teaching note

Challenges and Benefits of Implementing Green Practices at a Restaurant

Summary

Javier's is an American-cuisine casual-dining restaurant located in West Palm Beach, Florida. The owner of the restaurant, Javier, has a plan to implement green practices throughout the business operation and sees opportunities to gain competitive advantages in the market. On the other hand, Steven, the front of the house manager, does not support Javier's plan because he concerned that the potential benefits that Javier hopes for may not offset the challenges expected. Steven anticipates that the implementation of green practices will increase cost and price, create employee-training problems, and cause supply-chain management issues. Steven also thinks attempting to get the green restaurant certificate and joining the Green Business Challenge competition is not feasible enough considering the small size of the business.

Target Audience

This case study is designed for several undergraduate level courses including Introduction to Hospitality Management, Foodservice Management, Hospitality Marketing, and Hospitality Human Resource Management. It can also be adopted in graduate level courses such as Advanced Foodservice Management, Advanced Hospitality Marketing, and Advanced Human Resource Management by including additional requirements.

Teaching Objectives

Upon completion of the case study analysis and its related assignments, undergraduate students will be able to:

- Identify restaurant green practices;
- Explain the seven environmental categories of the GRA certificate standards;
- Evaluate the benefits and challenges of becoming a green restaurant;
- Develop a strategy to overcome the challenges and maximize the benefits of certification;
- Compose a strategic plan for becoming a green restaurant applicable to the case; and
- Apply the GRA certification standard to an existing independent restaurant.

In addition to the learning objectives for undergraduate students, graduate students should be asked to:

- Categorize and prioritize green practices to develop a step-by-step implementation plan; and
- Evaluate the marketing effects of a restaurant's implementation of green practices.

Lesson Plan

This lesson plan would require the instructor to spend one hour performing the proposed three-step activities as described below. The instructor would ask the students to read the case study and to prepare answers to the discussion questions in advance.

Three Step Activities for Undergraduate and Graduate Students

Step 1 - Review of the theoretical background and case study setting (10 minutes)

On the day of lecture, the instructor will start the case study discussion by reviewing important concepts related to green practices. Specifically, the instructor will explain the following concepts using the explanations provided in the case study and teaching note:

- Restaurant green practices
- Green restaurant
- Standards of GRA certification
- Brand image
- Customer patronage

Next, the instructor will ask the questions below to check students' understanding of the business background.

- What is the concept of the restaurant?
- Who are the typical patrons of the restaurant?
- Where is the restaurant located?
- What does the City of West Palm Beach do to promote implementing green practices at businesses?
- Why does Javier, the owner, want to make the restaurant become a green restaurant?
- Why does Lisa, the chef, support the idea of becoming a green restaurant?
- Why does Steven, the FOH manager, oppose the idea of becoming a green restaurant?

Step 2 - Class discussion (30 minutes)

After reviewing the descriptions and questions related to the restaurant setting, the instructor will assign 2-3 students per discussion question and ask them to share their answers in order to compare the different perspectives on the same questions.

Step 3 - Small group activity (20 minutes)

The instructor will first explain the seven environmental categories of the GRA certificate standards. After the students become familiar with the environmental categories, the instructor will assign students to small groups with 3-4 members in each group asking them to calculate the points needed for a two-star certificate using the

guideline from the GRA website (www.dinegreen.com) as listed under the certification standards section. After a 10-minute group discussion, the instructor will ask each group to share their results in order to crosscheck their answers. Then, the instructor will finish the lesson by asking each student to prepare a 2-page paper explaining the GRA standards in their own words and the specific areas that Javier's restaurant should focus on in order to achieve the two-star certification.

Graduate Student Only

The instructor will require each group with the same group members to pick a GRA certified green restaurant and to present their evaluations on the restaurant's marketing efforts by reviewing the restaurant's website and social media sites. Additionally, the instructor will ask students to pick a restaurant in the community and observe the facility, equipment, and operations. Based on their observation, students will design a plan for implementation of green practices at that restaurant and present it at the next class meeting.

Assessment

Undergraduate Level

By completing the three steps of the lesson, the instructor will have opportunities to determine whether students are able to list restaurant green practices and to identify the challenges and benefits to the business of becoming a green restaurant. In addition, the 2-page report will allow the instructor to evaluate students' understanding of GRA certification standards and students' ability to apply the GRA certification standard to an existing independent restaurant.

Graduate Level

The additional requirements of designing a plan for implementation of green practices and evaluating the marketing efforts of a certified green restaurant will allow the instructor to assess whether the graduate students reach the higher level of Bloom's Taxonomy of synthesis and evaluation.

Analysis of Discussion Topics and Questions

1. *What challenges do you expect during the process of implementing green practices throughout the restaurant?*

    To achieve the green restaurant certification, several changes must be made throughout the restaurant. Students might address changing the negative attitude toward implementing green practices among employees including Steven and see training employees on new work procedures as challenges. Another possible answer includes the high cost of replacing the old kitchen equipment with Energy Star rated equipment. Funds to support green initiatives required by the GRA such as installing water regulation devices to reduce water consumption could become a burden for the manager. Also, changing the existing vendors to new local vendors might create some problems.

2. *Do you expect a change in the restaurant's clientele if the restaurant becomes a green restaurant? Why or why not?*

    Students' answers will vary. Some students might answer that the restaurant could attract new customers who are environmentally conscious. These kinds of customers buy products and services that support their beliefs. Some of them are even willing to pay more to purchase environmentally friendly products (Laroche, Bergeron, & Barbaro-Forleo, 2001). Other students might think that the GRA certification will not change the restaurant's clientele because ordinary customers would not recognize the difference.

3. *Would the restaurant's brand image change if the restaurant becomes a green restaurant?*

    Students might express different opinions regarding brand image change. Brand image studies suggest that green practices can develop a green image for the company (Miles & Covin, 2000). Some students might think that becoming a green restaurant does not affect the restaurant's image since customers would not even understand what it means to be a green restaurant while others might think becoming a green restaurant will create a positive image for the restaurant.

4. *Would the restaurant's revenue increase if the restaurant becomes a green restaurant? Why or why not?*

    The students who believe becoming a green restaurant positively affects the restaurant's image would say it will increase the restaurant's revenue. There have been empirical trials that have found green practices of a restaurant increased the firm's financial performance (Llach, Perramon, & del Mar Alonso-Almeida, 2013; Perramon, del Mar Alonso-Almeida, Llach, & Bagur-Femenías, 2014). However, those who expect that becoming a green restaurant does not change the image of the restaurant or the clientele might say that the restaurant's revenue would not increase. For example, some researchers claimed that the green marketing of restaurant firms did not enhance their financial performance (Ham & Lee, 2011). Also, those who understand the difference between revenue and profit may discuss those differences and point out the possible revenue increase may not be profitable due to the increase in costs expected from the initial implementation of the green practices; however, in the long run, the restaurant will benefit from the decreased operating costs from green practices.

5. *Javier is considering participating in the Green Business Challenge facilitated by the city of West Palm Beach. What would be the benefits to the restaurant of entering and possibly winning the competition?*

    Students might present several different benefits that participating in the competition could bring to the company. Participating in the competition can serve as a marketing tool to promote the restaurant and to create a positive image of the restaurant.

6. *What other benefits do you expect if the restaurant becomes a green restaurant?*

   Students would present various benefits such as reducing operating costs, increasing revenue and the number of customers, creating a positive restaurant image, attracting new customers who are environmentally conscious, and even improving employees' self-actualization.

7. *Javier and Steven have contrasting opinions about Javier's becoming a green restaurant. Which position do you support? Explain your reasoning.*

   While some students would be in favor of Javier's idea of becoming a green restaurant, others might agree with Steven and not support the idea. The students who are on the Javier's side might focus more on protecting the environment and believe that revenues will increase driven by a positive restaurant image and reduced operating costs. Despite the potential benefits that green practices will bring to the restaurant, the costs associated with the implementation of green practices might be significant. Other students who agree with Steven might see costs associated with the implementation of green practices as much higher than the benefits brought to the restaurant. Additionally, consumers often are not aware of the green practices of a firm or do not perceive those initiatives as a proof of environmental friendliness (Chiu & Hsieh, 2016).

8. *As an owner, Javier can pursue his plan of making the restaurant a certified green restaurant. If that happens, what would be the impact of the decision on the existing employees including Steven.*

   Students might think that the owner can do whatever he wants to do. However, if he does it might negatively affect the restaurant because employees would not be happy. The Service Profit Chain Theory (Sasser, Schlesinger, & Heskett, 1997) suggests that employees who have low job satisfaction tend to have low productivity and performance which directly lowers customer satisfaction. Furthermore, employee involvement in green practices also plays a crucial role in their performance of environmentally friendly initiatives (Chiu & Hsieh, 2016). Therefore, some students might feel that owners of restaurants should respect the opinions of their employees when making decisions that could affect them and develop plans to promote their involvement in the execution of green practices at the restaurant.

References

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