

CRS 2.0: Management Perspectives of Sustainable Hospitality Innovations

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Abstract

In recent years, hotel companies have recognized the importance of engaging in responsible business practices as they relate to stakeholders including employees, guests, and the communities in which their properties are located. Accordingly, many of these corporate social responsibility (CSR) initiatives (e.g., towel recycle and reuse programs, employee diversity training) have been widely implemented and are now commonly found throughout the industry. However, hospitality firms that continue to focus solely on mainstream CSR activities may no longer derive a high level of benefit of engaging in CSR efforts, which have traditionally included guest satisfaction, brand preference, positive brand reputation, and increased employee commitment (Bader 2005; Butler 2008; Mensah 2007). At worst, firms may be accused of “greenwashing” if their green practices remain outdated (El Dief and Font 2010).

Innovation practices and research related to hotels have mainly focused on technological and service innovations (Orfila-Sintes et al., 2004; Tseng et al., 2008), with scant attention paid to CSR innovations. Although it is assumed that hospitality firms benefit from continuous innovation in the CSR arena, no prior research has examined the value of CSR innovation from a management perspective. Therefore, the objective of this research is threefold: 1) develop a comprehensive list and categorization of new generation CSR innovations (which we call, “CSR 2.0”); 2) analyze differences between “traditional” and “innovative” CSR activities on key stakeholder outcomes; and 3) compare managerial perspectives in the lodging industry between U.S. east and west coast respondents. All of these research objectives will add to academic and practitioner understanding of sustainability in the hospitality and tourism industries.

CSR and Innovation in Hospitality

Corporate social responsibility in the lodging industry traces its roots to the sustainable development movement of the late 1980s through conferences (e.g. United Nations Rio

Summit), writings (e.g. Brundtland Report), and concepts (e.g., the Triple Bottom Line). It has also drawn upon the principles of sustainable tourism, which suggests that a balance between the economic, socio-cultural and environmental aspects of tourism development needs to be considered to achieve long-term destination sustainability (UNEP 2005). CSR incorporates these core sustainable principles (Van Marrewijk 2003) from the business viewpoint and views economic sustainability as the most important tenet given a corporation's existential necessity to be profitable (Henderson 2007).

An innovation is defined as a "new way of doing things, or better, unique combinations of the factors of production" (Shumpeter, 1947, cited in Ottenbacher & Gnoth, 2005, p. 206), or "refers to the process of bringing any new, problem solving idea into use" (Kanter, cited in Hjalager, 2010, p.2). Thus, the key aspect about innovations involves the manner in which new ideas are put into practice (Hjalager, 1994; 2010; OECD & Eurostat, 2005). Hospitality and tourism innovations are generally categorized into four types (Hjalager, 2010; OECD & Eurostat, 2005; Ottenbacher & Gnoth, 2005): product (good or service), process, marketing, and managerial (Table 1 below). According to Hjalager (2010), an additional innovation type, institutional innovation, is applicable to networks and alliances among various tourism entities, which refers to "a new, embracing collaborative/organizational structure or legal framework that efficiently redirects or enhances the business in certain fields of tourism" (p. 3).

Analysis of CSR Innovations

To identify specific CSR innovations practiced by hotels, we are reviewing the academic literature referencing CSR and sustainability within the lodging industry. This literature review includes articles from the top 57 hospitality and tourism journals, following the journal selection process by Law, Leung, and Buhalis (2010). In addition, we identified the ten largest hotel companies worldwide to review their respective CSR activities as communicated on their websites and CSR reports. The top ten companies were ranked by Hotels Magazine based on total room numbers as of December 31, 2009 (Table 2 below), consistent with the hotel selection criteria used by Holcomb, Upchurch and Okumus (2007). Based on the two analysis processes described above, we are developing a comprehensive list of CSR activities. Next, we will survey hotel executives in Washington, DC and San Francisco, CA as to their perspectives of how these CSR activities contribute to organizational goals (e.g., return on investment, perceived guest satisfaction, perceived employee commitment). In addition, respondents will be asked to differentiate between traditional and innovative CSR activities (e.g., Birkinshaw et al 2008). Findings related to this study's research objectives described earlier will be presented at the BEST EN Think Tank XI.

Table 1. Categories of Innovation

Product	Process	Managerial	Marketing	Institutional
Changes directly observed by the customer and regarded as new; either in the sense of never seen before, or new to the particular enterprise.	Backstage initiatives which aim at escalating efficiency, productivity and flow. Technology investments are the anchor of mainstream process innovation, sometimes in combination with reengineered layouts for manual work operations.	New ways of organizing internal collaboration, directing and empowering staff, building careers and compensating work with pay and benefits.	New marketing concepts can develop into imperative innovations in their own right, when such approaches change the way that overall communication to, and with, customers is undertaken, and how relationships between the service provider and customer are built and withheld.	A new, embracing collaborative/organizational structure or legal framework that efficiently redirects or enhances the business in certain fields of tourism.

Source: Hjalager (2010)

Table 2. Top 10 Hotels by Total Number of Rooms in 2009

Name	Headquarters	Number of Rooms	Number of Hotels
InterContinental Hotels Group PLC	Windsor, England	646,679	4,438
Wyndham Hotel Group	Parsippany, New Jersey	597,674	7,114
Marriott International Inc.	Bethesda, Maryland	595,461	3,420
Hilton Worldwide	McLean, Virginia	585,060	3,530
Accor Hospitality	Paris, France	499,456	4,120
Choice Hotels International Inc.	Silver Spring, Maryland	487,410	6,021
Best Western International	Phoenix, Arizona	308,477	4,048
Starwood Hotels & Resorts Worldwide Inc.	White Plains, New York	298,522	992
Carlson Hotels Worldwide	Minneapolis, Minnesota	159,756	1,058
Hyatt Hotels Corp.	Chicago, Illinois	122,317	424

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