

The Effectiveness of Corporate Social Responsibility

Programs in Hotels at Addressing Social and

Environmental Issues in a Local Context

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Abstract

This paper sets out the main elements of a CSR programs from a range of hotel management companies in terms of who is responsible for the programs, the reasons for it, how it is measured and what future initiatives could be incorporated into these programs based on industry trends. The paper also examines the industry context in which this is occurring and the reasons for it. Furthermore, the paper sets out how digital technology and green initiatives such as supply chains and biophilic design are some core areas of current and future focus based on industry analysis.

Keywords: Sustainability, Sustainable Initiatives, Corporate Social Responsibility, Innovation, Shared Value

1.0 Introduction

In recent years, the hospitality industry has emerged as a positive tool for addressing social issues and raising awareness of social causes. Furthermore, it has become evident how the key competencies and capabilities of for-profit hospitality firms have shifted significantly in addressing the root causes of social problems in their local communities, and more noticeably in sustainable environmental issues and initiatives (Johnson et al., 2011). The aim of this research is to provide insight into the current workings of CSR within a mixture of large and small hotel luxury hotels operating London, to understand what motivates them to adopt CSR practices and invest resources, the content of their CSR programs, how they measure their objectives and examine what future sustainable innovation strategies or focus areas can be adopted to further this. This has been carried out by comparing current CSR trends with the existing literature on these topics and with reference to the emergence of shared value as a replacement for CSR.

The aim of the research is to identify future areas of greater collaboration between non-profit and for-profit organizations to further improve the effectiveness of addressing social issues both at a local and national level (Zadek, 2004). Moreover, the research aims to examine the content of CSR programs, future additions and where CSR will be moving in the future. In addition, the research hopes to draw attention to key failures or areas that need greater awareness and highlight future initiatives that may be of use to these organizations from the perspective of senior management within the industry (Holcomb et al, 2007). Their key insights will provide useful understanding on why green technology, biophilic design and green supply chains are being heavily invested in, why the content of staff training has changed dramatically and if CSR is something valued by hotel owners. Furthermore, the aim of the research is to find key areas that need greater research carried out to further improve and evolve CSR to assist the organizations in their decision making.

1.1 Justification of Topic Choice

There is no doubt that due to the scale of the hospitality industry in terms of being the third largest sector of the UK economy employing over 10% of the UK workforce and the growing scale of large hotel firms that in some cases have over 6,000 hotels operating in more than 100 locations under their management, the potential and scope for positive change across a wide range social issues and environmentally sustainable areas are significant and meaningful (UK Hospitality 2023). In some companies, we have seen that addressing environmental issues and sustainable objectives have developed into a stage of strategic organisational learning, meaning that they have integrated their key environmental objectives into its business strategy as part of its CSR commitments (Zadek, 2010).

Social intrapreneurs have been working to adapt these firms from the inside and begin collaboration between external groups and the hotels to drive positive change both operationally in terms of day to day running and in the larger strategic goals of the hospitality companies (Lawrence et al, 2014). This research intends to explore this further by examining the content of these CSR programs and identifying areas where further practical collaboration amongst a varied group of stakeholders can occur (Kistruck & Beamish, 2010). For the purpose of this research the following hotel groups of differing scales and ownership types were analysed with the key program leaders interviewed across a range of properties.

Hotel	Size of organization	Ownership
Hotel 1	109 properties in 43 countries	Investment company based in Canada
Hotel 2	16 properties in 16 countries	Property company based in Hong Kong
Hotel 3	6,500 properties in 100+ countries	Management and franchisee company
Hotel 4	5,300 properties in 100+ countries	Public Limited company
Hotel 5	10 properties in 10 countries	Investment agency based in Brunei

Table 1.0 The size and ownership arrangements of each hotel

2.0 Corporate Social Responsibility in a Hospitality Context

CSR is defined as “the management of a company’s positive impact on society and the environment through its operations, products or services and through its interaction with key stakeholders such as employees, customers, investors and suppliers” (Holcomb et al., 2007, p.461; Business in the Community, 2005). According to Moore (2014), the modern CSR movement can be traced back to article 23 in the 1948 United Nations Universal Declaration of Human Rights which called for “the right to employment, favorable work conditions, equal pay for equal work, and the right to join trade unions.” In the 1960’s and 1970’s huge social unrest across America and Europe brought the idea of responsible business behavior to the forefront of academic and business debate. This was rapidly brought forward in the 1980’s as there was a huge increase in privatization of key industries which meant business was providing services that the government had previously done. This in conjunction with deregulation across many sectors and corporate takeovers meant that transparent, ethical standards of behavior had to be introduced to regulate large multinational companies (Moore, 2014). However, as Kasim (2000) states there is a long list of negative tourism impacts directly related to hotels and similar activities thus a key area of focus was on how is responsible for achieving the stated objectives and how the hotel measured their CSR contribution.

Hotel	Responsible for CSR	CSR	Star Rating
Hotel 1	General Manager/Director of Human Resource/ Director of Engineering	Yes	Five Star Hotel
Hotel 2	General Manager/Director of Human Resource/ Director of Security	Yes	Five Star Hotel
Hotel 3	Senior Social Impact and Global responsibility Manager	Yes	Five Star Hotel
Hotel 4	General Manager/Director of Human Resource/ Director of Engineering	Yes	Five Star Hotel
Hotel 5	Chief People and Culture officer	Yes	Five Star Hotel

Table 2.0 Responsible for hotels CSR or social initiatives, star rating and involvement

Hotel	Measurement of CSR	Effective
Hotel 1	Charitable activity, cause awareness	Yes
Hotel 2	Environmental audits, local community donation	Yes
Hotel 3	Charity donation, volunteering hours	Yes
Hotel 4	Corporate ranking surveys and green engage audits	Yes
Hotel 5	Quarterly Pulse Survey and audit, sponsorship of charities	Yes

Table 3.0 How the hotels measure their CSR activities and is it accurate

These vary from environmental issues such as water pollution, land erosion, increased demand on water and energy supply to social issues such as the deterioration of local identities where hotels are located, displacement of local people, increased crime and low paid jobs that lower the indigenous populations' standard of living.

2.1 CSR and Sustainability

As a result of these issues and in particular the slow inclusion of environmental responsibility and social considerations into tourism planning means that sustainable tourism, green hotels combined with green marketing and green human resource management have emerged to tackle these problems. In conjunction with this, local and national governments under pressure to act, have introduced taxes and levies on over consumption, environmental disregard and poor urban planning. Sustainability initiatives have become a key element of many hospitality operations Corporate Social Responsibility (CSR) or Environment, Social and Governance (ESG) programs. This has been heavily influenced by consumer demand and perception, employee concern and regulation.

For example, in the UK we have seen the implementation and updating of various legislation such as:

1. The Waste Controls (England and Wales) Regulation 2011- Requires registering for carrying of waste

2. Environmental Damage (Prevention and Remediation) Regulations 2009- Hotels must report any damage to land or the environment

3. BREEAM 2023 (Building Research Establishment Environmental Assessment Method)

4. ISO14021:5.7- International Standard specifies requirements for self-declared environmental claims, including statements, symbols, and graphics, regarding products.

These regulations have meant that operators not only want to act but they must act or face fines, penalties, and possible reputational damage in the industry. From my research, the main reasons for implementing a CSR policy are outlined in the table below.

Hotel	Reasons for CSR
Hotel 1	Employee wellbeing, environmental sustainability
Hotel 2	Support of the local community, environmental sustainability, and responsibility
Hotel 3	Fair and ethical work practices, support of the local community
Hotel 4	Employee wellbeing, environmental sustainability
Hotel 5	Improvement of the local community, environmental protection

Table 4.0 Reasons stated for hotels to implement a CSR program

3.0 CSR and Future Initiatives

In Kempinski’s 2021 ESG report it outlined a range of initiatives that it had introduced such as the introduction of wooden key cards and the removal of single use plastic resulting in a total of 3,452,070 single pieces of plastic been removed from use. This theme of alternative materials has further developed, and we have seen how biophilic design has become a key element of architecture. As Kelbert (2008) explains biophilic design is an attempt to satisfy the need of contact with natural systems and processes in the contemporary built environment, and to improve people's physical and mental health, productivity and wellbeing’. This element of introducing sustainability into building is highlighted in one of London’s newest hotel 1 Hotel Mayfair. It uses Biophilic design both inside and out with the use of over 200 local and regional plants that are in place both on the exterior of the building and within the guest bedroom. This can be further seen in the use of reclaimed wood and sustainable timbers that are used

throughout the public spaces. From my research the following table are the main areas highlighted as future focus areas which I will further expand upon below.

Hotel	Future Initiatives of CSR	Timeframe
Hotel 1	Green Technology, local community partnerships	1 Year
Hotel 2	Continued green accreditation, green technology, employee volunteering	2 Years
Hotel 3	Youth Employment and seven-year action plan	7 Years
Hotel 4	Green technology, CSR initiatives	Immediate
Hotel 5	Green supply chain, financial impacts	1 Year

Table 5.0 Outline of hotels future CSR initiatives and timeline

Many of the approaches as outlined in table 3.0 show a movement show initiatives aimed at creating shared value which as explained by Moore (2014) is when operators are engaged with taking resources from the business and investing those resources in addressing sustainability issues. Moreover, we have seen that green building is an important element which includes “use of renewable energy sources, sustainable and recycled materials, quality of the environment, people’s health and comfort, ecological waste management and transport.

3.1 Smart Technology

One of the keyways that hotels can further embark on their green journey is using green technology as the return on investment can be accurately measured and provides both a sustainable and business objective. We have seen this with the implementation of smart hotel solutions and intelligent hotel rooms and public spaces where energy consumption can be tracked, analysed, and reduced through access control of smart TVs, thermostats, and lightning (Florivic, 2020). These systems can be applied to energy, water and food waste resulting in a considerable reduction in consumption as targeted action can be taken from the data analytics. However, a key factor in the success of the use of the technology and widespread implementation of this initiatives is the strategic alignment of environmental and business objectives combined with the internal capabilities to deliver and monitor the technologies in a

substantive manner. Waste Management has also greatly developed in terms of separation of different types of organic, plastic, glass and other wastes, the treatment of them, disposal, and the recycling of the material as well as the ability to create waste-based energy production (Franchina et al, 2021).

3.2 Green Supply Chain

Greening of a hotel supply chain encompasses product design and raw material sourcing, manufacturing and production, operations, and end-of-life management. In the UK, we have seen how hospitality operators have adopted the use of local suppliers in an extensive manner because of customer expectations, stakeholder influences and availability. The creation of green supplier groups means that it makes financial sense for supplier to turn towards green manufacturing or production such as in farming (Alreahi,2023). Moreover, an effective green supply chain holds its upstream and downstream suppliers to account through an extensive on-going vetting process and through industry regulation of practices. This approach by many hotel organisations has made both economic and environmentally sense as we have seen the pressures placed on these firms from a range of macro factors such as Brexit and the resulting increase in key items from Europe. Furthermore, the war in Ukraine has meant further disruption to supply chain making it more important to source local and have a trustworthy, consistent supply chain that operate with the highest integrating.

4.0 Conclusion

As sustainability comes to the forefront of discussion and meaningful action, operators both understand the importance of sustainability and the possible opportunities that could be exploited as competitive advantages get shorter. Innovation in terms of the companies process and practices of identifying sustainable initiatives and the capabilities to implement them in several different contexts will be a key factor from any hospitality firm's success and ability to meet ambitious targets as part of their CSR objectives. The strategic direction of firms will have to shift from compliance to the idea of creating truly shared value for their stakeholders and the local community they operate in. The future will be heavily dependent on new green technology and how quickly hospitality firms can adopt the technology in a purposeful way to further develop their green capabilities and journey. Furthermore, this combined with a focus on biophilic design and even greater green building through effective creation of green supply chains.

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