



HOTEL CHAINS FACING

the challenges of corporate social responsibility



By Inés Elvira Ospina
Photos Alberto Sierra
Milagro Castro

A review of sustainability reports from big hotel chains, plus interviews with professionals in charge, has given academics in Colombia, Spain, and the UK the chance to draw a worldwide panorama of this field.

Only 18 of the world's 50 biggest hotel chains report back on the impacts of their management to customers, providers, associates, investors, and the public in general. And in addition to this, despite the same company being in many different locations on the planet, its sustainability reporting uses no unified criteria, so its information has no comparable value.

Academics from three universities, in Colombia, Spain, and the UK, have pointed out a huge gap in the area of corporate social responsibility (CSR), one that also brought the chance to identify good practices that might be applied.

"We discovered that, despite them being big firms with years of work in the area, they still do not have very advanced processes. And while some do operate a sustainability plan, this is applied tangentially, in other words it is implemented when the problems occur," explains Mireia Guix, assistant professor at the School of Management and Business of the Universidad del Rosario, co-author of this joint research with Xavier Font of the University of Surrey (UK) and María Jesús Bonilla-Priego, of the King Juan Carlos University (Spain).

To carry out the study, the researchers took their reference group from the list of the biggest worldwide chains based on number of rooms, as documented in *Hotel Magazine* 2015. They took other data from available CSR reports, their main information source. Among these, they analyzed everything referring to the internal processes worked by the companies, their aim being to trace firms' sustainability strategies, how they are implemented, how they are reported, put into action and, especially, how well these hotel chains relate to their stakeholders.

Through the document, *The process of sustainability reporting in international hotel groups: an analysis of stakeholder in-*



← Mireia Guix, professor at the School of Management and Business, explains that the problem lies in different countries having different laws, so not all hotels face the same demands, and it is difficult to carry through a cross-cutting sustainability policy.

clusiveness, materiality, and responsiveness, the researchers highlighted lack of transparency, shortfalls in communication, computer system problems, failures in internal operational support for departments or persons running CSR, and scarce dialogue with stakeholders.

THE CHALLENGE OF BRINGING IN THE VALUE CHAIN

Mireia Guix comments that it was not easy to obtain the information due to a lack of homogenous criteria across the reporting method, with only 36 percent of the hotel chains producing a meaningful information report, and barely 20 percent offering info on their website.

For this researcher, the low percentage is explained by the pressure to do so being practically non-existent, in contrast with sectors such as oil. “Neither is there demand from stakeholders, nor risks of gaining or losing in reputation through management of environmental or social issues. But in recent years criticisms have been levelled because of the lack of stronger action against sexual tourism, while those chains tackling this issue have seen rewards,” she affirms.

While some of the reports do inform of these actions, they do not tell how they are carried out with any transparency, nor do they cover results obtained in areas such as dialogue with stakeholders. Relations with the latter are largely a question of consultation, and only one organization claims to integrate into its CSR program all those involved in the value chain. And three groups do not even mention this.

The problem lies in the fact of being in countries with different laws, so not all hotels face the same demands, and it is difficult

THE MAIN FINDINGS

Only 18 of the world's 50 biggest hotel chains put together CSR reports. There is no unity in metrics for a comparative analysis. Low credibility of reports.

THE CHALLENGES

Getting owners of properties and franchises involved in sustainability strategy, as well as other relevant actors.

Unify criteria and metrics to allow comparative analysis. Influence tourists in the creation of a sustainable conscience.

Systematize their internal processes to obtain the same information across all hotels in the chain.

Put sufficient staff and resources into departments, areas, or managers of CSR.

to carry through a cross-cutting sustainability policy. One of the challenges is diversity of property ownership. Some chains grow through a franchise system and this complicates implementation of global strategies because many of these contracts are signed on minimum standards which do not include mention of lines of sustainability.

“For example, a chain’s sustainability plan can demand attention to the structure of a building to lower energy consumption, but the owner of the property does not see this as urgent. There lies the rub, getting these owners to understand the discourse of sustainability and its importance,” underlines Guix

There is yet another shortcoming: getting to influence the consumer, since tourists are not being included either in the creation of awareness of the importance of sustainability. “Hotel chains are more reticent about this subject and are not influencing behavior changes in the consumer. The typical example is the message about towels only being taken and washed depending on the decision of the user. This neither contributes to change nor adds value,” stresses the professor.

CHALLENGES FOR INFORMATION SYSTEMS AND BETTER COMMUNICATION

The investigation reveals that some hotel organizations are working quite seriously on environmental questions, such as in cutting their water and carbon footprints; nevertheless, there is no effective communication channel leading to recog-

nition by the public, which is already aware and thinking of the importance of sustainability.

“A parallel web page to booking.com was set up, one called bookdifferent, one featuring hotel firms that accept a calculation being made of the carbon and water footprint for a stay in the hotel,” says the researcher.

Not all the research results were negative, however. The Universidad del Rosario professor underlines that the presence of these hotel chains leads countries where they are installed towards good practices that help to push up the workers’ average wage and health conditions. On many occasions, environmental measures are applied that exceed those demanded locally.

One big hurdle they found was in the management of internal information, which is disjointed to a great degree. Many manage their reports and accounting information through Excel, which makes it impossible for the information to be homogenous and contribute to decision making. The research found that clear indicators are not established, nor is there consensus on how the sector should be assessed, something that other business sectors do have in hand.

CORPORATE GOVERNMENT

The study also aimed to review corporate structure in relation to sustainability. In this sense, the academics delved into which chains had teams with specific roles assigned (governing boards or departments solely devoted to sustainability) and how these get the strategy down to the levels of owners and staff.

This is where they found one of the reasons why strategies are not fully implemented. “Managers end up being the administrators of the hotels, and in many cases in charge of the maintenance department. They also make too much use of voluntary figures who end up being ambassadors of sustainability,” explains the researcher.

The other variable checked by Guix, Font, and Bonilla was whether sustainability departments have enough staff and assigned resources, and whether the strategy is boosted by the upper levels of the company.

The interviews ended with one key field still to work on, since close to 95% of those interviewed spoke of “the battle to convince the bosses and keep advancing.” Even some of those with a sustainability plan in place affirm that they must “fight internally”.

Guix underlines that this research aims to contribute to the sector and produce documentation that allows for actions to be taken in the right direction. In fact, the results of the study, which was carried out under the United Nations Environment Program (UNEP), were presented at an event that correlates to the tourist and hotel industry, the Climate Change Conference, Morocco, 2016. ■