

Responsible Hospitality: Theory and Practice

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Principle 10 : Take responsible business to the heart of the company

... for too long our definition of what constitutes 'responsible' corporate behaviour has been dangerously timid and blinkered. To confront the economy's and society's daunting challenges, companies must do more than monitor factories, donate to charities, and trumpet efforts to be a little less bad.

Jeffrey Hollender, author of the *Responsibility Revolution*

As we have seen, in 2011 few global organisations operate without some form of acknowledgement of their responsibilities towards the environment and society. The purpose of this acknowledgement is to demonstrate that they are capable of moving beyond the profit motive at all costs to pursue a more generous form of capitalism. Some organisations have now invested many millions of dollars in seeking to demonstrate that they are responsible and – by association – can be trusted to be a part of the solution to the many issues that are pressing on environment and society. Many have learned to their cost that investment alone cannot buy the reputation of being a responsible business. To be credible and trustworthy, responsible business initiatives have to be a core business value that is clearly defined, that permeates all decisions and departmental functions and that has coherence with the core product as well as playing a role in influencing new product development decisions. There is no point pretending that the transition to becoming a responsible business is easy or that we yet understand all of the steps in the process. It is tough, especially for a business that has traditionally operated upon more conventional principles. Those businesses that have got it wrong have on occasion lost more than a little investment.

Text box 53: Adopting responsible business values – the experiences of BP

BP, rebranded in 2000 as Beyond Petroleum, an attempt to take its image from one of an oil company to that of an energy company (the strap line was 'energy that doesn't damage the environment'). The logo adopted was that of Helios – the symbol of the Greek sun god. The rebranding reputedly cost in excess of US\$600 million (Beder, 2002). Even before BP's current troubles off the coast of Louisiana, the result was questioned by many within the NGO community and especially those organisations with an aversion to the petrochemical sector. Other companies that have historically sought to make green claims via board or mission statements and have found themselves exposed to the derision of either mainstream or niche groups (notably CorporateWatch) include ExxonMobil, Monsanto, Rio Tinto and Nestlé. (www.corpwatch.org/article.php?id=3648). These niche groups, of course, are just that – niche. Their views may not be shared by the majority of consumers or investors, but as we have seen in previous chapters, they are verbal, media savvy and able to cause reputational damage that can take many years to reverse.

Those businesses that have got it right frequently end up on the lists not just of the most responsible businesses, but also the best businesses to work or and often to invest in. It is difficult to identify whether this is as a result of a responsible business ethos or because these businesses have better management processes in place that are a result of other factors.

The fundamentals: putting responsible business at the heart of the company

A small number of companies have managed to integrate responsible business considerations throughout their organisations. In some instances, this has meant wholly rethinking the product while in others it has meant an evolutionary process over many years. For all, it has completely transformed the operations of the business. Businesses that have gone through this process include, among others:

- ♦ **Interface** – the carpet manufacturing company whose boss underwent an epiphany as a result of reading Paul Hawken's *The Ecology of Commerce*. The company's mission is uncompromising on the quality of product and environmental impact with an aim to eliminate any negative impact on the environment by 2020.
- ♦ **Triodos** – the bank that believes profit doesn't need to be at the expense of the world's most pressing environmental problems. The company finances organisations that match its own ethical beliefs – from organic food and farming businesses and pioneering renewable energy enterprises, to recycling companies and nature conservation projects.
- ♦ **Unilever** – the corporate giant that has reoriented its corporate strategy around three big environmental commitments as a result of the realisation by Paul Polman (CEO) that if the company wanted to be in business for the long term it had to start doing business differently.
- ♦ **Rezidor** – the hotel company that recently made it onto the Ethisphere Institute's list of the most ethical companies. Kurt Ritter, the Chief Executive of the group has a passion for responsible business issues and has ensured that they are reflected throughout the company's operations.
- ♦ **Accor** – one of the largest hotel companies in the world that took on the environmental agenda in the early 1990s and has subsequently made a huge raft of its materials available to the public domain. As early as 1974, the group management team classified the environment as one of its core business attributes and since then the group has been working to reduce negative impacts throughout all brands as well as playing a leadership role within the sector.
- ♦ **Sodexo** – one of the relative latecomers to the responsible business agenda that makes it onto Two Tomorrow's list of one of the most ethical food service businesses. The group fundamentals that underpin the Better Tomorrow Plan are central to the core businesses and the time that has been taken to embed this ethos

Chapter extract

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