

SUSTAINABILITY PRACTICES IN HOTELS - A CSR INITIATIVE

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Abstract: Corporate Social Responsibility (CSR) is an effective company tool used by hotels to take up the social and environmental issues seriously in their daily operations. The concept of CSR is based on hotel business moral culture for society and environment for its sustenance and as well keeping the interest of its stakeholders. Through this line of action it can achieve three fold objective of increase profit, QoL of people, and clean planet. The hotel industry has a creates huge chunks of employment and at the same time consume lot of natural resources like food, water, and energy, hence a huge burden on environment having degrading effect on environment and society. Hospitality industry is a one such industry which gives rise to environmental pollution by the big construction and operating hotel accommodation units. The purpose of this paper is to highlight the major areas related to the principles of corporate social responsibility and to summarise the useful guidelines of CSR adopted by the hotel industry. These are to reduce wastage of food in food outlets, water and energy conservation in hotels premises and fuel efficiency methods in airlines. The hotel industry have also incorporated social issues and international hotel chains have embraced CSR policies of developing underprivileged community, encouraging diversity amongst its workforce, and improved employment culture, the pioneer leaders in this field are Hyatt Hotels, Hilton, Marriott International, have been included in lists in Fortune's Best Companies with the best employment practices and culture, a dream of every employee to work in such environment.

Keywords: CSR, hospitality, stakeholders, QoL

1. Introduction

In 2022, the 1.58 billion (Mull bait, 2010) is likely the the total tourist force in world and the number will swell up as the world economy grows. Despite tensions and uneven economic world situation, it is forecasted that unless a major setback occurs, out of the box, the hotel industry will be leader industry in the coming years and will remain forefront in creating jobs, as well as apply methods to improve the planet (Rifhail, 2012). The hotel industry is a multi-billion dollar one and hence has a great impact both on the economy of the state and its environment. The present situation demand that all major and minor players of hotel industry voluntarily come together in creating a better society and improving quality of life (Mull bait, 2010). This moral and ethical responsibility towards the environment, society or the economy is what is now referred to as **Hospitality corporate social responsibility**. Environmental changes and Global warnings, as well as the changing social outlook, ascertain that the hotel industry has to take this issue seriously and take major steps to control it. (Gregory, 2007). If the right decisions are not taken immediately, the hotel industry will fail to meet the demands of society, making itself less attractive ground for investment. (Gregory, 2007). The goal of Hospitality CSR policies is to blend the good practices of social, economic and environmental point of view into the regular activities of the hotel, and to have a positive effect on the business environment and job and social culture.

2. Objective

This paper aims to fulfil the following purposes:

1. To critically analyse the role of CSR in hospitality industry in contributing to its value
2. To study the various CSR activities undertaken by leading chains of hotels in India
3. Collecting information about how CSR activities of leading hotel group in India have helped the society and environment

3. Research Methodology

The research methodology employed, included the use of secondary data, current papers on CSR and current books which formed the theoretical bases of this paper. The acquisition of data through the interview investigation of respondents was also employed to construct the paper.

4. Literature Review

The hotel industry has contributed a major share in world economic growth, creating 25.9 million jobs in 2012, according to the World Travel and Tourism Council (WTTC). The hotel industry has been a pioneer in bringing a positive global change through its contributions for better work and better living.

According to United Nations Educational, Scientific and Cultural Organization (UNESCO), more than 800 million people in the world are uneducated. At least 59 million children worldwide do not have basic access to education. Hyatt's, Ready **to Thrive** provide monetary support for children education worldwide. Hyatt in collaboration to the Pearson Foundation's distributes books and provides library rooms to study. It has donated over 65,000 books to children deprived of learning.

Hospitality Corporate responsibility needs to be implemented in different areas of work like: staff, hotel owners, tourists, government, shareholders and society. The hotel law frame rules to make it binding on hotel organizations to spend a part of their profit and make investments for social and environmental improvement programs. Hospitality CSR is a corporate self regulation on hotel industry to improve its business policies and make it society friendly. Hotel owners check the active involvement of its chains with the guidelines of the law, ethical obligations and international standards.

Roberts (2007) explained Hospitality CSR is specified expectations from the hotel chains to show responsible business behaviour that does not damage the quality of business place, workplace, the people of the state and the environment.

Rayford (2005) stressed that CSR meaning vary among different shareholders as there is no accurate definition of CSR, but has one thing common i.e. hotel organization having good impact on the ecology, society and business.

Afliya, (2005) stressed Hotel CSR strategy not only facelift the hotel image in the society on the hand but also increase revenue of the hotel business.

Cotterhill (2007) pointed out hotel chain adoption of Hotel CSR policies has become an important decision of productive employees, and hotels who execute good CSR policies are attractive to high level employees because they like to work whose company care.

5. ROLE OF CSR ACTIVITIES IN INDIAN HOSPITALITY INDUSTRY

A. Execution in India

After the economic liberalisation of the 1990's, India had a boom in economic growth, inflow of huge foreign investment in major domestic business organizations. This influx of foreign capital in the country created industrial development in various economic areas but also created load on society and ecology through the increasing need for land, natural resources, etc. It pointed the issue of responsible growth and sustainability. This created apathy of huge section of the society, resulting in disruption of a good working culture in many hotel chains. It is this apathy that forced Indian government and the hotel sector to work together for sustainable and conducive economic development. The inertia to include Hotel CSR as a compulsory chapter in the revised Hotel Companies Act of 1956 is part of this healthy decision of the government and the hospitality sector.

B. Hotel CSR policies and its legal implications

Department of Company stated Section 135 and Schedule VII of the Companies Act as well as the provisions of the Rules, 2014 (CRS Rules) which was put to execution on 1 April 2014. Section 135 (the Hotel Companies Act) fixes the minimum limit for applying the CSR conditions to a hotel business. The hotel company law are applicable and binding on both Indian and foreign hotel chains and failing to do so has legal consequences. List of hotel chains by government has to spend at least 2% of its average net profit for the consecutive three financial years on CSR programs.

- Hotel firms will have to make a CSR society of the Board of Directors consisting of 3 or more directors.
- The CSR society prepares a policy to the Board which mention the actions to be likely taken to fulfil CSR policies.
- The CSR society fixes the percentage of profit to be spent on the activities formulated by it and keep a vigilance and control on the the CSR Policy of the hotel.

C. Legal punishments for violation of CSR laws

Hotel which violates the CSR policies by CSR society and does not produce mandatory disclosure on CSR spending, hotel corporate will have to face legal consequences with a fine which shall not be less than Rs 50,000 and upto Rs 25 lakh. All executive body who is involved in violation and cheating shall be imposed with a fine between Rs 50,000 and Rs 5, 00,000 or both, or imprisonment may be more than 3 years. The law give guidelines the activities the hotel corporate can undertake. They are helping education of underprivileged children; striving for gender equality, eradication of hunger and poverty and empowering female workers; lessening infanticide, curing and providing medical aid for HIV, AIDS, etc.; providing skill based training programs and providing jobs to weaker sections of the society; contribution to Prime Minister's or Chief Minister's fund for socio-economic development; protecting the natural ecology, supporting projects and funding social welfare activities.

6. CSR ACTIVITIES OF LEADING HOTELS IN INDIA AND ITS IMPACT ON SOCIETY

A.LEMON TREE HOTELS LIMITED

Lemon Tree Hotels have implemented the Hotel CSR policies effectively in recent years. It has joined hands with leading NGO and given financial assistance to them:

Goonj: Through this NGO, Lemon Tree Hotels make arrangements for clothes and food for the poorer section;

Suniye: It works for the upliftment of blind and hearing impaired children and Lemon Tree hotels give financial and manpower support to improve the quality of life of such children.

Akshaya Patra: makes arrangement for food items to approximately 5000 poor people in Delhi, across the city daily and Lemon tree hotels has a major contribution to make this project successful.

Muskaan: along with this hotel gives skill based training for employment in various sectors for mentally challenged people.

Ramanujan Society: awards the IIT selected students from poorer sections and Lemon tree hotels take a major part in this noble work.

Lemon Tree Hotels has created a niche in maintaining high standard of implementing and executing high standard of CSR policies through its noble projects and also giving its employees the best atmosphere of work, and promoting health and quality of tourists, environment and society.

B.Taj Group Corporate Social Responsibility Initiatives

Certified Earth Check, Gold the global environmental benchmarking and certification organization has awarded nine chains of Taj with a focus on upgrading and protecting the environment. List of hotels include Taj Exotica Resort & Spa, Goa; Vivanta by Taj ,Ambassador, New Delhi; Rambagh Palace in Jaipur; Taj West End Hotel, Bangalore; Vivanta by Taj ,M G Road, Bangalore; Vivanta by Taj President, Mumbai and Blue Sydney ,a Taj Hotel located in Sydney's Woolloomooloo Wharf, Taj Exotica Resort & Spa in the Maldives ,Taj Lands End Hotel in Mumbai. The nine certified Taj hotels have done a commendable job and conserved a huge amount of energy **to bring electricity to 54,000 houses by conserving together 174,866,344MJ of energy, reducing 7,172,300 litres of waste and CO2 emissions have gone down by approximately 6,675 cars off the road.**

“Building Sustainable Livelihoods”, is the new motto of Taj to attain CSR objectives which is work to train skilled labour force with Hospitality and Service Industry working skills, so that they can get job in hotel industry. Taj has 32 centers across India. These centres are as Mithapur, Dhantari, Dimapur and Chinchwad to name a few. They are small training and educational centres underprivileged parts of the country with accommodation facilities for students and faculty. Taj have trained and certified more than 8000 youth from the interiors of India. They have helped the youth to get good jobs in hotel and improve their standard of living. The youth have migrated from backward areas and get jobs in cities which have earned them good social status, healthy living standard and better education for children.

Taj group impact: Building sustainable livelihood	2012-2013	2013-2014	2014-2015	2015-2016
n No. of beneficiaries trained in hospitality skills and employed	1902	2345	2485	3283
No. of differently abled trained in hospitality skills and employed	271	92	102	96

C. The Oberoi Group PROJECT SAKSHAM to support underprivileged Children in Villages of India

Project **SAKSHAM** was started by The Oberoi Group as their Hotel Corporate Social Responsibility. Oberoi have pledged to embrace 21 families having 210 children and their 21 centres at nine locations in India. The project also take care of higher education of youth at the same locations. It also take care of orphan children by giving quality education, health & nutrition, improving their career through skill based training. Save our Tigers Campaign has also been adopted by Oberoi under Wildlife Conservation Trust. Purbachal Udayan is an infant project of Oberoi for distribution of books and medicines to destitute women and children. Blind School has been started by Oberoi, New Delhi which provide voice donation by employees to create audio textbooks. The Trident, Bandra Kurla also makes monetary supports St. Catherine's of Sienna Orphanage by employees.

- The Trident, Nariman Point and The Oberoi, Mumbai partner the Terry Fox Run and the Mumbai Marathon, as a fund raising event and the money is used for funding NGOs.
- The Oberoi, Bangalore organizes entertainment events and food of Cheshire Home Trust occupants on important days.
- Udaivilas provide vocational training to local people on tailoring, gardening, driving and other semi-skilled jobs to local people giving a facelift to local community.
- **On environment conservation,**
- All Oberoi and Trident hotels have actively participated in water harvesting, water re-cycling and energy saving initiatives.
- The Oberoi, Vanyavilas works for Save tiger project and also give Oberoi Scholarship Award to forest guard and give insurance to improve the family condition of forest guard during any mishap.
- The Oberoi, Bangalore has done its role in Swach Bharat Abhiyan and regularly clean the Mahatma Gandhi Road.
- Oberoi chains are also into planting trees to protect the environment The focus of CSR activities in hospitality operations, is on: energy, water, and waste

4. ITC Hotels' mission for a Green World

ITC has done a great work towards a protection of environment. Welcom Environ is their objective for a green world. ITC guiding principle is '**Reduce, Reuse and Recycle**'. ITC along with guests are involved in the upkeep of the environment. ITC Hotels takes its CSR policies as a challenge, water consumption has been reduced by 60%, energy consumption by approximately 20% and five of ITC's hotels have decarbonised their operations by using wind energy.

- ITC has 11 LEED platinum rated hotels in India
- Five chains run on wind energy; – ITC Gardenia & ITC Windsor, Jaipur, ITC Maratha, Bangalore, ITC Rajputana, Mumbai and ITC Grand Chola, Chennai.
- LED light fixtures in the guest rooms and public areas for energy efficiency
- Air conditioner has water efficiency operations –there is 100% reduction in water consumption for AC usage
- 60% of room stationery used are either bought locally, certified or with recycled content
- Low VOC (Volatile Organic Compounds) paints and branded wood are used in guest rooms and public areas

ITC Sonar, Kolkata

- The first hotel in the world registered with United Nations Framework Convention on Climate Change (UNFCCC) for improvement in energy efficiency in building sector as Clean Development Mechanism (CDM) project under the Kyoto protocol

ITC Maurya, New Delhi

- A hotel chain making use of the largest and first on-site Paraboloid solar concentrators; a first in the world hospitality industry

ITC Grand Chola, Chennai

- World's biggest LEED Platinum Certified Hotel in the New Construction category

ITC Gardenia, Bangalore

Large hotel groups have a profound effect on the local community and global environment and upon ecology. But the joint efforts of smaller hotels are no less important.

7. TREND ANALYSIS

It is now understood that all hotels have realized the importance of corporate social responsibility because legal binding from government, local authority, local host community that natural resources must be used in a sensible way so that environment is protected. All hotels which are listed in CSR strive to retain their employee in their organization for long time.

8. CONCLUSION

CSR is a necessity and not a burden on hospitality industry because it focus on utilization of resources in such a manner so that effect on environment, society can be reduced. CSR must encompass participation of local people in form of job, social and cultural form will uplift image of the hotel. Adoption of efficient technology on all areas will reduce the energy consumption that will reduce operating cost and increase the profit of hotel over the period of time.

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