, businesses, government authorities, and tourists. The local suppliers could communicate with the tourists through digital media channels; the community-based tourism organization could promote community-based experiences; and the destination managers could utilize digital information to synchronize their actions and detect new requirements of the community. However, it would be misleading to assume that any form of digitalization will bring about social innovation. Technology becomes socially innovative if it helps to create new forms of participation, access, collaboration, or value creation. Otherwise, without considering digital inclusion, technological revolution might simply increase existing disparities by favoring those who are wealthier and technologically equipped.

Equally important is the connection between social innovation and environmental sustainability. Tourist destinations are now faced with issues such as climate change, loss of biodiversity, scarcity of resources, pollution, waste creation, and ecosystem degradation. Environmental management usually emphasizes the reduction of negative environmental impacts that tourism organizations cause. Social innovation enhances this process through promoting collective experimentation and environmental management of new kinds in a community setting. Communities could engage in waste reduction, conservation activities, regenerative tourism, sustainable mobility solutions, water management, and ecosystem regeneration. These types of actions could produce not only environmental benefits but also increased community ownership and creation of new sources of income. The environmental aspect is particularly relevant because the ecological footprint of tourism is much broader than the footprint of individual hospitality establishments. Tourism involves transportation, accommodations, food consumption, leisure, infrastructure, and resource use along interdependent supply chains. It was noted that tourism practices involve considerable water, carbon, and ecological footprints. This underlines the importance of taking systemic approaches to sustainability rather than isolated actions at an organizational level (Miralles et al., 2023). Social innovation could promote such systemic approaches by establishing collaboration among businesses, communities, government agencies, and environmental organizations.

Social innovation is also associated with local entrepreneurship to some extent. Local entrepreneurs can detect social or environmental problems that need to be addressed and turn them into tourism related goods and services. Such ventures might include food production, handicrafts, cultural events, nature activities, accommodation, guiding services, waste management services, digital tourism services, etc. What is important, entrepreneurship in the given case should not be understood only through the prism of private interests, and economic efficiency alone. It is possible to pursue economic efficiency alongside social or environmental goals while being an entrepreneur oriented toward community. Social enterprises are just one type of organizational structures that may be involved in social innovations of this kind, yet this is just one manifestation of the process that encompasses much more than that. The difference is crucial in understanding that social innovation must not be limited to the formation of social enterprises. The question is how to create innovative ways of solving collective problems and generating common value. The conventional hotel which makes the long-term collaboration agreement with local farmers can make social innovation in terms of innovative procurement and relations with the community without turning into the social enterprise. The same thing concerns the destination management organizations which organize participatory platform where locals can impact on tourism planning processes. These cases illustrate the point that social innovation is a process rather than an organizational form.

However, social innovation cannot be viewed as positive or sustainable per se. Tourism innovations may produce some unexpected effects such as cultural commoditization, displacement, exclusion, inequitable distribution of benefits, commercialization, or environmental stress. The new initiative is referred to as innovative because it brings a new tourism product but provides little benefits to the community. Thus, when analyzing social innovation, one needs to take into account the process and the outcomes at the same time. Important questions include: does the community get involved in this innovation, are the benefits distributed equitably, do the local capabilities increase, is the cultural identity preserved, and does the environment get better? The assessment of social innovation should thus go beyond traditional measures of performance like tourist arrivals, revenues, occupancy rates, and investments. While these measures are important as well, they still reflect partially the value of the destination. Social innovation needs more comprehensive measures that assess the quality of employment, local revenues, community involvement, empowerment, cultural vitality, social inclusion, environmental improvement, learning, and institution building.

Thus, social innovation serves as an essential link between community engagement and co-creation of shared value. It follows that the evolution model described in this chapter may be expressed as: Stakeholder engagement → Community engagement → Participation and empowerment → Social innovation → Co-creation of shared value → Sustainable and inclusive tourism development. Here, innovation does not serve as an end in itself but only gains meaning as the force that helps to change existing relations and practices so that tourism development would become more inclusive, locally rooted, and sustainable. The following section addresses the question of how the synergy of community engagement and innovation can lead to shared value creation in hospitality and tourism.

Creating Shared Value in Sustainable Tourism

The concept of Creating Shared Value (CSV) developed by Porter & Kramer (2011) provides the central theoretical foundation for understanding shared value in this chapter. Unlike conventional approaches in which social responsibility is often treated as separate from core business activities, CSV emphasizes the possibility of simultaneously enhancing organizational competitiveness and improving the social and economic conditions of the communities in which organizations operate. Porter & Kramer (2011) identify three broad pathways for creating shared value: reconceiving products and markets, redefining productivity within the value chain, and enabling the development of supportive local clusters. These principles are highly relevant to hospitality and tourism because the competitiveness of tourism organizations is closely connected to destination quality, local suppliers, human resources, cultural assets, environmental conditions, and community well-being. Consequently, addressing community and destination challenges can become part of the value-creation process itself rather than merely an external corporate responsibility.

The idea of shared value offers a useful framework to help understand the dual role that hospitality and tourism play in contributing to the economic performance of a firm and sustainable destination development at the same time. Conventional models of corporate social responsibility have typically viewed the social and environmental considerations as responsibilities that businesses have in addition to their core economic goals. In the case of shared value, the focus is on the creation of economic value by addressing social and environmental problems. The relevance of the shared value framework in the case of sustainable tourism is that tourism businesses and destinations are inherently linked to the social and environmental setting where they operate. The sustainability of the social and environmental environment is vital for the competitiveness of tourism firms.

Sustainable tourism thus entails that there must be a change in the concept of creating value. Creating value does not necessarily mean generating revenue from hotels, restaurants, tourist attractions, transport companies, or other entities in tourism. The concept of value generation should also include benefits for the community, for workers, for suppliers, for tourists, for public organizations, and even for the environment. In other words, the concept of value generation is consistent with the changing nature of the multidimensional concept of sustainability in the field of hospitality and tourism. Economic, social, cultural, and environmental aspects of sustainability are interlinked in the context of tourism, rather than viewed separately.

The concept of shared value is especially significant because tourism is an extremely location-dependent industry. An industrial company could move its production elsewhere without changing the fundamental character of the commodity while tourism experience is dependent on traveling to the destination point where attractions, accommodations, cultural assets, and natural surroundings are available. Thus, the character of the destination becomes an essential element of the tourism product. Environmental degradation, diminished cultural distinctiveness, social discord, and low standard of living of the residents may eventually lead to decline in the attractiveness of the destination. On the contrary, well-managed ecosystems, thriving communities, rich cultural experience, skilled labor, and sound local institutions may contribute to competitiveness of tourism industry.

The process of shared value creation in tourism thus begins by identifying the social and environmental problems that are pertinent to the competitiveness of tourism. For instance, the lack of employment opportunities is a social problem and may limit access to skilled labor in the tourism business. Local weak supply chains can limit community earnings and force hotels and restaurants to use distant suppliers. Environmental degradation could pose threats to ecosystems and at the same time limit the appeal of nature-based tourism. The poor management of wastes may be a source of community harm and increase costs for operators and reduce destination image. Solving such problems may create value for both the tourism organizations and society at large. One of the most direct ways to create shared value is through fostering local economic linkages. Tourism spending can provide great economic value but the amount of value that accrues locally to the destination depends on the local supply chain and ownership structures. By sourcing their goods, agriculture products, handicrafts, transportation, maintenance services, and other inputs from local providers, tourism demand could foster economic activity. Local procurement can also strengthen relationships between hospitality organizations and small businesses, farmers, artisans, and community-based producers. In this way, tourism businesses can improve supply reliability and product differentiation while communities gain market opportunities and income.

Local procurement also plays an important role in the formation of unique tourism offerings. For example, culinary tourism is not only possible through the cooperation of hotels and restaurants with local farmers and food producers, but it also offers tourists the opportunity to explore the local food cultures. Additionally, local arts and crafts, furniture, or performances can be used by hotels in the creation of their services. In both cases, local resources are transformed from static elements of the tourism offering into its value-creating factors. Value created this way can be shared among various stakeholders.

This procedure bears many similarities with value co-creation. Value is created within tourism through interactions between multiple actors and not by a single organization working alone. The visitor brings experience, knowledge, preference, and participation, while the employee brings skills and relational capacity, while the community brings its knowledge and culture, while the suppliers provide products and services and destination organizations provide infrastructure and governance. In showing the increased interest in value co-creation within the fields of tourism and hospitality, John & Supramaniam (2024) show the significance of understanding value as something created through interaction between different actors. The idea of shared value creation goes one step further and emphasizes that the outcome of this interaction should bring benefits broader than just the consumer-business interaction.

Community empowerment is another aspect of co-created shared value. The empowerment strategy entails improving the ability of communities to make decisions, gain access to resources, build capacity, and be influential regarding tourism development. The implementation of tourism program or project could result in generating employment without empowerment where communities rely on outside bodies to make important decisions. On the contrary, projects that offer training, managerial skills, entrepreneurship opportunities, market access, and governance would improve local empowerment. This would lead to a stronger destination where the communities have the ability to cope with changes in the tourism environment.

Job creation is yet another key channel through which sustainable tourism creates shared value. Tourism is labor-intensive and can create employment at all skill levels. Nevertheless, the social value of employment generated in tourism sector is contingent on job quality, salaries, career prospects, conditions, inclusion, and development of employees. Thus, sustainable creation of shared value must be understood as not just job creation but creation of quality jobs that have some contribution to make over the long term. Hospitality organizations could enhance their capacity to create shared value through employee training, career development, fair hiring practices, and inclusivity in hiring processes as well as opportunities for advancement of locals to supervisory and management positions. Development of human capital creates dual value in that it is beneficial for both organizations and communities. To the organization, skilled workers will help boost efficiency, quality of services, productivity, and customer satisfaction. To the community, training and professional development would create employment opportunities for its members and increase their employability and earning power. The effects could mutually reinforce each other because improvement in quality of services would contribute to competitiveness of the destination in question, thus attracting more tourism and creating more local jobs.

In addition to social innovations, shared value can arise from environmental innovations. Increasingly, tourism organizations need to reduce their energy consumption, water consumption, waste, carbon emissions, and other types of environmental impact. Sometimes, environmental innovations may be considered extra costs because of their short-term benefits. However, there can be operational savings, reduced dependence on resources, improved image, and new market possibilities in relation to environmental innovations. Accordingly, sustainable accommodation, renewable energy, water savings, circular waste management, sustainable transport, and eco-friendly food supply can provide economic and environmental benefits at the same time. In the case of environmental innovations, it is worth paying attention to the tourism supply chain. The impacts are not limited by hotels or restaurant facilities but are spread all through the process of food production, transportation, construction, washing, waste management, energy generation, and so on. The water, carbon, and ecological footprints of the tourism industry show that environmental impacts are system-wide (Miralles et al., 2023). Therefore, in order to create shared value, tourism organizations need to cooperate within their supply chain but not work solely on their own operations.

The ideas of circular economy could be used as yet another tool to integrate the economic and environmental value systems. Tourism and hospitality businesses produce large amounts of organic waste, waste from packaging, wastewater, and many other waste streams. Instead of focusing merely on the problem of disposing such waste products, circular economy ideas attempt to consume fewer resources, reuse, recycle, and reinvent production processes. This approach is capable of creating environmental benefits but at the same time minimizing costs and offering new business opportunities. For example, when it comes to the level of destinations, circular tourism projects will require cooperation between hotels, restaurants, farmers, waste management organizations, local governments, and local communities.

The digital technologies could contribute to shared value creation through the connections between local actors and markets, information, and tourism demands. Digital media would allow small producers to market their products, community-based organizations to directly engage with tourists, and tourism firms to interact with local suppliers. Information on the movements of tourists, resource use, environment, and the community preferences could help manage destinations through data. However, the development of digital shared value is contingent upon the consideration of access and digital literacy. When there are no infrastructures, knowledge, and access to digital media among local communities, then the digital revolution would tend to create value for larger and digitally literate organizations.

The model described above is in line with the emerging trend from sustainable tourism to regenerative and inclusive tourism models. Sustainable tourism is focused on the idea of mitigating any negative impacts and conserving resources for future generations. Creating shared value represents one additional element here, which questions how tourism can help improve the social, economic, cultural, and environmental well-being of people. It is vital to understand that while it is essential to decrease the number of negative impacts, it does not always mean creating any value. For example, the hotel that saves electricity will become more environmentally efficient, but the hotel, which also helps to develop renewable energy sources, train local people, and support the local supply chain, will create shared value.

In that case, the distribution of value becomes as important as the overall value created. Tourism destinations may attract many visitors and generate much tourism revenue without yielding many benefits to their local community members. Such a scenario may happen due to the factors of external ownership, external goods, external labor, or central decision-making, all of which lead to economic leakage. The creation of shared value thus involves concern for who gets the tourism revenues, who carries the tourism costs, who takes decisions, and whose knowledge is valued. In this case, shared value creation cannot be separated from issues of equity and power. The problem of distribution becomes especially important since tourism development can create both winners and losers. An increase in visitors may be favorable to hotels or investors but unfavorable to local residents in terms of congestion, price inflation, noise pollution, waste pollution, and strain on infrastructure. Equally, the commodification of cultural assets may benefit tourism operators economically without granting cultural custodians any kind of control or compensation. In this case, one cannot say that shared value will automatically be created just because the tourism activity creates economic growth.

The generation of shared value, thus, necessitates the presence of ways to measure the social and environmental impact. Tourism organizations require indicators that take into account local participation in the economy, labor conditions, satisfaction of local community members, protection of culture, performance in terms of the environment, resource efficiency, and stakeholder involvement. ESG principles could be one way to organize these indicators, but it is important to customize the measuring system to the peculiarities of destinations and communities. Scientific literature about the ESG in the field of hospitality and tourism shows the increasing relevance of considering environmental, social, and governance aspects in analyzing tourism organizations (Legendre et al., 2024).

Community Engagement as a Pathway to Shared Value

Community participation is perhaps one of the most crucial avenues through which sustainable tourism can create shared value. Tourist activity is carried out within communities, utilizes community resources, impacts community livelihoods, and interacts directly with social and cultural systems. For that reason, the financial success of tourism organizations is directly linked to the health and resilience of the communities where they operate. In the absence of community participation within the tourist development process, tourism organizations will benefit financially but create social problems, economic leakages, cultural disturbances, or environmental harm. On the other hand, community involvement in the planning, implementation, innovation, and evaluation processes of tourist activities results in tourism being used as a means for aligning the interests of both organizations and communities.

Community engagement must thus be viewed beyond consultation and communication with local residents. Rather, it is the process by which the community gets engaged in recognizing the issues associated with tourism and developing priorities for addressing such issues; contributing their knowledge and assets; making decisions; and evaluating the results. This is vital since various degrees of participation lead to various opportunities for generating value. Communicating with communities about the pre-conceived tourism activities will provide a lot lesser opportunity for creating shared value compared to engaging them in designing, implementing and managing the tourism activities.

The link between engagement and creation of shared value can be described as a series of interrelated processes. Engagement is an opportunity for communication and interaction; communication allows knowledge exchange; knowledge exchange leads to problem identification; problem identification is an opportunity for finding solutions collaboratively; and collaborative solutions provide an opportunity for creating economic, social, cultural, and environmental value for various parties. In this way, engagement is not only about corporate social responsibility but is also a way of organizational and destination capability that provides ways to create new values.

First and foremost, it is critical to acknowledge local knowledge. The community possesses knowledge of locations, history, culture, resources, social relations, and problems that are sometimes hard to gather from outside tourism institutions. This knowledge can add value to the authenticity and relevancy of the tourism product. Local people may be aware of the culturally important spots that are ignored in regular tourism planning, be familiar with seasonal conditions, have some ideas of newly raised community issues, or have traditional knowledge that will enrich the tourism product. Therefore, the integration of local knowledge into tourism development will improve the quality of the business and community involvement at the same time.

The concept of value co-creation provides an important theoretical explanation for how interactions among tourism stakeholders can generate value. Vargo & Lusch (2004), through the service-dominant logic perspective, challenge the traditional view that value is produced exclusively by firms and subsequently delivered to consumers. Instead, value emerges through the integration of resources, knowledge, skills, and interactions among multiple actors. Similarly, Prahalad and Ramaswamy (2004) argue that the locus of value creation increasingly lies in interactions between organizations and active participants rather than within the organization alone. Applied to hospitality and tourism, this perspective suggests that tourism experiences and destination value are jointly shaped by hospitality firms, tourists, employees, local communities, suppliers, and destination institutions. Community engagement therefore creates an important arena for value co-creation by enabling local knowledge, cultural resources, capabilities, and preferences to interact with the managerial, technological, and market resources of tourism organizations (Prahalad & Ramaswamy, 2004; Vargo & Lusch, 2004).

Value co-creation entails knowledge exchange in tourism and hospitality. This is because value co-creation in tourism and hospitality occurs as a result of the interaction of several actors instead of the production of value by organizations only. For instance, tourists participate with their preferences and experience, workers provide their skills and abilities, companies provide resources and market opportunities, and communities provide their knowledge and cultural assets. John & Supramaniam (2024) indicate the significance of value co-creation studies in tourism and hospitality for the identification of the development of value through interaction between actors. Community involvement makes this more effective since it ensures that locals participate actively in value creation rather than being passive beneficiaries.

But how do we move from local knowledge to shared value? We need some organizational mechanisms to achieve that. In hospitality and tourism organizations, there should be organizational mechanisms through which the voice of the community is heard. Such mechanisms could include community forums, participatory destination planning, local advisory boards, collaboration workshops, representation in the destination organization, collaborative product development, and stakeholder dialogue. It really does not matter what organizational mechanism is employed as long as it is a legitimate mechanism that offers a chance for communities to have their voices heard.

The other important aspect is trust, which is very essential in this process. The tourism development process often includes players with varying interests, power, and resources. The communities might be afraid of getting displaced or that there will be commercialization of their culture or pollution of the environment. On the other hand, the tourism firms may be unsure about the expectations of the community, the regulations, and whether the partnership will work well or not. Engagement would help in reducing the uncertainties through dialogue and building relationships. Trust is particularly critical in situations where the development of tourism involves community involvement with respect to shared resources or information. The cultural information, practices, and the like can be regarded as significant tourism resources for the community; however, there may be cases where the community does not want to share this information out of fear that it would be appropriated or exploited by outsiders without any proper recognition or renumeration. Effective engagement would include clear understandings about ownership, representation, benefits, and the use of community information.

Empowerment mechanisms play an important role in the distribution of economic values. Tourism may yield a substantial amount of money; however, it does not mean that this money will always stay within the local economy. Economic leakage may happen if tourism enterprises use mostly outside resources, outside labor, outside ownership, or outside investment. Involvement of the community can solve this problem through linking tourism enterprises with local sources of supplies, production, crafts, agriculture, guiding, transport, and other services. Procurement and collaboration with local providers may boost local economic sustainability and increase money staying in the destination due to tourism expenditure.

Employment at the local level is yet another mechanism whereby engagement may help create shared value. The tourism agencies can engage with the locals in recognizing the skills of the local workers and designing skill training programs. By not restricting the role of the locals to unskilled and temporary jobs, but instead by providing opportunities for developing their careers and taking up managerial positions, the tourism agencies can create benefits not only for themselves, but also for the community in terms of better earnings and career options. The issue of employment in relation to social sustainability of tourism and hospitality has gained importance.

Collective problem-solving is another vital mechanism. Most issues faced in the context of tourism are characterized by collective action problems. Issues such as congestion, waste, water scarcity, environmental degradation, culture preservation, public goods, and carrying capacity of the destination can hardly be addressed by a single stakeholder. Community engagement allows tourism companies, residents, government, destinations, and other stakeholders to align their efforts and capabilities. Through collective problem-solving, a problem viewed at first sight as an obstacle can turn into an opportunity to innovate and generate value collectively. For instance, waste management demonstrates how community engagement can turn an issue from an individual problem into a value generation opportunity. A hotel can address waste issues individually, but larger-scale improvements will require coordination of efforts with restaurants, households, local organizations dealing with waste management, farmers, recycling firms, and municipal administration. Community engagement can help to develop collective waste reduction or circular economy solutions. These initiatives can result not only in reduced environmental impact but also in economic opportunities for the local community and clean environment of the destination. The value is created as the same action leads to several interrelated benefits. Similarly, local food systems may become a tool of creating shared value. Hospitality businesses may involve farmers and other producers in the creation of procurement schemes that will ensure markets for their local products. Farmers will have the chance to access the market and earn money; hospitality businesses will obtain unique products and become more resilient in terms of supply chain; travelers will get an opportunity to experience real local cuisine; and local communities will be able to keep a higher portion of tourists' spending.

The quality of the community involvement is essential nonetheless. Not all forms of participation will necessarily create any shared values. Tokenistic participation may create an illusion of inclusion without altering the existing structures of power. Communities could be involved in attending the meetings, but have no role in making the decisions on how much investment should be made, where tourism zoning takes place, how resources would be allocated, and who would benefit from tourism development. Sometimes, only a small fraction of community members will be included in participation process.

Integrated Conceptual Framework

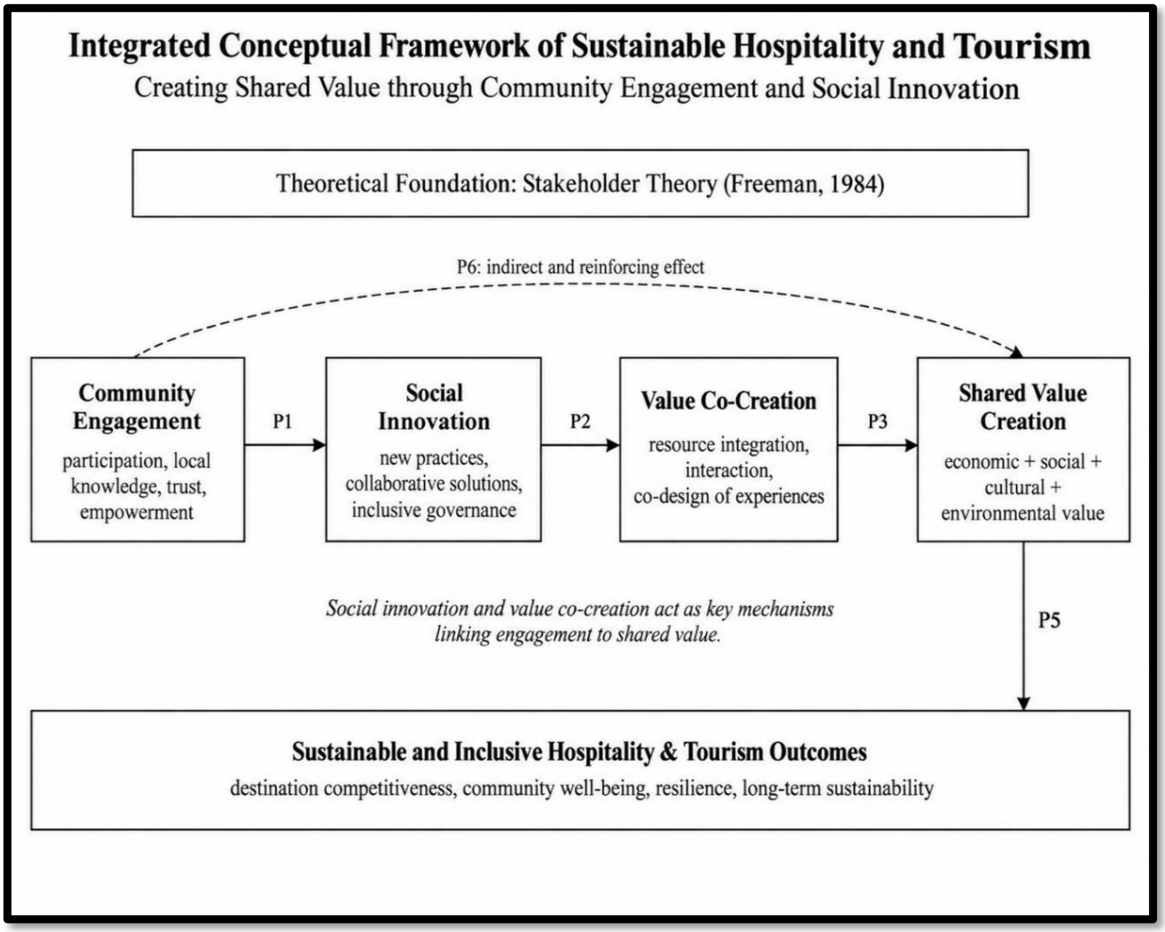

Figure 5. *Integrated Conceptual Framework for Sustainable Hospitality and Tourism*

The proposed conceptual framework suggests that community engagement is the relational approach through which sustainable hospitality and tourism development can be realized. Based on the ideas of Stakeholder Theory (Freeman, 1984), the conceptual framework starts from the assumption that tourism development requires the cooperation of many parties, where their interests, resources, knowledge, and influence are interrelated. Thus, community engagement is not only consultation but also includes the participation of locals in the process of planning, decision-making, implementation, and evaluation. Through participation, local knowledge, trust, and empowerment, the conditions for meaningful participation of communities in tourism development and management of tourism resources and benefits are created. This relational approach is also supported by recent research findings from the social enterprise ecosystem, where the interaction of communities, enterprises, universities, and governmental stakeholders helps exchange resources, coordinate institutions and create multiple values (Iskandar et al., 2026).

In this regard, social innovation and value co-creation are the mechanisms through which community involvement is linked to the process of creating shared value. Through the involvement of the community, along with tourism companies, governments, and other stakeholders, identification of local issues and development of innovations, practices, service and governance arrangements, and collaborative solutions is enabled. Additionally, value co-creation is supported through this process, in which various parties leverage their competencies, knowledge, cultural and other resources in order to create tourism experiences and destination value (Prahalad & Ramaswamy, 2004; Vargo & Lusch, 2004). Recent research has also shown that building of trust, aligning of visions, institutional support, and continuous knowledge sharing may be seen as governance mechanisms, which will turn multi-stakeholder collaboration into economic, social, and institutional value (Iskandar et al., 2026). Sustainability practices and collaborative value creation have also been found to foster value co-creation and social entrepreneurship activities, especially when organizations leverage their technological, social, and sustainability competencies (Iskandar et al., 2024).

The main result of all these interlinked processes is shared value creation. In line with Porter & Kramer (2011), the concept of shared value may be defined as creation of economic value for tourism businesses and social, cultural, and environmental value for communities and destinations at the same time. In this regard, community involvement could help achieve shared value both through its general impact and the use of social innovation and value co-creation mechanisms. It is possible to see some evidence for this assumption from the research on social enterprises in Indonesia. According to this research, the combination of economic and social goals and collaboration between stakeholders and value flow coordination may result in a more sustainable and mutually advantageous result (Iskandar et al., 2026). It is supposed that the accumulation and fair distribution of the above-mentioned results would help create sustainable hospitality and tourism outcomes including competitiveness of destinations, community well-being, resilience, and sustainability in general.

Implications, Research Directions, and Conclusion

Some of the implications of the integrated approach proposed in this chapter for hospitality and tourism include the following. From the managerial perspective, sustainability has to be perceived not as compliance and minimization of negative impacts on the environment, but as an active process of creating value together with the community. For example, hospitality companies can build strong local supply chains, create products and experiences related to the local community, train their employees and the local community, and develop mechanisms of community participation in the development of the tourism business. From the perspective of destination managers and policy makers, the integrated approach stresses the need to develop governance structures involving businesses, communities, governments, and other stakeholders in the solving of common problems. For local communities, active participation creates possibilities to become more involved, empowered, to preserve their cultural identity, and to benefit economically from the development of tourism.

The future research needs to empirically explore the relationship between the propositions in the integrated model and find out what circumstances create the link between community engagement and social innovation and the co-production of shared value. Quantitative research may empirically validate the linkages between community engagement, empowerment, social innovation, shared value creation, and destination sustainability by employing PLS-SEM, structural equation modeling, or longitudinal research designs. Mixed and qualitative research can bring additional understanding of the impacts of power relations, local wisdom, cultural identity, and institutions on the process of these phenomena. It is also necessary to conduct comparative analysis in different tourism settings, including cities, countryside, coastal areas, heritage destinations, and nature-based tourism destinations. Future research needs to pay much attention to the role of technologies, climate change, circular economy initiatives, and regenerative tourism as factors that may enhance shared value creation. At the same time, the negative consequences of community engagement, such as tokenistic engagement, commodification of culture, uneven benefits, and digital exclusion, should be taken into consideration.

Sustainability within hospitality and tourism industry calls for a paradigm shift from a tourism industry development approach emphasizing purely economic considerations to one emphasizing not only economic viability but also social wellbeing, culture and the environment. This chapter will consider community engagement as an important approach that can help achieve this transition. Community engagement will allow communities to contribute their knowledge, participate in making decisions, enhance capacity and cooperate with tourism organizations in overcoming mutual problems. Such activities may inspire social innovation in services, community, governance and organizational practices, leading in turn to the creation of shared value in economic, social, cultural and environmental terms. Thus, the key idea of this chapter is that sustainable tourism becomes possible if community engagement creates a relational platform, social innovation a transforming mechanism, and shared value a multidimensional outcome.

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