SUSTAINABILITY

LEADERSHIP

WTTC × HARVARD

LEARNING INSIGHTS

WORLD TRAVEL & TOURISM COUNCIL

HARVARD T.H. CHAN
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SUSTAINABILITY LEADERSHIP

OVERVIEW

TRAVEL & TOURISM business leaders continue to widen their view of sustainability beyond operational impacts, to consider the broader systems in which they operate, adopting sustainability leadership practices for the 21st century. As a sector, Travel & Tourism has enormous potential to educate the traveller and drive fulfilment of the United Nations' Sustainable Development Goals (SDGs). One of the World Travel & Tourism Council's (WTTC) three strategic pillars **"To drive forward sustainable growth"** recognises the importance of leadership in delivering against this ambition.

In this context, WTTC supports research-led sustainability leadership for Chief Executives and Chairs in the Travel & Tourism sector, in collaboration with scientists and researchers at the T.H. Chan School of Public Health (HSPH), Harvard University. Together, WTTC and HSPH designed and delivered a transformational leadership and personal development programme to support senior Travel & Tourism leaders re-frame sustainability as a goal for today. The programme focused on integrating sustainability into corporate strategy, driving organisational success and contribute towards the co-creation of thriving and sustainable global communities. The overall purpose of the collaboration is to facilitate the co-creation and development of strategies promoting more sustainable and just practices, which are consistent with the UN's SDGs, for the Travel & Tourism industry– a sector important to national and world economies.

Harvard and WTTC co-created the programme as part of wider research into Responsible Travel & Tourism, with the following specific aims:

1. **Advance participants abilities as high-impact leaders**

2. **Learn about new frameworks, tools, case studies and roadmaps**

3. Highlight the fast-moving nature of the field, **identifying key areas of agreement and contention**

4. Apply learning to **organisational challenges and opportunities**

5. Empower participants to **close the gap from 'knowing to doing'**

6. Help participants promote **sustainability for value creation**

7. Support participants' contribution to the **co-creation of thriving, sustainable global communities**

8. **Capture insights** through an action research cycle

9. **Deepen networks and relationships among leaders** in the Travel & Tourism sector, world-leading faculty and other experts

INTRODUCTION

TRAVEL & TOURISM is championed as a "key driver for socio-economic progress"[1], because of its significant contribution to the development of local economies and its sizeable contribution to gross domestic product (GDP) in many countries. Against global growth figures for the sector, there are however, concerns about the negative impacts the sector can have on both local communities and the planet. Sustainability is therefore a strategic driver for Travel & Tourism, with sustainability leadership a key business attribute.

WTTC, which represents the global Travel & Tourism private sector, highlights the sector's input to global GDP at 10.4% in 2019[2]. The sector contributed over US$8.9 trillion to the global economy in 2019, supporting one in 10 jobs (334 million) worldwide and one in four new jobs over the last five years, with 3.5% growth in 2019 compared to the global economy at 2.5%[3]. The Travel & Tourism sector had seen six decades of consistent growth[4], with tourism outpacing the United Nations growth projections over the period 2010-2019 and 45% of international travel arrivals to emerging economies[5] in 2017[6, 7].

A key priority for WTTC relates to sustainable growth. In 2015, prior to the start of COP21 in Paris, WTTC's report '**Connecting Global Climate Action**'[8] called for research to assess Travel & Tourism collective environmental footprint in line with sustainable development. The WTTC's report states that the next 20 years "will be characterised by the sector fully integrating climate change and related issues into business strategy, supporting the global transition to a low carbon economy, and strengthening resilience at a local level against climate risks."[9]

WTTC went on to make public commitments with its members towards carbon reduction and agreed a common agenda for climate action in Travel & Tourism in accord with the United Nations Framework Convention on Climate Change[10]. In 2018, WTTC joined the fight against illegal wildlife trade in its Buenos Aires Declaration. It also actively addresses destination stewardship, sustainability reporting and issues relating to the future of work and diversity & inclusion.

In this context, WTTC stepped forward to pursue education and research with faculty and scientists of the Harvard T.H. Chan School of Public Health, Harvard University. The focus was on sustainability leadership, to help drive change in the sector by co-creating educational content to help accelerate transformation toward stronger commitments and actions for sustainable development.

Given Brundtland's definition of sustainability states, "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."[11] Travel & Tourism seeks to adopt sustainability wholeheartedly across the:

Environment: making optimal use of resources, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity
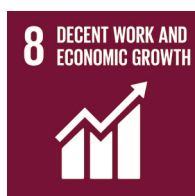
Socio-cultural axes: respecting the values and customs of host communities, conserving their built and living heritage and traditional values, and contributing to inter-cultural understanding and tolerance

Economy: ensuring viable, long-term economic operations, providing benefits equitably to all stakeholders, including employment and contributing to poverty alleviation[33]

In 2015, 193-member countries of the United Nations adopted the **Sustainable Development Goals** (SDGs), marking the first time the global community agreed on an actionable agenda with priorities, goals, and targets that include most countries and their citizens. The resulting account 'Transforming our world: the 2030 Agenda for Sustainable Development[12] provides a guide for global action on people, planet, prosperity, peace, and partnership. The near universal signing among country leaders of the SDGs and the Paris COP21 Climate Change agreements in 2015 were significant in moving the issues of sustainability further up international, business, and public agendas.

As a sector, Travel & Tourism contributes both directly and indirectly to the fulfillment of all 17 Sustainable Development Goals. Specifically:

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

14 LIFE BELOW WATER

Target 8.9: By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.

Target 12.b: Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs, promotes local culture and products.

Target 14.7: By 2030, increase the economic benefits to Small Island Developing States and Least Developed Countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.

The explicit recognition of Travel & Tourism's important contribution to sustainable development is important for business leaders and policy makers alike. Fully accounting for the sector's contribution to national Agenda 2030 strategies will be critical[13].

Addressing the challenge of sustainable Travel & Tourism requires a shift of incentives towards protecting and restoring natural systems, and a radical reorganisation of technological, economic, and social systems. Travellers tend to use water, food and energy and generate waste at higher rates than when at home, with a displaced negative burden experienced by some of our most fragile and/or poorest places on the planet. At the same time, Travel & Tourism has enormous potential to educate the traveller, increasing social capital and appreciation of diversity, as well as creating meaningful employment that can alleviate poverty and promote economic inclusion.

Some important steps to establish sustainability governance in the sector have already been taken. In 2008, the United Nations Foundation, United Nations World Tourism Organization, United National Environment Programme, and the Rainforest Alliance developed the Global Sustainable Tourism Criteria (GSTC) to establish the "minimum requirements that any tourism business or public destination management authorities should aspire to reach to protect and sustain the world's natural and cultural resources while ensuring tourism meets its potential as a tool for poverty alleviation"[14].

In forecasting the impacts of tourism, the United Nations Environment Programme highlights the need to adopt **sustainability practices**. Private Travel & Tourism businesses and governments play an important role in addressing these challenges and driving sustainable Travel & Tourism; however, their efforts have historically been limited in scope. While some are making concerted efforts to integrate sustainable practices into their operations, performance, and reporting these are often confined to the corporate social responsibility (CSR) agenda and are not mainstreamed into either business strategy or the traveller experience. Similarly, national sustainability or low carbon strategies are lacking, with just 11% of national Travel & Tourism objectives related to sustainability[15]. New strategies are required that will put a value on the natural and cultural resources the sector relies upon and shift it towards a low carbon economy.

SUSTAINABILITY LEADERSHIP

THERE ARE MANY BARRIERS to the mainstreaming of sustainability in business, such as consumer demand, policy failing to drive enough market incentives and the prevailing short termism of financial markets. However, leading companies are widening their view beyond immediate operational impacts and thinking about the broader systems in which they operate. Conscious consumers have pushed the sector forward on some issues, such as single-use plastics[16], but sectoral motivations have largely been reactive, with only a few companies and destinations embracing it strategically and holistically. To date compared to other sectors, Travel & Tourism businesses do not feature strongly on indices like the Dow Jones Sustainability Index, FTSE4Good, CDP Climate Performance Leadership Index, or Newsweek Green Rankings. There is still no universally accepted sustainability standard or certification for Travel & Tourism, perhaps reflecting the complexity of the sector.

Recognising business leaders in Travel & Tourism can exert maximum influence on accelerating sustainability, WTTC is championing sustainability leadership and innovation practices for the 21st century and beyond.

Reframing sustainability as a goal for today was a focus for Travel & Tourism leaders who came together with Harvard faculty, scientists, and other global experts to explore sustainability leadership for Travel & Tourism[17]. They embraced the concept of 'transformational leadership'[18] that relies upon systemic change, promoting sustainability through agile leadership and adaptive governance that positions the agenda as a strategic focus. Leadership of sustainability in the sector will play a critical role in value creation for the business and betterment of society on a global scale.

Researchers have theorised about how organisations will change, describing how a move towards a more sustainable ethos presents challenges for leaders with tensions arising, for example, between strategic goals, cultural preferences, and individual and organisational drivers[19]. Before the pandemic, there were already increasing pressures on the sector to enhance its sustainability efforts. More recently, there have been calls to action for the sector to balance business survival through the COVID-19 pandemic with the longer-term goals of protecting ecosystems, and to making a fuller contribution to climate change[20]. This transition to a more sustainable Travel & Tourism sector will depend heavily upon leadership and inclusive participatory approaches to deliver systemic change.

There are however, leading and emergent Travel & Tourism company-wide sustainability initiatives that illustrate the approaches and frameworks that can be adopted more widely across the sector. For example, the **'Make Travel Matter' agenda, created by the TreadRight Foundation of The Travel Corporation**[21], represents an integrated sustainability strategy across 40 different brands in the group focused on people, planet and wildlife built around the SDGs. **Intrepid Travel, the largest travel company to achieve B Corp certification**[22], chose to embrace an

independent analysis of the company's sustainability practices though the B Lab accreditation process. The Dow Jones Sustainability World Index, that recognises leading publicly listed sustainability-driven global companies, **named Ecolab[23] to the index in 2020** while **Hilton[24] was 2019 Global Industry Leader**. **Iberostar's 'Waves of Change' programme**[25] champions responsible tourism with clear actions to eliminate single-use plastics.

The **WTTC-Harvard Sustainability Leadership programme** focused on supporting Travel & Tourism business leaders to make decisions that can have positive impacts on prosperity, people, and planet. Such decisions have the potential to deliver co-benefits, i.e., the added benefits we can secure when we act to control climate change beyond the direct benefits of a more stable climate[26]. Such co-benefits include, but are not limited to, a stronger and more inclusive economy, a low-carbon lifestyle supporting positive health and well-being impacts, as well as a more resource efficient economy.

Given the disruptive forces acting on organisations across a range of fronts, from technology to the socio-political agenda, together with interdependencies and the accelerating pace of change, the need to adapt relies upon innovation being a team effort within and across organisations. Indeed, the volume of ideas that deliver on sustainability and innovation in Travel & Tourism require an understanding of natural capital, ecosystem services and the ways in which the natural environment supports public health and well-being, demanding fundamental **changes in global business practices** and policy frameworks alongside consumer behaviours.

Sustainability in Travel & Tourism was explored through the WTTC-Harvard programme by co-creating educational content for use in transformational sustainability leadership across the sector. The research-led programme examined good practice sustainability innovation cases in the sector, and reframed sustainability as a strategic imperative for Travel & Tourism. The goal was to develop an overarching framework for responsible and sustainable Travel & Tourism, with corporate and academic leaders examining key strategic issues relevant to delivery of the SDGs. The action research model was used, as it is a potent learning methodology that challenges the status quo relevant to exploring systemic transformation in a sector.

The model consists of five key stages:

1. **Observe** and reflect to develop awareness and understanding of the issues at hand
2. **Explore** and engage in problem-solving exercises
3. **Act**, to undertake interventions
4. **Evaluate**, the impact of the intervention
5. **Modify**, considering the outcomes

THE ACTION RESEARCH MODEL:

OBSERVE · EXPLORE · ACT · EVALUATE · MODIFY
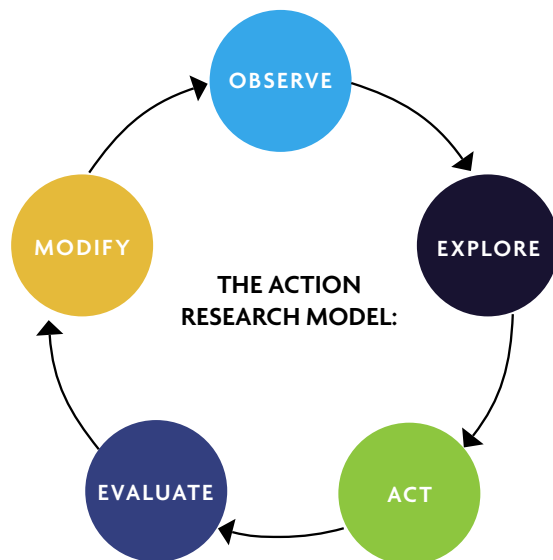
A facilitated dialogue, to draw out assumptions and move towards solutions followed. In this way, participants enhanced their consciousness of the dilemmas and trade-offs. The focus was to support participants co-create a more sustainable future for their business, by re-framing sustainability as a core strategic agenda for potential long-term business success.

Delivering against the SDGs presents a significant opportunity for value creation over the long-term. The paradigm shift from a reactive to a creative mind-set, is key for senior leaders to position sustainability as innovation's next frontier. Adopting a 'systems thinking' approach, the Travel & Tourism sector can champion sustainability solutions for people, places and the planet, as well as profit. Driving resilience and agility, the sector can play a global role in support of public health and sustainable development.

CONCLUSION +ACTION PLAN

THE COVID-19 RECOVERY **presents an opportunity to reset and refocus**, with Travel & Tourism prioritising the United Nations 2030 Agenda[27]. This can support the long-term resilience of the sector and enable it to make its fullest contribution to sustainable development. Leadership at all levels, but especially among CEOs and global Travel & Tourism organisations, can help guide the attention of the sector's actions toward the 'next normal'[28]. Given the challenges of the Travel & Tourism sector, **'building back better'** is essential. Sustainability should be a critical component in the 'next normal' of Travel & Tourism after the COVID-19 crisis, as **travellers are more aware of the impact their choices and behaviours have on our world.** Purpose-driven Travel & Tourism was already emerging, as travellers intentionally seek to grow and engage with the world in new ways, with rises in immersive, experiential, and community-based experiences for education and learning[29],[30].

The Travel & Tourism sector recognises its important contribution to the global economy and the need to accelerate its sustainability plans, in response to growing concerns among conscious consumers, locals subject to unplanned destination growth, and macro-interests related to climate change and equity. Safeguarding fragile communities and ecosystems to create a healthier future and economy for all parts of society to thrive, must be a shared purpose within the sector and its global stakeholder community.

Sustainability leadership within the Travel & Tourism sector can help the sector make a just transition to the new economy being built after the COVID-19 pandemic – putting a premium on climate action and equity. Embracing sustainable Travel & Tourism will require collective action to protect people and the planet over the long-term[31]. To resolve the dynamic tensions between profit and sustainability, leaders will need to welcome transformational change, integrating it strategically. **Sustainability leadership can empower people, enhance productivity, and sustainably drive organizational innovation in times of high uncertainty**. In this way, the sector can create and sustain shared value, making its fullest contribution to fulfilling the Sustainable Development Goals and a world where *"no-one will be left behind"*[32] ■

As the global Travel & Tourism private sector looks to the future, actions it might consider include:

1. **Education/training:** Ongoing investment in sustainability education and training to drive sustainability at all levels, including Board members

2. **Employee incentives:** Ensuring sustainability leadership traits, attributes and impacts are woven into staff development plans, appraisals and reward mechanisms

3. **Learn from the customer:** Seizing every customer-facing experience, to learn about their sustainability concerns and desires, translating insights into leadership practices

4. **Metrics:** Connecting corporate/business strategy with defined ESG metrics and reporting standards that reflect sustainability leadership domains.

5. **Sustainable Development Goals:** Drawing upon the UN's SDGs as a shared purpose, around which to convene leaders and champion change.

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The World Travel & Tourism Council is the global authority on the economic and social contribution of Travel & Tourism.

WTTC promotes sustainable growth for the Travel & Tourism sector, working with governments and international institutions to create jobs, to drive exports and to generate prosperity. Council Members are the Chairs, Presidents and Chief Executives of the world's leading private sector Travel & Tourism businesses.

Together with Oxford Economics, WTTC produces annual research that shows Travel & Tourism to be one of the world's largest sectors, supporting 334 million jobs and generating 10.4% of global GDP in 2019. Comprehensive reports quantify, compare and forecast the economic impact of Travel & Tourism on 185 economies around the world. In addition to individual country fact sheets, and fuller country reports, WTTC produces a world report highlighting global trends and 25 further reports that focus on regions, sub-regions and economic and geographic groups.

To download reports or data, please visit: **wttc.org**

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