Responsible Hospitality:
Theory and Practice

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3 │ Defining good – the principles of responsible business

> *Fundamentally transforming the foundations of the economy is the biggest contribution we can make towards building a sustainable future. The current economic crisis may be painful, but it will be nothing compared with the crises we will face if we continue to grow in a way that threatens the life-support systems on which we rely.*
>
> Jonathon Porritt, Chair, Sustainable Development Commission, announcing *Prosperity Without Growth* report (March 2008)

One of the greatest challenges for those businesses claiming that they operate according to the principles of responsible business is defining what this complex and multidisciplinary term actually means for their operation. Poor definition of the term within company literature and a lack of transparent reporting of progress has left some of those laying claim to 'responsible business practices' open to accusations of 'greenwash'. Multiple definitions of the term responsible business exist with significant differences between them. There are also a wide range of other commonly used terms that have more or less the same meaning. As a result, some businesses (including a number of hospitality businesses) that are engaged in little more than energy management, lay claim to operating in a responsible manner alongside others that are engaged in a much wider range of programmes.

Greenwash

Greenwash is a term that is commonly used to describe a business that lays claims to environmental practices or responsible business programmes that either do not materially address its key impacts or that it cannot substantiate in fact.

Genuinely responsible business practices extend way beyond resource efficiency and embrace a wide scope of issues, including: reducing the environmental impacts of the business; making a positive contribution to the local and global community; treating employees, suppliers and others engaged with the business fairly; applying the principles of fairness and ethics in marketing and sales activities and applying good standards of corporate governance throughout the operation. We will explore these issues further below.

Defining responsible business

Most definitions of 'good' business have their roots in the definition of sustainable development produced by the World Commission on Environment and Development in 1987 (commonly called the Brundtland Report). Multiple terms are com-

monly used to describe business practices that contribute towards environmental protection and social enhancement as well as economic development. These include the relatively recent use of the term responsible business and the slightly earlier term corporate social responsibility. As the text below demonstrates, there are multiple definitions of these terms (many thousands if Google is to be believed).

> *The basic idea of CSR is that business and society are interwoven, rather than distinct entities.*

(Moir, 2001)

> *The commitment of businesses to contribute to sustainable economic development – working with employees, their families, the local community and society at large to improve the quality of life, in ways that are good for business and good for development.*

(World Business Council for Sustainable Development, 2007)

> *A concept whereby companies integrate social and environmental concerns in the business operations and in their interactions with stakeholders on a voluntary basis.*

(Commission of the European Communities, 2001)

These definitions are rather too broad to be of help to the average business, and do little to elucidate those issues in which the business should engage.

The principles of responsible business

The desire by businesses to engage in responsible practices has driven the development of a number of guidelines and principles. In combination, these tease out the steps that businesses can take to support a fair and functioning society, engage in enhancing environmental quality and protect human dignity. Most responsible business executives will be able to name at least a handful of these agreements, of which the ICC Business in Society guidelines are perhaps the best known and the CERES principles the most far-reaching. Many businesses use the principles enshrined in these documents as the foundations for the responsible business initiatives within their organisations:

♦ **Global Sullivan Principles of Social Responsibility** (1977)**.** A set of general principles about the legitimate role of business in society. The principles specifically encourage companies to support economic, social and political justice wherever they do business.

♦ **The International Labour Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy** (1977). Principles laid down in this universal instrument offer guidelines to MNEs, governments, and employers' and workers' organizations in such areas as employment, training, conditions of work and life, and industrial relations. Its provisions are reinforced by certain international labour conventions and recommendations which

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