Responsible Hospitality: Theory and Practice

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Principle 8: Define responsible business values and communicate good practice

...simply improving operational effectiveness does not provide a competitive advantage. Companies only gain advantages if they are able to achieve and sustain higher levels of operational effectiveness than (their) competitors. That is an exceedingly difficult proposition even in the best of circumstances. Once a company establishes a new best practice, its rivals tend to copy it quickly. Best practice competition eventually leads to competitive convergence, with many companies doing the same things in the same ways. Customers end up making decisions based on price, undermining industry profitability.

Michael E. Porter (2008: <<pre>cpage no>>)

Typically, a company will express its attitude towards responsible business issues within a publically available statement signed by the CEO and board members. Such a statement is increasingly presented under the title 'Our Values', but may also take the form of a mission statement, an environmental or responsible business policy statement or a vision statement. Board statements about attitudes towards responsible business range from those adopted by mainstream businesses in traditional industries (see for example, BP's commitment to 'help the world meet its growing need for heat, light and mobility... [in a way that is] ... affordable, secure and doesn't damage the environment' (www.bp.com) to those of businesses that have focused their entire operational model around ethical principles. See for example the Cooperative Bank's aim to 'deliver value to its stakeholders in an ecologically sustainable and socially responsible manner' (www.co-operative.coop/corporate/ Sustainability09). For all businesses that have adopted the mantle of responsibility, the purpose of such statements is clear. It is to demonstrate that this is a businesses that has fully engaged with its responsibilities to operate not only as a profitable business, but also as one that is 'doing its bit' to protect the environment and society upon which it depends to operate.

The boards of many global companies agree to engage in the development of mission statements not just because they expect to gain short-term cost savings, but to protect corporate reputations, to minimise risks or in a few cases to change the positioning of the brand. Mission statements can be an essential step in this process because they demonstrate why responsible business is important to the company and how it relates to overall brand values. What many businesses forget, however,

¹ This is in sharp contrast to the way in which responsible business has been 'sold' into the hospitality sector specifically where cost savings are a major – and often only – strand of the argument.

is that while a good mission statement can be a useful expression of values and corporate culture vis-à-vis responsible business, 'in and of themselves, [mission statements] are not important — creating a management team with a sense of mission is crucial' (Campbell, 1992). To create this management team with a sense of mission, the statement has to: provide a clear definition of what responsible business means operationally for managers, be supported by training programmes, be reflected in the career development process, be demonstrated through good practice examples within the business and integrate with core business and brand values. Within a complex industry like hospitality that has multiple units across cultures, woolly statements of business values that lack definition and fail to be interpreted into managers day-to-day activities are a hostage to fortune. As many companies have found, a failure to define the mission statement in a way that is meaningful to managers (and that adds value to the brand) as well as to develop the procedures such as environmental management systems that underpin it, can be costly to corporate reputations. Some companies are now at pains to define what responsible business means to them. Sodexo, for example, in all of its corporate literature very clearly defines its responsible business ambitions and provides a road map for their achievement (see Figure 41).

Text box 48: Greenwash - An inconvenient truth

It is a sobering fact that the term 'greenwash' was first coined way back in 1986 by New York environmentalist Jay Westerveld after discovering some disingenuous hotel cost-cutting methods that were disguised as environmentally responsible. Mission or value statements that sound good in theory but cannot be substantiated in fact still regularly attract accusations of greenwash within the sector. GreenTraveller.co.uk, for example report that Tourism Concern has campaigned for the last 15 years against some of the worst offenders [of greenwash], such as the eviction of the Maasai and Samburu people from their lands in east Africa in order to establish what the developers called 'conservation and safari tourism'...

But ecotourism – and greenwashing – are no longer confined to the central American rainforest or the African bush. Just as the green agenda has gone mainstream, from city breaks to summer holidays in the Med, so we start hearing about so-called eco-friendly spas that do little more than sell fair trade bananas in the bistro. This undermines the genuine article' (http://www.greentraveller.co.uk/node/154). Even in the mainstream press, there are frequent comments on the propensity of the tourism (and by implication hospitality) industry to greenwash. See for example the article by Tom Robbins in the *Observer* that claimed 'From B&Bs to Boeing, everyone is jumping on the environmental bandwagon, but how can we be sure that what they promise is what they deliver?'

(Observer, 6 July 2008).

Chapter extract

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