

Corporate Social Responsibility and Impact on Hotel Industries

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Corporate Social Responsibility

Introduction

Corporate Social Responsibility (CSR) is going to be considered as an important subject in managerial decisions. As an example, CO₂ gas is reduced about 14% by Air France and KLM Airlines in the past 10 years, or fruit is added to Happy Meals at McDonald's chains from March 2012.

CSR is an aggregate of ethics and responsibilities which involves organizations looking at their impact on society and considering their responsibilities toward both stockholders and society. In this definition we are considering responsibilities and ethics as the acceptable norms in civilized societies. Definition of CSR has evolved from 1950 but perhaps the most popular definition is by Carrol (1983) which involves the conduct of a business so that it is economically profitable, law abiding ethical and socially supportive. Current definition is achieving commercial success in regard of being responsible for ethical values and respecting communities and natural environment. (Clark, 2006; Porter & Kramer, 2006).

Methodology and Research Area

In this research analyzing of corporate social responsibility activities and impact of it on hotel industries has examined through a case study. I chose Accor hotel as one of the largest hotel groups in the world by means of interview with top managers and analyzing information that derived from financial statements and annual reports. Accor is the largest franchise hotel groups in Europe which operates and franchises 4229 hotels in 90 countries with 507306 rooms and 145000 employees, the biggest hotel groups in Europe which is trying to be among three of the biggest in the world, Accor is the only hotel groups which include 11 big brands in different market segments from Luxury to budget.



Accor & CSR

CSR Structure in Accor

Accor hotel groups provide a lot of CSR activities in categorizing sustainable development. Most of the innovative ideas of Accor hotel partners gather in this category and the headquarters tried to extend CSR activities not only for ethical reasons, but also because they believe that the sustainable development represent an economic imperative for future and it is vital to create a new business model that is respectful to nature and human being.

In order to develop sustainable ideas, Accor has sustainable development department. This Departement is comprised of 6 full-time employees which works at two levels:

The first level initiates projects for the groups.

The second level assists development and support of the projects in various areas such as HR, Marketing, Purchasing, Design, and technology.

The sustainable development department relies on networks consist of about hundred agents all over the world. These agents facilitate the integration of sustainable development into the group's daily operations. They also guarantee the consistency of the group's policy in all its activities.



CSR Activities

21 Planet Program:

21 Planet program is 21 tangible commitments to achieve to a number of objectives till 2015. As Dennis Hennequin believes, sustainable development is the main focus of Accor group's strategic vision. There are 7 general pillars of Health, Nature, Carbon, Innovation, local, Employment, and dialogue which each of them divide into 3 different sections.

	Health	<ol style="list-style-type: none"> 1 Ensure healthy interiors 2 Promote responsible eating 3 Prevent diseases
	Nature	<ol style="list-style-type: none"> 4 Reduce our water use 5 Expand waste recycling 6 Protect biodiversity
	Carbon	<ol style="list-style-type: none"> 7 Reduce our energy use 8 Reduce our CO₂ emissions 9 Increase the use of renewable energy
	Innovation	<ol style="list-style-type: none"> 10 Encourage eco-design 11 Promote sustainable building 12 Introduce sustainable offers and technologies
	Local	<ol style="list-style-type: none"> 13 Protect children from abuse 14 Support responsible purchasing practices 15 Protect ecosystems
	Employment	<ol style="list-style-type: none"> 16 Support employee growth and skills 17 Make diversity an asset 18 Improve quality of worklife
	Dialogue	<ol style="list-style-type: none"> 19 Conduct our business openly and transparently 20 Engage our franchised and managed hotels 21 Share our commitment with suppliers

Some Extra Information

Here are some procedures and innovative ideas that Accor provides for its hotels. Every year they equip more number of the hotels with these innovative ideas.

Health	
Offer eco-labeled products	68%
Serving balance dishes in restaurant	62%
Organize prevention training for staffs	77%
Nature	
Fit showers with flow regulators	88%
Recycle the waste	64%
Plant for Plant project	1340
Carbon	
Use Energy saving bulbs for 24h lighting	90%
Analyzing energy consumption every month	94%
Use renewable energy sources	169
Use thermal solar panels	134
CSR INNOVATION	
Have at least three environmentally friendly features in rooms (e.g. bedding, bath linen, paper)	13%
Local	
Buy and promote local food products	51%
Banning endangered seafood for protect local ecosystem	68%
Employment	
Organize language training for employees	477
Organize training to combat psychosocial risks	531



One of the other sustainability programs that Accor provides every year is plant for the planet. Under the name of protecting environment, Accor has planted more than two millions trees for global reforestation which is supported by the United Nations. The project organized by Tristan Lecomte, one of the famous people known for combatting against climate changes through forest conversation projects. He is also the founder of Alter Eco, the organization that has helped to extend the use of fair trade products. The aim of this project is to offer the customers to reuse towels. They can allocate half of their savings of laundry expenses on tree planting project.

Their simple formula is:

5 towel reused = 1 tree planting

This is one of the most important projects in Accor advertisement to perform the brand image to the customers. Beside this, the idea of earth saving will be attractive for a lot of customers who are sensitive in protecting earth issues.



Act-HIV

Since AIDS has become one of biggest concerns of today's life and among the main causes of death, worldwide players in the hospitality industry try to take a role in fighting against this disease.

Accor hotel groups as one of the biggest brands in this field have promoted some principles based on the management system of the hotel and the national health and welfare policy of countries.

Principle of none discrimination and confidentiality: Accor applies this labor policy for requiring employees. No human resource decisions can be made due to HIV status of employees.

Awareness, prevention and voluntary confidential testing campaign: Accor provides campaign for voluntary testing for HIV. This is done in conjunction with the workplace physician or a partner; an association specialized in the fight against AIDS, an NGO, or the local office of an international body.

Medical care and coverage

Find Outs

According to interviews from more than 13 managers of Accor hotels in France, they implied that sustainable developments had a great role for brand imaging and visibility of their hotels and the reputation in public and society. For instance, if we take the example of Accor and tourism: the goal and the interest of the Group is that its hotels contribute the economic and social growth of a host country, a region or a city, so that their riches, their heritage, their culture and their nature remain at the same time valuable and durable.

The Accor group's headquarters strongly believe that now a day lots of customers are sensitive and committed to the ethical issues hence to keep their brand image and satisfy a huge part of their customers they insist on practicing CSR activities. Dennis Hennequin has submitted his ideas about sustainable development in brief sentences:

"I am convinced that sustainable development is vital to create a new business model that is more respectful of natural resources and human beings. This is why PLANET 21 is more than an ethical commitment; it is also a powerful lever that will boost our brands' competitiveness, our attractiveness and ensure the loyalty of our partners, employees and customers who want to take action with us in favor of responsible growth capable of creating shared value for everyone. PLANET 21 embodies our desire to incite a virtuous long-term approach. We make this undertaking with humility, aware of the complexity of the issues, but also with determination and confidence in our ability to reinvent the hotel industry sustainably"

Financial Analysis

According to financial reports and net and income statements of Accor in 2011, although there is a noticeable increase in expenses due to sustainable development in compare with previous years, the revenue of company has increased 5.2% which is equal to 6,100 million euro. This amount shows that the sustainable development plans, which headquarter insists to implement in all Accor hotels, had a significant effect on attracting customers and the expenditures have completely expended target oriented.

The EBIT has also increased 32.6 % in amount, which shows that the total amount of expenses in compare with previous years has decreased. For instance, between 2006 and 2009, Accor has reduced its energy consumption by 7.8% in owned and leased hotels these total increases in EBIT represent the momentum of Accor especially in economy segment and the transformation of its business model based on sustainable developments and CSR activities.

As a conclusion, if CRS is performed correctly in hotel industries, it can have a positive impact and direct effect on a higher performance of hotels. After 2006 which the Group launched the Earth Guest program, they followed CSR activities more and more because it was more profitable than previous years. Accor headquarters firmly believe that sustainable development is a factor of performance.