

An assessment of socio-economic and environmental sustainability of tourism management in the UK airline industry

Kolawole Farinloye ^{1,*}, Tunde Oseni ², Mustapha Olawoyin ³, Kayode Fashola ⁴ and Ayegbeni Isaac ⁵

¹ Department of International Tourism and Hospitality Management, London School of Management Education, London, United Kingdom.

² Lead City University, Ibadan, Nigeria & Upward BAO Consulting, United Kingdom.

³ Department of Public Administration, Lead City University, Ibadan Nigeria.

⁴ Hertfordshire Business School, University of Hertfordshire, United Kingdom.

⁵ Department of Educational Management, Tai Solarin University of Education, Ijagun, Nigeria.

World Journal of Advanced Research and Reviews, 2025, 25(03), 2373-2378

Publication history: Received on 18 February 2025; revised on 29 March 2025; accepted on 31 March 2025

Article DOI: <https://doi.org/10.30574/wjarr.2025.25.3.0522>

Abstract

Generally, socio-economic impacts of airline industries around the world have been, often, investigated in the light of income generation and profit-making. Whereas the subject matter of socio-economic impact of airline industry has been grossly researched, apparent gaps still exist in the literature. To be sure, existing research in this area lacks the ability to identify best possible strategies for the Airline industry to achieve sustainability. Similarly, there is a dearth of agreeable recommendations on reduction of carbon emissions in the airline industry. In our investigation, we argue for a deeper understanding of the economic, social, and environmental impacts of sustainability initiatives taken by the airline industry generally across the world and specifically in the United Kingdom. Thus, the study attempts a comprehensive framework for evaluating the effectiveness of different sustainability initiatives by the airline industry. The innovative approach of this study especially considers the economic, environmental, and social impacts, as well as the feasibility and scalability of the sustainable initiatives.

Keywords: Airline Industry; Socio-Economic Impacts; Environmental Sustainability; Tourism; United Kingdom

1. Introduction

The airline industry is one of the most significant contributors to global carbon emissions not only in the UK but also globally (Prussi *et al.*, 2021). The industry's impact on the environment tends to grow with the increase in air travel. With the lift of the travel restrictions, in the post-Covid 19 global lockdown, the carbon emission rate expected to go back to the prior times. Therefore, this makes the topic of environmental sustainability in the airline industry a crucial topic (Ceschin and Gaziulusoy, 2019). The contribution made through global carbon emission by the air industry impacts the aspect of climate change negatively. Additionally, that human health is also gets affected by aircraft noise and air pollution (Quadros *et al.* 2020). The main challenge associated with the sustainability of this industry is the lack of availability and affordability of sustainable aviation fuel, which could potentially reduce carbon emissions. Despite giving many efforts to address the sustainability aspect by reducing its carbon footprint, the airline industry still faces a number of barriers (Chuah, *et al.*, 2020). According to Rababah *et al.* (2020), high costs and lack of financial strength after the pandemic have contributed to the lack of the integration of eco-friendly technologies coupled with the limited infrastructure in the aviation ecosystem. Moreover, incoherent government regulations have also diminished the chances of the airline industry in accomplishing sustainability (Daengs *et al.*, 2020). Without investment in infrastructure, the airline industry will not be able to set up a sustainable fuel production and distribution channel.

* Corresponding author: Kolawole Farinloye

Given the challenges of high costs of technologies, limited infrastructure, and lack of coherent government regulations and incentives, we make a strong case for effective collaboration between airline organisations, governments, and other stakeholders to effectively proffer globally sustainable initiatives for the airline industry (Davidescu *et al.*, 2020).

2. Methodology

To evaluate the socio-economic cum environmental sustainability of the Airline industry in the UK, the study adopted a deductive Approach. This method involves a cross-sectional search and analysis of relevant databases that include both primary and secondary sources. For the sake of recency and relevance of data to be used, we have focused on articles published between 2016 and 2023 (Indeed, 2022). Purposive sampling method was deployed to sample the selected articles based on the ability to solve the purpose. Periodically, we have used secondary data that are reported in documents that are no older than five years as at the time of research.

2.1. Data Analysis

Data was analysed using both qualitative and quantitative methods.

3. Results Discussions

Table 1 Thematic Table

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| Impact of sustainability on firm value and financial performance in the air transport industry. | Abdi <i>et al.</i> | 2020 | This study shows the importance of investigating the way promoting environmental, societal and managerial practices will influence the economic results of an organisation. Sustainable measures have a significant impact on the economic performance of the organisation, economy as well as tourism. Therefore, it is crucial to develop strategies while considering the three pillars of sustainability, which are State ownership of airlines has a positive impact on the effectiveness of economic performance on sustainable development. Such organisations gain access to larger capital in the market, thus, generating increased economic performance. However, financial performance does not have the ability to encourage sustainable development in organisations in the airline industry. Economic, social and environmental aspects. Incorporating sustainability in practices and operations can facilitate growth economically and stability in the financial market. This study also considers the airline industry to be challenging when it comes to environmental impacts as well as a contribution towards climate change. |
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| The Impact of Sustainability on Employability in the Airline Industry | The effect of jet fuel tax changes on air transport, employment, and the environment in the US. | Sobieralski and Hubbard | 2020 | <p>Jet fuels have a significant impact on the number of airlines that are operating, emissions and employment. After the pandemic, organisations in the airline industry provided employment to local candidates to meet customer demands and overcome the adverse effects that they faced during the pandemic.</p> <p>Employment is one of the major societal issues arising due to the increase in prices of jet fuels. This study also states that organisations in the airline industry tend to ignore negative environmental aspects when concentrating on employment and operations.</p> |
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| | | | | Acquisitions and mergers of airline companies will increase the rate of employment and more rate at which the industry is growing in the economy. |
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| Servant leadership style and high-performance work system practices: Pathway to a Sustainable Jordanian airline industry. | Alafeshat Tanova | 2019 | According to this study, servant leadership and high performance work system (HPWS) have a remarkable relationship with the satisfaction and retention of employees. These factors help in enhancing employee engagement in the workplace, thereby, influencing the behaviour of employees towards turnover. Ethical leadership is said to focus on sustainable employee outcomes such as performance, achievements, and so on. However, organisations facing high turnover tend to have employees who are less committed to achieving the objectives, thus, impacting profitability in the market. Organisations can facilitate sustainable growth and development by retaining employees and satisfying their needs and desires through servant leadership. |
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3.1. The Impact of Sustainability on the Economic Performance of the Airline Industry

According to Abdi *et al.* (2022), the adoption of sustainable development strategies is becoming inevitable for organisations in the airline industry. Sustainability takes into consideration different stakeholders of the business along with focusing on reducing environmental impacts. Organisations in the airline industry tend to show low interest towards sustainability when they have achieved a certain level of economic performance (Di Vaio and Varriale, 2020). On the other hand, a complete focus on sustainability may have a negative impact on the profitability and performance of the organisation in the market. Sustainable organisations in the airline industry may showcase lower growth rates and profitability (Greer, Rakas and Horvath, 2020). It is observed that a reduction in profits impacts the interests of stakeholders who focus on maximising the return on their investments. Thus, an increase in sustainability initiatives may result in lower profits, thus, impacting the maximisation of financial returns (Han, 2021). Therefore, organisations focus on enhancing their economic and financial performance in the market irrespective of the negative environmental impacts. However, becomes important in these situations for organisations to maintain a balance between sustainable practices and overall performance in the competitive airline industry. The intervention of the government in the airline industry can have a positive influence on the sustainability policies of organisations (HR and Aithal, 2022). However, it is observed that organisations completely or partially owned by the state tend to face problems such as maladministration, insufficient staff, and others to meet their sustainable performance (Ikram *et al.*, 2020).

Abdi *et al.* (2020) observed that the importance of sustainability has increased in terms of value and performance among investors, government, and so on. The implementation of sustainable practices has limited advantages for the airline industry as huge amounts of fuel are consumed in its operations (Jeswani *et al.*, 2020). This study has investigated that implementing sustainable practices have both positive and negative impact on the economic performance of organisations in the airline industry. The airline industry is deemed to be important for economies as a source of income as well as tourism. Organisations need to consider the three pillars of sustainability to increase their value in the market. In addition, economic performance must be given importance to satisfy the stakeholder of the organisation (Labra *et al.*, 2020). On the other hand, it has been observed that organisations can increase their performance and sustain

themselves in the market while gaining economic returns through sustainable practices. Social activities are a form of sustainability practice that organisations can implement to enhance engagement with employees and stakeholders (Lu *et al.*, 2020). However, such activities have a negative impact on the economic performance of the organisation in the market. The airline industry has a huge contribution towards carbon emissions and other pollution which has a significant impact on the environment, that is, climate change.

3.2. The Impact of Sustainability on Employability in the Airline Industry

Sobieralski and Hubbard (2020) elaborated that taxation on jet fuel has become an increasing concern for the airline industry. These issues are having a significant impact on societal elements such as employment. An increase in taxation of fuel prices affects the operating cost of organisations in the airline industry due to which they cut down on the number of employees (Ovdiienko *et al.*, 2021). On the other hand, business policies which exempt organisations from paying such taxes tend to provide employment to local people surrounding the airport. In addition, such policies increase air traffic as more customers purchase their services. However, it is noticed that it has a negligible impact on airline transportation employment (Walker and McKay, 2021). In addition, pollution and emissions increase due to an increase in air traffic (Prussi *et al.*, 2021). Organisations receive the opportunity to mitigate these issues when they are able to save funds due to lower taxes collected from the government. The airline industry must form policies and implement changes while considering the societal benefits it brings to employees. On the other hand, the airline industry tends to give negligible importance to the environment when focusing on employment generations to meet customer demands and enhance its operations. One of the ways of mitigating these issues includes mergers with other airline organisations (Quadros *et al.*, 2020). This has a significant contribution towards the growth of airline employment when compared to the growth of the airline industry.

As per Alafeshat and Tanova (2019), employees feel that their skills, talents, development and achievements are valued through HPWS in HR policies and practices. Employees in the airline industry tend to be more engaged and committed towards their responsibilities when they are given importance by the organisation. In addition, it leads to high job satisfaction and organisations are able to increase retention of employees. Leadership plays a crucial role in airline organisations to influence employee attitudes towards achieving the objectives of the organisation (Rimanoczy, 2020). Servant leadership focuses on the overall growth of employees, thereby, influencing their retention intentions. On the other hand, ethical leadership becomes equally important to maintain equality within organisations in the airline industry. Thus, it can be implied that the leadership style of such organisations must focus on the employees along with HR policies and regulations in the workplace (Ritchie *et al.*, 2020). The ability of organisations to provide employee satisfaction and retain them depends on how they engage with them. It is crucial for organisations to focus on employee engagement as it results in sustainability and improved performance in the market.

4. Discussion

According to Chuah *et al.* (2020), companies tend to implement corporate social responsibility (CSR) practices while considering the social and environmental aspects. It has been observed that the airline industry collaborates with the government to ensure the economic viability of sustainability-related strategies in the market. The airline industry expects to receive better returns and be rewarded by consumers for its investments towards sustainability efforts. Customers are being increasingly aware of environmental and social factors and consider them when making consumption decisions. It is necessary for the airline industry to partner with different environmental and sustainable development entities to assure customers in the marketing regarding their efforts. Thus, the airline industry can attain better economic performance by incorporating sustainable practices. Abdi *et al.* (2022) argue that implementing sustainable measures has a negative impact on the economic and financial performance of the airline industry. It has been found that a complete focus on sustainability might cause economic loss while concentration on profitability may impact sustainability initiatives undertaken by the airline industry. Abdi *et al.* (2020) state that it is necessary to consider all three pillars of sustainability when developing strategies. This will ensure that the economic performance of the airline industry is stable and improving. Han (2019) investigates that sustainability in the airline industry has a significant impact on employment and the economy. It has been observed that employment is reduced when the airline industry invests towards the purchase of biofuels. However, employment is generated towards the production of biofuel. Thus, the airline industry has both positive and negative impacts on employability. Sustainability has a significant impact on different aspects of employment such as human resource planning, allocation of resources, and so on. The airline industry needs to ensure that its workforce is ready to adapt to changes and accept sustainable practices. In contradiction, Sobieralski and Hubbard (2020) observe that taxation of jet fuel is impacting employability in the airline industry. An increase in taxation leads to a rise in operating costs due to which the airline industry cuts down the number of employees. On the other hand, a reduction in taxation has positive impacts on employability as the airline industry is able to enhance its performance in the market. Alafeshat and Tanova (2019) elaborate that leadership and

HR policies of the airline industry affect employability. In order to sustain itself in the market, the airline industry incorporates HPWS. The HR policies must consider social aspects of sustainability and retain skilled employees during the growth and development process. They must give due consideration to the well-being of employees as well as value them.

5. Conclusion and Recommendation

With sustainable practices, the organisation of the airline industry is expected to achieve higher growth and profits. The use of sustainable practices has increased the cost of organisations; however, such practices attract the attention of most customers resulting in increased revenue opportunities. However, to adjust to such increased cost, the organisations have had to cut down the number of jobs to maintain the profit margins. In addition, sustainability has a remarkable impact on employability and performance. The deductive thematic approach used in our investigation shows that whereas data are not yet conclusive in understanding the dynamics of sustainability of the airline industry, sustainability is more likely to be achieved when taken on holistically. In other words, the airline industry needs to partner with the governments of the world, and aviation targets in sustainability must cover not just the social and economic contexts but also the environmental ecosystem of the airline industry.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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