Corporate Social Responsibility in the Hotel Industry – A Cross Cultural Perspective

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CORPORATE SOCIAL RESPONSIBILITY IN THE HOTEL INDUSTRY: A CROSS CULTURAL PERSPECTIVE

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ABSTRACT

Attention to business ethics in varying environmental, economic and cultural contexts has become increasingly important as enterprises expand globally. This thesis attempts to determine the impact of culture and local context on CSR performance by evaluating and comparing CSR performance across hotel groups in culturally and geographically diverse regions. Data on indicators for waste production, water consumption, energy use, equal employment opportunity, employee training and employee organization were collected from hotels in Sweden, Norway, Denmark, Iceland, the UK, China, Saudi Arabia, Oman, Egypt, Bahrain and the United Arab Emirates and evaluated against benchmark levels.

The data from each country were evaluated against Hofestede's analysis of cultures in order to explore potential correlations between aspects of culture and CSR performance. The results suggest that Power Distance ranking is inversely correlated with the frequency of trade union memberships, and that there is a slight inverse correlation between Masculinity ranking and percentage of females in white-collar positions. The inverse correlation is especially apparent at hotels in Scandinavia and the Middle East. Furthermore, the results indicate that the political systems and level of economic development of a region might affect levels of CSR. The Scandinavian hotels overall performed closer to benchmark levels than the Middle Eastern hotels, supporting conclusions of previous studies that show that both the development of a country and its history of social democratic dominance positively affect aspects of CSR. The data also suggested that property rights, local traditions and societal expectations might affect levels of CSR performance. More than anything the results support the view that CSR is a complex notion and that there is no single determinant of CSR.

Finally, the results and lack thereof demonstrate the importance for hotels to have consistency in measurement methods and units, and to have a global reporting system in place. Without a means of comparing performance levels at different hotels, the relative effect of various environmental and social measures is hard to determine, which makes efficiency and success in the area of corporate social responsibility harder to achieve.

Key words: Corporate Social Responsibility, CSR, cross-cultural, hotel

SAMMANFATTNING

Debatten om affärsetik och företagets sociala ansvar i globala sammanhang med olika naturliga, ekonomiska och kulturella förutsättningar har fått en mer framträdande roll i och med globalisering. Syftet med denna studie är att fastställa hur kulturella och lokala förutsättningar påverkar arbetet inom Corporate Social Responsibility genom att undersöka och jämföra CSR arbetet på hotell i kulturellt och geografiskt olikartade länder. Data för indikatorer för avfallsproduktion, vattenförbrukning, energianvändning, jämlika anställningsmöjligheter, yrkesutbildning och facklig organisering samlades in från hotell i Sverige, Norge, Danmark, Island, Storbritannien, Kina, Saudiarabien, Oman, Egypten och Förenade Arabemiraten och jämfördes mot *benchmarks*.

Data från hotellen i de olika länderna jämfördes mot Hofstedes analys av kulturer för att undersöka eventuella samband mellan kulturella aspekter och CSR-arbete. Resultaten visar att det finns en omvänd korrelation mellan Maktdistans och facklig organisering, och även mellan Maskulinitet och andel kvinnor i tjänstemannapositioner. Dessa samband är framförallt tydliga på hotell i Skandinavien och Mellanöstern. Resultaten visar även att politiska system och nivå av ekonomisk utveckling kan påverka nivån på CSR-arbetet. Skandinaviska hotell låg närmare benchmarknivåer med avseende på alla indikatorer jämfört med hotellen i Mellanöstern, vilket bekräftar slutsatser från tidigare studier som visat att utveckling och socialdemokratisk dominans har positiv påverkan på CSR-aspekter. Vidare visar resultaten att äganderättigheter, lokala traditioner och samhällsförväntningar kan påverka CSR arbetet.

Slutligen visar resultaten, samt bristen på resultat, vikten för hotell att använda sig av ett gemensamt mätningssystem och konsekventa enheter, och av att ha ett centralt rapporteringssystem för miljö- och arbetsfrågor. Utan ett system för att utvärdera och jämföra nivån på CSR-arbetet på olika hotell är det omöjligt att fastställa den relativa effektiviteten av olika satsningar på miljö och arbetsfrågor och därmed svårare att uppnå effektivitet och framgång inom CSR-arbetet.

Nyckelord: Corporate Social Responsibility, företagsansvar, etik, kultur, hotell

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1 Introduction

Attention to business ethics in varying environmental, economic and cultural contexts has become increasingly important as enterprises expand globally. This thesis considers various aspects of corporate social responsibility and attempts to interpret differences in the level of performance in diverse cultural contexts in the hotel industry. In this chapter, background concerning the thesis is provided and the relevance of the study is discussed. The problem is defined and the delimitations of the study are considered before the chapter closes with an overview of the structure of the thesis.

1.1 Background

For decades, social responsibility has been one of the major issues facing global enterprise. As transnational companies have reaped most of the benefits of globalization and are gaining control over much of the world's resources, they are increasingly being expected to serve the society from which they profit, and to bear more of the burdens of social responsibility. Demands on corporations to play a greater role in furthering the overall welfare of society has driven many organizations to voluntarily subscribe to codes of ethics and engage in social issues that benefit various groups in society. The balancing of responsibilities to the environment, society and the economy is what has come to be called *corporate social responsibility,* or *CSR.* CSR is essentially a concept that embodies the impact a company has on the society in which it operates and its interactions with different interests groups in that society. The concept involves issues that affect all business sectors - such as emissions, employment standards and equal employment opportunity – as well as industry-specific issues.

Activities aimed exclusively at increasing the welfare of society have been criticized by free market economists, who believe that the only social responsibility of business is to increase profits for its owners while staying within the boundaries of the law (Friedman 1970). Conflicting views on the actual role of business in society have resulted in much research and a large body of literature dealing with the subject. Many studies have examined the role and responsibilities of companies in society (Davis, 1960; Friedman, 1970; Wood 1991) while others have focused on the link between a company's social responsibility and its financial performance (Lantos, 2001; Preston and O'Bannon, 1997; Stanwick and Stanwick, 1998; Waddock and Graves 1997). Finally, a recent spate of studies has examined the effects of national culture and local context on ethical perceptions and corporate social responsibility (Joyner and Payne, 2002; Maignan and Ferrell, 2000; Matten and Moon, 2004; Schlegelmilch and Robertson, 1995; Watson and Weaver, 2003; Weaver, 2001; Welford, 2005). These studies examine differences in the implications of CSR in different countries, as well as in the expectations that societies around the world have on the responsibilities of firms. Therefore, discussions relating to the role of business in society cannot solely focus on the activities of companies without taking into account the context in which they operate. Carlisle and Faulkner (2004, p. 143) noted that "what is regarded as right, just and fair in one cultural setting may not be similarly viewed in another". Comparative and intercultural studies are becoming increasingly important for multinational corporations as they attempt to address the challenges of responsible business practices in a global business environment. Faced with a diversity of environmental and cultural conditions in the different countries in which they operate, the major multinational hotel groups are among those in need of a framework to deal with CSR challenges in different societies.

The hospitality industry is a multibillion-dollar industry serving millions of people globally and is expected to grow even more over the next few decades. Demand for hotel accommodation is driven in part by the travel industry, and with a forecasted number of 1580 million tourist arrivals by the year 2020 (Tourist Trade Guardian 26 September cited in PricewaterhouseCoopers, 2006), added pressure has been put on the hospitality industry, which typically lags behind other industries in responding to CSR challenges, to pay more attention to sustainability issues. Individual travelers and NGOs as well as governments and banks are changing their perceptions regarding the impact current business practices have on the future state of the environment and societies, and in view of that, about what responsibilities hotels bear with regard to improving the outlook for the future (PWC, 2006). Hotel owners are faced with the challenge of responding to these changes while satisfying demand, remaining attractive to investors and making a profit. As costs rise and demand becomes sensitive to environmental and social performance, sustainability has become a critical issue faced by hotel owners today. Among the major hotel groups that have taken steps towards sustainable business practices are InterContinental Hotels Group (IHG) and Rezidor Hotel Group. In addition to the challenge of incorporating socially and environmentally friendly business practices into their core operations, these global companies are faced with a diversity of cultural and environmental settings that make it difficult for them to achieve consistent levels of performance in the area of corporate social responsibility.

While many studies examine the variations that exist in corporate social responsibility across countries, as well as the impact that culture and local context have on perceptions of ethical issues, few attempts have been made to evaluate and compare actual performance with regard to CSR at subsidiaries of the same corporation in various environmental and socio-cultural conditions. There appears to be a glaring lack of such studies in the hotel industry. This study sets out to examine some differences in CSR performance at hotels in Scandinavia, the UK, the Middle East[1] and China. These regions were chosen for comparison due to the high degree of dissimilarity in their political systems, religions, economies and environmental conditions.

1.2 Research Objectives and Problem Definition

The overarching objective of this paper is to evaluate and compare CSR performance levels between and across hotel groups located in culturally and geographically diverse regions. This is done by evaluating six elements within two areas of corporate social responsibility relative to benchmark levels at hotels within Rezidor Hotel Group and InterContinental Hotels Group in Europe, the Middle East and China. More specifically, the aim of this paper is to determine the impact of culture and local context on CSR performance through examining the differences in terms of corporate social responsibility that exist across these regions in an effort.

The areas of CSR to be examined are environmental performance and labor management, and the elements within these areas are presented in the table below.

Table 1. *Illustrates the areas of CSR to be analyzed*

Environment	Labor
Waste production	Equal Employment Opportunity
Water consumption	Employee Training
Energy use	Employee Organization

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1 In this study "the Middle East" includes Bahrain, Egypt, Oman, Saudi Arabia and the United Arab Emirates

The differences in performance levels will be analyzed at the following hotel groups and brands:

Table 2. *Illustrates the hotel groups and brands to be analyzed*

Rezidor Hotel Group	InterContinental Hotels Group
Radisson SAS (24)	Crowne Plaza (8)
Park Inn (6)	Holiday Inn (27)

A complete list of the participating hotels and countries can be found in Appendix A.

1.3 Definitions

A *hotel group* is characterized as a single company that owns and develops different hotel brands. In this paper the hotel groups examined are InterContinental Hotels Group and Rezidor Hotel Group

A *hotel brand* is a set of hotels within a hotel group that share characteristics, identity and name. In this paper Radisson SAS and Park Inn are the brands examined within Rezidor Hotel Group, and Crowne Plaza and Holiday Inn are the brands within InterContinental Hotels Group.
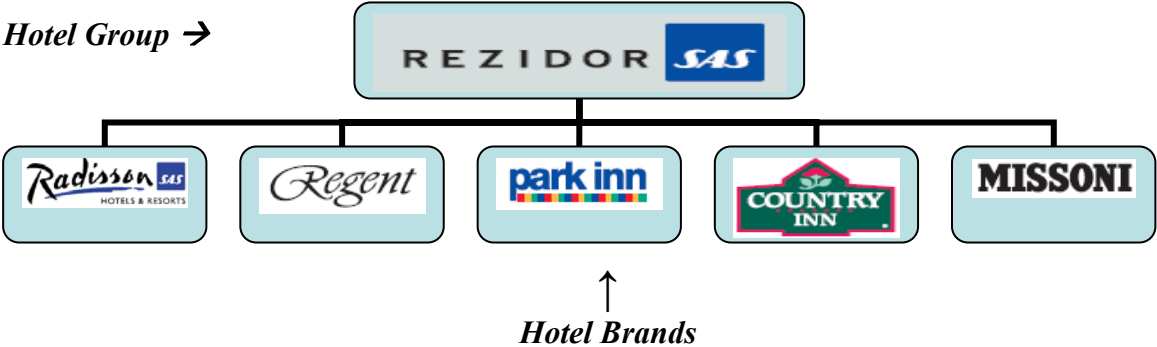
Figure 1 *Illustration of a hotel group and brand*

1.4 Delimitations

The study has several delimitations. It has been delimited to only two areas of corporate social responsibility with a focus on three elements within each area. The focus on only six elements in the areas of environment performance and labor management is by no means intended to be seen as an indication that these are the only or even the most significant issues. It is simply a restriction necessary to ensure a higher rate of response by the hotels. The study has further been delimited to only two hotel groups, with two hotel brands within each group, and covers hotels in Sweden, Norway, Denmark, Iceland, the UK, China, Saudi Arabia, Oman, Egypt, Bahrain and the United Arab Emirates.

1.5 Structure of the thesis

The paper consists of a descriptive part as well as an analytical part. The descriptive part, presented in chapter 2, includes a literature review, which sets the context by compiling existing knowledge and ideas on the topic. The literature review serves to summarize relevant research as well as to evaluate the literature and identify controversies between different studies. In section 2.1 a historical overview of CSR as a concept is presented and different opinions on the role of corporations in society are summarized. In section 2.2 a background to cross-cultural studies is presented before the theory section moves on to describe cross-cultural CSR studies. Subsequently, the focus of the paper is narrowed to CSR as it applies to the hotel industry where challenges facing the hotel industry are discussed and international guidelines for CSR are presented. The analytical part of the paper consists of an exploratory case study that surveys how Radisson SAS Hotels and Crowne Plazas in different countries perform in the chosen areas of corporate social responsibility. The analytical section opens with a chapter describing the methodology used and is followed by a presentation of the results. Finally the results are evaluated in terms of Hofstede's analysis of culture and the influence of political systems, economic development and local traditions on CSR performance are discussed, before the thesis closes with a conclusion and suggestions for further studies.

2 Theory

The following chapter presents the theoretical framework that the research problem was derived from. The purpose of the chapter is to provide an overview of corporate social responsibility and how it applies to the hotel industry in a cross-cultural perspective. The chapter will close with a description of the six indicators of CSR that were chosen based on the critical issues faced by the hotel industry and on the international guidelines for CSR previously introduced in the chapter.

2.1 Evolving Views on Corporate Social Responsibility

Although recent decades have seen the concept of CSR change from a buzzword to a widespread social phenomenon, the notion of business responsibility is far from new. Concern over social issues in business dates back as far as the eighteenth century, when Adam Smith wrote *The Wealth of Nations* and offered a framework for the relationship between business and society. According to Carroll (1979) the first definition of CSR was offered by Howard R. Bowen in his book *Social Responsibilities of Businessmen* published in 1953. Since then, the concept of CSR has gained significant acceptance and has received much attention in the organizational literature. The definition has been a topic of much debate and both academics and practitioners have attempted to analyze and define the basic concept of corporate social responsibility. One of the reasons social responsibility has been such a hot topic of debate seems to be the lack of consensus on what it really means. Frankental (2001) stated that "CSR is a vague and intangible term which can mean anything to anybody, and therefore is effectively without meaning" (p.20). An early definition of CSR that might have been identified by Frankental as "vague and intangible" was offered by Keith Davis in 1960. He defined social responsibility as "businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest*"* (p. 70). An equally vague definition was put forward by Wood (1991) who proposed that "the basic idea of CSR is that business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behavior and outcomes" (p. 695). While many varying definitions of CSR have been presented, the concept commonly involves a company's commitment to managing its business operations in an economically, socially and env ironmentally sustainable fashion, while taking the best interests of the stakeholders into account. In short, CSR is about managing business in a manner that has an overall positive impact on society at large.

Researchers on CSR can broadly be divided into two major groups according to their view of the role of business in society (Quazi, 2003). The first group supports the orthodox theory that is based on the classical idea that the only responsibility of business is to provide goods and services at a profit. One of the first and perhaps most well-known opponents of CSR and the strongest advocate of the classical theory was Nobel laureate Milton Friedman who wrote an article in the *New York Times Magazine* in 1970 where he stated that "there is one and only one social responsibility of business- to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud". Friedman believed that the only responsibility of business is to maximize profits for its owners, and that any aberration from profit maximization would be a breach of management. Holding a similar view, Wolf (2001) wrote an article with the title "*Sleepwalking with the enemy: Corporate Social Responsibility distorts the market by deflecting business from its primary role of profit generation",* which very aptly summarizes his opinions on the subject. Going even further, Carr (1968) narrowed

the responsibilities of firms to only include profit and legality, without any consideration given to honesty. He argued that "as long as a company does not transgress the rules of the game set by law it has the legal right to shape its strategy without reference to anything but its profits".

An early challenge to these views was offered by Carroll who belonged to the second school of thought regarding CSR, in which corporations are thought to have responsibilities not only to their stockholders, but to society at large (Quazi, 2003). Carroll (1979) presented a conceptual model of CSR that was based on four categories of social responsibility. Carroll stated that "the first and foremost social responsibility of businesses is *economic* in nature" (p. 500). The fist category of social responsibility according to Carroll was hence economic, and the three remaining ones were ranked in the following decreasing order of importance: legal, ethical and discretionary responsibilities. Carroll also developed what is probably the most well known model of CSR: The Pyramid of Corporate Social Responsibility (Carroll, 1991). The Pyramid has four levels that indicate the relative importance of economic, legal, ethical and philanthropic responsibilities and provides a framework for understanding how the responsibilities of a firm move from the required economical and legal to the more socially oriented and merely desired ethical and philanthropic responsibilities (Carroll, 1991).

2.2 The Business Case for CSR
While the benefits of CSR activities to corporations may vary depending on the nature of the company and are often hard to gauge, there is a wide range of articles and websites that argue for the business case of CSR. Commonly cited reasons to engage in CSR activities include enhanced reputation, employee satisfaction, risk management and financial performance (Business & the Environment with ISO 14000 Updates, 2004).

In a study by Story and Price (2006), 100 companies listed in the Business in the Community Corporate Responsibility Index (BIC 2004) were asked to state their main reasons for participating in CSR activities. The companies who responded indicated that CSR activities were important "mainly as a means of improving risk management systems, enhancing the organization's image as well as for ethical reasons" (p. 41). Other important reasons included improved company culture, reduced employee turnover and better legal compliance. Figure 2 illustrates the relative importance placed by firms on different reasons to engage in CSR activities.

At a seminar arranged by the European Commission on June 17, 2004 representatives from different companies spoke about the business benefits of CSR. Here too, the reasons cited to engage in CSR activities included enhanced reputation, enhanced productivity, strengthening of license to operate, risk management and recruitment and satisfaction of staff (EC, 2006). Further studies have pointed to a correlation between the environmental and social performance of a firm and its financial performance, indicating that engaging in CSR activities can increase profits (Orlitzky et al, 2003)
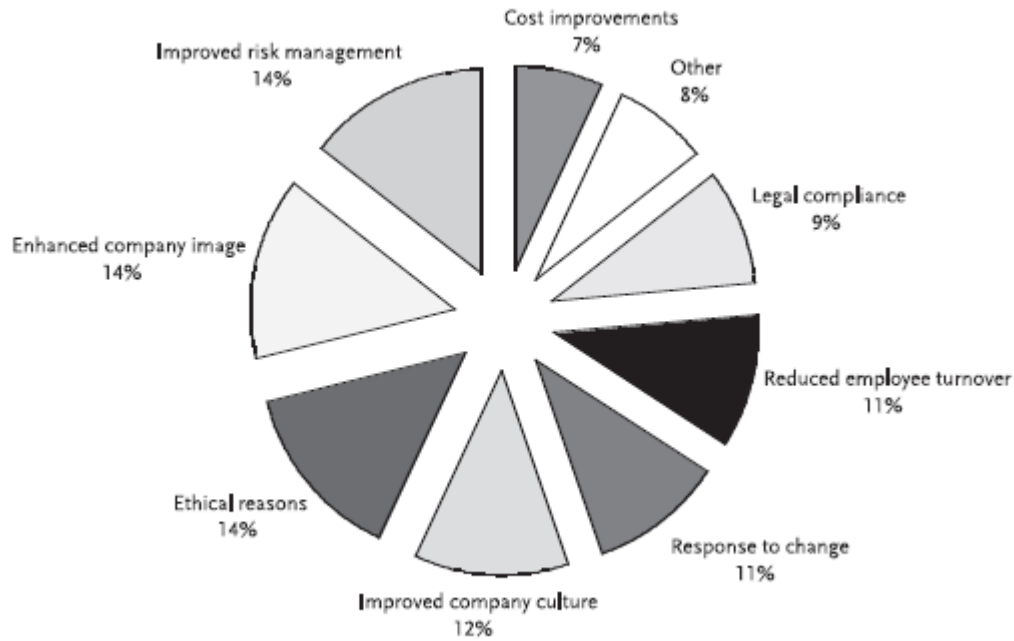
Figure 2 *Reasons to engage in CSR activities*
Source Story & Price (2006)

2.3 Cross-Cultural Studies

In order to operate successfully in an increasingly global business environment, it is important for corporations to gain an understanding of the cultural elements that are characteristic of different countries. Multinational corporations are faced with problems concerning diverse languages, governments, legal systems, socio-economic conditions, value systems and expectations regarding business conduct, which renders business ethics more complex. What is legal and considered normal in one culture might be illegal and unethical in another. Multinational companies are faced with the ethical dilemma of adapting to local customs and practices while adhering to the laws and ethical standards of their home countries. Carroll and Buchholtz (2003) state that "perhaps one of the greatest challenges that face business operating in foreign countries is achieving some kind of reconciliation and balance in honoring both the cultural and moral standards of their home and host countries" (p. 292). They further argue that culture has become one of the most critical factors influencing the success of multinational corporations, as differences in cultures, customs, languages, attitudes and institutions across countries can create at times overwhelming barriers to success.

While there is no standard definition of culture, it commonly involves a system of meanings that is shared by members of a society and that is transmitted from one generation to the next through learning. Hofstede (1981) defines culture as "the collective programming of the human mind that distinguishes the members of one human group from those of another" (p. 24). Culture, to Hofstede, is a system of collectively held values. Spencer-Oatey (2000) expands the definition to not only include what culture *is*, but also what it *does*: "Culture is a fuzzy set of attitudes, beliefs, behavioural norms, and basic assumptions and values that are shared by a group of people, and that influence each member's behaviour and his/her interpretations of the 'meaning' of other people's behaviour" (p.4). This addition to the definition is important when doing research across cultures, as it includes the consequences that cultural differences have on everyday life and on the reactions people have to different events and circumstances (Dahl, 2004).

To study the influences of culture on societies, a framework for identifying and categorizing cultural patterns is needed. The most famous and widely quoted framework is offered by Hofstede (1980) who conducted what is probably the most comprehensive study of how culture influences value perspectives in the workplace. After collecting and analyzing a large data sample on work-related values from IBM employees, he developed a model with four dimensions of culture. The four dimensions include *power distance*, *individualism versus collectivism*, *masculinity versus femininity* and *uncertainty avoidance*. Later a fifth dimension about *long-term orientation* in life versus *short-term orientation* was added.

Hofstede's (1980) dimension of *power distance* measures the degree to which members of an organization or a culture accept that power is distributed unequally. The people of a country with a high power distance index tend to accept inequalities and are unlikely to question superiors. *Individualism versus collectivism* refers to the extent to which people view themselves as part of a group, family or organization. In an individualistic society emphasis is placed on personal achievement and the pursuit of self-interests, whereas members of a collectivistic society are highly integrated and place the best interest of the group first. A *masculine* culture is one that emphasizes assertiveness and competitiveness, and places high value on wealth and material possessions, while a *feminine* culture is more nurturing and caring. *Uncertainty avoidance* reflects the degree to which members of a society are tolerant to uncertainty. Cultures with a high uncertainty avoidance index tend to prefer security in life, written rules and structured circumstances. The fifth and last dimension of culture, *long-versus short-term orientation,* was added later to distinguish the difference in thinking between the East and West. This dimension describes the importance a culture places on the future versus the past and present. Western countries tend to have a short-term orientation which is characterized by respect for tradition and fulfilment of social obligations, while the long-term orientation characteristic of Eastern countries emphasizes thrift and perseverance.

Hofstede's research concludes that there is no management method or management theory that can be applied universally across the globe. Parnell and Hatem (1999) similarly advise that management models valid in one cultural context may not be valid in another.

2.4 Cross-Cultural Studies of CSR
The impact of culture and local context on business ethics and corporate social responsibility has been widely discussed in the literature. International comparative studies have shown that there exist significant differences relating to the perception of ethical issues (Schlegelmilch & Robertson, 1995), content of codes of ethics (Langlois & Schlegelmilch, 1990) and value systems (Abrahamson et al., 1993) across countries. The different values that are emphasized in different cultures may influence the expectations that society has on corporations as well as the role corporations assume in that society (Burton et al. 2000). Significant cross-country differences have also been found in the importance placed by firms on being publicly perceived as socially responsible and in the aspects of CSR that they choose to emphasize (Maignan & Ralston, 2002). In the United States, for example, volunteerism, codes of ethics and charitable donations are emphasized more than in Europe where CSR is more closely associated with productive activities and the core business of the company (Maignan & Ralston, 2002). The fact that firms in the United States tend to perceive personnel issues as ethical issues more than European firms do constitutes an additional difference between the regions (Schlegelmilch & Robertson, 1995). Regional differences were also found when the relative importance of Carroll's four components of CSR were analyzed in an American and French setting, and American managers appeared to be driven by the legal and ethical

components to a greater extent than the French, who emphasized the economic and philanthropic components of CSR (Ibrahim & Parsa, 2005).

Other studies show that, regardless of country, organizational culture plays an important role in how decision-makers perceive the importance of ethics and social responsibility when making decisions (Vitell & Paolillo, 2004). Weaver (2001) posits that if organizational culture plays an important role in ethics management practices, societal culture must also be important, since it includes beliefs and attitudes that people bring to organizational life.

Although there has been much research with the aim of identifying differences in CSR practices across countries, fewer attempts have been made to understand *why* these differences exist, and to specifically determine what factors affect the socially responsible behavior of the firm. In his 2004 survey, Welford examines 20 elements of CSR based on the reported of the existence of written policies by major firms worldwide. He suggests that the differences in CSR policies that he finds stem from different levels of economic development as well as local traditions. He proposes that companies are influenced by local culture and tend to prioritize issues of CSR that are important to stakeholders in their own countries. He posits that differences in CSR policies across countries reflect the culture-specific expectations and demands of stakeholders. Just like Welford, Burton et al (2000) identifies a country's level of development as a factor influencing the aspects of CSR that are emphasized.

The political system of a country also plays a role in determining perceptions of corporate social responsibility. Welford's findings indicate that countries with a social democratic tradition, such as Germany, Norway and Canada, tend to have more policies in the area of CSR. Corporations have been shown to engage in socially responsible behavior if they are faced with strong state regulation, collective industrial self-regulation, and independent organizations that monitor them (Campbell, 2006). Expectations regarding the relative responsibilities of corporations and state also vary depending on the economic and political systems of a country. In the US for example, a free market system is expected to ensure the well-being of society, whereas in France public authorities are responsible for social welfare (Maignan & Ferrell, 2000). The degree to which the property rights of investors and the competitiveness of capital markets are fostered has been put forward as an important factor in ensuring sustainable economic growth (Szilagyi & Batten, 2004).

Birch and Moon (2004) argue that CSR is a complex notion and that there is no single determinant of CSR. They state that "CSR patterns are firmly grounded in national traditions of societal and corporate governance concerning distinctive responsibilities of government, business and the non-for profit sectors".

2.5 CSR Challenges in the Hotel Industry
The hospitality industry is a multibillion-dollar industry serving millions of people globally and is expected to grow significantly over the next decade. The International Hotel & Restaurant Association (IH&RA) estimates that the hospitality industry employs 60 million people and contributes US$950 billion to the global economy every year. An industry of this size has considerable impact on social, economic and environmental conditions around the world, and enterprises in this sector have the potential to contribute substantially to sustainable development.

In the past few years, the interest of many stakeholders in the social, environmental and ethical performance of the hospitality industry has increased (PricewaterhouseCoopers, 2006).

Customers, employees and investors as well as the media, governments and NGOs have increasingly started paying attention to issues of sustainability and put greater pressure on the hospitality industry to address such matters. The hospitality industry has responded with a wide array of voluntary initiatives to show its dedication to sustainable development. Certification and benchmarking programs have been developed to illustrate commitment to improving environmental performance and more recently also social performance. Although hotel chains have been addressing environmental concerns for years, the labor issues that affect the hospitality industry have only recently come to light (Dodds & Joppe, 2005). These include fair wages, women's rights, skills requirements, ability to join trade unions and collective bargaining.

Although the hotel industry is taking steps towards stepping up their corporate social responsibility efforts, the sector still lags behind other industries. A study conducted by the financial consultants PricewaterhouseCoopers (PWC) in 2006 tested 14 of Europe's leading hotel groups against 11 key components of CSR. The study sought to examine the relevance of CSR to the business activities of the hotel groups and the expectations of their stakeholders and to evaluate their performance with regard to CSR. The study revealed that while most of the 14 hotel groups had some corporate responsibility and environmental policies, few had examined the relationship between these activities and their business strategies.

An overview of the two areas of corporate social responsibility that are examined in this paper is presented below. While labor and environmental issues are important areas of CSR for hotels to address, they are by no means the only ones.

2.5.1 Labor Issues

In 2004, the International Society of Hospitality Consultants (ISHC) published a report with a forecast of the 10 most critical issues facing the hotel industry in 2005 (ISHC, 2005). Managing human resources ranked as number two and was denoted an area of growing importance. As the hotel industry is recovering from the aftermath of the terror attacks on September 11, 2001, they are faced with the problem of hiring more people to meet the increased demand at a time when the labor pool is decreasing. The ISHC highlights the need for the industry to work with unions as allies and devote more time and money to recruitment and training. The importance of training was also mentioned in the "Initiative for improving Corporate Social Responsibility in the hospitality sector" signed by EFFAT and Hotrec, the European social partners for the hospitality industry, in 2004 (Hotrec, 2006). In the initiative they identify vocational and continuous training as an area where firms should go beyond the legal requirements and they particularly emphasize the need for training and life-long learning among younger workers in the industry. The right of younger workers is stressed perhaps due to the high degree to which the hospitality industry relies on them compared with other industries. In 2001, on average 26.4 percent of the European hospitality workforce was between 25 and 34 years of age and an additional 22.7 percent was younger than 25 (EUROSTAT, 2003). In both the United Kingdom and Sweden, the people in age bracket 15-34 years make up more than 50 percent of the hospitality workforce. Workers in the hospitality industry also tend to leave at an earlier age than in other industries, either to take employment in other industries or to exit the workforce completely via disability pension or unemployment benefits (Baum, Amoah & Spivack, 1997; Mykletun et al., 2000 in Furunes & Mykletun 2005).

Employment in the hotel industry is usually characterized by low-wage positions with little opportunity for advancement. A majority of employees are hired at minimum wages set by

local governments, while managers in higher-paid positions are typically imported from the home countries of the large international hotel chains, allowing them to reap most of the financial benefits (Dodds & Joppe, 2005).

2.5.2   *Environmental Issues*

While managing environmental issues can be a good way for hotels to prove commitment to environmental protection, an additional motivation appears to be cost savings. A full-service hotel typically spends between 4 and 6 percent of its revenue on energy, and a luxury hotel can spend as much as 10 percent or more (National Grid, 2004). By adopting energy-efficient programs that conserve water and energy, and by reducing waste production, hotels can save a significant amount of money.

Every year the hotel industry consumes over US$1 billion worth of energy (WWF & IBLF, 2005). Energy prices increased in 2005, and are forecast to increase even more by the end of 2006 (ISCH, 2005). Reducing energy **consumption** and the associated costs without compromising the service given to guests and the quality of their stay is one of the most challenging issues faced by the hotel industry (ISHC, 2005). In order to achieve reductions in energy consumption, a hotel must have a system in place for monitoring energy consumption and targeting improvements.

Waste management is another important area for hotels to address. Hotels generate a large amount of waste in the form of aluminium, plastics, glass, steel, cardboard and food, much of which can be recycled. A hotel can lessen its impact on the environment by reducing the amount of waste it sends to landfills and simultaneously reduce energy consumption for the transportation and processing of this waste.

2.6 International Guidelines for CSR

As the perceived responsibilities of firms have increased dramatically in past years, more of these responsibilities have been formally defined in domestic and international law as well as in codes of conduct. While few of these guidelines are legally enforceable, the codes of conduct as a whole and the continuing emergence of new sets of guidelines have come to exert considerable influence on the behavior of corporations (PricewaterhouseCoopers, 2006).

2.6.1   *UN Global Compact*

The UN Global Compact is an international initiative launched by United Nations Secretary General Kofi Annan in 1999 for the purpose of bringing companies together and encouraging them to adopt environmentally sustainable and socially responsible policies and to report on them. Kofi Annan called on world business leaders to "embrace and enact" a set of nine principles in the areas of human rights, labor standards and the environment. As of 2006 more than 2500 companies from all around the world have joined this initiative, and together with international labor and civil society organizations they are working to promote the universal principles, which following the Global Compact Leaders Summit in 2004, also includes a tenth principle against corruption.

The standard is purely voluntary but includes specific practices that supporting companies should pursue. According to the Compact, businesses should ensure employees' freedom of association and right to collective bargaining in order to uphold labor standards. The elimination of compulsory labor and child labor is another requirement stated in the Compact. As for the environmental challenges, businesses are advised to support a precautionary

approach and undertake initiatives to promote greater environmental responsibility. Businesses are expected to promote innovation in the use of greener technologies.

The Global Compact is supported by six UN agencies, including the Office of the High Commissioner for Human Rights, the United Nations Environment Programme, the International Labour Organization, the United Nations Development Programme, the United Nations Industrial Development Organization, and the United Nations Office on Drugs and Crime.

2.6.2 *International Labour Organization (ILO)*

The International Labor Organization (ILO) is a specialized UN agency that was founded in 1919 to bring together governments, employers and trade unions to promote social justice and internationally recognized human and labor rights. The organization aims to strengthen the rights of workers, create employment, provide training opportunities and improve working conditions and social well-being for people around the globe. The basic labor rights that the organizations deals with include freedom of association, the right to organize, collective bargaining, abolition of forced labor and equal employment opportunity.

2.6.3 *OECD Guidelines for Multinational Corporations*

The OECD Guidelines for Multinational Corporations are recommendations addressed by governments to multinational enterprises providing voluntary principles and standards for nine areas of business conduct. While the principles are strictly voluntary and not legally enforceable, governments that adhere to the Guidelines sign a binding decision to participate in the implementation of the Guidelines and to encourage observance by companies operating within the countries. The guidelines cover areas including employment relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition and taxation.

2.6.4 *Global Reporting Initiative (GRI)*

The GRI is an international reporting framework, rather than a performance standard that defines globally applicable guidelines for preparing reports on the economic, environmental and social aspects of the activities, products and services of organizations. The GRI was initially convened by the Coalition for Environmentally Responsible Economies (CERES) and enjoys the support of corporations, NGOs, accounting firms, universities, UN agencies, consultants and business associations. While the GRI sets out to maintain, enhance and propagate the reporting guidelines, it does not attempt to assess whether companies conform to them.

2.7 CSR Indicators

Based on the critical issues faced by the hospitality industry stated by the International Society of Hospitality Consultants (ISHC), and on the important aspects of CSR addressed in the international guidelines for CSR, indicators for the following six aspects of CSR were chosen for the present study. In the section that follows the relevance of the indicator as stated by the international guidelines is outlined

2.7.1 *Waste Production*

The GRI Guidelines include indicators on waste production (EN22). The motivation for including such an indicator is that it can indicate the level of efficiency and productivity, as well as the level of progress made by an organization toward waste reduction.

The OECD Guidelines for Multinational Enterprises do not include any specific requirements concerning waste but advise companies to develop products that are efficient in their consumption of natural resources (section V, article 6b). Efficient use of natural resources will most likely reduce the amount of natural resources needed, as well as the amount of waste discarded.

2.7.2 Water Consumption

The environmental impact of an organization's water use can better be estimated and understood if the organization measures its water consumption. The GRI Guidelines include an indicator for water and describe its relevance in pointing to an organization's vulnerability to increases in the costs of water as well as to disruptions in water supplies. There are regions of the world where water supplies are scarce and high consumption of water in these regions by organizations can have detrimental impacts on stakeholder relations (Global Reporting Initiative, 2006). Measuring water consumption is therefore an important component of CSR for both environmental and social reasons.

2.7.3 Energy Use

Conserving energy is central to the environmental component of CSR. Therefore, energy use is a relevant indicator for CSR as such measurements allow organizations to identify new opportunities to reduce their use (Veleva and Ellenbecker, 2000) and thereby reduce their environmental impact while saving money.

The OECD Guidelines for Multinational Enterprises (section V, article 6b) urge companies to seek to improve their environmental performance by encouraging

> Development […] of products or services that […] are efficient in their consumption of energy and natural resources

To assess whether an organization is efficient in its use of energy an indicator for energy use can be used. The GRI includes such an indicator in its guidelines not only to evaluate the environmental impact of an organization, but also to predict the potential impact of fluctuations in energy supplies and prices, and of emerging environmental regulations such as the Kyoto Protocol on the organization (Global Reporting Initiative, 2006).

2.7.4 Equal Employment Opportunity

Indicators of diversity in the workforce are relevant indicators for CSR as they offer insight into the human capital of an organization (Global Reporting Initiative, 2006). By comparing diversity in the organization as a whole with diversity in higher positions, information on equal opportunity can be obtained. In the present study, only diversity in higher positions will be analyzed.

Mentioning of equal employment opportunity can be found in all of the previously mentioned international guidelines.

Article 2(d) of the ILO Declaration on Fundamental Principles and Rights at Work (1998) declares that members have an obligation to eliminate discrimination in respect of employment. This article served as the basis for principle 6 of the United Nations Global Compact which similarly states that

> Businesses should uphold the elimination of discrimination in respect of employment and occupation

The OECD Guidelines for Multinational Enterprises (Revision 2000, Employment and Industrial Relations Section) advice enterprises to

> Not discriminate against their employees with respect to employment or occupation on such grounds as race, color, sex, religion, political opinion, national extraction or social origin, unless selectivity concerning employee characteristics further established governmental policies which specifically promote greater equality of employment opportunity or relates to the inherent requirement of a job.

2.7.5   Employee Training

An indicator of employee training is a relevant indicator for CSR as it provides information on the organization's commitment to maintaining and improving human capital (Global Reporting Initiative, 2006). In addition to contributing to employee satisfaction, skill enhancement can improve productivity of the workforce. Skill enhancement can also influence areas of social performance such as fostering of equal employment opportunities in the organization.

The OECD Guidelines for Multinational Enterprises (section IV, article 5) declare that enterprises should

> In their operations, to the greatest extent practicable, employ local personnel and provide training with a view to improving skill levels, in co-operation with employee representatives and, where appropriate, relevant governmental authorities

The ILO Convention 142 (1975) concerns vocational training in the development of human resources. The first article of the convention states that

> Each member shall adopt and develop comprehensive and coordinated policies and programs of vocational guidance and vocational training, closely linked with employment, in particular through public employment services.

2.7.6   Employee Organization

Freedom of association is a human right at the core of the International Labour Organization's declarations and constitutions (ILO website, 2006). The ILO Conventions 87 and 98, which emphasize the right of workers to organize, were ratified as early as 1948 and 1949, respectively. On its website, the Global Reporting Initiative refers to collective bargaining as a form of stakeholder engagement that helps contribute to responsible management and a stable society. Collective bargaining is described as an instrument that facilitates collaborative efforts to enhance the positive social impacts of an organization.

Principle 3 of the United Nations Global Compact was derived from article 2(a) of the ILO Declaration on Fundamental Principles and Rights at Work (1998) and declares that

> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

The OECD Guidelines for Multinational Enterprises also clearly stress the obligation of businesses to respect the right of workers to organize in trade unions. In section IV, which deals with employment and industrial relations, enterprises are directed to

> Respect the right of their employees to be represented by trade unions and other bona fide representatives of employees, and engage in constructive negotiation, either individually or through employers' associations, with such representatives with a view to reaching agreements on employment conditions.

3 Methodology

The following chapter presents an overview of the methodology chosen for the purpose of this study. It will explain the process of data collection, the choice of indicators and problems with the chosen method.

3.1 Choice of Research Method

As the purpose of this study is to explore elements of CSR at hotels located in different countries, an exploratory case study approach is chosen. Yin (2003) describes a case study as a detailed and contextual investigation of a contemporary phenomenon, and recommends it as a method when the researcher has little control over the event and when it occurs within a real-life context. It is an appropriate choice of method for the current study as the analysis focuses on contemporary events and does not attempt to explain what has happened in the past. The study sets out to examine differences and similarities across cases that share common features, which provides additional support for an exploratory case study as a research method. The strength of the method is that it does not begin with a hypothesis and thus allows the researcher to focus on reporting facts rather than trying to prove a hypothesis. Yin (2003) considers the advantage of case study research in general to be that it can provide an understanding of a complex issue while analyzing only a small number of events.

Yin (2003) further recommends following formal procedures to ensure quality control during the data collection process. One such procedure is the creation of a case study database. Creating a case study database involves organizing and documenting the data collected in order to allow other researchers to examine the data. In the present study, all emails to and from hotels were organized in folders in the email system and an Excel database was used to store and categorize the data on environmental performance and labor management.

This case study was used to collect and analyze data surrounding Radisson Hotel, Park Inn, Crowne Plaza and Holiday Inn in Scandinavia, the UK, the Middle East and China.

3.2 Choice of Hotels

The participating hotels from Rezidor Hotel Group were chosen from a list provided by the Director of Responsible Business. The list included the location and contact information for 230 hotels in different regions. The hotels were chosen based on their geographic location.

The participating hotels from Crowne Plaza were chosen by the regional director of Human Resources in China, and the hotels from Holiday Inn were chosen by the Director of Government Relations.

3.3 Choice of Indicators

Measuring the environmental and social impact of an organization entails such a vast variety of measurements that it risk to blur the overall picture. Therefore, the use a few indicators that reflect different aspects of the relationship between the organization and its environmental and social surroundings is preferred. Indicators can be thought of as "small pieces of information that reflect the status of larger systems" (Smith, 2000, p 181). Although the indicators chosen in this study only represent small pieces of information, they are meant to reflect the overall CSR performance of the hotels. Good indicators should be simple and based on easily accessible data (Veleva and Ellenbecker, 2000), which is why the chosen indicators were deemed appropriate.

The six elements of CSR that were chosen as indicators for the areas of environment performance and labor management were drawn from the international guidelines for CSR discussed in the previous section and inspired by Muller's 2006 study. The environmental elements are waste production, water consumption and energy use, while equal employment opportunity, employee training and employee organization are the chosen elements of labor standards. As none of the international guidelines specify performance levels, alternative sources were used to develop benchmarks.

AREA OF EVALUATION	KEY ELEMENTS WITHIN AREA	INDICATORS
1. Environmental Performance	*a. Waste production*	- kg waste per guest night
	b. Water consumption	- m^3 per guest night
	c. Energy use	- kWh per m^2 of service space
2. Labor Management	*a. Equal Employment Opportunity*	- Female workers in white-collar employment as a percentage of total white-collar workforce
	b. Employee Training	- Average expenditure on vocational training as a percentage of total labor costs
	c. Employee Organization	- Percentage of employees who are members of a trade union

***Table 3** Elements and indicators of Corporate Social Responsibility*

The first three elements of corporate social responsibility are water consumption, waste production and energy use. Benchmark figures for these were drawn from a report prepared in association with the International Tourism Partnership (ITP), which is a key program of The Prince of Wales International Business Leaders Forum (IBLF), a not-for-profit organization established to provide global leadership for responsible businesses in hotels, travel and tourism (WWF & IBLF, 2005). The report sets benchmark values for kg of waste produced per guest night, cubic meters of water consumed per guest night, and kWh of energy used per square meter of service space for luxury, mid-range and small hotels in temperate, Mediterranean and tropical regions.

For two of the three elements relating to labor standards, benchmark figures were taken from the Swedish Hotel and Restaurant Workers' Union (HRF). Mats Hansson**,** negotiating secretary at HRF, suggested that the percentage of employees who are members of trade unions should be approximately 75 percent and that 65 percent of the white-collar workforce should consist of women (Mats Hansson, *pers comm*.). As there are no statistics on average expenditure on vocational training as a percentage of total labor costs at HRF, a benchmark figure for employee training was drawn from Muller's 2006 study in which he evaluated CSR practices of Mexican subsidiaries of seven European automobile companies. Muller used a benchmark figure of 2.3 percent, as the EC (2004)[2] reported that to be the average expenditure on vocational training as a percentage of total labor costs in the EU in 1999. Personal communication with the Employment Strategy Unit at the European Commission indicated that these are the most recent figures (Winqvist, 2006). The figures of 75, 65 and 2.3

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2 Muller (2006) cites EC (2004) *ABC of the Main Instruments of Corporate Social Responsibility.* Brussels EC DG for Employment and Social Affairs

percent will therefore form the baseline for the elements of employee organization, equal employment opportunity and employee training, respectively.

ELEMENTS OF CSR	INDICATORS		BENCHMARK
Waste production	kg unsorted waste per guest night		**0.40 - 1.00**
Water consumption	m^3 per guest night	*Temperate*	**0.35 - 0.40**
		Mediterranean	**0.45 - 0.60**
		Tropical	**0.70 - 0-80**
Energy use	kWh per m^2 of service space		**260 - 280**
Equal Employment Opportunity	Female workers in white-collar employment as a percentage of total white-collar employment		**65**
Employee Training	Average expenditure on vocational training as a percentage of total labor costs		**2.3**
Employee Organization	Percentage of employees who are members of a trade union		**75**

Table 4. *Benchmarks*

3.4 Collection of Data

The data for this study were obtained mainly through email contact with representatives for the two hotel groups. This method of data collection was deemed appropriate as it is time and cost efficient and allows the researcher to access a large and geographically distributed population (Lefever et al, 2006).

As Park Inn and Radisson SAS Hotels report their environmental statistics centrally, their environmental figures could be found in the environmental reports for each hotel provided by the Director of Responsible Business at Rezidor Hotel Group. Information on labor standard was retrieved through email contact with the Responsible Business coordinators at each of the 30 hotels. The chosen hotels were initially contacted by email (see Appendix B) to request their participation and labor figures. This email was followed by an email from the Director of Responsible Business, Pia Heidenmark-Cook, to encourage participation and to show her support of the project. Two additional emails were sent to remind hotels of the study and to increase response rates.

Contact with InterContinental Hotels Group was initially established through a conversation with the Director of Corporate Communication & PR, from whom contact information to the Vice President of Human Resources for the Middle East, and the regional directors of Human Resources and Government Relations in Asia was provided. As neither environmental activity nor labor statistics are reported globally at InterContinental Hotels Group, all the data had to be retrieved from the regional directors. After extensive email correspondence and numerous requests, only part of the information requested was obtained.

3.5 Critical Review of the Research Method

3.5.1 The Use of Indicators and Benchmarks

While a useful indicator framework should be simple and based on easily accessible data, some complexity might be needed to ensure meaningfulness of the framework (Veleva and Ellenbecker, 2000). By using too few and too simple indicators, the researcher runs the risk of

missing out on important information and the indicators might become less meaningful. In the current study, the strengths of the chosen indicators are also their weaknesses. The indicators are few, simple and easily accessible, but fail to cover all areas of CSR and might exclude important information concerning the CSR performance of the hotels.

Although the chosen indicators are simple and appear easily accessible, problems concerning measurement methods and units arose. This was especially apparent when data on expenditure on training were collected, as several hotels reported number of training hours per employee but did not record training as expenditure.

Number of females in white-collar positions as a percentage of total white-collar employment would perhaps have been more useful as an indicator for equal employment opportunity if it could have been compared to the percentage of females in all positions. However, in order to encourage the hotels to participate in the study, it seemed necessary to limit the amount of data requested.

The use of benchmarks can be helpful in identifying areas of corporate social responsibility that need improvement by comparing an organization's current performance against industry standards (WWF-UK & IBLF, 2005). In this study, benchmarks were based on data from the International Tourism Partnership, the Swedish Hotel and Restaurant Workers' Union and the European Commission. Although these benchmarks do allow for comparison against industry standards, the standards are based on European data and might not be ideal for comparison in different regions. Perhaps global benchmarks would have been more appropriate as the conditions to achieve benchmark levels vary across regions. Furthermore, it could be argued that benchmark levels drawn from a Swedish union might not be unbiased or applicable to other regions.

3.5.2 Collection of data
Emails were used for contacting hotel employees and retrieving the data. Problems associated with this type of data collection were lack of willingness to participate and to some extent unreliability of the email address list. Further problems concerning this method of collecting data relate to miscommunication and misunderstanding about the figures requested.

3.5.3 Sample Size
Further limitations to the research method relate to sample size. To draw any definite conclusions a large data sample is needed, but the results of the present study are based on data drawn from only two hotel groups, one of which provided incomplete information. Furthermore, the information acquired from each individual hotel was not confirmed by any other source.

In retrospect, the methodology chosen revealed some weaknesses that could be addressed in future studies. After completion of the study it seems evident that indicators that are not measured cannot be compared. If the results are to prove anything other than measurement problems it is important to confirm that the chosen indicators are in fact measured before the actual data collection begins. With the benefit of hindsight, it is apparent that a better understanding of the actual level of performance with regard to corporate social responsibility at the different hotels could be gained if more time is allotted for data collection and for establishing contact with the hotels.

4 Results and Analysis

The first section of this chapter includes a presentation of the data collected from the hotels in the 11 participating countries. Following a brief description of Rezidor Hotel Group, the results for each of the six CSR indicators at their hotels are presented. Subsequently, the data collected from InterContinental Hotels Group is presented. The second section of the chapter, the analysis of the results, is divided into three subsections. The first subsection attempts to describe and analyze differences and similarities between the environmental performances at hotels within Rezidor Hotel Group across countries, and the second subsections aims to do the same for labor management practices at Rezidor. Finally, the third subsection sets out to analyze the data collected from InterContinental Hotels Group in China.

4.1 Presentation of Results

In total Rezidor Hotel Group provided full or partial information for 24 Radisson SAS Hotels and 6 Park Inns while InterContinental Hotels Group provided partial information for 8 Crowne Plazas and 27 Holiday Inns in China only. Table 5 illustrates the category of information that was obtained from at least one hotel for each hotel brand in the different regions. Some of the information collected had to be disregarded as units did not match and could not be converted for comparison purposes. As there are no Park Inn hotels in either China or the Middle East, the lack of information in this category does not represent failure to provide information on the part of Rezidor Hotel Group. Similarly, there are no Crowne Plazas or Holiday Inns in Scandinavia. Following the results are the interpretation and analysis of the results by the author.

	Full Information	Partial Information	Full Enviro. Information	Full Labor Information	At least 4 indicators
REZIDOR HOTEL GROUP	11 (36.6%)	19 (63.3%)	16 (53.3%)	15 (50.0%)	25 (83.3%)
INTERCONTINENTAL HOTELS GROUP	0 (0%)	35 (100%)	4 (11.4%)	2 (5.7%)	0 (0%)

Table 5 *Response rate*

	REZIDOR HOTEL GROUP		INTERCONTINENTAL HOTELS GROUP	
	Radisson SAS	*Park Inn*	*Crowne Plaza*	*Holiday Inn*
CHINA				
Waste	x	(-)	–	x
Water	x	(-)	–	x
Energy	x	(-)	–	x
EqEmOpp	x	(-)	x	–
Training	x	(-)	x	–
Union	x	(-)	x	–
MIDDLE EAST				
Waste	x	(-)	–	–
Water	x	(-)	–	–
Energy	x	(-)	–	–
EqEmOpp	x	(-)	–	–
Training	x	(-)	–	–
Union	x	(-)	–	–
UK				
Waste	x	x	–	–
Water	x	x	–	–
Energy	x	x	–	–
EqEmOpp	x	x	–	–
Training	–	–	–	–
Union	x	x	–	–
SCANDINAVIA				
Waste	x	x	(-)	(-)
Water	x	x	(-)	(-)
Energy	x	x	(-)	(-)
EqEmOpp	*x*	*x*	*(-)*	*(-)*
Training	*x*	*x*	*(-)*	*(-)*
Union	*x*	*x*	*(-)*	*(-)*

Table 6 *Data collected*

4.1.1 *Rezidor Hotel Group across regions*

Rezidor Hotel Group is one of the fastest growing hotel groups in the world, with over 270 hotels in operation and under development under five distinct hotel brands in 47 countries (Rezidor SAS website, 2006-12-07). The hotel group started out as SAS International Hotels, a wholly owned subsidiary of the SAS Group, but signed an agreement with US-based Carlson Hospitality in 2002 to become the Master Franchisee of the three Carlson brands Regent, Park Inn and Country Inn in Europe, the Middle East and Africa. This agreement built on the previous success of the partnership in which Rezidor SAS was combined with Carlson's Radisson brand to create Radisson SAS in 1994. In 2001, SAS International Hotels became Rezidor SAS Hospitality and just a few weeks before the completion of this thesis, the hotel group was listed on the Stockholm Stock Exchange as Rezidor Hotel Group.

Rezidor has a long-standing commitment to environmental protection, but it was not until recent years that their commitment to sustainability was broadened to include social as well as environmental responsibility. In 2001, Radisson SAS launched a systematic integrated framework for addressing both social and environmental issues at all of its hotels in Europe, the Middle East and Africa. This program, called *Responsible Business*, is a comprehensive program that takes into account social, environmental and economic performance and

encompasses all aspects of hotel operations. The program involves a dedication to protecting the health and safety of employees and guests, to respecting social and ethical issues within the company and in the community, and to reducing adverse environmental impact by energy efficiency, waste management and use of renewable sources. According to Rezidor Hotels Group's website a majority of the Radisson SAS Hotels report figures on energy use, water consumption and waste production to the corporate office on a monthly basis. This allows progress to be tracked through an annual Status Report.

Although there is a system in place for central reporting at Rezidor Hotel Group, the results suggest that there exist some problems with regard to measurements and reporting. As Table 5 illustrates, merely 53% of the participating hotels were able to provide full environmental information in the environmental reports collected centrally at Rezidor. In addition to lack of data, there were at times issues of reliability regarding the data reported. There were two instances where the figures reported on energy use in the environmental reports were more than ten times the benchmark levels. When asked to confirm the figures, the managers at the hotels in question failed to correct the problem. Although the Director of Responsible Business at Rezidor was able to identify and correct the problem and had previously explained that the environmental reports had not yet been reviewed, the occurrence brought to light an issue of lack of interest or proper training at the individual hotel level.

The results also revealed inconsistencies in company policy regarding training budgets or misunderstandings regarding the same. One hotel manager in the UK explained

> *"The total budget for training is 1% of the revenue for the year. This includes 30% for the cost of the training i.e. training fee, materials, trainer fee etc. and 70% for the cost of the hours off work."*

At another hotel in the same region the spending on training and the corresponding budget was not as clear.

> *With regard to training costs/budget, it is impossible to outline the costs allocated just to vocational training. Our on-job training is continuous and does not come directly out of the training budget but is incorporated in the salaries and wages of the people conducting training.*

Yet another responsible business manager in the UK explained that there are different types of training, such as statutory training, which is required by law, and *National Vocational Qualifications* which are work-based qualifications awarded on the basis of competences based on standards that have been developed by people in the industry. However, the costs of the different types of training and whether the hotels paid for it could not be answered.
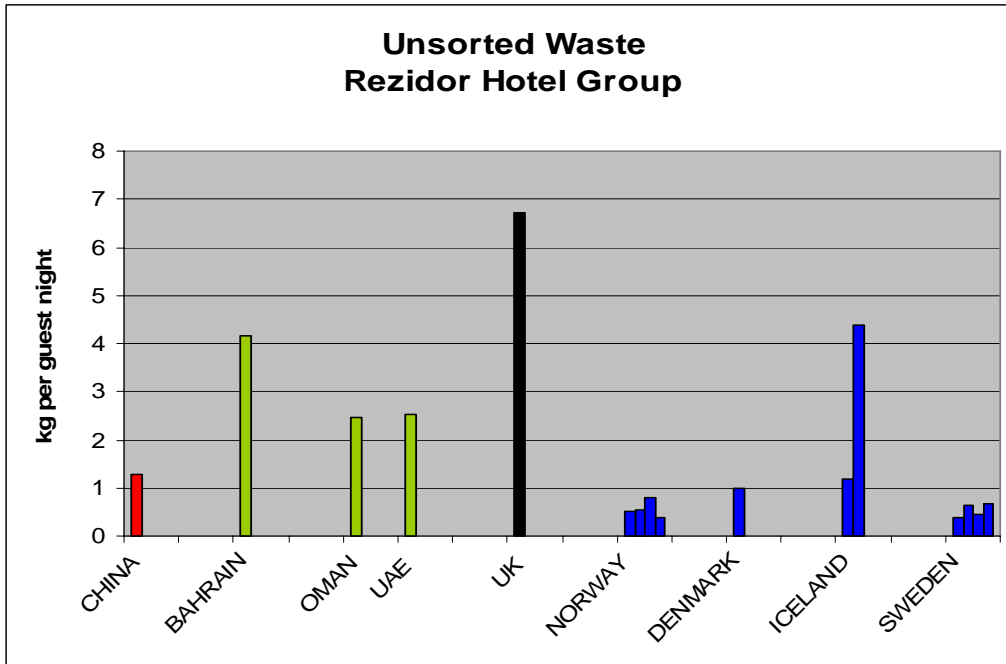
Figure 3 *Unsorted waste in kg per guest night at Radisson SAS hotels and Park Inns in different regions. Each bar represents a hotel. (Benchmark range for satisfactory performance* **0.40 - 1.00** *kg per guest night)*
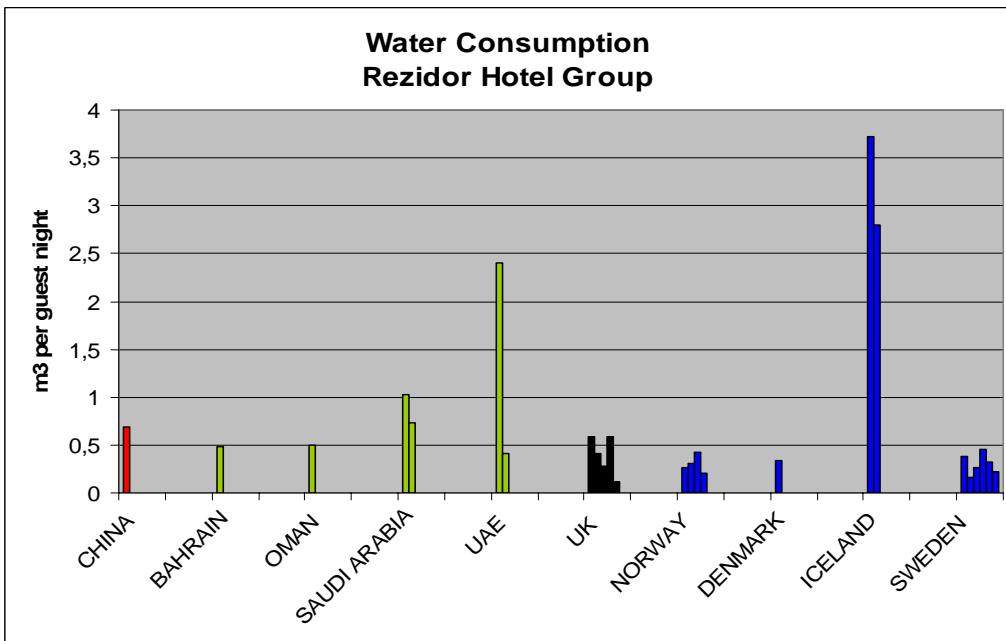
Figure 4 *Water consumption at Radisson SAS hotels and Park Inns in different regions. Each bar represents a hotel. (Benchmark range for satisfactory performance* **0.35 – 0.40** *m^3 per guest night for temperate regions,* **0.45 -0.60** *for Mediterranean regions and* **0.70 -0.80** *for tropical regions.)*
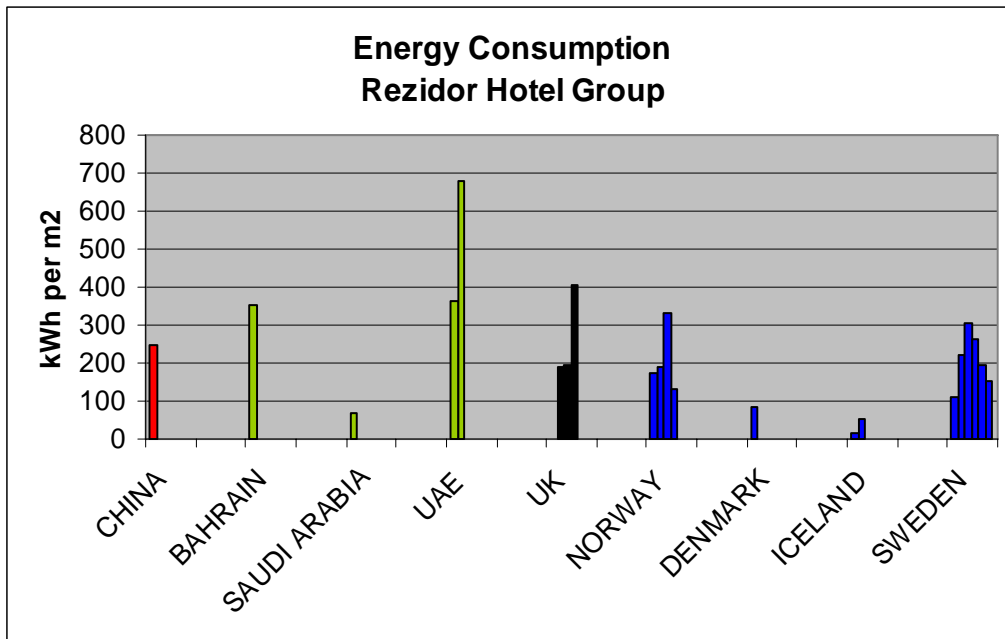
Figure 5 *Energy use at Radisson SAS hotels and Park Inns in different regions. Each bar represents a hotel. (Benchmark range for satisfactory performance* **260 – 280** *kWh per m^2)*
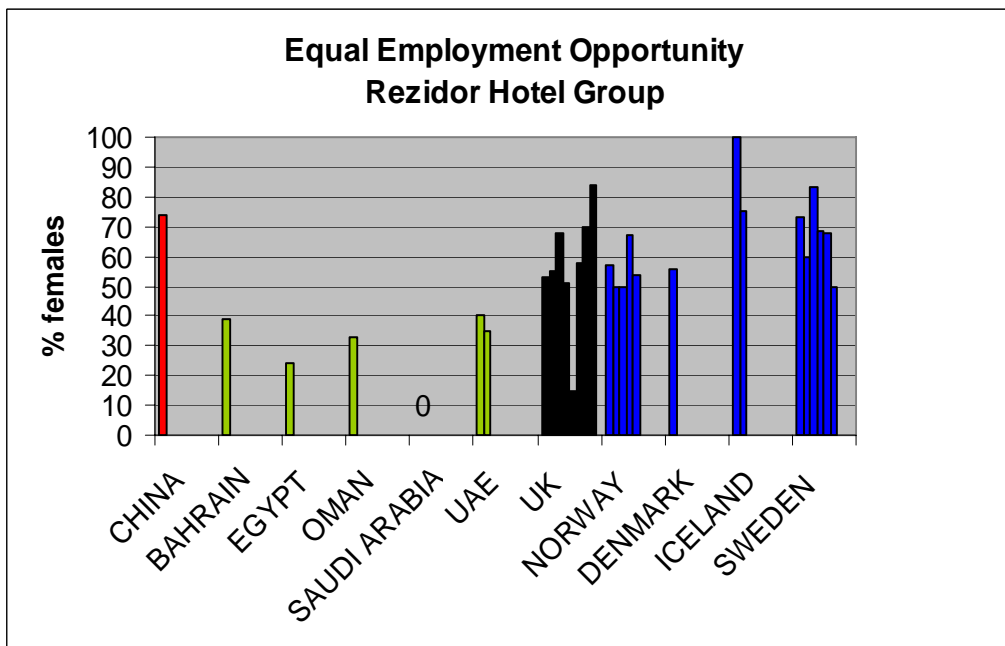
Figure 6 *Number of females in white-collar positions as a percentage of total white-collar positions at Radisson SAS hotels and Park Inns in different regions. Each bar represents a hotel. (Benchmark range for satisfactory performance* **65%)**

Figure 7 *Expenditure on employee training as a percentage of total labor costs at Radisson SAS hotels and Park Inns in different regions. Each bar represents a hotel. (Benchmark range for satisfactory performance **2.3%**)*

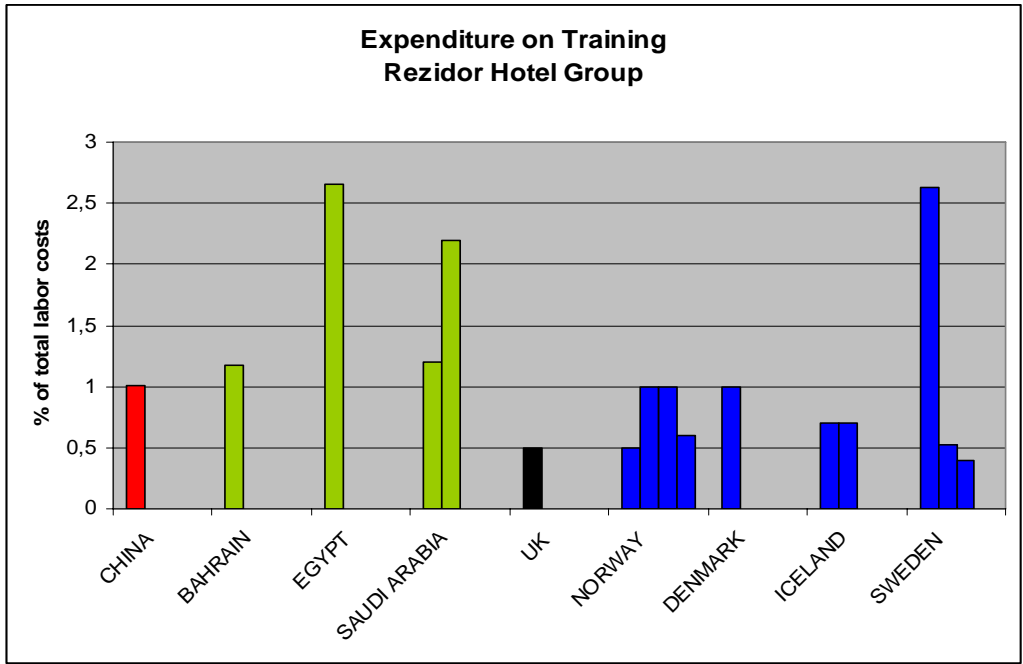***Figure 8*** *Percentage of employees who are members of a trade union at Radisson SAS hotels and Park Inns in different regions. Each bar represents a hotel. (Benchmark range for satisfactory performance **75%**)*
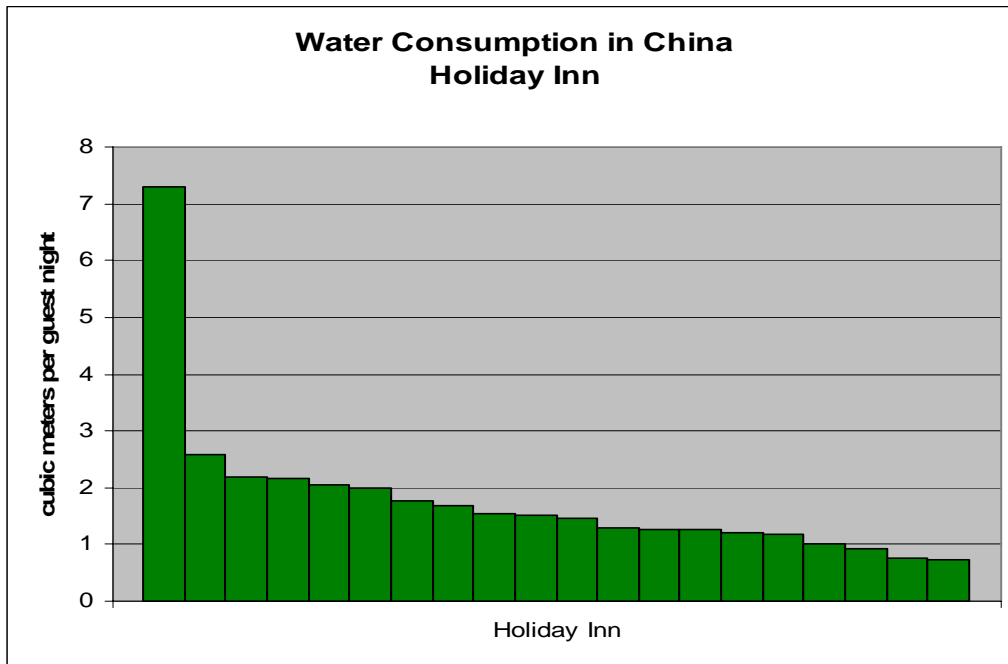
Figure 10 *Water consumption at InterContinental Hotels Group's Holiday Inn in China. Each bar represents a hotel. (Benchmark range for satisfactory performance **0.35 – 0.40** m^3 per guest night for temperate regions, **0.45 -0.60** for Mediterranean regions and **0.70 -0.80** for tropical regions.)*
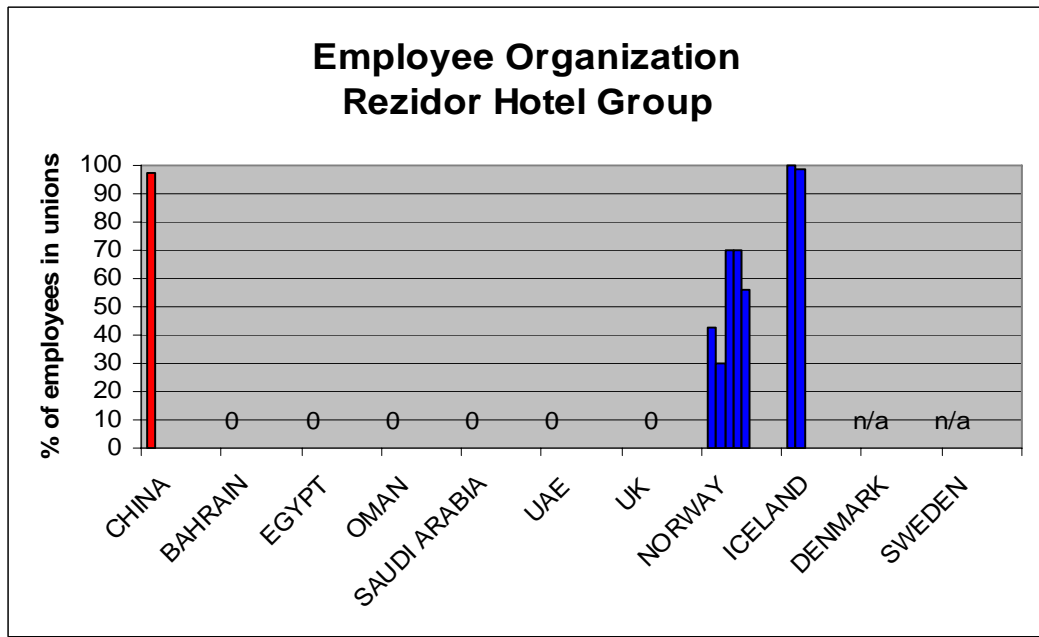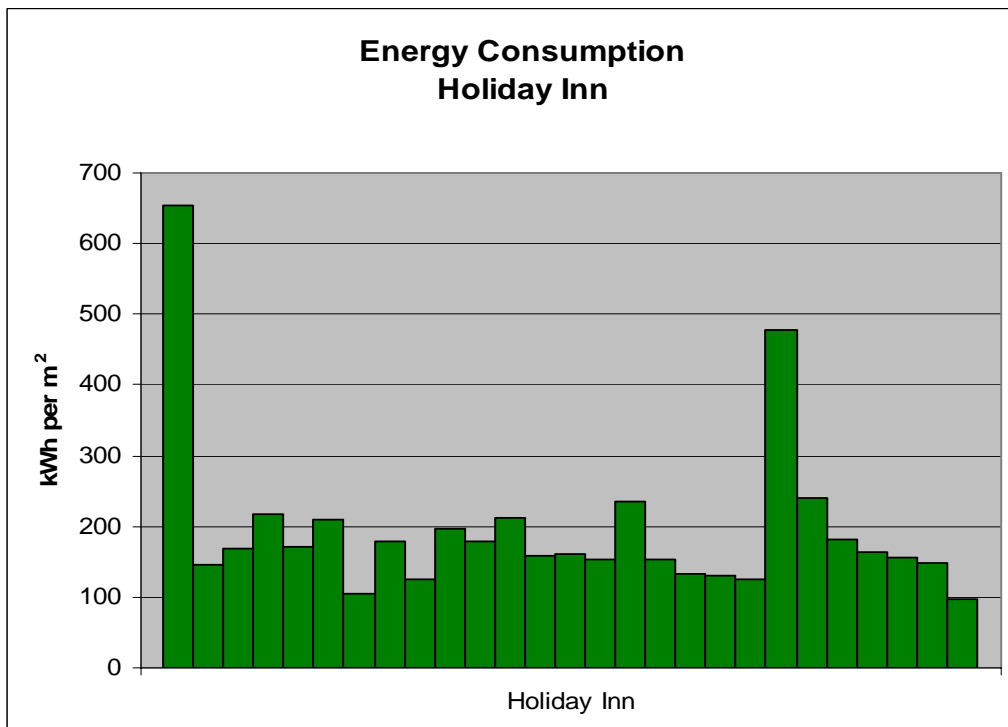

Figure 11 *Energy use at InterContinental Hotels Group's Holiday Inn in China. Each bar represents a hotel. (Benchmark range for satisfactory performance **260 – 280** kWh per m^2)*
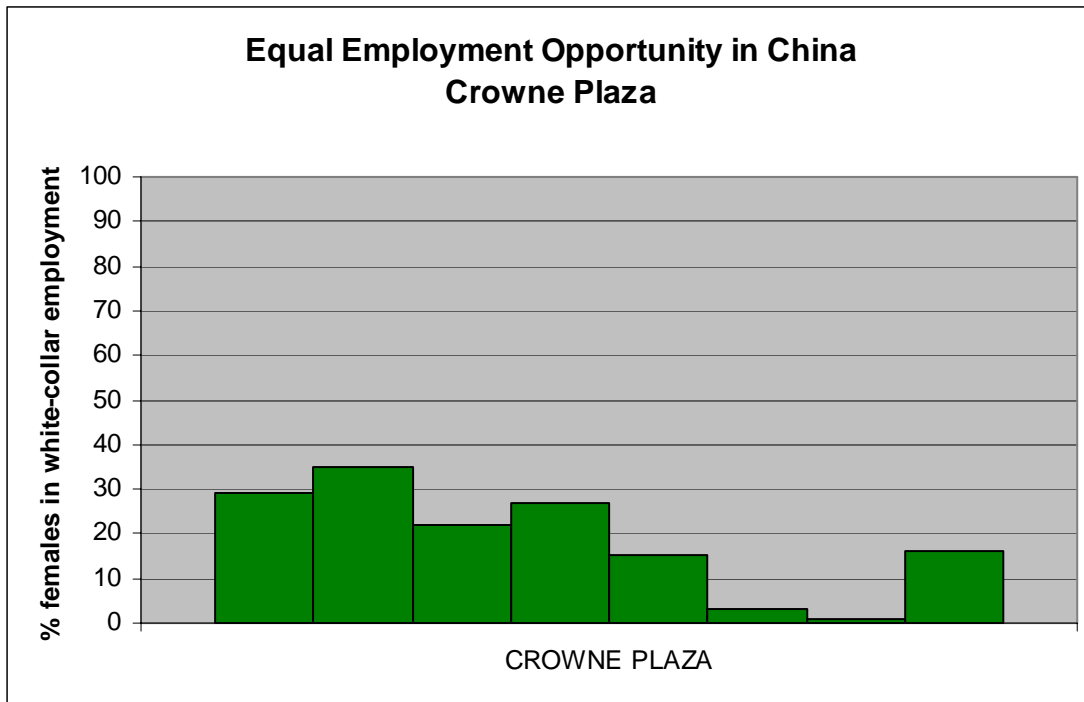
Figure 12 *Percentage of females in white-collar positions at InterContinental Hotels Group's Holiday Inn in China. Each bar represents a hotel. (Benchmark range for satisfactory performance **65%**)*

Figure 13 *Employee organization at InterContinental Hotels Group's Holiday Inn in China. Each bar represents a hotel. (Benchmark range for satisfactory performance **75%**)*

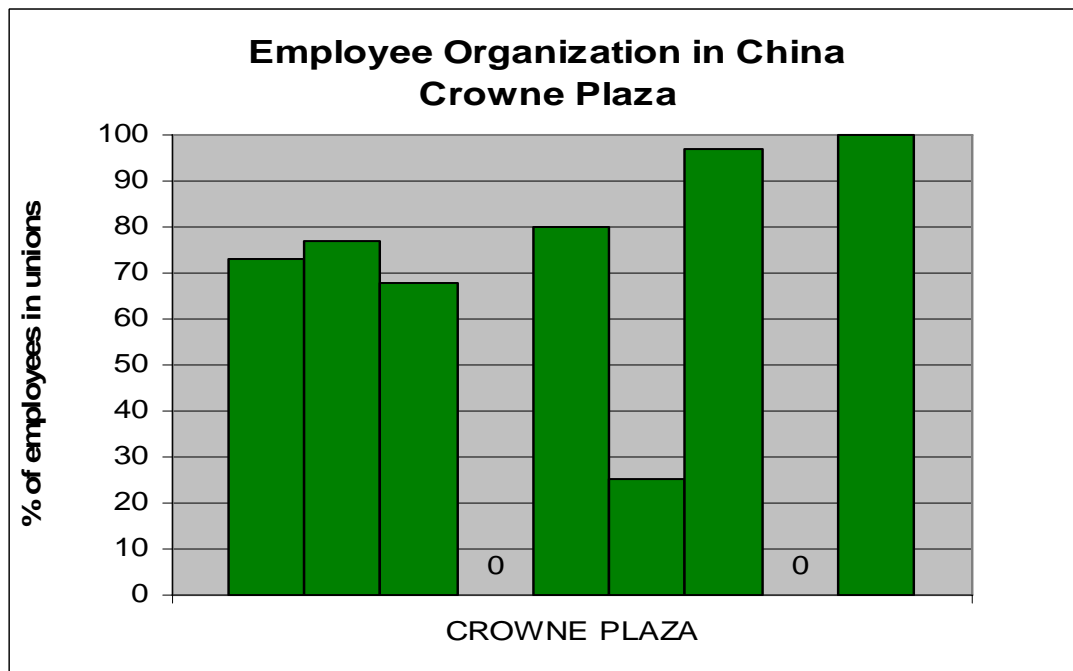| ISSUE:	WASTE	WATER	ENERGY	WHITE-COLLAR FEMALES	TRAINING	TRADE UNION MEMBERSHIP
BENCHMARK	0.40 - 1.00	0.35 - 0.40 0.45 - 0-60 0.70 - 0.80	260 - 280	65%	2.3%	75%
China	*1.28**	*0.688**	*246*	*74*	*1.15*	*97.26*
Bahrain	*4.17**	*0.483*	*355**	*39*	*1.5*	*0*
Egypt	*–*	*–*	*–*	*24*	*2.66**	*0*
Oman	*2.48**	*0.499*	*–*	*33*	*–*	*0*
Saudi Arabia	*–* *–*	*1.03** *0.738*	*–* *66*	*0* *0*	*1.2* *2.2*	*0* *0*
United Arab Emirates	*–* *2.53**	*2.401** *0.408*	*364** *681**	*40* *35*	*–* *–*	*0* *0*
UK	*–* *–* *–* *6,71** *–* *–* *–* *–*	*0.58** *–* *0.584** *0.415** *0.285* *–* *0.111* *–*	*–* *–* *–* *192* *197* *–* *403** *–*	*53* *55.2* *68* *51.2* *15* *57.7* *69.7* *84*	*0.5* *–* *–* *–* *–* *–* *–* *–*	*0* *0* *0* *0* *0* *0* *0* *0*
Denmark	*0,99*	*0.33*	*82*	*56*	*1*	*n/a*
Iceland	*1.17** *4.4**	*3.722** *2.8**	*15* *52*	*100* *75*	*0.7* *0.7*	*100* *99*
Norway	*0.5* *0.55* *–* *0.81* *0.39*	*0.266* *0.306* *–* *0.429** *0.203*	*172* *192* *–* *334** *133*	*57* *50* *50* *67* *54*	*0.5* *1* *1* *0.6* *–*	*43* *30* *70* *70* *56*
Sweden	*–* *0.38* *0.65* *–* *0.44* *0.66*	*0.375* *0.161* *0.266* *0.447** *0.316* *0.214*	*109* *222* *306** *265* *195* *152*	*73.3* *60* *83.3* *68.4* *67.7* *50*	*–* *0.47* *–* *0.58* *–* *2.6**	*n/a* *n/a* *n/a* *n/a* *n/a* *n/a*

Table 7 *Summary of results obtained from Rezidor Hotel Group*   ** above benchmark level*

4.2 Analysis

4.2.1   Environmental Performance at Rezidor Hotel Group
There exist great variations concerning waste production across hotels within Rezidor Hotel Group. The chosen benchmark figure for satisfactory waste production is 0.40–1.00 kg waste per guest night. Hotels in Sweden, Norway, Denmark and one of the two hotels in Iceland all meet the target, whereas hotels in the UK, the United Arab Emirates, Oman, Bahrain and the other hotel in Iceland all produce waste well above the benchmark level. China's figure was only just above the benchmark. Overall, figures on waste production proved to be difficult to obtain, with only sixteen of the thirty hotels being able to provide figures. It can be speculated that these difficulties stem out of differences in waste disposal practices and differences in measurement units. If hotels are charged a fixed sum by waste disposal firms, they are not as likely to measure the weight of the waste, or to reduce waste levels. The UK presented the highest figure for waste production out of all the hotels by far.

In total, twenty-five out of the thirty hotels provided information on water consumption.
Figures on water consumption varied across the regions, but did not pose any great surprises. Initially, Iceland's water consumption appears exceedingly high with figures tenfold as high as benchmark levels. However, this can easily be explained by the fact that geothermal water reserves are used for heating and production of electricity (Heidenmark-Cook, *pers comm.*). This also helps explain the virtually absent levels of energy use at hotels in Iceland. As for the rest of the Scandinavian hotels, all but one reported water consumption levels within the benchmark range for satisfactory performance. Besides Iceland, the highest level of water consumption was reported by one of the two hotels in the United Arab Emirates. Although water consumption in the Middle East might be expected to be a little bit higher due to hotter and dryer climate, levels in the United Arab Emirates and Saudi Arabia exceed benchmark levels for all climate regions, and far exceed consumption levels at the hotels in Bahrain and Oman, which are located in the same climate zone. The hotels in Bahrain and Oman that reported water consumption levels both lay within the benchmark range for satisfactory performance. The difference in water consumption between Saudi Arabia and United Arab Emirates on the one hand, and Oman and Bahrain on the other might partially be explained by the fact that the hotels in the United Arab Emirates and in Saudi Arabia are five-star hotels with luxury facilities that require more water. Water consumption at hotels in China and in the UK is within or below the satisfactory benchmark range

Twenty-one of the thirty participating hotels from Rezidor Hotel Group provided figures on energy use. The pattern of energy use at Rezidor hotels is similar to that of water consumption. Hotels in Scandinavia and the UK are within, below the benchmark range for satisfactory performance with the exception of one hotel in the UK, one in Norway and one in Sweden. As with water consumption, one of the two hotels in the United Arab Emirate presents the highest level of energy use, more than double the benchmark level. The hotel in Saudi Arabia reported the lowest level of energy use after Iceland, while Bahrain exceeds benchmark levels for satisfactory performance. Energy use at the hotel in China is below the benchmark level.

4.2.2   Labor Management at Rezidor Hotel Group
Number of females in white-collar employment as a percentage of total white-collar workers was the only indicator that all of the thirty hotels could provide figures for. Not surprisingly, the hotels in the Middle Eastern countries presented the lowest figures for female white-collar employment, with 0% in Saudi Arabia. Through personal communication a hotel manager in Saudi Arabia explained that they would like to encourage females to work at the hotel but due

to family and cultural reasons it has never lasted more than 3 months. Every hotel in Scandinavia has at least 50% women in white-collar positions. The figure of 100% reported by a hotel in Iceland was explained by the fact that there are only two white-collar positions at the hotel, and both were filled by females. The number of females in white-collar positions varied across hotels in the UK, but with one exception all hotels had at least fifty percent females. The hotel in China reported that 74% of its white-collar positions were filled by women. Hotels in Sweden were as a group closest to the benchmark figure of 65%.

Data on expenditure on training as a percentage of total labor costs proved to be the most difficult to collect. Only sixteen of the participating hotels were able to provide the information. The difficulties in providing such figures appear to stem out of differences in measurement units. Some hotels reported number of training hours per employee and some reported the total cost of training per year, while others simply indicated that they do not have accurate figures available. As has been previously mentioned there appeared to be some inconsistencies in what the managers believed the company policy regarding training budgets to be. One hotel manager stated that it is company policy to budget 1% of total labor costs on training, while others said that the budget was 1% of total wages. Another manager explained that it was impossible to outline the costs just to training since there is no specific training budget. Further explanations for the lack of data on expenditure on training was "*all vocational training within the hotel is free as it is funded though one of our local training organizations*".

Hotels in China, Bahrain and Sweden provided the most detailed information regarding expenditure on training with figures for several years, whereas hotels in the UK at best provided a rough estimate. The hotel in Egypt presented the highest expenditure on training as a percentage of total labor costs, which might be explained by the fact that the hotel has only been open a year, and that the first year of operation requires a greater amount of training. As a group, hotels in Egypt, Saudi Arabia and Bahrain spend the most on training, but only the hotel in Egypt meets the benchmark target of 2.3% of total labor costs.

Trade union membership among hotel workers is fairly prevalent in Norway, Iceland and China, but completely absent in the Middle East and the UK. Although information on trade union membership in Sweden and Denmark could not be obtained due to confidentiality, one can imagine that it would be high since all the Nordic countries have strong centralized unions (Wikipedia, 2006a) and the Swedish Hotel and Restaurant Workers' Union (HRF) chose to set the benchmark level at 75%. In Saudi Arabia and Oman trade unions are completely banned (Wikipedia, 2006b & c), while in Bahrain trade unions are legal (Wikipedia, 2006d) but absent in the hospitality industry (hotel manager, *pers. comm*). Only trade union membership at hotels in China and Iceland could be shown to meet the benchmark level of 75%.

4.2.3   *InterContinental Hotels Group in China*
Due to difficulties in obtaining data from InterContinental Hotels Group, there is not enough data to draw any conclusions about the hotel group's performance with regard to CSR relative to Rezidor Hotel Group. Data could only be obtained from the hotels in China, and each of the two brands, Crowne Plaza and Holiday Inn, could only provide information for one of the two areas of corporate social responsibility. Crowne Plaza provided information on equal employment opportunity and employee organization, whereas Holiday Inn provided figures on energy use and water consumption.

Each of the twenty-seven Holiday Inns displayed water consumption levels above the benchmark range for satisfactory performance, while all but two had energy use levels below the benchmark range. For both water and energy use there was one or two hotels that displayed levels far above the others. While no obvious explanation has been found for this, there appears to be at least some correlation between the size of the hotel and consumption levels, with bigger hotels showing lower consumption levels. This could be due to the fact that water consumption is measured in units per guest night, and as even the s hotels with fewer rooms and thereby fewer guests have pools water consumption per guest night will be higher. Another explanation could be that there are greater benefits in terms of costs savings and environmental protection to be made when installing energy and water saving measures at the larger hotels.

The information regarding trade union membership at Crowne Plaza shows great differences between hotels. There is no apparent reason for the diverging figures, but the author's speculations will be presented in the political systems section of the discussion in the following chapter.

The number of females in white-collar positions at Crowne Plaza is far below the satisfactory benchmark, with the highest percentage of females at any hotel being 35%. One hotel provided a figure of 1.02%. This figure suggests that if there is only one female employee in a white-collar position, there must be 98 white-collar employees in total (1/98 = 1.02%). This does not seem plausible, and when asked to confirm the figure the contact person at InterContinental Hotels Group failed to reply. This greatly reduces the reliability of the data, and perhaps more conclusions can be made about the lack of reliable of the data than about the data itself.

5 Discussion

5.1 Hofstede

According to Hofstede's analysis of cultures (http://www.geert-hofstede.com), the Chinese rank very low on the Individualism index. This might not be surprising considering the country's history of Communist rule and commitment to collectivist ideology. On his website, Hofstede explains that a low Individualism ranking indicates that the Chinese are defined by their group membership rather than personal achievements. Relationships within these groups are strong and members of a group are expected to take responsibility for other members. The Chinese culture is also characterized by a high Power Distance index, with a ranking of 80 compared to the world average of 55. This signifies a high degree of inequality when it comes to power and wealth in the Chinese society. The highest-ranking factor in Hofstede's analysis of China is the Long-Term Orientation index. This is indicative of a long-term time perspective and values of thrift and perseverance. Alone, Hofestede's rankings for China might suggest that the level of performance with regard to corporate social responsibility be high. The collectivistic tendencies indicated by the low Individualism ranking suggest that people within a group, such as a company, take great responsibility for each other. Although the Power Distance Index reveals inequalities in the Chinese society, it does not imply that these inequalities are targeted towards women in particular. On the contrary, an average Masculinity ranking implies an even distribution of roles between the genders. The Long-Term Orientation index could imply a thrift and perseverance concerning natural resources and a tendency towards sustainable business practices. Based on the data collected from Rezidor Hotel Group in this study it is impossible to draw any conclusions regarding the

performance of Chinese hotels in general, but Radisson SAS Hotel in Beijing performed within or close to the benchmark range on all accounts. It appears as if the Chinese hotels from InterContinental Hotels Group do not display tendencies of thrift and perseverance concerning water, as they all present consumption levels well above the benchmark level for satisfactory performance. The percentage of female employees in white-collar positions at InterContinental Hotel Group's hotels in China further suggests an uneven distribution of roles between the genders. However, energy use levels are lower than the benchmark target at twenty-five of the twenty-seven hotels, and for the most part trade union membership is satisfactory.

Characteristic of Arab countries in the Middle Eastern region according to Hofestede's analysis is Large Power Distance and Uncertainty Avoidance. Hofstede points to great inequalities of power and wealth, and low upward mobility of people. On his website Hofstede states that the low level of tolerance for uncertainty causes societies in the region to be highly rule-oriented with laws, regulations and rules implemented to reduce the level of uncertainty. The lowest ranking factor for the Arab World is the Individualism index. This indicates that societies within the region are Collectivist and that loyalty and relationships within groups are very important, often more than other societal rules. The figures on equal employment opportunity obtained in this study, as well as personal communication with hotel managers in the Middle East show that women are not traditionally expected to work and that there are very few, if any, women in white-collar positions at the hotels in this region. However, Hofstede's index on Masculinity for the Arab World is only slightly higher than the world average, which suggests that the role of women and their limited rights is likely to stem out of traditions in the Muslim religion rather than culture. The lack of trade union membership among hotel workers in the region in this study is consistent with Hofstede's analysis of the Arab world. Hofstede describes how the large Power Distance and Uncertainty Avoidance Indices create a situation in which leaders have ultimate power and authority and where the implemented laws and regulations reinforce the leadership of those in power. It can be speculated that trade unions are banned or restricted in the Middle East in order to reinforce the leadership of those in power, as Hofstede's analysis implied.

As a group, Scandinavian countries are characterized by very low Power Distance and Masculinity rankings, which is indicative of an even distribution of power and of similarities between women's values and men's values and a caring attitude among people. The findings of this study are consistent with Hofstede's analysis of the Scandinavian countries in that women in white-collar positions are more numerous than in regions with a low Masculinity index. Trade union membership among hotel workers is more prevalent in Norway and Iceland than in the Middle East, and although figures could not be obtained for Sweden and Denmark due to confidentiality one can assume that it is higher than in the Middle East. The high level of trade union membership appears to be in accordance with the analysis that Scandinavian countries expect an even distribution of power, low levels of discrimination and where a nurturing and caring environment exists.

In Hofstede's analysis the rankings for the UK are practically the opposite of those for China and the Middle East. Like Scandinavia, the UK exhibits a low tolerance for an uneven distribution of power with a Power Distance index that is lower than the world average. The Individualism and Masculinity rankings are higher than average, whereas Uncertainty Avoidance is low. The absence of trade union memberships among hotel employees in the UK could perhaps in part be attributed to the fact that people are expected to look after themselves and that they do not tend to integrate into groups, as well as the competitive

dimension of a Masculine society. On the other hand one might expect a society with low Power Distance index to emphasize the advantages to workers of collective bargaining and organization.

Overall, the results suggest that there are correlations between the level of performance with regard to certain indicators and some of Hofstede's dimensions of culture. With the exception of the hotels in the UK, the results suggest that Power Distance ranking is inversely correlated with the frequency of trade union memberships. Although some hotels in China have a high percentage of employees in trade unions, the next section will explain why China's high Power Distance ranking might still be consistent with the frequency of trade unions.

The results also indicate that there is a slight inverse correlation between Masculinity ranking and percentage of females in white-collar positions. The inverse correlation is especially apparent at hotels in Scandinavia and the Middle East.

5.2 Political System

The cross-cultural studies on CSR previously reviewed in the theory section of this thesis suggest that the political systems of a country affect aspects of corporate social responsibility (Campbell, 2006; Maignan & Ferrell, 2000; Welford, 2005). The findings of this study appear consistent with the results of Welford's (2005) study in which he concludes that countries with a social democratic tradition tend to have more policies in the areas of CSR. Although the present study has not set out to examine policies on CSR as such and although the assumption that more policies on CSR result in higher performance with regard to CSR has not been confirmed, some correlation between the level of performance with regard to CSR and the political system of a country can be observed. The Scandinavian countries share a history of social democratic dominance and in this study the hotels in Scandinavia are shown to perform closer to benchmark levels than hotels in other regions.

Although the information requested from hotels in this study regarding trade unions only concerned percentage of employees in trade unions and excluded information on the actual trade union itself, the political system in China might help explain the nature of trade unions in the country. Article 12 of the Trade Union Law (http://www.acftu.org.cn/unionlaw.htm) forbids establishment of independent unions outside the All-China Federation of Trade Unions (ACFTU), which means that there is only one legal union in China. China's history of Communist rule might help explain the resistance to unions, as workers in a communist society are represented by a "worker's state", which leaves an organization intended to defend laborer's rights redundant. Warner (1991) explains that "Chinese trade unions do not bargain collectively like Western unions; instead they try to discipline and ensure the production commitment of the labor force" (p. 218). The fact that there is only one legal union and that its primary function is to support the Communist party suggests that the percentage of unionized members might not be significant. If Chinese unions lack the strength to negotiate efficiently, perhaps that explains the variations in union membership levels that exist at hotels from InterContinental Hotels Group in China. A trade union membership simply does not mean much.

Based solely on the data obtained in this study the political situation in the Middle East appears to affect the chosen elements of corporate social responsibility in the region. The lack of trade unions at every hotel examined in the region could be expected considering the autocratic forms of government with virtual dictatorships and monarchies (Schachmurove, 2004) which leave the general population with few opportunities to influence decision-

making. An association meant to strengthen the rights of workers seems incompatible with the absolute rule of the leaders in the region.

The political system in the UK is one of parliamentary representative democracy in which there exists great political freedom. The principal political party is the Labour Party, which grew out of the trade union movement and socialist parties in the 19th century (Wikipedia, 2006e). In light of this it is rather surprising that trade union membership at each of eight examined hotels in the UK were 0%. Since hotels in the UK had greater problems with recording and providing data on the indicators of CSR than hotels in other regions, it is tempting to make the conclusion that the UK does not fit in to the theory that countries with social democratic tendencies perform well when it comes to CSR. It has been suggested that although the UK has experienced a great decline of unions in the past decades "there does not appear to be a pervasive, unmet demand for union representation" and that the decline has not affected quality of life (Pencavel, 2003; p. 42). Therefore, the data on union membership at the hotels in the UK might not be indicative of lacking corporate social responsibility, but rather a lack of interest on behalf of employees.

5.3 Economic Development

Economic development in the Middle East is hindered by lack of regulations, bureaucratic delays, corruption and high dependence on oil (Schachmurove, 2004). Although GDP per capita in Bahrain is not much lower than that of Spain, and GDP per capita in the United Arab Emirates is even higher than in the US (CIA, 2006), the region can be considered as less economically developed as it has not achieved significant economic growth or rise in living standards for any other reason than presence of oil. Furthermore, the wealth created by oil has not been evenly distributed in the region. The hotels in this economically underdeveloped region display levels of CSR performance that are more often outside the benchmark range for satisfactory performance, than the performance levels at hotels in the more economically developed Scandinavian countries. Expenditure on vocational training is the one area in which the Middle Eastern hotels outperform all other hotels.

With the exception of one hotel in Sweden, all the Middle Eastern hotels have higher expenditure on vocational training than hotels in the other regions. In the CIA's World Fact Book a variety of initiatives taken in order to advance trade liberalization and to intensify international competition in the Middle East are mentioned. Saudi Arabia and Oman have recently joined the WTO, Bahrain signed a Free Trade Agreement with the US in 2005 and the United Arab Emirates has agreed to undertake negotiations towards a Free Trade Agreement with the US. Perhaps the emphasis on vocational training observed in this study is the result of an effort of the countries in the region to improve skill levels in the population in order to further the development of the economy and to better participate in the global market. Although it is not specifically in the interest of Rezidor Hotel Group to improve the economy in the region, the hotels might be influenced by a climate where the importance of vocational training is stressed. On the other hand, the analysis of vocational training in the Middle East is based on data from merely four hotels, which might not be representative for hotels in the region as a whole.

Although GDP per capita in China is lower than that of all the Middle Eastern countries in this study besides Egypt, the country has seen significant economic growth and rise in living standards in the past decades (CIA, 2006). The only Radisson SAS Hotel in China performs close to benchmark levels on each of the six elements of CSR, which is better than expected given the development of the country. In light of the fact that previous studies by Kimber and

Lipton (2005) have found that China's ability to adopt best practices in corporate governance and business ethics is weak, Radisson SAS Hotel performs without remark in the examined areas. The figures for water consumption and equal employment opportunity at hotels from InterContinental Hotel Group on the other hand are not satisfactory and therefore more consistent with the predictions based on the economic development of the country.

As was mentioned in the theory section, the degree to which property rights of investors are fostered has been shown to be an important factor in ensuring sustainable growth (Szilagyi & Batten, 2004). Although this thesis only attempts to analyze six indicators of corporate social responsibility at hotels, and not to determine the level of sustainability in the country as a whole, there appears to be a correlation between the level of property rights and level of performance in the area of corporate social responsibility. The Heritage Foundation's Index of Economic Freedom (The Heritage Foundation, 2006) gives Sweden, Norway, Denmark, Iceland and the UK the strongest scores with respect to property rights, while the scores for Saudi Arabia, Oman, the United Arab Emirates and Egypt show weaker property rights. China scores the worst, while Bahrain's property rights are stronger than the rest of the Middle Eastern region, but weaker than in Europe.

The economy in the UK is one of the strongest in Europe, and the Scandinavian countries are more developed than the other regions in terms of GDP per capita, education and living standards. Although hotels in the UK display poor waste management practices and do not appear to have encouraged association among employees as there are no members of unions in the workforce, some correlation between the economic development of a country and CSR performance at the hotels in this study can be observed.

5.4 Local traditions vs Organizational culture

A discussion about the Middle Eastern society and the aspects that might influence CSR performance cannot be comprehensive without including a discussion about the region's dominant religion, which affects both the economic development and political systems of the Middle East. A distinctive and important feature of classical Islamic law is that it lacks corporate structures and only recognizes individuals (Kuran, 2004). This aspect of Islamic law has been an obstacle in organizational development as corporations cannot possess property, make contracts or file legal claims (Kuran, 2004). In a society where the concept of corporation does not exist, citizens are in all probability not likely to have expectations regarding the socially responsible behavior of corporations. Given the dominance of Islamic law, the performance with regard to corporate social responsibility is not expected to be strong. However, Rezidor Hotel Group has expressed a commitment to the social and environmental ramification of its business and, as was mentioned in the theory section of this thesis, organizational culture plays a role, regardless of country, when it comes to making socially responsible decisions (Vitell & Paolillo, 2004). It is difficult to determine whether CSR performance at the Middle Eastern hotels is somewhat weaker than in the other regions due to the dominance of Islamic law, or if CSR performance is stronger than one might expect given the dominance of Islamic law because of the organizational culture at Rezidor Hotel Group. One might speculate that Rezidor Hotel Group has managed to keep water consumption within benchmark levels at all but two of the reporting hotels in the Middle Eastern region because they realize that the scarcity of water resources in the region and its role in food production has made it a politically sensitive issue (The Guardian, 25 July, 2001). This would be in line with Welford's (2004) findings that companies are influenced by local culture and tend to prioritize issues of CSR that are important in their own country. On the other hand, given this scarcity of water Rezidor Hotel Group could be expected to conserve

water to a greater extent than in regions where water is plentiful, which is not the case. Perhaps the local tradition of not fully acknowledging the water problem in the Middle East affects water consumption at Rezidor Hotels (The Guardian, 25 July, 2001).

Since there is no obvious explanation for the absence of trade union membership at hotels in the UK to be found in the political system or level of development of the country, it can be speculated that the explanation lies in either local traditions in the UK or in Rezidor's organizational culture. Since trade union membership is high at the Scandinavian hotels that could report such figures, and absent in regions where association is forbidden or restricted by law, it seems unlikely that organizational culture alone could cause association to be so low in the UK. A local tradition of lack of faith in trade unions, and resistance to trade unions by employers appears to be a more plausible explanation for the absence of trade union membership at the UK hotels.

6 Conclusions and Further Research

This thesis attempted to determine the impact of culture and local context on CSR performance by evaluating and comparing CSR performance across hotel groups in culturally and geographically diverse regions. Data on six indicators of CSR were collected from hotels in Sweden, Norway, Denmark, Iceland, the UK, China, Saudi Arabia, Oman, Egypt, Bahrain and the United Arab Emirates and evaluated against benchmark levels.

The data from each country were evaluated against Hofestede's analysis of cultures in order to explore potential correlations between aspects of culture and CSR performance. With the exception of the hotels in the UK, the results suggest that Power Distance ranking is inversely correlated with the frequency of trade union memberships. The results also indicate that there is a slight inverse correlation between Masculinity ranking and percentage of females in white-collar positions. The inverse correlation is especially apparent at hotels in Scandinavia and the Middle East.

Furthermore, the results indicate that the political system and level of economic development of a region affect levels of CSR. The Scandinavian hotels overall performed closer to benchmark levels than the Middle Eastern hotels, supporting conclusions of previous studies that show that both the development of a country and its history of social democratic dominance positively affect aspects of CSR.

Since the data obtained from InterContinental Hotels Group were scarce and did not allow for comparison between the two hotel groups, the effect of organizational culture was hard to determine. The data did however strongly support the theory that property rights positively affect levels of CSR performance, and further suggested that local traditions and societal expectations influence aspects of CSR.

The difficulties in obtaining data on certain aspects of CSR proved to be more telling at times than the data itself. The only one of the six indicators of CSR that did not pose any difficulties was data on female white-collar employment. Data on waste production and expenditure on training could only be obtained for approximately half of the hotels from Rezidor Hotel Group and for even fewer from InterContinental Hotels Group. With regard to expenditure on training the main problem appeared to be the unit of measurement, while levels of waste production simply do not seem to be recorded at all hotels. At InterContinental Hotels Group neither environmental activity nor labor statistics are reported globally, which makes

comparison between hotels and hotel groups difficult. Although central reporting of environmental activity is much more advanced at Rezidor Hotel Group, the accuracy of the data was at times questionable.

In order to compare CSR performance across hotels and to track progress it is crucial to have consistency in measurement methods and units, and to have a global reporting system in place. Without a means of comparing performance levels at different hotels, the relative effect of various environmental and social measures is hard to determine, which makes efficiency and success in the area of corporate social responsibility harder to achieve.

The difficulties in determining the effect of various cultural, political and economic aspects on elements of CSR support the view of Birch and Moon (2004) that CSR is a complex notion and that there is no single determinant of CSR.

As it is difficult to draw any definite conclusions about the impact of culture and local context on CSR performance levels without a large data base, suggestions for future research include involving more hotel groups and allowing for more time to follow up with each hotel to ensure accuracy of the data. The inclusion of more regions, such as North America, South America or Africa, and more countries in each region would make for an interesting study. To ensure that the information obtained from the hotels is indicative of their CSR performance, the inclusion of more indicators is recommended. Including indicators to cover more areas of CSR such as community involvement, responsible investments and the health and safety of both employees and customers is also suggested.

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Appendix A   PARTICIPATING HOTELS

Rezidor Hotel Group

COUNTRY	CITY	HOTEL
China	Beijing	Radisson SAS Hotel Beijing
Bahrain	Manama	The Diplomat Radisson SAS Hotel
Egypt	El Quesir	Radisson SAS Resort Hotel, El Quesir
Oman	Muscat	Radisson SAS Hotel, Muscat
Saudi Arabia	Riyadh Jeddah	Raidsson SAS Hotel, Riyadh KSA Radisson SAS Hotel, Jeddah
United Arab Emirates	Dubai Sharjah	Radisson SAS Hotel, Dubai Media City Radisson SAS Resort Hotel, Sharjah
UK	Bedford Birmingham Edinburgh Glasgow Limavady Northampton Telford Watford	Park Inn Bedford Radisson SAS Hotel, Birmingham Radisson SAS Hotel, Edinburgh Radisson SAS Hotel, Glasgow Radisson SAS Roe Park Resort Park Inn Northampton Park Inn Telford Park Inn Watford
Norway	Oslo Stavanger Stavanger Tromso Trondheim	Radisson SAS Scandinavia Hotel, Oslo Park Inn Stavanger Radisson SAS Hotels & Resorts, Stavanger Radisson SAS Hotel, Tromso Radissons SAS Royal Garden Hotel
Denmark	Aarhus	Radisson SAS Scandinavia Hotel, Aarhus
Iceland	Reykjavik	Park Inn Island Radisson SAS Saga
Sweden	Göteborg Malmö Stockholm	Radisson SAS Scandinavia Hotel Radisson SAS Hotel Malmö Radisson SAS Arlandia Hotel Radisson SAS Royal Viking Radisson SAS SkyCity Hotel Radisson SAS Strand Hotel

InterContinental Hotels Group in China

HOLIDAY INN
Holiday Inn Central Plaza Beijing
Holiday Inn Centre Guangzhou
Holiday Inn Centre Harbin
Holiday Inn Chan An West Beijing
Holiday Inn Daya bay & Apartments
Holiday Inn Donghua Shenzhen
Holiday Inn Downtown Beijing
Holiday Inn Downtown Shanghai
Holiday Inn Erdos
Holiday Inn Golden Mile Hong Kong
Holiday Inn Hangzhou
Holiday Inn Hefef
Holiday Inn Hohhot
Holiday Inn Lido Beijing & Apart
Holiday Inn Macau
Holiday Inn North Chongqing
Holiday Inn Riverside Wuhan
Holiday Inn Sanya Bay
Holiday Inn Temple of Heaven Beijing
Holiday Inn Tian An Wuhan City Ctr
Holiday Inn Tianjin
Holiday Inn Vista Shanghai
Holiday Inn Yangtze Chongqing
Holiday Inn Zhengzhou
Holiday Inn Zuhai
Holiday Pudong Shanghai
Resort Yalong Bay Sany

CROWNE PLAZA
Crowne Plaza Beijing
Crowne Plaza Changshu
Crowne Plaza Fudan Shanghai
Crowne Plaza Harbourview Xiamen
Crowne Plaza Jinan
Crowne Plaza Parkview Wuzhou
Crowne Plaza Qingdao
Crowne Plaza Shenzhen

Appendix B   LETTER TO HOTELS

Hello,

My name is Teresa Nord and I'm a student at the University of Stockholm where I am working towards a master's degree in Sustainable Enterprise. I just started working on my thesis, where I plan to evaluate the CSR performance of various European based hotel chains in the Middle East and China and compare them to the levels of their European counterparts. I have been talking to Pia Heidenmark Cook at Rezidor SAS in Copenhagen who gave me your email address and suggested that perhaps you would be willing to help me with the relevant figures for your hotel. I have chosen six elements of corporate social responsibility in the areas of environmental management and labor standards to be analyzed. They elements are water consumption, energy consumption, waste production, equal employment opportunity, employee training and employee organization.

Pia Heidenmark Cook will provide me with figures for the indicators for waste, water and energy, so all I will ask of you is figures for the indicators relating to labor standards listed below, and perhaps a short telephone interview or questionnaire later on.

Equal employment opportunity: number of female workers in white-collar employment as a percentage of total white-collar workers

Employee training: average expenditure on vocational training as a percentage total labor costs

Employee organization: percentage of employees who are members of a trade union

The ultimate purpose of the study will be to explore the role of culture and local context in the performance of CSR programs.

I would be greatly appreciative if you would be willing to help me with the information needed to conduct this study.

Best regards,
Teresa Nord