

# DEVELOPING A SOCIAL RESPONSIBILITY FRAMEWORK FOR BOUTIQUE HOTEL YÖPUU JYVÄSKYLÄ

Paul M. Muthoni

Bachelor's Thesis

November 2011

School of Business and Service Management

Degree program in Facility Management





|  |   |                            |
|--|---|----------------------------|
| Author<br>Muthoni, Paul Muranga  | Type of publication:<br>Bachelor's Thesis | Date<br>21.11.2011         |
|  | Pages: 64                                 | Language:<br>English       |
|  | Confidential<br>( )                       | Permission for<br>web (y ) |
| Title<br>DEVELOPING A SOCIAL FRAMEWORK FOR BOUTIQUE HOTEL YÖPUU JYVÄSKYLÄ  |   |                            |
| Degree :   | Hospitality Management                    |                            |
| Program:   | Facility Management                       |                            |
| Tutor:   | Nuijanmaa Susanna                         |                            |
| Assigned by:   | Boutique Hotel Yöpuu Jyväskylä            |                            |
| Abstract   |   |                            |
| <p>The purpose of this thesis was to develop a social responsibility framework action plan, basing on an empirical analysis on social responsibility management effect on the future competitiveness and development of Hotel Yöpuu. Describing sustainable development in the social perspective and how it relates to the wider body of stakeholder/ business society theory.</p> <p>Qualitative research method is used in the research. Method included interviews and benchmarking other local and international hospitality establishment. The result of this research revealed the importance of social responsibility in an organization.</p> <p>Therefore, ignoring the wider society in the operational, tactical and strategic of the Hotel Yöpuu daily running might lead to stagnation or barrenness of the whole organization. This society whether external or internal plays a great role in business success, and this organization has a responsibility role to play in maintaining and securing the society from which they profit from.</p> <p>The results are applicable in any organization and in this case hospitality establishment regardless of the size, aiming to streamline and operate in a social responsible manner. The framework is drawn from an international recognized standard summarizing social responsibility, effort and actions within an organization.</p> |   |                            |
| Keywords: Sustainable development- Stakeholder's and management- Social responsibility- International standards organization.  |   |                            |
| Miscellaneous:   |   |                            |

## Table of Contents

|  |           |
|--|-----------|
| List of Figures .....  | 2         |
| <b>1 Introduction .....</b>  | <b>3</b>  |
| 1.1 Back ground.....   | 3         |
| 1.2 Research method.....   | 5         |
| 1.3 The purpose of this thesis .....   | 8         |
| <b>2 The Background of Hotel Yöpuu.....</b>  | <b>9</b>  |
| 2.1 Brief history of Hotel Yöpuu.....  | 9         |
| 2.2 Why Hotel Yöpuu.....   | 10        |
| 2.3 Sustainable development in Hotel Yöpuu.....  | 12        |
| <b>3 Definition of sustainable development.....</b>                                    | <b>14</b> |
| 3.1 Sustainable development in the hospitality industry .....                          | 17        |
| 3.2 Benchmarking performance certification in the Hospitality Industry .....           | 18        |
| 3.3 Benchmarking responsibility in the hospitality industry .....                      | 19        |
| <b>4 Developing social responsibility in Hotel Yöpuu .....</b>                         | <b>28</b> |
| 4.1 Social/Stakeholders relation management.....                                       | 32        |
| 4.2 Social responsibility integration and monitoring at Hotel Yöpuu .....              | 39        |
| 4.1 Factors contributing to the success of this social responsibility framework .....  | 42        |
| <b>5 Social responsibility framework assessment and indicators at Hotel Yöpuu.....</b> | <b>43</b> |
| <b>6 The social responsibility framework for Hotel Yöpuu .....</b>                     | <b>47</b> |
| 6.1 Social responsibility key tasks, evaluation and timeline.....                      | 52        |
| 6.2 Conclusion.....  | 54        |
| <b>7 References .....</b>  | <b>56</b> |
| <b>8 Appendices .....</b>  | <b>63</b> |
| 8.1 Appendix 1- interview with Ms. Katriina Pilppula .....                             | 63        |
| 8.2 Appendix 2- interview with Mr. Mieskolainen Matti .....                            | 63        |
| 8.3 Appendix 3- interview with JAPA ry coordinator .....                               | 64        |

## List of Figures

|   |    |
|---|----|
| Figure 1: Simplified history of building and Hotel Yöpuu management.....  | 10 |
| Figure 2: Principles of sustainable development.....                      | 15 |
| Figure3: Kane idea on sustainable development.....                        | 15 |
| Figure 4: International standard (ISO) 26000 core and principles.....     | 30 |
| Figure 5: Balance Scorecard.....  | 40 |
| Figure 6: Social responsibility integrated balance scorecard.....         | 41 |
| Figure 7: Plan, do, check and act (PDCA) method of measuring performance. | 42 |
| Figure 8: Social responsibility assessment framework.....                 | 46 |

## 1 Introduction

*“You can never have an impact on society if you have not changed yourself”, Nelson Mandela (globalstewards.org)*

The attention Hotel Yöpuu has paid to ethics in varying, social, economic and environmental context have become increasingly important as the hotel gains in competitiveness. This thesis considers various social responsibilities in the hospitality industry and attempts to interpret the benefit to the hotel adopting and designing follow-up framework guide for social responsibility.

### 1.1 Back ground

For several years now, social responsibility has been a major issue challenging the hospitality industry. From the 1970s, international conventions and conferences have been formed to find ways through: designing steps and plans to be followed in bringing a balance and win the future. Onwards as companies expand globally they reap most of the benefits of globalization and gain control over much of the global resources.

These international conferences introduced measures and definition for what it means to have a rich world, for instance, the *UN 1972, Stockholm conference* manicured the concept of sustainability, aiming to tackle the human activity in relation influencing on environment. They defined sustainability as: Meeting the need of the present generation, without compromising ability of the future generation to meet their own needs” *Scott (2003, 12-13)*, (a holistic concept based on 3p’s mnemonic principles or pillars which are: social, environment and economic).

The demand on the hospitality corporation to play a greater role in promoting of a welfare society has driven some hospitality establishments to voluntarily subscribe to codes of ethics, certification programs and engage in social aspects that benefit various groups in the society. The stakeholders in these industries have recognized the degrading social living standard, as a multidimensional problem. Focus on Poverty reduction, society access to

education and health care has been on rise, as efforts for finding a lasting solution.

According to the world travel and tourism council (2009) cited by *Ross et al. (2011, 21-22)*, the hospitality industry is the third largest industry on the globe. The industry employs more than two hundred and fifty million people, yet associated with the allegation of misleading the society in their selfish effort of gaining market share, *Sharply, R. (2009, 2,175)*. Such an allegation, for example, Jay Westerveld an environmentalist (1986), cited by *Esty, (2011, 277-278)* linked hospitality industry with green washing practices and their action as white washing the truth over green claims, *Bruno et al. (2002, 77-114)*. As a result of this claim by Jay Westerveld, the trust of the hospitality industry from the society fell with the hotel viewed as not being part of the solution.

Being a medium sized private owned business, Boutique Hotel Yöpuu has daily impact on the society. As the hotel adopts and draws up a sustainability framework in their strategy, there is a need of a guide as an example on which areas to touch first. This could eliminate possibilities of making similar mistakes other hospitality establishments have made in taking a long time to adopt social responsibility aspects. This is where this thesis tries to pave the way, acting as a catalyst to the Hotel Yöpuu and any other hospitality enterprises, willing to boost and speed up their practices.

With regards to sustainability, Hotel Yöpuu has developed environmentally as it will later be discussed. However, developing the concept of social responsibility in Hotel Yöpuu requires a dynamic process that will enable stakeholders to realize their potential and improve the quality of life (in ways that simultaneously protect the earth life support system), *Dunphy, (2000, 5-6)*, *the UN sponsored Brundtland, (1987, 43)* cited by *Elliot (2006, 7-23)*, *sharply (2009, 175-176)*.

This thesis views the society as part of the big picture of business environment, (not as community as the term literally mean) but community and humans as

part of the society/stakeholders beside other stakeholders who will be discussed later.

## 1.2 Research method

When conducting any research there are two methods of approach used in order to meet the researchers goal and purpose in a research. The research method used in this thesis is the **qualitative method**: According to *Denzin, (1994, 2)* cited by *Murray (2003, 2)*, qualitative method is multi-method involving an interpretive naturalistic approach, where the researcher looks things in their natural setting and interpret them. It involves study and use of collective empirical materials, for instance, Focus group, case study, life story, in-depth interviews, history and personal experience. This method is flexible allowing the respondent to describe their experiences and feeling in their own way.

The reasons why this method suited the research was because the general idea was to research and find out, what actions and plans has Hotel Yöpuu raid towards social responsibility and sustainable development. After the benchmark of this particular hotel, the idea was to recommend ways of improving and adding value to their responsibility plan already designed. Meeting this idea required a strategic approach that is; (benchmarking other international chain hotel and selected medium sized scale hotels responsibility action plan interviewing manager of Hotel Yöpuu Ms. Katriina Pilppula, a selected community Non-governmental organization and an organizational performance Auditor).

The second method of research is the **quantitative method**: which is a survey based and primarily deductive process used to test pre - specified concept, construction and hypotheses that makes up theory. Unlike qualitative it is rigid with fixed responses, meaning, though the researcher can use different ways, such as; interviews, phone or questionnaires and the results shown in numerical calculation, *Murray, (2003, 3-12)*. However, this method is not used

in this thesis. The purpose for it to make an appearance in this thesis, is just giving another option as a research method to the readers.

### **Interview question and design**

According to Maxwell (2005, 90-95), good research questions should formulate what the researcher want to understand and, therefore, they need creativity and insight when forming them. Anticipating how the respondent will understand the questions, from researcher own view - point is essential. This could be done through, testing those questions on other people to get their reaction on how they think of the questions, before asking them to the intended respondent. Anticipating also the outcome of the interview is also vital.

The interview questions could take different forms, for example, open – ended questions: where the respondent gives his opinion and the researcher writes down or use a recorder, to analyze the data at a later stage. The interview questions could also contain multiple answers where the respondent is directed to choose which answer fit the situation question. The interview questions could also be semi structured or lastly unstructured questions. For the purpose of this thesis, semi structured interview questions with a fairly open framework was chosen because it allowed for focused, conversational and was a two-way communication.

Reason for choosing this type was for unlike the questionnaire where all detailed questions are prepared in advance, in semi structured interview only few questions acting as a guide are prepared in advance. The majority of the questions in this process are built during the interview proceedings, allowing both the interviewer and the person being interviewed flexibility to probe for details or discuss issues. Semi structure guides the interviewer and the advantage is that it is flexible, effective when discussing sensitive issues, moving with current situation and the interviewees can withdraw a question if he senses repetition, *Wengraf (2004, 4-5)*.



## Interviews

The first Interview conducted was with the Hotel Yöpuu manager Ms. Katriina Pilppula. The purpose for this interview was to familiarize with the Hotel Yöpuu, the Hotel manager understanding of responsibility and the effort they have put in place on sustainable development. The results of the interview were applied in rooting the base and a foundation of this thesis. The interview questioner is shown in the appendices, as appendix 1.

The Second interview held was with JAPA ry coordinators, (a local Jyväskylän Non-governmental organization) Ms. Kankainen Kati and Ms. Sarkkinen Anna. The base of the interview was to reveal the importance and the benefit of Hotel Yöpuu cooperating with such organization and social responsibility programs. Reasons behind selecting JAPA ry was because of the role it is playing in advocating for sustainable development in central Finland.

Through sponsorship of well-wishers the JAPA ry organization is transforming environmental issues connected society living standard improvement. The interview results are shown as a recommendation to Hotel Yöpuu social responsibility framework in cooperating with local non-governmental organization in engaging the Hotel staff in community service, sponsoring and volunteering programs arranged by JAPA ry. The interview questioner is shown in the appendices, as appendix 2.

The third interview was with an expert Mr. Mieskolainen, O. Matti) an auditor of organizational performance and university lecturer. The purpose for this interview was:

- a) Know the procedure of auditing a firm in this case Hotel Yöpuu on responsibility matters.
- b) Learn more on the standard that will later be introduced later in this thesis as a model guide for social responsibility the International standard organization (ISO 26000).

C) Make a self evaluation whether it is of any benefit for performance certification in Hotel Yöpuu. The results of this interview added in the recommendation of the responsibility framework given in this thesis. The interview questioner is shown in the appendices, as appendix 3.

### 1.3 The purpose of this thesis

This thesis aims at designing a social responsibility framework based on an empirical analysis of the question of how far social responsibility has an effect on the future development of Hotel Yöpuu. Describing sustainable development in the social perspective approach and how it relates to the wider body of stakeholder theory. On the completion of this thesis, a framework for social sustainability adding value to the effort Hotel Yöpuu has already put in practice will be presented.

For this purpose research question was designed guiding the direction of this thesis result in a recommended framework on social responsibility that Hotel Yöpuu could follow. Finland is known to have at least the best and steady social care system in practice, therefore, the importance of organizations in Finland engaging and adopting a social responsibility system could be ignored in many organizations and the society in general level and they fail to see the benefits connected for social responsibility.

Therefore, the research question guiding this thesis is: “What are the benefits to the Hotel Yöpuu engaging in philanthropic actions and care for the society?” With this in mind it is important for Hotel Yöpuu to engage in society care even with Finland having a well functioning social care system. The reasons behind this argument in this thesis the society will be viewed in the big picture not only the community or people but also the stakeholders forming the Hotel Yöpuu business family, for instance, organizations, suppliers and the environment.

## 2 The Background of Hotel Yöpuu

The hotel is located at the corner of Yliopistonkatu and Puistokatu in an old romantic stone facility constructed in 1928. The brand name Hotel Yöpuu was formed and created in the year 1988 by Esa and Sirkku Arola (a Finnish couple), when they began operating and managing the hotel and restaurant business during the same year. It is a privately owned Boutique hotel at the heart of the city of Jyväskylä in Finland, now owned and managed by Ms. Katriina Pilppula, who was also awarded the nomination as the entrepreneur of the year 2010 in Central Finland, (*woman of the year 2010*).

The hotel has twenty-six (26) rooms, with each room uniquely furnished according to a special theme. The rooms include two (2) delightful suites, thirteen (13) double rooms and eleven (11) single rooms. The business idea of the Hotel Yöpuu business idea has derived from: being developed as a private business, independent from hotel and restaurant chain. To: offer a unique experience and an incomparable atmosphere, *Hotel Yöpuu website, company presentation by Ms. Katriina Pilppula (2010)*, Hotel Yöpuu brochures.

### 2.1 Brief history of Hotel Yöpuu

The building housing Hotel Yöpuu was constructed in 1928, designed by architect Wivi Lönn. According to the history overview of Hotel Yöpuu displayed on the hotel's website, the constructor and building owner was Jaakko Emil Vehmas (1900-1980). During the year 1988, the owners sold the property to Kerrostyö Company the same year that Esa and Sirkku Arola, started the hotel's operation. Kerrostyö later sold the property to another Finnish company by the name JYKES Inc. The history of the building has changed and taken different forms and management as the figure below summarizes.

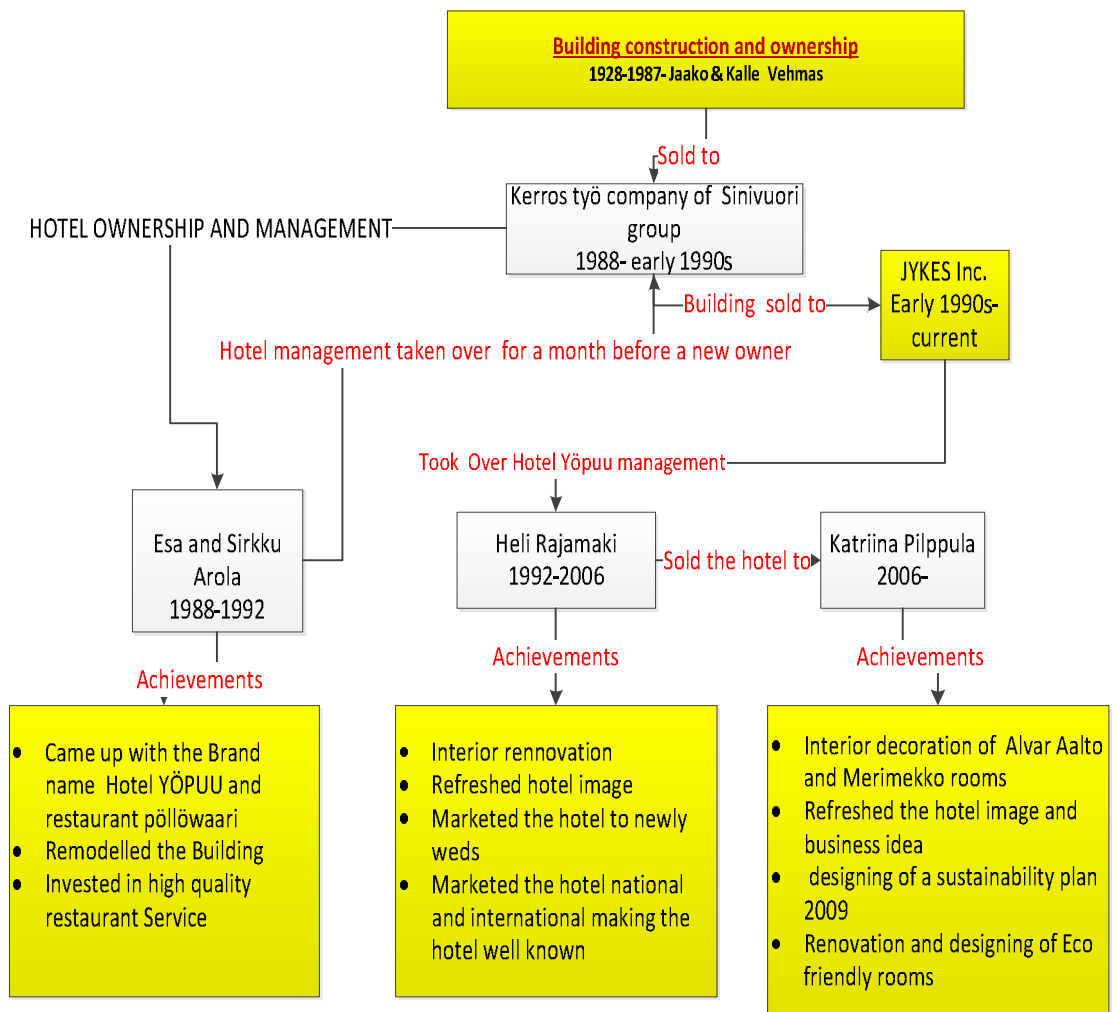


Figure 1: A simplified history of building and Hotel Yöpuu management

## 2.2 Why Hotel Yöpuu

Triggering the inspiration and interest toward this thesis topic for Hotel Yöpuu, was the success of a project in a group of four people. During the third year of study in research and development of facility services course, JAMK University of applied sciences living lab project team, JAMK University of applied science education coordinator and a lecturer (Ms. Kirsti Hintikka Makkinen 2010) and the Hotel Yöpuu manager (Ms. Katriina Pilppula) arranged a task for hotel room development project. The task was to transmogrify the interior design on an existing room (201), from its then state, to an environmentally friendly

state, all this as an attempt of the hotel's manager to join the sustainability activist for a healthy globe.

### **Sustainable room development project Analysis**

This group comprising of four students devoted themselves to come up with solutions that are applicable and satisfying in a real situation. The move was similar to an earlier interior designing project of yet another room (301) in 2010. Unfortunately the recommendation that the accommodation management students gave, were not fully applicable and satisfying. However, the project to renovate room 301 in environmentally friendly state went on ahead with the wishes planning of the hotel manager and the hotel designer.

Avoiding this kind of dilapidated results, the group designed five steps which are simple, easier to follow and are applicable in any situation. These steps enabled the group to meet the manager of Hotel Yöpuu goals and desires. The steps are:

**Observe:** in this step the group reflected on the state which the room was in through valuing what was inside and take note of the measurements. In this step further, the group interviewed the manager of the Hotel to get a glimpse of her requirements.

**Thinking:** In this step the group expanded the requirements to design ways to which they will be met under a given budget of twenty thousand Euros (20,000€).

**Learning:** this was another way of research and benchmarking other hospitality establishment's efforts on green room developments. Further in this step we took the customers journey, in discovery of what it means and feels to the customer on what a sustainable room really mean. This was important in a sense of understanding the end-user or the consumer culture, *Fleisher (2001, 222-226), Slater (2003, 10-13).*

**Sharing:** Coming up with a pack of recommendation we shared with the hotel manager on the action that she had to choose from the various recommendations presented.

**Go getter:** this step was for the manager to turn the recommendation she choose into action and the manager promised to take proper action when renovating the room in spring 2012. More on this step is available in the sustainable room development report 2010-2011 on request to program coordinator.

### 2.3 Sustainable development in Hotel Yöpuu

According to the Hotel Yöpuu manager Ms. Katriina Pilppula (*2011 interview*), Sustainability/responsibility action initiative plan began in 2008: short and long-term plan were developed at the same time. Categorizing the development in to a clear manner they had two part of the plan that is:

Customer side – informing the customer on the hotel goals in protecting the environment and action the guest could cheap in to support the hotel vision on environmental care.

Employee side- goal was to educate and equip hotel employees acting in a responsible way, both in premises and out of the premises

#### **Environmental responsibility at Hotel Yöpuu**

Environment protection initiative began with creation of eco - friendly rooms, (2009-2011), aiming on becoming best practice of the company. This marked the beginning of the Hotel Yöpuu sustainability plan in to action. In addition to the above environmental friendly room, according to the Hotel Yöpuu manager they have advanced in green activities, for instance, engaged plumbers in changing and modifying plumbing pipes and have added pressure on water in the whole hotel to save on energy. The waste management is also in their consideration; product life - cycle and buying from the local to

minimize logistic environmental impact caused during transportation and minimizing of landfill the goal toward minimizing the hotel impact to the environment.

### **Culture sustainability**

According to the Hotel Yöpuu manager, maintaining the building in its original construction form is in itself a culture sustainability pride as the building has been standing from the early 20<sup>th</sup> century being the few stony building operating as a “living building”. Renovating and renaming rooms were also effort of the hotel to retain the influential name, for instance, the Alvar Aalto, room named after one of the most popular architecture in the history of Jyväskylä and Finland in general (*Pilppula interview 2011*).

### **Social sustainability**

As displayed in the Hotel Yöpuu history, the internal society (staff) have had room for improvement, this is reflected by awards that the staff have achieved. Some of the staffs employed during the era of Heli Rajamaki (1992-2006) are still working with the hotel; this shows that the hotel working environment for workers is conducive. In addition to employee retention, they are given opportunity to develop, through issuing free coupons to; movie theater, gift price and develop skills in hotelier’s competitions both national and international, *Hotel Yöpuu website, Pilppula interview (2011)*.

During the era of Ms. Heli Rajamaki, as part of the community service she worked to the closure of the hotel bar, where a notorious gang that terrorized the town used to hang out. Under the management of Ms. Katriina Pilppula development on community services has continued in gaining foundation within Hotel Yöpuu operations, for example, the hotel offer both financial and material support to women in the area, having an entrepreneur mind in settling and establishing businesses. Sponsoring of salvation army programs on poverty eradication within the community, area educational sponsoring, for instance, the conference on (future innovations leading to sustainability) held

at JAMK university of applied science in (March 2011) for student and business organizations, Hotel Yöpuu was the main sponsors, *Pilppula interview (2011)*.

Transforming one/ two room is insufficient to make Hotel Yöpuu socially responsible and the society is not just the community/human. Society in this thesis is viewed in a big picture that will be discussed more into detail later. The world is moving at a high rate, and most small establishment hotel will not survive in the turbulent competitive environment. Being a hot issue, environmental sustainability is “a talk” of every business, soon it will become a norm and will please no one, when hotel claim environmentally friendly. Being ahead of the game to influence the society, gain their recognition and trust is the only remedy for the medium sized hotels survival.

### 3 Definition of sustainable development

According to the Brundtland conference (1987 par 8.7) cited by Elliot (2006, 7), sustainable development is the development that satisfies the needs of the present generation without compromising the needs of the future society [paraphrased]. This development defines the meaning of rich world as maintaining conditions that allows a continued growth in the economy to conserve today's lifestyle.

This includes perceiving the current world order and the consumer pattern of the rich world, thereby integrating social justice, accountability, responsiveness, fair practices, human rights and development at all levels. The Brundtland conference came up with three element supporting sustainable development which are; social, economic and the environment. Their relationship was termed as triple bottom line as the following diagram illustrates, *UNCED gathering in Rio de Janeiro of 1992 Kohl (1992, 2-5), Aronsson (2000, 30-34), Cotts et al. (2010,170) Dunphy et al. (2000, 5), Johannesburg summit on Sustainable development (2002)*.



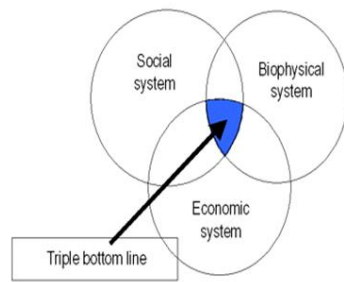


Figure 2: Principles of sustainable development

Sources: UNEP, designed by the *Our Common Future*, WCED, and 1987 UN Brundtland conference.

The author, Kane (2010, 5) further simplifies sustainable development as a process happening between, the current situation and the road to sustainability as the figure below shows:



Figure 3: Kane's idea of sustainable development

Source: Kane (2010, 5)

According to Chiras (2010, 18-19), sustainable development demands policies and actions fostering an enduring relationship among the people (groups) and between people and the planet. This results in creating a sustainable society (state, communities and nation), that requires the social, economic and environmental condition, conducive to harmony and long-term survival. They include:

### **Environmental element**

This is a process of making sure current processes of interactions and behaviors are pursued with the idea of maintaining and safeguarding the environment, pristine as natural as possible. Andrew (2009, 359), defines environment

responsibility as a mean of sensibly utilization of natural resources to prevent degrading the quality of life for the future generation [*paraphrase*]. These natural resources could be grouped into four, these are:-

- a) The air resources (effect of the company on global warming and stratospheric ozone depletion).
- b) Water resources (water usage and release of water effluents and pollutants).
- c) The land resources (land uses and transformation with subsequent impact on bio diversity, direct and indirect release of soil pollutants). Mineral and energy resources (company contribution to the depletion of non-renewable minerals and energy resources).

The environmental element is nevertheless not the focus of this thesis though in one way it touches the society and only the environmental issues affecting the social parameter of business will be focused.

### **Economic element**

They are prosperity's extending from doing what seems, good to presenting new ways of creating a sustainable world while surviving in a competitive business climate. These ways of sustainable world creation includes: ecologically sound economics, well paying jobs that enable society needs fulfillment, healthy stable economics and enabling a self reliance local and regions, *Chiras (2010, 19)*. Global reporting initiative (GRI) defines economic aspect of sustainable development as concerning an organization impact of economic circumstances of its stakeholders and on economic systems at a local, national and global level.

Any company survival depends on the profitability; this element was designed to assess an operational initiative economic sustainability, which will only contribute to sustainable development by ensuring the conditions for survival. Economic element aims to evaluate business short and long - term financial stability and survival capabilities in (financial health, economic performance,

potential financial benefit and trading opportunities) *Chiras (2010, 19-20)*. However, the economic element will not be explored further in this thesis though in one way it might be mentioned as internal social economic element connected to social responsibility.

## **Social element**

This element is termed as social responsibility/sustainability. It refers to an attempt of a business/organization to protect the mental well-being, physical health, encouraging community, treating stakeholders fairly and providing them with essential services *Chiras (2010, 19)*. This element of social responsibility will be discussed into details later in this thesis, because it is the theme of this research.

### **3.1 Sustainable development in the hospitality industry**

Applying the Blundtrund definition, sustainable development in the hospitality industry could be defined as: the ability to sustain the industry or hotel in the long-term, with profits, environmental efficiency and social commitment working in tandem to create long-term developments. It's more than just jumping on the green bandwagon or changing a bulb or two. It requires a holistic approach which will ignite these three principles to demonstrate the integrated nature of their relationship, *Kane (2010, 5-6)*.

The lodging industry began making changes to ease environmental impact in the 1990s, through the introduction of towel laundry choices for guest, installing low flow toilets, recycling and reusing, *Honey (2002, 40-44)*. Upgrades program allowing certification in hospitality and Agenda 21 for the travel and tourism industry emerged in the 90s. However, it is most certain that sustainability is not strongly established/ functioning in the accommodation industry. It is considered an expensive process, which causes adaption of the sustainability principle to slow down, *Schwab (2008, 76-79)*, *Sloan P. et al. (2009, 6)*.

However, Webster (2000, x, 206-209) supports and views this from a different angle, by arguing that the hospitality industry has responded and adapted slowly to environmental issues. The author, support this arguments by proving that from the early 90s (1993) some of the international hotels has seen the light in launching environmental initiative programs. It is therefore a moot question, on the rate at which environmental practices are being adopted into the hospitality industry, *sharply* (2011, 81). Social practices and responsibility are gaining roots in the industry where the international hotels have begun to engage in philanthropic activities as it will be shown later.

### 3.2 Benchmarking performance certification in the Hospitality Industry

Certification refers to the rules of auditing and giving a written assurance that a facility, products and services or management systems meet specific standards. In the hotel industry, certification is based on measuring guest satisfactions through rating quality of price with the quality of responsibility including social, environmental, economic and cultural impacts, *Honey*, (2002, 3-5).

Through the improvement and measurement of process -verses- performance, different hotels have been certified with recognized international certificates awards. Most of this achievements and awards are connected to environmental responsibility. Examples of such internationally recognized certifications are the international standard certification (ISO 9000, 90001, 14000, 14001, 18000, 22000) and the Agenda 21..

However, according to the interview of Mieskolainen (2011) it revealed that there are over 400 organizational performance standard programs in the world. Hence it is for the organization to choose the suitable one to adopt. These certification programs are designed to facilitate sustainability in business management and aims to help companies track their activities based on the three sustainable development pillars and market them to the stakeholders as eco-labels, *Chen* (2010, 170).

The green building standard “LEEDS certification” is an award for business establishments whose energy - saving mechanism and environmental strategies are visible. Already, some hotels have qualified for this award and certified, for instance, the Intercontinental hotel group and the Hilton group, *Leeds reference guide (2009)*, *Honey (2002, 53-55)*, *Houdre (2006)*, *green lodging news*.

The Green globe is another international certification label for Sustainable management and operation, in the hospitality travel and tourism industries. However, according to honey (2008, 47) this certificate has not gained popularity in some of the regions in Europe, for instance, in the Scandinavian countries, (*green globe*).

In Finland the equivalent certification to ISO 14001 is the eco-compass issued by eco compass (Helsinki) and EMAS issued by LRQAI Finland. GLO hotel (Espoo), Helka Hotelli, Hotel Anna, Airport hotel and Bonus Inn are already eco-compass certified. This is in recognition of their positive continuous environmental issues and services handling.

The Nordic swan is a certification which is well recognized in Scandinavian countries and is awarded to companies wishing to market their products /services as environmentally friendly, *Honey (2008, 42)*. Hotel Haaga is among the hotels in Finland already certified with the Nordic swan, *Hotel Haaga (2011)*. The Scandic Hotel Jyväskylä, the hotel has attained a level three (3) certification of the Nordic swan. This certification was based on the impact on environment, community, cultural heritage, local economy and sustainable tourism practices in Scandic Hotel in Jyväskylä, *Scandic Jyvaskyla (2011)*.

### **3.3 Benchmarking responsibility in the hospitality industry**

This benchmark will be based on what these industries have displayed, and have publicly declared on their websites. This responsibility benchmark will concentrate on sustainability (responsibility to environmental, energy management, performance certification) and the efforts these establishments have put in place for social responsibility.

There are many hospitality establishments worldwide and many have excelled in this area of responsibility. However, in order to have a clear picture this thesis selects five (5) establishments mainly: two from the international chain hotels and two from the medium sized private hotels.

### **The International chains hotels**

The purpose for this benchmark in this hotel chains is to reveal social responsibility of these establishments. The reasons for choosing this chain hotel is based on the role they have played as market leaders in the hospitality industry. The results from this benchmark could be of benefit and qualify in guiding during the drawing of the recommended social responsibility framework for Hotel Yöpuu.

### **Fairmount hotel chains**

It is an international Canadian based operator of Fairmount chain hotel operating in eighteen (18) different countries. Their business idea is “Turning moment into memories” and their vision, pride and plans towards responsibility is to be the “heart of their communities”.

**Responsibility on a general level:** They introduced the environmental responsibility ahead of other chain hotels in the early 1990s. They have continually supported their responsibility commitment plan on environmental stewardship by focusing on water, energy and waste management.

Introduction and a commitment plan to responsible tourism is one area they have excelled in encouraging responsible operations. Recently they introduced a hybrid rooms as a sign to supporting a healthy globe.

From the year 2002 the hotel brand has continually received awards on responsible tourism, environmental strategies and energy management awards and this has boosted their market share in the hospitality industry. The green partnership programs, for instance, worldwide fund for nature (WWF) and

climate saver are some of the initiative they have put in place, *Fairmount hotel and resort (2011), Houdre (2008)*.

**Social responsibility:** Fairmount hotels have committed to guest and community education on benefit of acting in a responsible manner. They are committed to charitable programs supporting the secondary and post-secondary hospitality education for the community from which each of their establishment is located. Encouraging programs such as health and youth supporting programs in their entire establishments is their long - term plan and vision.

Supporting the local community economically through purchasing product from the local merchants and using locally manufactured products.

Collaborating with the community development organization through donations and encouraging their employees to volunteering and fund raising programs offered by such organization in different localities of their hotel establishments all over the world.

The hotel chain is also part of the Global Reporting Initiative; a program designed to accountability and responsibility declaration, which is similar to the international standard (ISO 26000) in core and principles to be discussed later. From their websites they have displayed their plan for action on responsibility and under this benchmark of this hotel chain it could be summarized that they are acting in a responsible way through communicating and making their idea known.

### **The Hilton hotels and resorts group**

This is an international group of hotel chain with eleven (11) different brand hotels and more than five hundred (500) hotel establishments worldwide. The chain business idea is “discover a world of possibilities” and their responsibility vision and pride is; “light stay bright tomorrow” , *Hilton hotels (2011)*.

**Responsibility on a general level:** they have committed themselves to innovation benefiting the environment, their team and all stakeholders. On the matters concerning the environment, they have devoted themselves to reduction in energy, waste-output, water and carbon footprint. Every year they involve external auditors in validating their progress concerning this area of environmental responsibility.

So far the reduction of the emissions and impact is not up to ten percent (10%), therefore, they have made a declaration that by the year 2014 they aim to reduce their impact on the environment on this particular area by ten percent (10%). In further support of environment the hotel chain is devoted to space management and cost effective construction and design of their hotel premises now and in the future. The hotel has attained several green certificate awards such as: green seal in 2010 and worldwide fund for nature (WWF), *Hilton hotels (2011)*, *Houdre (2008)*.

**Social responsibility:** according to their websites Hilton Hotel chain believes in giving back to the regions from which they operate. Their goal in giving back is contributing to the growth of the communities by investing in organizations and rethinking their business operation in generating positive local impact *Hilton Hotels (2011)*, [paraphrase]. Their focus area in social responsibility is supporting the communities and in support of this, each year they have committed more than twenty (20) million dollars for community projects in areas they operate from and team/employees volunteering.

They have made a commitment in creating equal opportunities to communities, customers, business partners and their team members. Celebrating cultures in supporting local heritage initiatives and enriching and bring cultural exchange among the different stakeholders. Educating the stakeholders on responsible living and giving guidelines is their vision towards winning a space for tomorrow's society. The Hilton hotels are also part of the global reporting initiative (GRI), *Hilton hotels (2011)*, *Houdre (2008)* *Global reporting initiative (2009)*.



## **The Intercontinental Hotel Group (IHG)**

This is an international chain group comprising of seven (7) different hotel brands with more than 4000 hotels worldwide. Their responsibility vision and pride is “conserving our planet” *IHG (2011)*.

**Responsibility on a general level:** the IHG responsibility plan is divided into four sections namely; innovation, environment, collaboration, and community. Responsible innovative hotel of the future that is environmentally friendly is their main goal for securing a hopeful tomorrow. Their global efforts are to return part of the profit to the community from which they profit from, through programs designed to improve the environment such as plant for the planet they have managed to plant more than a billion trees in conserving the environment and natural forest, for instance, the Atlantic forest.

Under energy management, they have been rewarded with Leadership in energy and environmental design (LEED) certification for green engage and energy saving in the United States of America. In 2010 in the United Kingdom they were awarded carbon trust standard for being proactive in carbon management. According to the hotels websites, they were the first company hotel to be awarded and receive the endowment for an existing hotel program the LEED certification, *Intercontinental Hotel Group (2011)*.

**Social responsibility:** collaboration and community development are their plan towards responsibility to the society. Cooperating with key stakeholders in natural corporate behavior and use their feedback to improve on corporate responsibility communications. Involving the stakeholders in survey, meeting and interview on issues such as climate change, energy efficiency, carbon footprint, community support and availability of skilled workers are efforts the Intercontinental Hotel Group have put in place aiming to improve their responsiveness.

Depending on the brand locality IHG are determined involving their employees in raising fund and contribution to various chosen organization. In support of

their employee, Intercontinental Hotel Group every year, run a program in awarding scholarship to ten employee's children. Other scholarship program available in different brands under Intercontinental Hotel Group includes; the scholarship programs in support of women and the minority student in education, that is; the college fund sponsorship.

The Intercontinental Hotel Group (IHG) involves customer who holds bonus cards in donating points collected to Non-Governmental Organization such as; united nation children fund (UNICEF) and the Red-Cross. Intercontinental Hotel Group cooperate and collaborate with different society organization, (for instance, the Care International) in the fight against poverty, injustice and are involved in disaster relief in more than 70 countries. The Intercontinental Hotel Group global effort is to return part of the profit to community which they serve.

Accountability actions through efficiently communicating to stakeholders in updating web-page quarterly on sustainability/ responsibility, effort and achievements annual reports, are measures taken in informing the society know on what is happening within their brands. The Intercontinental hotels group is a member of Global reporting initiative (GRI). According to the company website, their efficient communication responsibility reporting has gained to them more than seventy (70) points in global reporting initiative. This in return has positioned them as market leaders, in reporting responsibility actions in the hospitality and accommodation industry, *Intercontinental Hotel Group (2011), Houdre (2008)*.

### **Conclusion on international hotels chain benchmark**

Being concerned with the responsibility action is vital for the hotel leadership; therefore, the stakeholders have a role to play in the popularity and success of a brand. Maintaining these stakeholders in a strategic way similar to these hotel chains, could be a suggestion to Hotel Yöpuu in handling their stakeholders aiming at better relationships with them. It is important to note, not all these philanthropic actions are applicable in a medium sized Boutique

hotel such as Hotel Yöpuu. This is because most of this chain and large-scaled hotels have strong economic background, and most of them are managed by shareholders.

### **European medium sized private hospitality establishments**

It is important to focus on the medium sized hotel in find out whether similar actions are functioning within their operations as it is with the chain hotel. Many hoteliers in Europe are environment oriented, for instance, they are investing heavily in energy - saving, green purchasing, carbon reduction and waste reduction. The Hospitality management association in Europe is focusing much of it attention to provision and development of best practices and guideline in the industry, *Sloan et al. (2009, 6-9)*.

The author, Honey (2008, 47) support this phenomena and efforts about this Hospitality association Europe proving that almost eighty percent (80%) of Eco – label in the world are operated in Europe. This benchmark similar to the above will focus on the same areas of sustainability in general and try to find out how social responsibility is exercised in these hotels. Selecting these hotels was based on the Eco-hotel in Europe report home page, they include:

#### **Hotel L, Orri de Planes**

This is a twenty six (26) room family owned eco-lodge hotel in France. The hotel operate in an old stone and wood farm house

**Responsibility on a general level:** they have well laid Eco-policies in reducing environment impact by investing in clean energy sources such as solar energy in controlling their energy use. Other effort toward environmental responsibility include; installing water saving gadgets, waste management and reduction, buying product and raw materials from local farmers and manufacturers.

According to the “Laclefverte” a standard auditing company in France, in 2010 the Hotel L, Orri was rewarded with the first international environmental label for

tourism and accommodation Certificate” The Green Key award (**Clef Verte c'est**). The hotel has recently embarked on a plan in serving organic food in their premises. Furthermore, the hotel websites offers tips and declaration plan to stakeholders, on issues connected to environmental responsibility, *L Orri (2011), Laclefverte (2011)*.

**Social responsibility:** their main concern on the society is that they are working in raising consciousness of environmental issues facing the society. In raising this consciousness they cooperate with the local schools, the local community development organizations, the public administration and conversation with their guest on how to have and maintain a rich environment with sufficiency for future generation. This hotel cooperates with green suppliers to empower their vision to social responsibility.

### **Stratton’s Hotel and Restaurant -UK**

This is a small family-run Boutique hotel located in England, Swaffham town market with fourteen (14) Boutique stylish suites. They operate in an old building that date back it construction in the late year 1790s, *Stratton’s (2011)*.

**Responsibility on a general level:** the hotel responsibility slogan states “is hard to do”. Environmentally the hotel was the first hotel according to their websites, to receive the Prestigious Queens award for outstanding environmental performance in the year 2000. For the past seventeen (17) years the hotel has backed a plan on involving the local architecture for hotel renovation, with the traditional lush material and imposing architectural features. They have a well raid environmental mission statement, based on 8Rs which are: Reduce- Reuse- Recycle-Rethink- Rationalize- Rework- Recover and Responsibility.

The hotel has attained different awards from the year 2000, for instance the Green Globe certificate in 2003, National Green Award in 2007, Sustainable Tourism Award and fifty nine (59) other awards in the time span of eleven years from the year 2000- current (2011). The current Gold Star Award 2011

awarded to them on basis of green tourism shows their continued commitment of the hotel in responsible action. Further they utilize the talents from their employees by involving them to audit the responsibility practices within the hotel and define ways of reducing hotel impacts to environment. In summarizing this, the hotel is worth the certificates and awards and this could serve as an example to Hotel Yöpuu that it is possible for them attaining standards of this kind in their mission statement on responsibility, *Stratton's (2011)*.

**Social responsibility:** they are committed in educating and communicating their vision to all stakeholders on matters connected with responsible practises and operations. In their economic mission they devote to operate the hotel in a financial sustainable way, increasing value for their stakeholders and expanding opportunities for development and career growth for their employees.

Purchasing products and raw materials from the local producers and farmers has generated much support to the community since the area to which the hotel is located is well- known for as an area where communities have suffered from social and economic deprivation. The hotel has encouraged and supported projects within the local communities, for instance, through encouraging and supporting with proper tools the organic farming and later the hotel purchases those raw materials from them. This has enriched the Stratton's community since the community has become suppliers of the hotel, *Stratton's (2011)*.

The Stratton Hotel encourages their guests and visitors by influencing their buying habits through promoting local product, artefacts and craft works from the local producers. The Stratton stakeholder's mission and vision are treating all stakeholders with respect. These stakeholders include: guests, local people, suppliers and colleagues, through nurture, training and communication. The hotel declaration is a continuous work and development of sustainable policies with the community and the tourism groups, whom they have established as

working partners. These tourism groups are: The Brecks Tourism Partnership, the Swaffham Tourism Association, the Norfolk Wildlife Trust, the Norfolk Tourism and the East England Tourism.

On social responsibility awards, the hotel has attained winning award as the best employer. This could be evident from awards won by their chefs in four consecutive times. The hotel has also been awarded with a corporate social responsibility award in 2007: this is because of their society improvement commitment, *Stratton's (2011)*.

### **The Conclusion on medium sized private hotels benchmark**

There are many medium sized hotels in Europe, but this thesis concentrate on two medium sized hotels because of their well raid strategies on responsibility and society management. However, there are several medium sized hotels whose mission on responsibility declaration vision and mission on environmental is publicly displayed, but in particular no action on society responsibility declared. Such hotel include: the Oekotel Hamburg hotel Germany, the Les- Cygnes Hotel in France, the Apart Hotel and the Albir costa Blanca in Spain.

These hotels just to mention may play a role in guiding and assuring Hotel Yöpuu that a responsibility planning and declaration level is attainable. Benchmark from the two hotels especially the Stratton's Hotel; it is beyond reasonable doubt that it is a small hotel, yet with a bunch of achievements. This gives a clear picture on the areas that Hotel Yöpuu could focus on, in practising their mission and vision statement on social responsibility. The Stratton's Hotel could act as an example to the Hotel Yöpuu, in approaching the future in a different dimension with an attitude of possibilities.

## **4 Developing social responsibility in Hotel Yöpuu**

Anderson (1989, 5), defines society as a group of people having a certain common similar goals and objectives. Due to the wide nature of this society they are regarded as the stakeholders, who play a greater role in the business life, [paraphrase]. This concept of social responsibility usually known as social sustainability or social responsiveness has different meaning for different stakeholders. From the definition of the society, social responsibility therefore, could be termed as the way to handle or manage stakeholders in a better way where both the business and the stakeholders benefit. It is a corporate investment that will result to long run corporate profit and not a corporate expense, *Anderson (1989, 7-8)*.

According to the International Standard Organization (ISO 26000), social responsibility is not merely a neutralizing action applied at the end of production/distribution to fix what has been generated or displaced. Rather, it is a proactive mind-set that should be incorporated across all levels of planning, execution, and the stakeholder interaction. It is the obligation of an organization management towards the welfare and the interests of the society at a locale they operates (*International standard organization ISO26000*).

### **The International social responsibility standard, (ISO) 26000**

Released in November 2010, this standard offers guidance to business and organization concerning matters on social responsibility, (*ISO 26000*). Unlike other standard, it is just a guide and not for certification. This could be for the reason that unlike quality or environmental performances which can be broken down into quantitative metrics social responsibility cannot be broken down. It has important qualitative components that cannot be easily captured or calculated into numbers [paraphrase] *Werther, (2011, 307-309)*.

This performance standard (ISO 26000) encourages doing more than satisfying the customer or environmental concerns. It calls for socially sensitivity through summarizing the best corporate social responsibility practice in the business establishment. Hotel industries are still working on how to integrate social responsibility fully in their operation.

However, few hotels groups and chains, for instance, the Hong Kong and Shanghai Hotels, the Peninsula Hotels, the Intercontinental Hotels Group, the Jumeirah Group in (Dubai, the United Kingdom and in the United States of America), the NH Hotels (Holland), the Rezidor Hotel Group, the Marriott International and the Sol Melia, have adopted the internationally accepted reporting mechanism for social responsibility the Global reporting initiative (GRI). Global reporting initiative (GRI) as discussed above has similar cores and principles to the international standard the ISO 26000, *global reporting initiative (2009/2010)*.

### The International standard (ISO 26000) principles and cores

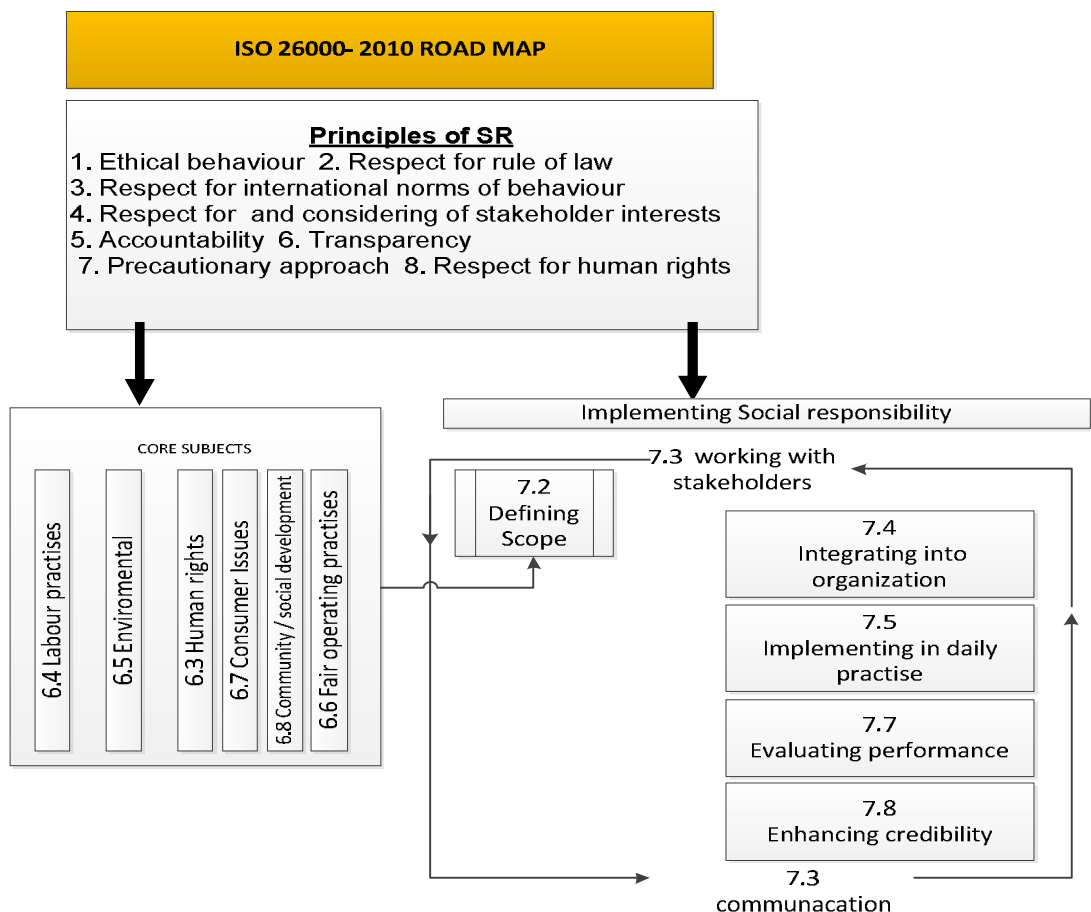


Figure 4: International Standard Organization (ISO) 26000 cores and principle

Sources: *International standard organization*



These principles are not meant just for informing the society (stakeholder) of what is happening in the premises, but also knowing what is important and beneficial to them. Hotel Yöpuu could accomplish this through; Involving the stakeholder's participation in recognizing the value they share and converting those values into series of material and dialogue circle for discussion in the annual statement, [paraphrased] *Lazano (2009, 173)*.

### **Stakeholder's relationships with Hotel Yöpuu**

The stakeholders as seen above are people or groups with which Hotel Yöpuu interact with directly or indirectly or the society. In nature, the hospitality industry is diverse having multiple stakeholders such as; (the employees, customers, suppliers, and the government), hence the environmental impact such as: (water usage, energy consumption, carbon emissions and climate change), making social responsibility particularly relevant. These stakeholders could be classified into two major groups mainly: External and Internal stakeholders, *Caroll (2009, 27)*.

The society (stakeholders) response to hotel development and value depends on the nature of perception, behavior and range of influences within its marketing environment, *Belz (2010, 127)*. These developments are subjects to the society/local reaction on the hotels (integrity/ honesty, care, freedom/liberty and honor) practices. If the local community recognizes the social benefits from the hotel they perceive a good reputation and support the hotel resulting to destination promotion and development, [paraphrased] *Tribe (2000, 39-44)*.

### **External stakeholder**

These are groups of people who influences and are influenced by an organization but they are not part of it, they include:

**The government:** its key reason in the realm of polity, central concern and process are participatory, democratic governance and rule-making, to secure

human right of all citizens including justice and equity. The hotel needs an understanding to the role of the government, as an external society since they represents the public and governance.

**The Communities /civil society:** Their major concern is to the natural environment, welfare, health and the economy. Civil society acts in the realm of culture, social concern and development of social and spiritual capacities of human being (to show clarity and coherence of values, advancing the frontiers of knowledge and advocating of public interest). Other external stakeholders include; financial institution, union's activist groups, suppliers, competitor's and the media, *Enz (2010a, 21-25)*

### **Internal stakeholder**

These are individuals who reside inside the company benefiting directly from their contribution to the growth of the company. They include owner/ investor and hotel staff playing a bigger role. Recognizing their participation in social responsibility process is important and could be done through: education, training, solving workplace issues, privacy, safety, health, fair treatment, mentorship, talent development and involvement in community development is crucial to the process success, *Enz (2010b, 12-13)*

## **4.1 Social/Stakeholders relation management**

### **1. Company staff and labor management**

A fully integrated strategy will create pleasant working place, for the staffs, leading to an increased commitment to the company. Integrating programs such as community service and involvement to staffs, will not only improve the image of the Hotel but also will create motivation amongst the employees, *Edelman report (2010)*. The number of staffs is not a matter of discussion, every staff possesses creativity. Therefore, tapping in their value and creativity could be done through different strategic plan as described below for hotel development:

Engaging each member of staff in responsibility issues, in such a way that the employees are aware and contributes to areas of changes and improvements. This awareness will not only improve the hotel practice, but also the employee's sustainability awareness outside the premises, *Baum (2006, 106–108)*. Organizing group activity for staffs, for instance, in raising money for a staff-selected charity in the local community is a way of involving staff in recognizing the need and raising awareness of the surrounding amongst themselves. This enhances team building and amplified brand trust.

Communicating with the staffs on the achievements attained, continued recognition and appraisal programs, could boost employees morale leaving them with a sense of belonging within the organization. Arranging seminars or retreat for the purpose of staff education and knowledge on sustainability could also add value and make them feel proud to be associated with their work place in this place Hotel Yöpuu, *Kane (2010, 38-39), Muller (2011, 208)*.

## **2. Staff training**

Staff training is a relevant indicator to corporate or establishment social responsibilities, as it provides information on the hotel/organization's commitment in maintaining and improving human per capital (*Global initiative, 2006*). Furthermore, contributing to employee satisfaction and skills enhancement can influence areas of social performance, for instance, fostering of equal opportunity in the hotel/organization could improve productivity of the workforce.

The OECD of 2000 (*employment and industrial relation section*) article 2 (d) the ILO declarations on fundamental principal and right at work 1998 (principle 6) support this as part of development of the society and the company.

Further the OECD guidelines for multinational enterprises *Section IV, article 5 (OECD 2003, 168-170)* states that;

“In their operation, to the greatest extent practicable, they should employ local people and provide training with a view to improving the level of

skills, in corporation with employee representatives and when appropriate relevant governmental organization”.

Concerning the vocational training in the development of human resources, article one (1) of the International Labor organization (ILO) convention 142 (1975) cited by Servais (2009, 89) states:

“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”

### **3. Fair practices and consumer issues**

#### **Suppliers**

The hotel’s interaction with the customers and the suppliers could assist in building a strong sustainable development both within and outside the establishment. Shifting from green customer- green retailers/ suppliers and purchasing more from the locals and trusted retailers, looking into durability, cost and recycling of all product and service. Extending the actions to suppliers and having them sign a supplier declaration is an attempt to keep the sustainability alive, for instance, the Scandic Hotel have taken such move, by making their suppliers sign the declaration that state they operate according to principles of sustainable development, *Conrady (2011, 87)*, *commission for European community (2008)*.

#### **Media and communication**

Provided that strategies are intelligently and effectively communicated, the media has a role to play in communicating this to the audience and the society. At this point, a fully integrated sustainable strategy could assist in this, regardless of the natural suspicion over 'green' or 'sustainable' policies, *Hurd et al. (2008, 160-162)* [paraphrase]. Press coverage is part of the stakeholders affecting the business functions either positively or negatively. The media

plays an important role in shaping public opinion; managing these opinions and media communication relationships carefully is the key. The reason is that media mostly focuses on the negatives side of the information rather than the positive side.

The external and internal communications are vital for the hotel success.

Internal: the communication within the hotel and External: provides knowledge to the society of what the company is doing in form of: newsletter, annual reports or brochures, *Hurd et al. (2008, 160)*. Communication between the hotel sustainability action and the society is important in enlightening society/customer on hotel effort and media is one of the channels for this purpose, *Godemann (2011)*.

The media keeps the society well - informed, managing this relationships call for more than charity donations. Participating in community and social development projects perceive a positive image of the hotel to the society that goes a long way in attracting the community support, both the potential and current customers, *Hurd et al. (2008, 160-198)*.

Hotel Yöpuu web page: the internet emerged as a "gale of creative destruction" which have overturned the rules of the game *Muller (2011:24) [paraphrase]*, humans has become a social society, where passing of information through internet is increasingly common. For these reasons, the hotel website being a form of media (social media), and need formatting into sustainable state: simple, informative and educative to the society, *Stamm (2008)*.

According to O' Connor and Frew, (2004) cited by *Frew (2005, 350-352)* the internet has enable many hotels and hospitality premises to sell their rooms and services. It is through this means of communication that the customer has found his way in different hospitality establishment through online booking and reservation. This means that, hotel websites could contain sufficient information that is helpful to the customer making a purchase. Observing and

benchmarking the current state of the Hotel Yöpuu website as at November 2011, it is appealing but lacks communication clause on responsibility operations of the hotel thereby perceiving an "old school" altitude toward the hotel from the online lookers.

From the hotel benchmark above, numerous hotels websites are informative, educative and lay a commitment vision and mission statements on their responsibility. Many of the hotel and companies are using their websites in communicating their responsibility and offering helpful tips on health, sustainable living and environmental responsibility to the society, *Godemann (2011)*. Communication via social media like face-book or twitter could contribute to development and Hotel Yöpuu could use this free form of communication to reach to the society advocating change and healthy living, for instance in reaching out to young people.

#### **4. Environment as a stakeholder**

Cud-worth (2003, 2-4), describes the relationship between the society and the environment. He defines the environment in the context of social aspects, as the context providing condition for the existence of the human being and the society. This means that a well-managed environment could provide goods and services that are both essential for the society well-being. Preventing pollution to the environment (through implementing: reuse, recycling, implementing responsible supply chain and green purchasing) and focusing on the total lifecycle (TLC) of the product and service with an aim of reducing landfills could be raid down as a plan towards responsibility practices.

The OECD guidelines for multinational enterprises (*section V article VI B*) urges companies to seek and improve their environmental performances via encouraging development of products and services that are efficient in their energy consumption and natural resources. Achieving these OECD guidelines requires the hotel to: invest in environmentally friendly products and raw materials, as a long- term goal not just in few rooms but aiming at

transmogrification of the entire hotel. Since it's a long – term vision, the essential thing is probably ensuring the hotel policies are concrete, not exaggerating environmental claims for this could damage Hotel Yöpuu reputation and all their efforts turned to green washing, *Honey (2002, 320- 322)*.

Kick - starting this process therefore; it is imperative for Hotel Yöpuu be certified if possible, at least with a national certificate on environmental responsibility performance. By doing so, they will have attained a foundation for declaration acting as an achievement, monitor and a goal. The purpose of the certification is to streamline the operation and keeping responsibility active. The international certificates could be expensive for the hotel to acquire and maintain, but as the results from medium sized private hotel some have opted standard that are recognized on the market in their country rather than International standards.

For the Environmental performance could be performed by any organizational performance auditing companies that offer the best services. This just to name a few available in Finland is the Eco -compas Helsinki, Det Norske Veritas and the LRQAI Finland. This could act as a base to the campaign on sustainability and a strong foundation to lean on.

## **5. Community service and involvement**

The community could be described as the mirror reflecting the company personality back upon itself and therefore determining the employees within the company attitude, *Chaskin et al. (2001, 6-8)*. This will be discussed further in details later.

### **Customers**

The public onus has shifted to an expectation that businesses in the hospitality industry will have environmental policies in place. This is clearly shown in a study by *Edelman 2010* on consumers that seventy percent (70%) are willing to pay more for a brand that supports a good cause. Although statistics such as

these do not necessarily translate to purchasing decisions, there is a rising expectation among the consumers that businesses have environmental and social policies in place.

The customers insist more today than before from the companies they interact with or purchase from. Good services, products and an attractive environment are as important as before. However, there is a growing expectation that companies should give back to the community and take responsibility for their action, *Edelman reports (2010)*.

## **6. Innovations in social cultural integration**

Soft innovation could distinguish Hotel Yöpuu from other accommodation industry and make it more competitive. This innovation is not a technological one, but in the pursuit of social, financial and business relationship *Belz (2010, 163)*. Service innovation necessarily not in new, but blending the old culture service form with existing one. This could be in form of traditional attires or cutlery in service of the Jyväskylän Finnish menu.

This could bring Finnish tradition active and back to life. An example, when dinning an Asian restaurant, the guest learns more about India because the restaurant owners have blended their culture traditional practices in their service, from the music - restaurant ambiance -service design all create a "*sense of being in Asia*". This applies to any other culture, culture history is for keeping not reading, this can add value and increase in market share where visitors/ locals come to get the feeling of forgotten tradition and create a story in the mind of the guest.

The culture is what distinguish person to another and makes him/her unique. Finnish culture could be a tool to transform and distinguish Hotel Yöpuu with others as culture sustainability center.



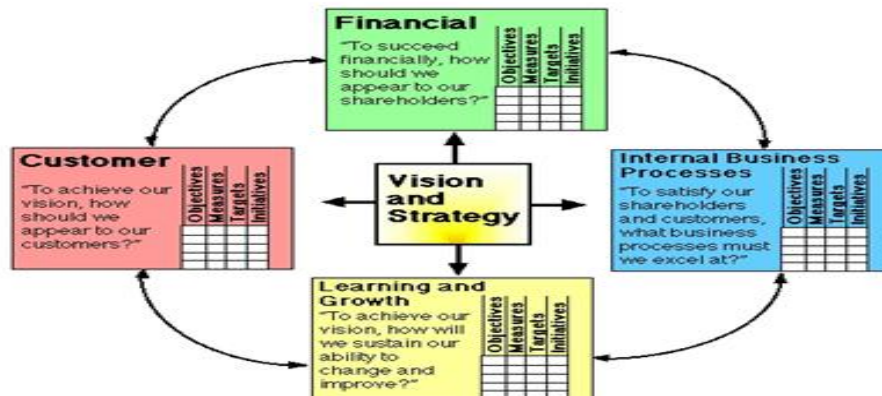
## 4.2 Social responsibility integration and monitoring at Hotel Yöpuu

According to Houdre (2006, 1), international corporation that integrated social responsibility otherwise known as Corporate social responsibility (CSR) in their strategies, have joined under various indexes or adopted global principles. However, most of the hotel companies had not yet embraced the idea at the time they were defining their strategies. Although in one way or another they had mentioned on their environmental concern and efforts toward sustainable development.

Developing social responsibility as a culture in the hospitality sector could help turn in to a win - win situation, thus benefiting the society and the business. According to Conrady (2011, 281-288), social responsibility could facilitate and act as a sustainability development tactic leading to sustainability. Developing and implementing this responsibility is not an option, but a necessity for the hotel survival in turbulence business environment.

Establishing areas of “mutual interest” between the business strategy and the stakeholder interest is vital, for the integration to root in the hotel. The place of integration could be termed as: “the sustainability sweet spot”, where the pursuit of profit blends seamlessly with the pursuit of the common good *Savitz, ett al. (2006, 23-28) [paraphrase] and Honey (2002, 21-26).*

Identifying this spot in the business operation requires a system similar to the performance measurement model developed in the 1990s, known as the Balance scorecard. This model was for monitoring business performance, measuring input against output impacts and the results of organizational efforts in development.



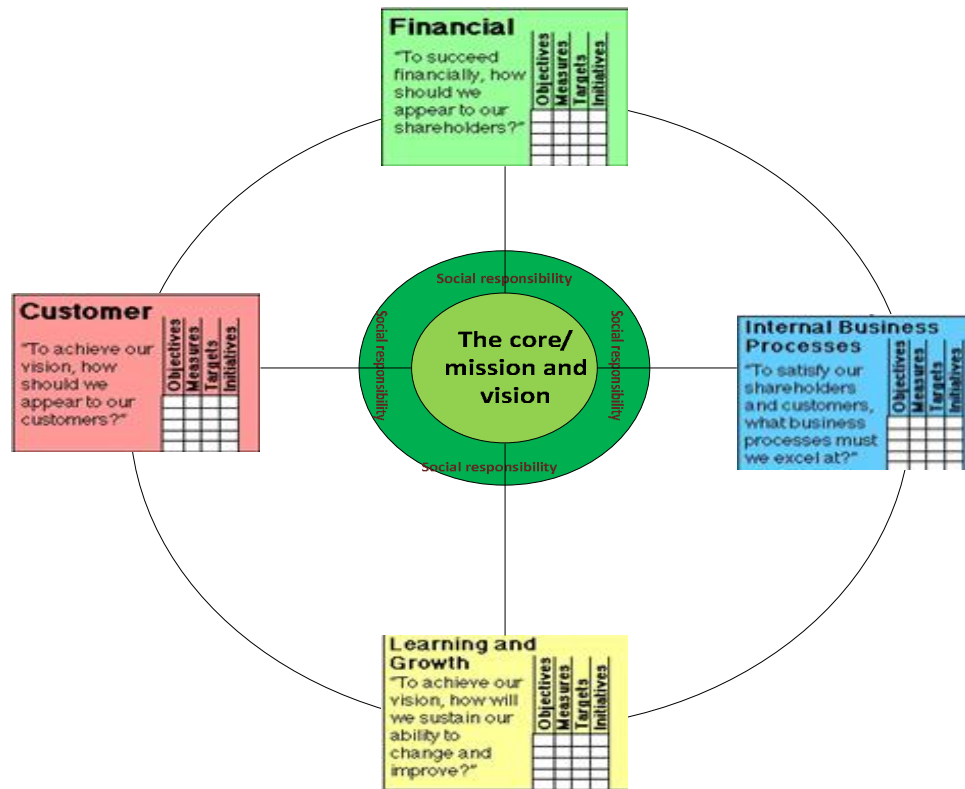
**Figure 5: Balance scorecard**, Sources: Kaplan, S. Robert, Norton, P. David (1996, 9)

This model of measuring performance aimed to develop metrics, collecting data and analyzing it, relatively to four perspectives. In terms of quality, Balance scorecard is recognizable, easier to use and uses all common factors of a good business model. Hence, this model lacks ways of carrying out sustainability or evaluating business responsibilities and yet many businesses still continue to use it as a measurement standard of business performance.

This model focuses only on success of an organization in terms of operation and management; as a result it has created revolutions of degrading standard of living. This could be evident from the pattern the hospitality establishments have gone miles ahead in pleasing their guests to a point of compromising and being connected to green washing. Therefore, cutting through these pillars to find perfect space for the sustainability sweet spot, is necessary so to integrate sustainability in Hotel Yöpuu hotel strategies in form of corporate responsibility.

These social responsibility integrated pillars can improve corporate responsiveness perspective within Hotel strategic planning process, Werther (2011, 41). This way the hotel will benefit the society, as a value to influence its competitive context, through engaging in activities such as strategic philanthropy. This integration means that; any action taken is directly related in the core operation and hotel philosophy, therefore, It must become a routine to the core business planning and development, Conrady (2010, 96).

The diagram below is an example of the Hotel social responsibility implemented Balance score card. The core mission and vision is: extending responsibility to all stakeholders and using the same measure of measuring progress to measure and monitor, the level of hotel responsiveness practices.



**Figure 6: Social responsibility integrated balance scorecard**

It is important to note that this thesis is not attempting to discredit or rule out the balance score card, it was formed by professionals and cannot be ruled out as a failed model because it has been tested all over the world in the area of business operations and management. However, this does not mean that a business organization is not obliged to integrate sustainability as transparent elements inside the balance score card visible only to the internal stakeholders, being a model for measuring and ensuring they are acting in a responsible way. This balance score card could be used as a monitor for the progress in social responsibility and sustainability policies laid, (Webster 2000, 215)

Jacobsen (2011, 85) present another model of checking performance known as PLAN- DO- CHECK- ACT. The purpose of this model according to the author is for assisting business organizations operation. This model could be used for monitoring for social sustainability, as the following diagram shows; in that decisions and plans are scrutinized and weighed using such a model so as not to compromise the responsibility mission and vision. The diagram contains four stages each displaying the function and the level requirement:

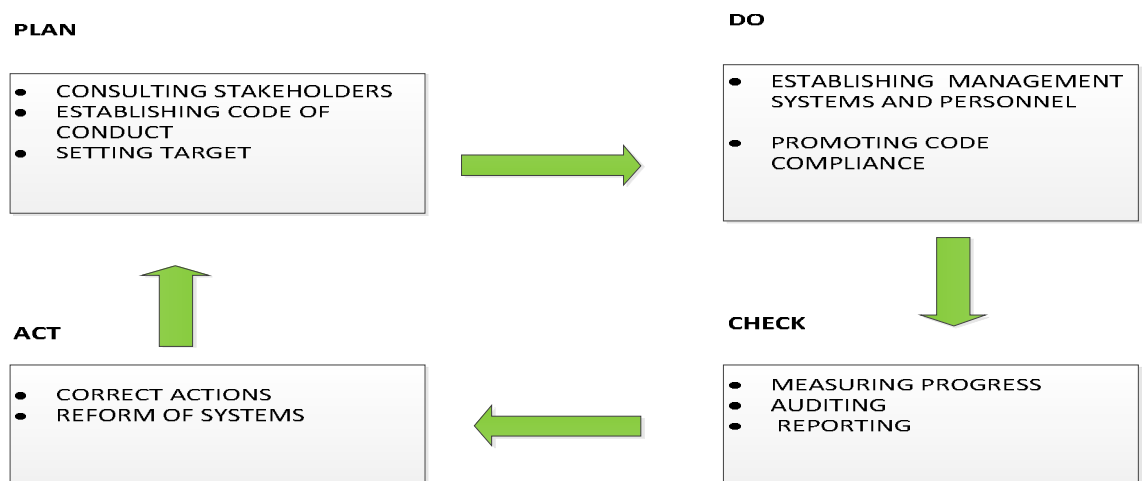


Figure 7: Plan Do Check and Act (PDCA) model of measuring performance

Sources: *Jacobson 2011, 85*

The reason for concentrating on these two methods is that, both of this method could be applied in monitoring and maintaining the level of social responsiveness at Hotel Yöpuu. The first method of social integrated balance scorecard could be used to monitor the standard of social responsiveness, and Jacobson (2011) checking model could be suitable for evaluation, auditing, improving and measuring progress.

#### 4.1 Factors contributing to the success of this social responsibility framework

For the success of the framework at Hotel Yöpuu the following recommendations has to be laid as a foundation to the framework;

- a) Social sustainability becomes an integral component of the Hotel Yöpuu planning process at all levels of tactical, operational and strategic. Annually identifying and incorporating actions that move the community towards social sustainability, by including them as part of business planning and budgeting processes.
- b) The principal of social responsibility be incorporated in to Hotel Yöpuu decision making process though use of corporate social responsibility integrated balance scorecard and core principles of the international standard (ISO 26000). Any recommendation to the Hotel will undergo a preliminary screening regarding their impact to the triple bottom-line. Those having social impact will undergo a more depth assessment as outlined in the core principles of the ISO 26000 guides.
- c) A coordinated approach is developed for the collection of social information that will ensure corporate and community information is compiled, analyzed, updated and made available to stakeholders. It could be in form of a feedback rating of the hotel.
- d) Finally the framework of social responsibility is a changing and evolving document update and revision could be done.

## **5 Social responsibility framework assessment and indicators at Hotel Yöpuu**

Social responsibility could be of no effect in the any Industry, if proper layout and procedures are not followed. However, this chapter reflects on the drivers keeping social responsibility at the forefront of Hotel Yöpuu practices and development as diagram below illustrate on the social responsibility assessment framework. This assessment diagram takes its credit and is drawn from International standard organization (ISO 26000) cores and requirements for social responsibility.

This thesis attempt to categories social responsibility in three levels, which could be applied within the Hotel Yöpuu premises. These three levels include;

- (a) Social responsibility in practice within the hotel,
- (b) Social responsibility as a policy within the management
- (c) Social responsibility in approach and theory for stakeholder's relation managements.

The determinants and success of these levels are:

**Emphasizing responsibility:** understanding sustainable growth and development, includes a well thought strategy that identifies potential long-term impacts and implications of actions, which could have an eventual negative impact on the hotel as a business. This systemic view means: Hotel Yöpuu will constantly reassess the long view of risks and rewards associated with doing business in the long run, including a careful ongoing review of potentially negative and unintended consequences of business decisions on societies and their environs, *Sims (2003, 8-10)*.

**Value contribution:** a value contributing hotel is deliberate in implementing a vision, built around the contributions to the well-being of humanity. It also promotes work and development outside the organization that contributes to and "gives back" to the society, through community and volunteer services. Turning the hotel awareness to value, the hotel will have to consider themselves as servants of the employees, customers, and the rest of the stakeholders *Giacalone ett al. (2010, 130-156)*.

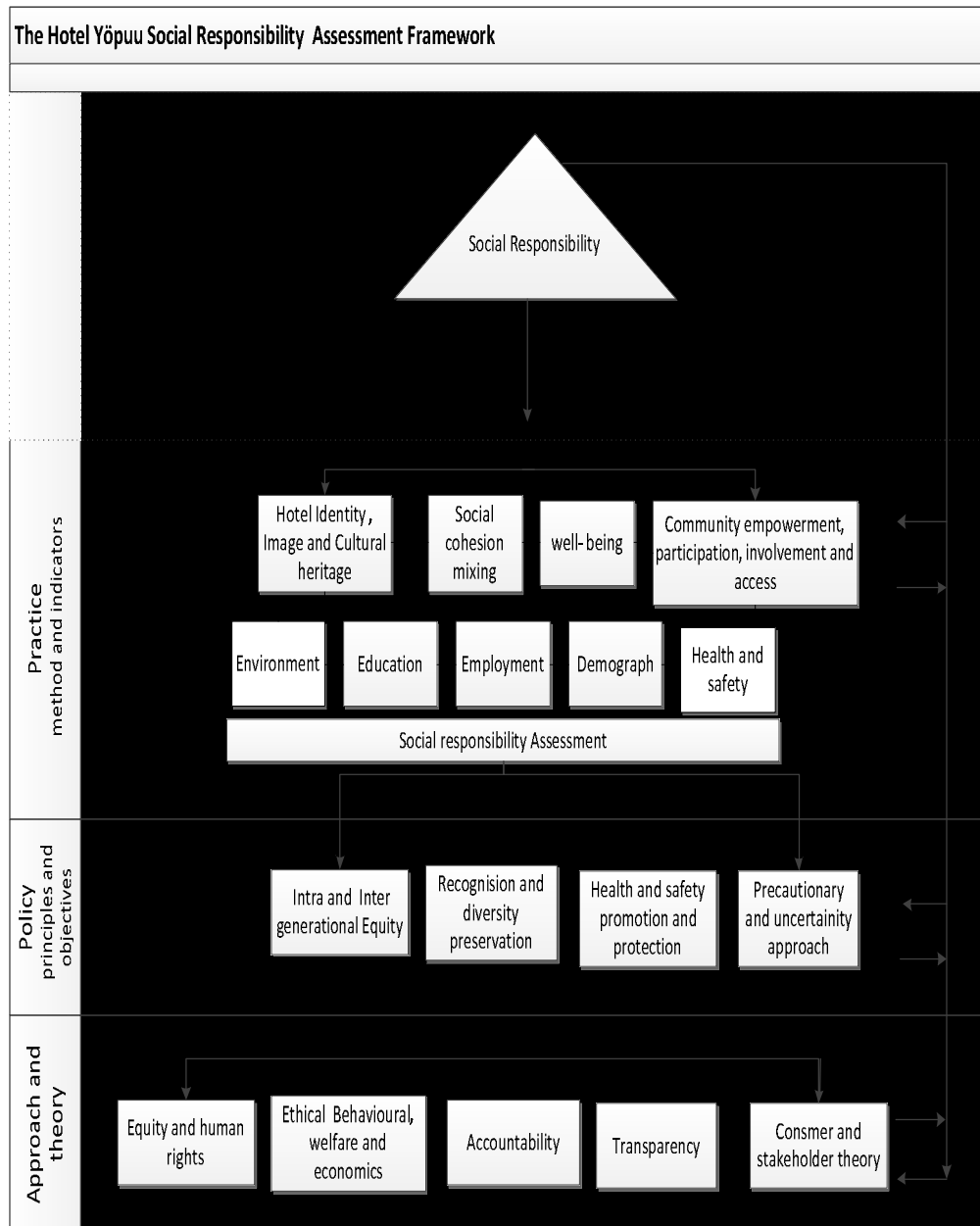
**Creativity recognition:** creativity is not necessarily reserved for a special few; everyone has the potential, as long as a favorable environment is present. Social sustainability Responsibility workplaces opt to provide resources that help staff/employee to uncover their creative potential and practice creativity within the hotel. This brings sense of belonging and breaks mundane, *Kotler (2005, 169-174)*.

**Cultivation inclusion:** in striving to become core source of society, it is essential for Hotel Yöpuu to continue placing value on different personal life experiences. Through the inclusion of people who bring appropriate skill sets for a particular job, but may have been "excluded historically" from participating in a professional community in practice due to the circumstances they did not choose.

Examples of such historic exclusion from the workplace are; believes, rehabilitated people, physical disabilities, people whose race or ethnic origin differs from those of the majority population or discriminated against due to gender or sexual orientation, *Tremain (2008, 224-226)*.

**Equity and security:** the staff and the communities gain economic security and confidence, when they live in safe, supportive, fair treatment and healthy environments. People need to feel safe and secure in order to contribute fully to their own well-being or engage fully in community life, *Krochendorfer (2006, 39-48)*.

**Health and well-being:** being mindful of the state of the mental, physical and emotional and social wellness of the stakeholders. It also includes the capacity of an individual to adopt and control life challenges and changes. A healthy social community is one that continually creates and improves physical and social environment, expanding resources that enable people to support one another either within or outside the premises, *Rossi 2001, (59-61)*.



**Figure 8: Social responsibility assessment framework**

Applying these cores and principles in Hotel Yöpuu framework will mean: writing checks for charity or giving back to the society which are philanthropic responsibilities, will no longer be a necessity, but the hotel will find areas of mutual interest and way to make doing good and doing well run synonymous. Thus, avoiding and eliminating conflict between stakeholders and the society, *Savitz, et al. (2006, 19-26)*.



## 6 The social responsibility framework for Hotel Yöpuu

Based on the assessment framework above, the social responsibility framework for Hotel Yöpuu could be summarized and categorized into four major areas as follows;

### Internal human resources

The Internal human resource (HRM) is usually termed as **labor management**; functioning in the framework for social responsibility it mandates is to concentrate on the workforce of the hotel and includes all aspects concerned in the areas of employment. This aspect could be further categorized into four criteria namely:

**Employment stability:** this criterion could be analyzed in a better way by splitting it further into two sub criteria mainly;

- i) employment opportunity (indicators dealing with changes in the employees number, as well as indicators describing the nature of the workforce in terms of employment contracts)
- ii) employment remuneration (including the money paid as well as additional benefit the employees receive as part of their salary package)

**Employment practices:** the employees are social capital to the Hotel, and therefore the way the hotel treats and engages its employees could be based on three important aspects; stable relationships, specified roles and strong norms. These practices should adhere to the human rights, international labor laws and fair employment practices standard, for instance, equality. This criterion could be split further into four sub criteria with two evaluating internal practices and the employee's right and the other two dealing with the International labor organization fundamental convention. These are:

- i) Disciplinary/security practices (a procedure for disciplining an employee)
- ii) Employee's contract (which are the agreements between the employer and the employee that should never be violated). These criterion aims at evaluating whether the employee's contracts comply with the standards and whether the employees have the rights to the freedom of association.
- iii) Equity and diversity: this sub criterion focuses on two aspects:
  - a) Equity: this deals with fair treatment/ actions
  - b) Diversity which is a variety of specific aspects such as gender, color, opinion, style and cultural heritage. This criterion determines whether all people are treated justly, fairly or impartially.
- iv) Labor sources: the importance of this sub criterion is evident from the fact that four out of eight fundamental international labor organization convections deal in labor sourcing- two dealing with forced labor and other two deals with child labor

**Health and safety:** this criterion focuses on employee health and safety. It could be further split into two sub criterions:

- i) Health and safety practices: through assessing premises precautionary procedure to ensure preparedness for possible health and safety incidents. This criterion further considers whether Hotel self- assesses or audits the preventative actions and whether the employees are exposed to health and safety training.
- ii) Health and safety incidents: assessing the actual incidents and analyzing them according to their level of seriousness and compensation. It is important to analyze them since health and safety incidences could threaten the long- term social impact, image and reputation of the hotel.

**Capacity development:** socially responsible company develops capacity in human capital. This capacity development could address the following aspects:

- i) Career development: employee development in terms of training, employment development processes, appraisals, promotion procedure and level of knowledge within the hotel
- ii) Employee social involvement: motivating them to community involvement and development through volunteering programs.

### **External population**

This criterion focuses on impact of the company operation on community in which it operates. External dimension of social responsiveness could be divided into external population and macro social performance. Hotel relation with community could be in form of moral management where the hotel aims to be a leading responsible citizen of the community and are actively involved with community activities. Such activity could include:

- i) Pure philanthropy and volunteerism: bequeathing funds to foundations without any requirement for publicity or volunteering that is a step beyond pure philanthropy. Cooperation with organization and foundation that addresses and improves community development, are some action that maintain and improves hotel image.
- ii) Course related marketing and loyalty programs: Course related marketing activities include; sponsorship programs and loyalty programs is use of customer loyalty program in encouraging community development to customers and guests.

These external populations could be grouped into two sub criterion which are:

#### **1) Human capital**

This is the ability for an individual to work in order to generate income. It addresses two aspects mainly: health (Hotel additional strain or beneficial activities on local medical facilities, for instance, HIV/ AIDS or any pandemic affecting the society) and education (supporting education institution, for instance, sponsoring seminars aiming to educate and develop the society). This

could even be cooperating with local universities, for example, JAMK in encouraging for a smoking free generation and schools.

## 2) Social capital and inclusion

This includes culture belongings, social cohesion, security, networks, demographics and social pathologies. This can be achieved through frequent social interaction, participation and involvement in social activities.

### **Macro social performance**

This is where the two elements of environment and social aspects, integrate with the Hotel Yöpuu social responsiveness. Corporate social responsibility is often interpreted to encompass social aspects and environment performances, combining them to form social environs performances.

**Social- environment performances:** The criterion will consider the contribution of the operational initiative aiming to improve social environment on a community, region or nation. The performance could be maintained and measured through:

- i) **Monitoring:** checking and monitoring the hotel's actions and operations that they operates and are adhering to the hotel's vision and mission towards social responsibility.
- ii) **Environmental Legislation:** writing an environmental action in the area from which the hotel is operating. This could be in form of public declaration of the hotel mission and vision statement on environmental protection, sharing information and knowledge with stakeholders, on ways of creating a healthy living environment.
- iii) **Deciding on the hotel's level of contribution,** in social - environs responsibility on a micro or macro level. This could be in form of environmental performance standard certification, or collaborating with local Non-governmental social activist group known for its participation in healthy society, for instance, the JAPA ry.

- iv) **Implementation:** contributing to the improvement of the environment on a community/society through: assisting in enforcing or implementing the environmental laws. As an example, green supply chain management could assist in a way that the hotel sorts to evaluate the life-cycle of a product and its effect on the environment. Extending the social enviro ns practices to suppliers and all stakeholders in the hotel family could assist in improving the hotel social responsibility actions.

### **Stakeholder's participation/ involvement**

Without involving the stakeholders, Social responsibility cannot be successful.

Managing the stakeholders could be in two ways:

- i) Treating the them on account of good of the hotel
- ii) Treating them as a matter of principle

In other terms, it is all about thinking and involving the stakeholders in the last stage after the decisions have been made or involving them in the decision making process. These stakeholders could assist in drawing up the vision, mission and evaluation process for the hotel.

Assessing and maintaining these relationships between (the external/internal) stakeholders and the hotel, could further be managed strategically through the following ways:

#### **Communication:**

Provision of information is one way of transparency and accountability.

Depending on the scale of relation with the hotel particular information is relevant to each group. They could be grouped into two categories:

- i) **Collective society:** Communication with this group of audience is that information is shared through; public reports, public announcement in newspaper press statement internet pages and information leaflets

- ii) Selected society: These are individual groups, for instance, employees, insurer, government and local community. Information on social responsibility action is provided and link with internal human resources environmental and external population criterion

Efficiency of this process invites the power of the media, in communicating proper information to the selected audience and the other way is through hotel's websites.

**NB:** it is a recommendation that Hotel Yöpuu modify its homepage/ website by adding communications to accountability and responsiveness clauses.

### **Stakeholder's empowerment:**

Stakeholder's involvement could only be achieved if their opinion is known within the hotel. Empowering them could be done through assessing the quality and quantity of structures, in ensuring that the stakeholders express their views to be visible to the hotel. It is also vital for the hotel to assess degree at which they actually incorporate stakeholder's opinions into operational decision making process.

## **6.1 Social responsibility key tasks, evaluation and timeline**

Accomplishing this entire plan is not a one day event; it is a long- term and a lifetime event that requires investment and crosschecking. After the purported renovation of the room in 2012, Hotel Yöpuu could lay a sustainable planning in the strategic, operational and tactical levels in their operations. The timeline could be in a time line of five (5) years in 2012-2016, for evaluation purposes a PLAN- DO-CHECK and ACT method of evaluation could be performed at the end of the year 2016.

As Hotel Yöpuu advances to renovating the planned room in 2012, it could be a stepping stone in communicating to the society on the progress on responsibility. Before the environmental friendly room project kicked off in 2010, the Hotel Yöpuu manager Ms. Katriina Pilpulla held a press briefing in informing about her plans

towards responsibility. After these renovations have taken place it is therefore, recommendable to give an invitation to the same press and show results of the project. During the same period, taking actions to modify the hotel's websites by adding a social responsibility clause is recommendable.

As a suggestion to the modification of the hotel's website, the management and the web designer could as an example, compare to what the Boutique Stratton's Hotel in the United Kingdom has developed on their website. It is simple and easier to navigate through. Environmental certification could proceed next in the year 2013-2014, but before then it is essential for the hotel and the internal stakeholders to put things in order and prepare for certification. It is the mandate of the hotel management to value and choose which performance auditors to use. As a suggestion to this, the organization performance auditor interviewed gave a suggestion that: "in case the hotel wants certification the auditor is willing to provide adequate information and recommendation to which performance auditor to choose and the hotel is free to contact him".

Cooperation with local NGO, for example, the JAPA ry could fall in the period 2013-2014. This could add to the efforts on responsibility, when the hotel is seen in the front line as an advocate to the region development through this organization. The Hotel manager could further invite the coordinators of this organization and decide of the cooperation depending on the financial situation at the time. As a starting point they could start with engaging in JAPA ry volunteering functions, that demands no expenses and as the time goes after evaluation of the progress the financial support could be in force.

Evaluation of the progress could be in 2016/2017 and after the progress the hotel can embark on more action, for example; collaboration with local education institute in staff training, workshops and Reflect on the suppliers and other stakeholders. At the beginning of this thesis the quote of the famous activist Nelson Mandela states *you can never have an impact on society if you have not changed yourself*, this connects this situation for it is the hotel to begin a change from within and later spread to its stakeholders.

## 6.2 Conclusion

This thesis attempted to determine the impact of social responsibility, otherwise known as social responsibility in the hospitality industry on meeting principles of sustainable development. The data of the indicators of social responsibility was collected from, interviews with (the manager of Hotel Yöpuu, the coordinator of a local community development NGO and a quality auditor of organizational performance), benchmarking, evaluating and delving the social responsibility performance from specified hotel groups and private medium sized hospitality establishment in a geographical diverse regions.

The data from every interview held and literature review were evaluated against the principles of sustainable development, in order to explore potential correlations between the social aspects and the social responsibility framework for Hotel Yöpuu. The result clearly shows that many hotel and chain group are putting efforts to raise society concern and improve their performance through giving back some of it resources to the society they profit from.

Furthermore, the data gathered from the literature indicated that the hospitality establishments need to speed up and raise their performances through social responsibility. The data obtained from hotels in Finland and medium sized private hotels in Europe on social responsibility was scarce and did not allow for a comparison between them. Therefore the effect of social responsibility was hard to determine. The data did, however, support the theory of sustainability in the context of environmental responsibility which was reflected in their public declaration mission and vision towards responsibility.

A Suggestion for the hospitality establishments and the Hotel Yöpuu is to develop a consistency measurement method and units and they could join in the Global Reporting Initiative system (GRI). Without this means of comparing the performance levels of different hotels, the relative effect of various



environmental and social measures are hard to determine. This makes efficiency and success in the hospitality establishments in social responsibility harder to achieve.

The international recognized standard ISO 26000-2010 has attempted to encourage social responsibility to be followed, through the designing of principles and cores. Using these cores and principles, a model of social responsibility could therefore, be drawn as a framework guide aiming at strengthen the hospitality industry and Hotel Yöpuu performances. The important elements of this framework are: community service, environment issues relating to society, stakeholder's management and labor management.

The results presented shows clearly that there are possibilities of having a functioning social responsibility framework and a plan in any organization. This study gain the author with skills and knowledge of the impact of society on sustainability and raised a desire to learn more about the subject through further studies in the same field of responsibility.

## 7 References

- Anderson, W. Jerry (1989 pg. 4-11), corporate social responsibility: Guide for top management, greenwood publishing group
- Baum, T. (2006: pg. 106-108). Human resources management for tourism hospitality and leisure: an international perspective.
- Bernhart, S., Michelle and Maher, J., Francis: ISO 26000-2010 in practice. A user guide 2011.
- Belz F. Martin and Peattie K. (2009 pg. 1-60,127-163, 241-242): Sustainable marketing. A global perspective
- Bruno, K. and Karliner, J., (2002; pg. 1-56, 77-114). Earth summit Biz: Corporate takeover and sustainable
- Carroll, B. Archie, Buchholtz, K., Ann, (2009, pg. 27-43, 48-117). Business and society: Ethics and stakeholder management.
- Chaskin, J. Robert, Brown, P., Venkatesh, S. and Vidal, A. (2001 pg. 6-8). Building community capacity
- Chen, S., Joseph, Advances in hospitality and leisure vol.6 2010, pg. 170-173
- Chiras, D., Daniels 8<sup>th</sup> edition (2010, pg. 18-19): Environmental science
- Conrady, R., Buck, M. (2010, pg. 65) Trends and issue in global tourism 2010
- Conrady, R., Buck, M. (2011, pg. 25-87, 281-288) Trends and issue in global tourism 2011
- Cotts, G., David, Kathy, O., Roper and Richard, P., Payant, (2010, pg. 170). The facility management handbook, 3<sup>rd</sup> edition.
- Esty, C. Daniels, and Simmons P.J. (March 17th 2011, pg. 277-279). The green to gold, business playbook: how to implement sustainability practice for bottom-line results in every business function.
- Enz, A. Cathy (2010 pg. 21-24), The Cornell school of hotel administration: Hand book of applied Hospitality strategy (a)
- Enz, A. Cathy 2<sup>nd</sup> edition (2010 pg. 12-13) Hospitality strategic management concept and cases (b)
- Fleisher, S., Claig and Blenkhorn, L., David (2001, pg. 221-226): Managing frontiers in competitive intelligence
- Frew, J., Andrew (ed) (2005 pg. 350-352). Information and communication technologies in tourism 2005: Springer computer science

Giacalone, A., Robert and Jurkiewicz, L., Carole (2010). Handbook of workplace spirituality and organizational performance

Godemann, J. and Michelsen, G. (2011). Sustainability communication: interdisciplinary and theoretical foundations Hicks, Douglas. (2003). Religion and the workplace: Pluralism, Spirituality, Leadership, (Cambridge, UK: Cambridge University Press).

Green building operations and maintenance (2009). Leeds reference guide for green building operation and maintenance: for operation and maintenance of commercial and institutional buildings

Honey, M. (2002, pg. 1-60, 300- 323): Ecotourism & certification: setting standards in practice.

Honey, M. (2010). Ecotourism and sustainable development- who owns paradise? 2<sup>nd</sup> edition Washington: island press

Holcomb, J., Upchurch, R. and Okumu, F. (2007, pg. 19 (6), 461-475). Corporate social responsibility: what are top hotel companies reporting? International journal of contemporary hospitality management

Hurd, R. Amy, Barcelona, J. Robert and Meldrum, T. John, (2008, pg. 165-219). Leisure service management

Jacobsen, J. (2011, pg. 85-86) sustainable business and industry: designing and operating for social and environmental responsibility, the global voice of quality

Javior de cendra de larrang, (2011, 471- 490), Distribution choices in EU climate change Law policy, towards a principled approach. Kluwer Law International publication

Kane, G. (2010, 5-6, 35-47). The three secrets of green business: unlocking competitive advantage in a low carbon economy, earth scan publication Ltd.

Kaplan, S. Robert, Norton, P. David (1996). The balanced scorecard: translating strategy into action; a landmark Achievement.

Kotler, P. and Lee, N. (2005 pg. 169-174) corporate social responsibility: doing the most good for your company and your cause

Krochendorfer-Lucius, G. and Pleskovic, B. (2006 pg. 39-48) Equity and development: Berlin workshop series 2006, the world bank.

Kumar, R., 3<sup>rd</sup> edition (2010). Research methodology: A step- by- step guide for beginners

Lazano, M. Joseph (2009, pg. 173): The rational company; Responsibility, sustainability, citizenship, Peter Land AG, International academic publishers,

Muller, C. (2011, pg.22-26) the impact of the internet and social media on hotel industry: how the internet and social media have changed the way hotels need to operate if they are to succeed in today's dynamic and global markets; essay.

Muller, G. Christ, (2011, pg. 207-212). Sustainable management: coping with dilemmas of resource-oriented management

Novacovici, A. and Woofter, J., (2008, pg. 103-106) Sustainability 101: A toolkit for your business. An easy- to- use guide for, integrating social and environmental responsibility into your organization. A strategic sustainability consulting and eco- coach Inc.

OECD (2003, pg. 166,169), Annual report on the OECD Guidelines for multinational enterprises: enhancing the role of business in the right against corruption.

Ross, M., Craig, Beggs, A., Brent and Young, J., Sarah 2<sup>nd</sup> edition (2011, pg. 21-22) mastering the job search process in recreational and leisure services

Rossi, R., Alice (2001 pg 59-61), caring and doing for others: Social responsibility in the domain of family, the work and the community, the University of Chicago press.

Savitz, A. W. and Weber, K., (2006, pg. 1-55), The Triple bottom line; how today best run companies are archiving economic, social and environmental success and how you too can.

Scott William and Gough Stephen (2003, pg. 12-13), sustainable development and learning: Framing the issue.

Schwab, K., Blanke, J. and Chiesa, T. (2008 pg. 76-79) the travel and tourism competitive report 2008: balancing economic development and environmental sustainability.

Servais, J., Michel 2<sup>nd</sup> revised edition (2009 pg. 89) International labor Law, Kluwer Law international publication.

Sharply, Richard (2009), Tourism Development and the environment: Beyond sustainability?

Sims, R., Ronald (2003 pg 8-10) Ethics and corporate responsibility: why giants fall.

Sloan p., Legrand W., & Chen J. 1<sup>st</sup> edition (2009, pg. 1-2, 6) Sustainability in the hospitality industry: principles of sustainable operation.

Tremain S. (2008 pg. 224-226), foucault and governance of disability Mcwhorter Ladelle foreword.

Webster Kathryn (2000, pg. 7-11, 61-70,158, 215) (recycling bin in the UK) 234  
environmental audit, environmental management in the hospitality industry: A  
guide for student and managers

Werther, B., William and Chander, D. Jr. (2011 pg. 307-309), Strategic  
corporate social responsibility: stakeholder in global environment.

Wengraf, T. (2004, pg. 4-5). Qualitative research interviewing: biographic  
narrative and semi structured methods.

## Article

Houdre, H., general manager, Willard intercontinental hotel: Sustainable  
hospitality. Sustainable development in the hotel Industry, Cornell university  
school of hotel administration, the center for hospitality research, industry  
perspectives (2008)

Maxwell, A., Joseph 2<sup>nd</sup> edition (2005 90-95). Qualitative research design: An  
interactive approach, applied social research methods series vol.41

Organization for economic development: The OECD three years project on  
sustainable development (Paris). A progress report 1999, 2001

Porter, E., Michael, Kramer, R., Mark: strategy and society. Harvard business  
review (December 2006, 89)

Salver, J. (2005, pg. 44-46). Brand management in the hospitality industry and  
it potential for achieving customer loyalty

## Online publications references

Apart hotel Venus Albir – costa Blanca (Spain): the first bio apart hotel,  
[Accessed 26.07.2011].  
<http://www.raycons.com/venusalbir/>.

Ariston hotel (Milano- Italy) ecological description, [Accessed 23.07.2011].  
<http://www.aristonhotel.com/description.htm>,  
[http://www.ecobusinesslinks.com/ecological\\_hotels\\_ecohotels\\_associations.h  
tm](http://www.ecobusinesslinks.com/ecological_hotels_ecohotels_associations.htm).

Article (13) Intercontinental Hotel CSR study case (2003),  
[Accessed 15.06.2011].  
[http://www.article13.com/A13\\_ContentList.asp?strAction=GetPublication&PN  
ID=1341](http://www.article13.com/A13_ContentList.asp?strAction=GetPublication&PNID=1341).

Boutique Stratton's Hotel- UK, press and news release: environmental, Awards  
[Accessed on 26.08.2008]

<http://www.strattons-hotel.co.uk/newsPress/awards>. <http://www.strattons-hotel.co.uk/greenAwareness/environmentalEthos>

Boutique Hotel Yöpuu [Accessed 2011]  
[www.hotelliyopuu.fi/yopuu\\_en/hotelli/](http://www.hotelliyopuu.fi/yopuu_en/hotelli/)

Corporate social responsibility: what are top hotel companies, [Accessed 20.06.2011].  
[www.emeraldinsight.com/journals.htm?articleid=1621001&show=pdf](http://www.emeraldinsight.com/journals.htm?articleid=1621001&show=pdf).

DNV managing risk: sustainability and certification, [Accessed 07.09.2011].  
[http://www.dnv.com/services/assessment/corporate\\_responsibility/index.asp](http://www.dnv.com/services/assessment/corporate_responsibility/index.asp)

Eco-compass certificate; [Accessed 7/2011]  
<http://www.hel2.fi/ymk/ekokompassi/eng/EcoCompass.htm>,  
<http://www.hel2.fi/ymk/ekokompassi/eng/palvelut/companies.htm>

Edelman study of consumers (2010) Citizens Engage, Edelman good purpose, fourth annual global consumer survey, [Accessed 20.08.2011].  
[http://www.edelman.com/insights/special/GoodPurpose2010globalPPT\\_WEBversion.pdf](http://www.edelman.com/insights/special/GoodPurpose2010globalPPT_WEBversion.pdf)

EU vision 2020. Sustainable and responsible business, corporate social responsibility (CSR), [Accessed 3.7.2011].  
[http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index\\_en.htm](http://ec.europa.eu/enterprise/policies/sustainable-business/corporate-social-responsibility/index_en.htm).

Fair mount hotel sustainable program, [Accessed 15.06.2011].  
[http://www.fairmont.com/EN\\_FA/AboutFairmont/CorporateResponsibility/](http://www.fairmont.com/EN_FA/AboutFairmont/CorporateResponsibility/),  
[http://www.fairmont.com/EN\\_FA/AboutFairmont/environment/Awards/CorporateEnvironmentAwards.htm](http://www.fairmont.com/EN_FA/AboutFairmont/environment/Awards/CorporateEnvironmentAwards.htm).

From commitment to action, (Hilton worldwide) [Accessed 20.06.2011].  
<http://www.hiltonworldwide.com/aboutus/commitment/action.htm>.

Finnish national commission on sustainable development (2008), [Accessed 16.05.2011].  
<http://www.ymparisto.fi/download.asp?contentid=96956&lan=en>.

Global reporting initiative (2006-2011) [Accessed 26.08.2011].  
<http://www.globalreporting.org/NewsEventsPress/LatestNews/2011/SpanishLegislationonSustainabilityReporting.htm>

Global stewards: environmental tips and sustainable solutions for a healthy planet [accessed 17.04.2011]  
<http://www.globalstewards.org/index.htm>.

Green tourism of Finland, (2010). [Accessed 01.05.2011]  
<http://www.greentourism.fi>.

Green lodging news; IHG's Green Engage Awarded LEED Volume Precertification, [Accessed 08.07.2011].  
<http://www.greenlodgingnews.com/ihgs-green-engage-awarded-leed-volume-precertification>.

Hotel hag (best western hotel group), [Accessed 30.07.2011].  
[http://www.hotelhaaga.fi/en/best\\_western\\_hotel\\_haaga/](http://www.hotelhaaga.fi/en/best_western_hotel_haaga/).

Hilton hotels corporation global sustainability goals and corporate responsibility, [Accessed 20.06.2011].  
<http://www.hiltonworldwide.com/corporate-responsibility/>  
[http://www.hotelnewsresource.com/article32937Hilton\\_Hotels\\_Corporation\\_Announces\\_Global\\_Sustainability\\_Goals.html](http://www.hotelnewsresource.com/article32937Hilton_Hotels_Corporation_Announces_Global_Sustainability_Goals.html).

Hotel GLO Espoo SELLÖ: certification, [Accessed 7/2011].  
<http://www.hotelglo.fi/en/lehdistotiedotteet/hotel-glo-espoo-sello-received-ecocompass-certificate>

Human resource development convention 1975 (c 142), [Accessed 01.09.2011]  
<http://www.ilo.org/ilolex/cgi-lex/convde.pl?C142>.

International Standard Organization (ISO 9000 Certification), Hotel Kaunas Lithuania, [Accessed 01.08.2011].  
<http://www.kaunashotel.lt/index.php?cid=148>.

International Standard Organization (ISO 26000- 2010): ISO Focus + the magazine for international organization of standardization, Vol. 2, no.3 march 2011 ISSN 1729-8706, social responsibility, [Accessed 06/09.2011].  
[http://www.iso.org/iso/iso\\_focusplus\\_march\\_2011\\_social-responsibility.pdf](http://www.iso.org/iso/iso_focusplus_march_2011_social-responsibility.pdf).

IHG (Intercontinental Hotel Group), corporate responsibility report, [Accessed 08.07.2011].  
<http://www.ihgplc.com/index.asp?pageid=742>.

I stay green: empowering you to make a difference, [Accessed 01.09.2011]  
<http://www.istaygreen.org/>,  
<http://www.istaygreen.org/getcountry.cfm/cntry/FI>.

JAPA ry, events and sustainability development, [Accessed 2011].  
<http://www.japary.fi/tapahtumakalenteri/>.

Kaplan, R. (Drs), Norton, D. (Harvard Business School) Balance score card basics, [Accessed 1.08.2011].

<http://www.balancedscorecard.org/BSCResources/AbouttheBalancedScorecard/tabid/55/Default.aspx>.

Les, Cygnes hotel (France): eco – policy, [Accessed 23.07.2011]. <http://www.lescygnes.net/erase-your-carbon-footprint.htm>.

- Limak Atlanis resort Hotel, [Accessed 06/2011].  
<http://www.limak.com.tr/index.php?lang=en&pid=330>.
- L´orri de plane hotel France [Accessed 23.07.2011].  
<http://www.orrrideplanes.com/>, <http://www.laclefverte.org/english/index.php>.
- LRQAI Finland, improving performance, reducing risks: Sertifiointi.  
 [Accessed 23.08.2011]  
<http://www.lrqa.fi/palvelu-tuotteet/sertifiointi/>.
- Nordic eco-label, eco labeling of hotels/Fees in Finland 1.1.2011,  
 [Accessed 30.7.2011].  
[http://www.ymparistomerkki.fi/files/1689/Hotelfees\\_1.1.2011.pdf](http://www.ymparistomerkki.fi/files/1689/Hotelfees_1.1.2011.pdf).
- Nordic swan, creating the future now, [Accessed on 30.7.2011].  
<http://www.ymparistomerkki.fi/english>.
- Okotel Hamburg Hotel- Germany: features, [Accessed 23.07.2011].  
<http://www.oekotel.de/Besonderheitenengl.html>.
- OECD 50, better policies for better life, [Accessed 10.09.2011]  
[http://www.oecd.org/home/0,2987,en\\_2649\\_201185\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/home/0,2987,en_2649_201185_1_1_1_1_1,00.html).
- Scandic hotel, natural steps towards a better world, [Accessed 26.07.2011].  
<http://www.scandichotels.com/settings/Side-foot/About-us-Container/Responsible-living/Environmental/>.
- The woman of the year, (2010) Katriina Piilpula. [Accessed 06/2011].  
[http://www.sjl.fi/web/pdf/201045\\_ke/sjl10p04.pdf](http://www.sjl.fi/web/pdf/201045_ke/sjl10p04.pdf)  
[http://www.radiojkl.fi/index.php?option=com\\_sbsarticle&tmpl=blog&cid=14720&cat=1](http://www.radiojkl.fi/index.php?option=com_sbsarticle&tmpl=blog&cid=14720&cat=1).
- Year in review: global reporting Initiative, (2009/2010),  
 [Accessed 17.07.2011].  
<http://www.globalreporting.org/NR/rdonlyres/9F9C6F28-44CA-42E6-940F-C5223543EC74/0/GRIYearInReview2010.pdf>.



## 8 Appendices

The interview question used as the basis of the result and recommendation, are reflected under this chapter. As mentioned in the research method chapter above semi structured method was used for the purpose and three interviews were conducted. This interview questions are arranged as follows :

### 8.1 Appendix 1- interview with Ms. Katriina Pilppula

Interview with Hotel Yöpuu manager, Ms Katriina Pilppula was held in the month of June 2011 at the Hotel Yöpuu premises. The interview questions were:

Does the hotel have a sustainability plan?

When did the sustainability plan begin?

What steps has the hotel taken to support and follow up to see the success of the sustainability plan?

Does the hotel have any sustainability award?

What has the hotel done for the community?

What have the hotel done to support the internal society (hotel staff)?

Is the hotel or staff involved recently in any community charity work like volunteering?

What effort has the hotel done to sustain the society heritage?

Does the hotel cooperate with other community service organization?

### 8.2 Appendix 2- interview with Mr. Mieskolainen Matti

This interview was held in August 2011 with an organizational performance auditor Mr. Mieskolainen, O., Matti at JAMK University of applied science premises. The interview questions were;

What criteria are used to certify an organization and how many standards exists?

What is the difference between the Finnish standard and the ISO standards?

How many hotels have been responsibly certified in Finland and if there are which one?

What is the cost for small and medium sized organizations?

What importance of the certificate for medium sized businesses

Are there standard that focuses on social responsibility in Finland?

Who are some of the companies in Finland that deals with auditing and certification and which can you recommend for a company and why?

In relation to ISO 26000 what advise can you offer to a medium sized hotel

Have you audited any hospitality premises in Finland?

### **8.3 Appendix 3- interview with JAPA ry coordinator**

The last interview was held in September 2011 with Ms. Kankainen kati a coordinator working with a local community development NGO in Jyväskylä, the JAPA ry.

What benefit do company get by cooperating with JAPA ry

Do you have any hotel in Jyvaskyla that sponsor your function

What support does your organization require from companies?

How much money/ support can a Hotel give to cooperate with your company?