

Responsible Hospitality: Theory and Practice

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Principle 3: Develop products that are responsible and can be operated responsibly

Don't follow trends – start trends.

Frank Capra (film-maker)

Any organisation that has sought to graft responsible business principles into an existing operation will comment that their task would have been easier had these principles been integrated from the outset. It is significantly easier (and in most instances cheaper) to design responsible business or sustainability principles into products from the outset than to retrofit an existing product/property to maximise sustainable development credentials. It is the failure to acknowledge this issue and to view all new products through a responsible business screen that bred widespread consumer mistrust in business. A continuation of this failure will leave businesses ultimately unable to play the transformative role in society promised by organisations such as the World Business Council for Sustainable Development.

Killing the goose that laid the golden egg

In some areas – and especially where hospitality is associated with leisure tourism – excessive development has destroyed whole destinations. As early as 1973, Sir George Young (Tourism: Blessing or Blight) noted the potential for tourism and rapid hotel development to 'kill the goose that lays the golden egg'. Despite the 30 or so years that have passed since that publication, over-zealous tourism development continues to result in a high volume of obsolescence. For example, around 15% of Caribbean properties closed facilities wholly or in part in 2009/10 as a key element of their economic survival strategy (KPMG, 2010).

Within the hospitality sector as a whole – outside a few trial products targeted at the eco sector and one or two forays to trial sustainable design criteria – it has not been the norm for new products to be screened to ensure their match with responsible business criteria (although some will be reviewed for reputation risks). Given that success in the sector is predicated on growth in the number of units (i.e. adding to or building new facilities rather than increasing sales into existing ones) this failure may fatally flaw the image of the sector as one that is compatible with social justice, environmental protection and economic prosperity.¹⁰

¹⁰ This may not be a view that some specialists in sustainable tourism and/or sustainable development recognise. However, many in the NGO, conservation and government communities view hospitality – especially when associated with tourism – as one of the key industries that can deliver these benefits.

The growth statistics for the hospitality sector provide some urgency to the need to start reviewing new product development (including refurbishment as an alternative to new build) through a responsible business lens. According to the International Tourism Partnership, the hotel sector alone is expected to double in size over the next 15 years (ITP, n.d.). Much – but by no means all – of this increase will take place in the BRIC countries and properties built now will have a life expectancy of around 40 years (Rushmore, 2006).

There is an emerging body of evidence to demonstrate that conventional business benefits can flow from developing responsible products that can be operated responsibly. For example buildings that are constructed/refurbished even to the relatively modest LEED standard (Leadership in Energy and Environmental Design) can expect to deliver: a 30–50% reduction in energy use; a 35% reduction in carbon emissions; a 40% reduction in water emissions; and a 70% reduction in solid waste expenses (US Green Building Council, 2008: 240). Perhaps as significant for a sector that is increasingly moving to a leased (as opposed to owned) mode of operation, a survey by McGraw Hill (FM Link Group, 2011) found that the businesses that are designed and managed according to sustainable criteria anticipate a 4% higher return on investment, 5% increases in building value and occupancy, 8% drop in operating costs, and a 1% rise in rental income.

The same survey reported that 79% of owners believe eco-friendly buildings help them attract and retain tenants and competitive advantage, especially in tough financial times. Respondents also cited benefits to occupants' health, productivity and satisfaction, with 10% of green building tenants saying they have noted improvement in worker productivity, and none reported decreases. Also, 94% of managers said they have noticed higher satisfaction levels after green projects and 83% of tenants believe they have a healthier indoor environment as a result of green efforts.

It is pertinent at this juncture to bring into the discussion the issue of refurbishment. Many hospitality businesses grow through the process of developing new facilities. The development of new buildings is, however, hugely resource-intensive (significantly more resource-intensive than refurbishment). What's more, hospitality facilities are often located in fragile environments and can be built with little or no consideration for the beauty and integrity of their surroundings, whether from the environmental or socio-cultural perspective. The resulting effects can be highly visible and undermine the environmental quality of the destination. Many hospitality businesses seek to build (or occupy) new facilities, when the opportunity to refurbish existing properties would be preferable from a sustainable development perspective. The costs of a major refurbishment can often match those of new build (and perverse incentives by governments and international agencies do little to encourage those businesses that seek to refurbish rather than start afresh¹¹) and

11 See for example, the range of IMF incentives to develop new hotel facilities, taxation mechanisms such as that in the UK that applies a zero tax on new build and yet applies Value Added Tax to extensions and refurbishments.

Chapter extract

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