

## **Hilton Environmental Reporting as a tool of Corporate Social Responsibility**

Paulina Bohdanowicz

Department of Energy Technology

Royal Institute of Technology

Brinellvägen 68, 100 44 Stockholm, Sweden

Phone: + 46 8 790 76 82

Fax: + 46 8 20 41 61

[www.greenthehotels.com](http://www.greenthehotels.com)

E-mail: paulina\_bohdanowicz@yahoo.com, paulina.bohdanowicz@energy.kth.se

## **Hilton Environmental Reporting as a tool of Corporate Social Responsibility**

### **Introduction**

This paper reports on the history, criteria and procedures within Hilton Environmental Reporting, a computerized reporting tool created by Addsystems for Hilton International. The development and implementation process of the upgraded version of the system is also presented. Lessons learnt from this process are very valuable and could be used to help other tourism and hotel businesses develop their own reporting, monitoring and benchmarking schemes within the CSR concept.

### **Methods**

A number of environmental reporting/benchmarking tools for hotels have been developed worldwide, however the literature presenting these tools is limited (Bohdanowicz et al., 2005a). This paper is based on own experience with the HER system, gained through the use of it and in the process of data verification, as well as on the information gathered through the interviews with system developers and users. It focuses on the problems identified and discusses the modifications to the system that are currently being incorporated.

### **History of environmental reporting at Hilton International**

Hilton International is a world known company that strongly believes in the concept of Corporate Social Responsibility. The company has developed and implemented a comprehensive environmental program comprising of Environmental Policy, environmental education (eco-learning module in the Hilton University, available in 6 language versions at [www.hiltonecolearning.com](http://www.hiltonecolearning.com)), a creation of sustainable facilities (according to Conservation International & the Prince of Wales International Business Leaders Forum, 2005), environmental reporting, monitoring and management (performed through HER), and performance communication (internal and external).

The history of HER dates back to the initiative undertaken by Scandic Hotels AB in 1997 (Bohdanowicz et al., 2005b). Within the “Resource Hunt”

program aiming at energy and water conservation and waste reduction, a measurement system called SUS (Scandic Utility System) was developed (Bohdanowicz et al., 2004). Following the acquisition of Scandic by Hilton International, efforts were undertaken to develop a more sophisticated version of SUS applicable to all Hilton International facilities - Hilton Environmental Reporting (HER). HER is a computerized tool that provides a flexible and robust way of collating, recording and monitoring environmental information. It was launched in the Europe and Africa regions in February 2004. The system is now fully operational, serves almost 300 hotels and 700 users from Europe and Africa, and the plans are to expand its application to brand hotels in other regions. The three objectives for the HER tool are to provide clear feedback to members in individual hotels and across the business; to provide a global mechanism for reporting operational, resource consumption and cost data; and to collate data for the purpose of environmental management and CSR reporting.

### **Hilton Environmental Reporting**

HER is based on the Add platform developed by Addsystems (Acona Ltd., 2004; Sundström & Herrgård 2005-2006). Add is a software platform for management of organizational processes that can be adapted for specific business requirements, particularly where there is a large volume of information to be handled throughout a global organization. It is entirely web-based, integrates functionalities within several areas; configuration does not require complex programming and the system can be developed according to the changing demands within the organization.

HER is available on the Hilton Intranet and on the Internet and accessible to authorized team members only. Two levels of reporting and four separate forms are used (HER 2005): hotel profile – created for each facility and updated annually or whenever the hotel characteristics change; and monthly basic, environmental and POMECA forms. An automatically generated e-mail message reminds key team members of upcoming report deadlines and provides a direct link to the electronic report form. Each general manager receives periodically an executive feedback report with the color-coded form-publishing status for his hotel, and an overview of resource consumption and environmental status of the hotel. Moreover, the country or regional environmental coordinators perform periodical checks on the data submitted.

A number of reports can be obtained from HER. Individual hotel performance (energy per area, energy per guest-night, water per guest-night, unsorted waste and laundry per guest-night) is compared with data for the same months of the previous year, and also to performance of Hilton hotels in the same country and worldwide. Other reports include total monthly resource consumption and waste and laundry generation for the past two years. Energy use league tables compare performance of hotels in a given region between current and past year, while Monitoring and Targeting tool is an instrument used to forecast energy and water consumption of a given hotel. Area managers and country administrators receive relevant reports for all the hotels they are responsible for.

The system is user-friendly and the graphical presentation of the data facilitates the communication of the environmental message to hotel team members. More than 60 per cent of environmental champions responsible for HER reporting in the UK and Ireland admitted that the system is fairly easy to use (Gomez, 2005). The attitudes of users in other regions are also positive and the system is viewed as useful and valuable part of Hilton's environmental initiatives.

During 2005 all data reported in the database was quality checked and verified. This exercise has provided an important insight as to the problems with and within the system, as well as possible technical difficulties in obtaining and reporting the data from the hotel perspective. Following the data verification process and communication with the users the decision was taken to perform an upgrade of the system. The goal was to improve the user-friendliness and usefulness of the system, as well as the accuracy of the data collected and benchmarks created. The suggestions emerged from the comments provided by HER users, discussions with corporate management at Hilton International and Addsystems, as well as author's experience

The tasks identified can be divided into those related to the type and the quality of information collected, improved system friendliness, better benchmarking, results communication, system interface and logistics, as well as training and information provided to the users. As a result a suggestion was made to expand the existing forms (to collect more relevant figures), redistribute the attributes between forms (to avoid repeated reports of constant figures), create a number of internal calculators (converting laundry items into weight, and waste volumes and fractions into weight), centrally populate some of the information (difficult to obtain by individual users), and broaden the scope of HER

system to make it a central tool in all environmental programs performed within the corporation.

The initial suggestions of new HER forms and outputs were discussed with HER users from various locations, as well as corporate management, and an attempt was made to accommodate all the recommendations. Furthermore, a general makeover of the website and forms layout was proposed. More comprehensive system manual and Frequently Asked Questions list are developed together with a system introduction/interactive training for the first-time users. In addition, a number of technical system improvements were introduced (profile archivization, warning system).

HER system was also adapted to serve as a logistic basis for a new environmental initiative launched at Hilton Europe and Africa – we care!. All hotels are asked to report into HER the environmental initiatives that are planned and implemented at their hotel and monitor the results. A “discussion” forum is being developed where team members can share experiences and outcomes of initiatives performed at their facilities. To further encourage the global use of the HER system the corporate management will apply it as a tool for the evaluation of company performance at individual hotel and regional level using special feedback reports.

The system upgrade was finalized and introduced globally in the mid-February 2006. Further upgrades will follow as the data becomes available. More information on the performance of the system will be available later in the year.

## **Lessons Learnt**

This exercise has allowed the team members at Hilton International and at Addsystems gain significant experience on how to develop and operate large scale environmental reporting and monitoring system.

It is the author’s belief that lessons learnt by Hilton International and Scandic in the process of development, incorporation and operation of the HER system are extremely valuable and can help other hotel businesses improve their performance.

## References

- Acona Ltd. (2004), *Hilton HER Review – Phase One*, draft. London, UK.
- Bohdanowicz P., Simanic B., Martinac I. (2004), Environmental Education at Scandic Hotels – Approach and Results, Proceedings of *the Regional Central and Eastern European Conference on Sustainable Building (SB04)*, October 27-29, 2004, Warszawa, Poland.
- Bohdanowicz P., Simanic B., Martinac I. (2005a), Sustainable hotels - environmental reporting according to Green Globe 21, Green Globes Canada / GEM UK, IHEI benchmarkhotel and Hilton Environmental Reporting, Proceedings of *Sustainable Building (SB05) Conference*, September 27-29, 2005, Tokyo, Japan, pp. 1642-1649.
- Bohdanowicz P., Simanic B., Martinac I. (2005b), Environmental Training and Measures at Scandic Hotels, Sweden, *Tourism Review International* 9 (1), pp. 7-19.
- Conservation International & the Prince of Wales International Business Leaders Forum (2005), *Sustainable Hotel Siting, Design and Construction*. London, UK: Nuffield Press.
- Gomez D. (2005), *Hilton International's Recent Environmental Initiatives in the UK/Ireland*, report. The Cyrus Vance Fellowship in Politics and Foreign Affairs, The Kingsley Trust Association Summer Travel Fellowship, Yale University, July 18, 2005, Yale, USA.
- Sundström F., Herrgård J. (2005-2006), Personal communication with Fredrik Sundström and John Herrgård from Addsystems, throughout 2005 and 2006.