# Responsible Hospitality: Theory and Practice

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## Principle 1: Avoid wasteful use of resources and protect and, where possible, improve the environment

> *In the past, a great deal of progress in environmentally-sensitive hotel management has been made by people who had a personal passion for the environment or saw new ways to reduce costs. Those achievements were real and important, blazing a trail for others to follow. Yet the imperative of finding new and better ways to reduce environmental impacts and above all, minimising climate change, requires a step change in all our thinking.*
>
> H.R.H. Prince Charles (International Tourism Partnership, 2008)

The concept of ensuring that emissions from companies do not adversely affect human health and/or the environment is far from new or revolutionary. It is the basis upon which many of the early anti-pollution laws in countries as far apart as Australia, America and the UK were founded. What has changed is the perception of companies towards these issues. Where once they were addressed in a bid to avoid the wrath of the regulator, they are now perceived by many international companies as providing the opportunity to reduce operating costs and protect against long-term increases in the price of resources. The hospitality sector has not been slow to recognise these synergies.

Indeed, this principle is interpreted by most hospitality businesses as a diktat to make prudent use of resources and to ensure that those assets on which hospitality businesses depend are preserved for future generations to enjoy (for those businesses that are part of the tourism experience, these include, the heritage, culture and physical environments of the destinations in which they are based). It is a principle that is accepted by almost all global hospitality businesses and against which impressive progress has been made. It was action on environmental issues that spawned the responsible hospitality debate and that firmly linked responsible business practices with enhanced profitability (a link that some commentators have subsequently come to regret). It is this principle that remains the core (and in some notable cases the only) tenet of responsible business programmes in hospitality settings.

The enthusiasm with which many hospitality businesses have embraced this issue sometimes belies the inevitable tension between the need to reduce environmental impacts/resource consumption and that to:

- Facilitate business growth (by expanding the portfolio – perhaps to include hospitality facilities that have been designed by external developers with little consideration for environmental or social impacts);
- Maximise profitability for shareholders (and especially short-term return on investment. This is a particular tension when installing technologies that have long payback periods into properties that are not owned by the business);

- Enhance the standard of facilities (by, for example, adding spa facilities, or providing greater capacity for choice of hot meals in restaurant outlets thus increasing resource consumption per customer served);
- Improve comfort levels (for example, by installing relatively energy intensive air conditioning into existing facilities).

### Text box 10: Resource consumption and operating costs

There is a direct relationship between resource consumption and operating costs for nearly all hospitality businesses. In those settings where the hospitality business bears the full burden of resource costs, the drive to deliver energy, water and waste efficiencies is clearly entwined with profitability. Canny corporations have linked resource savings to performance bonuses for general managers – often with impressive results. For example:

- Marriott reduced energy consumption by just under 13% between 2007 and 2009 with significant environmental and cost benefits (Marriott, 2010);
- The environmental initiatives in the area of energy and water conservation and waste reduction at Scandic are estimated to have allowed savings of almost €19 million in 1997–2007 (Bohdanowicz, and Zientara, 2008,);
- 1300 Hilton Worldwide properties recording their performance in the LightStay system conserved enough energy to power 5700 homes for a year, saved enough water to fill more than 650 Olympic-size pools and reduced carbon output equivalent to taking 34,865 cars off the road. These reductions translated into dollars saved for hotel owners, with estimated savings of more than $29 million in utility costs in 2009 (Hotel Online, 2010);
- QSR operator McDonald's has installed energy management systems into many of its restaurants, saving around 10% of energy consumption per outlet. They have also eliminated 300 million pounds of product packaging by redesigning and reducing materials in the 1990s with significant cost and environmental benefits (www.aboutmcdonalds.com/mcd/csr/about/environmental_responsibility.html );
- Pub chain Mitchells and Butlers reduced energy costs by 5% by rolling low energy lighting out throughout the business (*Daily Telegraph*, 21 March 2011).

In the many food service settings where business provide a catering or accommodation function within a broader business (for example, a canteen within premises owned and operated by a hospital, or a café within a retail outlet), the relationship between resource consumption and cost is indirect for energy and water use and waste production at least. Usually the costs of consumption of these resources in such settings are borne by the organisation operating the whole site. There is some evidence – within the business and industry market at least – that some clients are now seeking to pass the resource costs for the provision of hospitality services onto their hospitality provider. A few trail-blazing companies are trying to ensure clients take these steps as a core condition for hospitality businesses to function. But these cases are the exception rather than the rule. Within settings where resource consumption is not monitored and costs are not borne by the hospitality provider, there is a less obvious incentive to deliver resource efficiencies.