

Current status of CSR: A case of Indian Hotel Industry

*Praveen Srivastava**

Abstract

CSR refers to the way businesses are managed to bring about an overall positive impact on the communities, cultures, societies and environments in which they operate. The fundamentals of CSR rest on the fact that not only public policy but even corporate should be responsible enough to address social issues. Thus companies should deal with the challenges and issues looked after to a certain extent by the states.

Among other countries India has one of the oldest traditions of CSR. However, it has been observed that these practices are eye wash and are done only for name sake. The main reason for this is that it has not been rightly understood in letter and spirit. In most instances, it is construed as an act of charity. It should be understood as the guiding philosophy, that businesses should not be run only to drive profits to their shareholders but also to drive proportionate benefits to the stakeholders around them. This includes everything which get effected by the operation of an industry like natural environment that gets impacted due to their existence, the stake-holding communities they get dispossessed or get adversely impacted for being on the side-lines, the employees that help create wealth, etc. The concept becomes more and more relevant in developing and less developed countries where social and economic divide is more profound.

On this backdrop, current paper is an attempt to strive the role played by one of the industry i.e. hotel industry in CSR. By reviewing literature of previous studies and other published information, an attempt is made to explore the efforts undertaken by some of the chain properties toward CSR.

Keywords: CSR, Hotel Industry, Chain Hotels.

INTRODUCTION

A 'hotel' or 'inn' is defined by the British law as 'the place where a bonafide traveller can receive food and shelter provided he is in a position to pay for it and is in a fit condition to be received'. Hence a hotel must provide food and lodging to a traveller on payment and has, in turn, the right to refuse if the traveller is drunk, disorderly, unkempt or is not in a position to pay for the services. By providing

* HOD (I/c), Department of Hotel Management and Catering Technology, BIT Mesra (Deemed University) Ranchi, Jharkhand, E Mail id – praveenbit@gmail.com Telephone No: 08987479515

accommodation and food and beverage services, hotel tries to generate profit. There are many hotel companies operating in India at present.

Major players in Indian Hotel Industry comprises Indian Hotels Company Limited (Taj Group) and associate companies, East India Hotel (EIH) Limited (Oberoi Group), Indian Tobacco Company (ITC) Hotels Limited (ITC Welcome Group), Indian Tourism Development Corporation (ITDC) and Hotel Corporation of India (HCI) (the latter two being under the Public Sector). Most of these chains had an established presence in one or more metro cities prior to the tourism boom of the 1980s. Subsequent to the tourism boom, these chains aggressively expanded their presence in other locations. The private players among the hotel chains are industry leaders and have well-established brand identities across the different industry segments.

In their effort to expand and make profit, it is possible that these hotel chain may overlook the society and do not do perform their part of CSR. Since, corporate social responsibility requires organizations to demonstrate responsible business conduct that does no harm in the marketplace, in the workplace, in the community they operate in, and to the natural environment (Roberts, 2007). Hence, it become important for the hotels to ensure that their operations do not harm the society, environment and marketplace and they are continuously involve in fulfilling their duty toward society.

Impact of Hotel on Environment:

Hotel industry has significant negative impact on the environment. The industry uses huge amount of water and energy resource. Hotels generally use more energy per visitor than local residents, as they have energy intense facilities, such as bars, restaurants and pools along with more spacious rooms. It has also been found that a hotel emits an average 20.6 kg of carbon dioxide per night (Gössling et al., 2005). Similarly, guests staying in hotel demand for more water than local residents. Apart from drinking, hotel also need water for various other purposes like swimming pool and garden. This leads to heavy consumption of water.

In addition to these consumptions, hotel produces waste on daily basis. As per Bohdanowicz (2005) an average hotel produces more than one kg of waste / guest / day. Compared to other industries, the accommodations sector does not always produce easily identifiable point sources of pollution. However, the cumulative and long-term effects of large numbers of “small polluters” are equally harmful. Furthermore, a significant amount of energy and water used in this sector is wasted, presenting significant opportunities to enhance efficiency and resource conservation (Bohdanowicz & Martinac 2007).

The Environmental Impact of hotel can be summed up as under:-

Service/Activity	Description	Main Environmental Impacts
Administration	Hotel management Reception of clients	Energy, water and materials (mainly paper) Generation of waste and hazardous waste (toner cartridges)
Technical Services	Equipment for producing hot water and heating Air conditioning Lighting Swimming pools Green areas Mice and insect extermination Repairs and maintenance	Energy and water consumption Consumption and generation of a wide range of hazardous products Air and soil emissions Generation of waste water Pesticides use
Restaurant/bar	Breakfast, lunch, dinner Beverages and snacks	Energy, water and raw materials consumption Packaging waste Organic waste
Kitchen	Food conservation Food preparation Dish washing	Consumption of energy and water Packaging waste Oil waste Organic waste Generation of odours

Room Use	Use by guests Products for guests' use Housekeeping	Energy, water and raw materials consumption Use of hazardous products Generation of waste packaging Generation of waste water
Laundry	Washing and ironing of guest clothes Washing and ironing of hotel linens	Consumption of energy and water Use of hazardous cleaning products Generation of waste water

Source : Garci, 2009

Hence, it can be said that Hotel industry depends on the natural environment heavily for its very existence and day to day operations. At the same time, the industry can damage the very environment itself if it is not properly managed. Moreover, the industry has an image as its whole service design is built to pamper the wealthy in the society, which is largely a small percentage of the society. Therefore, the onus is largely on the industry to create a sustainable environment around by participating in various conservation and humanitarian activities.

Hence, it becomes important that industry play a major role in fulfilling their duties toward corporate social responsibility. Current study is an attempt to find the effort made by some of the major players in hotel industry toward fulfilling CSR.

1. The Indian Hotel Company Limited (The Taj Group):

Taj takes pride in the symbiotic relationship it shares with its target communities. It holds the beacon of its founder Mr. Jamshedji Tata's vision of 'purpose of business' being rooted in advancement of society in which the business operates.

It has evolved its approach to leverage Corporate Social Responsibility (CSR) as a potent, long-term channel for driving 'value creation' for all the stakeholders involved. Derived from the United Nation's Millennium Development Goals, the Prime Minister of India's Social Charter and in correlation with Taj business strengths and core competencies, they have adopted & follow 'Building Sustainable Livelihoods' as their theme for CSR engagements and programmes.

Approach towards Community Development and Environment protection:

Facilitate skill development for less-privileged youth:

Partner with Government Industrial Training Institutes, reputed Voluntary Organizations and other like-minded organizations to bridge the gap between organized job market and rural less-educated less-exposed youth seeking long-term livelihood options.

Enable candidates from marginalized sections like differently-able, Scheduled Castes and Scheduled Tribes gain access to training and employment in hospitality industry.

Promote local arts, crafts, culture and development of local economy:

Facilitate awareness, visibility and venue for exhibition and sale of artefacts, performances of local artisans / craftsmen and culture troupes.

Encourage purchases of gift-items, other products for business-use from artisans, small-scale entrepreneurs.

Support income generation projects run by small scale entrepreneurs, Self Help Groups, NGOs and facilitate product development and ancillary services in line with tourism opportunities.

Share business core competencies:

Private-Public Partnerships to address entrenched social challenges like unemployment amongst educational-drop out youth, child malnutrition, human trafficking, etc.

Earth:

In an endeavour to reinstate its vision and efforts to boost sustainable tourism, Taj Hotels Resorts and Palaces presented EARTH

(Environment Awareness & Renewal at Taj Hotels) which included implementing schemes such as the Gangotri Glacier Clean-Up Expedition, as well as designated Earth rooms, which minimise environmental impact.

2. East India Hotel (The Oberoi Group):

East India Hotel adopts various technique and method to ensure that they are performing their part of CSR. Some of their approaches are discussed here under:

Energy Efficiency Conservation & conservation:

Energy efficiency and conservation begins from the conception of the hotels. The orientation of the building, maximising the use of natural light, insulation of the roof, use of cavity walls on the exteriors of the building, double glazing of external windows are some of the features of the design of a standard Oberoi and Trident hotel. The air-conditioning systems use heat recovery wheels, thermal storage vessels and heat pumps where possible thereby reducing the energy consumption and the peak load requirement.

Ecology and Environment:

Each Oberoi hotel has a Green Team that comprises of the Heads of Departments. This team conceptualises and implements new and innovative ideas to conserve energy and preserve the environment. Environmental awareness is a regular part of The Group's training for the hotel employees and their families.

Use of Environmentally friendly products:

The Group's hotels use cloth in place of plastic bags for newspaper and laundry. Plastic covers for room tumblers have also been taken out of service. Business kits and greeting cards are made of recycled paper. Soaps are recycled and given to charity. All cleaning agents and washing detergents used are bio-degradable. Bathroom amenities provided to guests are made of natural, botanical extracts and Indian herbs.

Land-use planning and management:

Gardening and horticulture is an essential feature of every Oberoi hotel. The use of natural fertilisers and treated waste from Sewage Treatment Plants and bio-pesticides is being adopted at the hotels. All natural features in the landscape are incorporated in the architectural design of the properties. This eliminates the need to cut trees or fill up rain-fed ponds, etc.

Management of water resources:

The Group's hotels have sophisticated and efficient systems for the management of water resources. Several of the hotels have installed rain water harvesting systems. Water for potable use is filtered and sanitised. Most hotels have a sophisticated Sewage Treatment Plant (STP). The quality of the treated effluent from these plants exceeds the stringent standards set by the Pollution Control Board. The extensive gardens and lawns are irrigated using the treated effluent from the STP through automatic sprinklers and drip methods. This water is also used as make-up for cooling towers.

Many Oberoi hotels have infra-red sensors on taps and urinals and low water consumption cisterns to help conserve water. Up-to-date machines have been installed in laundries and kitchens to reduce the consumption of water.

Preservation of Air Quality:

Wet scrubbers have been installed in the generator and boiler exhaust systems to reduce the emission levels of sulphur dioxide, nitrogen oxide and particulate matter. Hotels also use Halon-free fire extinguishers. Chimneystack heights are kept according to Pollution Control norms. At The Oberoi Amarvilas, Agra power is generated by the use of a gas turbine fired by Propane, the cleanest fuel available worldwide. Thereby ensuring that the resort's close proximity to the Taj Mahal does not in any way contributes to the existing levels of pollution in the environment surrounding the monument.

The Group's hotels use HCFC (Hydro chloro fluoro carbon) instead of CFC, refrigerant gases for air-conditioning. HCFCs have a lower ozone depleting and global warming potential. The Group prefers the use of Vapour Absorption Chillers instead of Vapour Compression Chillers as the refrigerant used in Vapour Absorption Chillers does not cause ozone depletion.

Waste Minimisation:

Different kinds of waste are separated and disposed of suitably. Wet garbage is refrigerated to delay spoilage and sent to piggeries and dry garbage like Aluminum, paper and plastic is segregated and sold for re-cycling. Garbage incinerators are also used when needed to reduce garbage by 98%. All printed stationery after being screened and processed is re-used for note pads, photocopying, fax printouts and posters for internal use.

3. Leela Hotel:

The Leela Palaces, Hotels and Resorts is committed towards prevention of pollution and continual improvement in environmental performance by controlling the impact of activities, products and services on the Environment. The organisation will achieve the above by:

- Managing all operations in an environmentally responsible manner,
- Implementing state-of-the-art waste management practices,
- Conserving all natural resources,
- Complying with applicable legislative, regulatory & other requirements, and
- Providing training and education of stakeholders which will include Employees, Suppliers, Vendors, Customers and Society.

1. The Lalit Hotels:

Project Disha is a CSR initiative of The Lalit Suri Foundation. The project seeks to assist school students and local youth have access to quality education 'leading to employment' and also equips them to understand the benefits & opportunities available in today's economic scenario.

The area of intervention includes establishment of a library and supplementary teaching, besides providing employment oriented vocational training in the hospitality sector including computer literacy, personality development, spoken English courses & other skills. These centres are currently operating in three locations across India - Khajuraho, Udaipur, & Bekal. Two more centres are planned in Kolkata and Dehradun.

Conclusion:-

Hotel operation leads to different kind of adverse environmental impact. Hence, it is important that the hoteliers should take proper step to fulfil their duties toward CSR. From the review of available literature, published by the hotels in their websites, magazines etc. it can be said that hotel industry is doing well in fulfilling their part of duties toward Corporate Social Responsibility. New technology, growing green, EARTH initiative, using waste properly, less consumption of electricity, proper use of waste water, education and training to local community, job to locals, waste management practices etc. are some of the major initiative taken by different hotel chains. This has ensured that they are contributing toward the society in one form or the other and hence playing their part effectively.

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