

RESPONSIBLE BUSINESS PAYS OFF

More than just a marketing gimmick, a new guide from PATA reveals that well-integrated CSR practices can give tourism organisations a competitive edge

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Business philanthropy, ethical behaviour, community projects and environmental management. All of these – and more – can fall under the corporate social responsibility (CSR) umbrella. Covering such a wide range of areas and lacking a single universal definition, CSR has become a subject of much debate.

Some claim it is a critical part of business with a direct impact on the bottom line, while others argue it is little more than superficial window dressing.

Despite increasing numbers of companies embracing CSR practices, public opinion suggests there is still uncertainty about how genuine corporate motivation in this area really is.

A recent study by GlobeScan, a leading provider of global public opinion and stakeholder research, found that the vast majority of respondents (from a wide selection of countries) believe that most companies use CSR as a way to improve their image, rather than because they actually want to contribute to society. But is this really the case?

Over the past few months PATA have been working in partnership with sustainable development experts SNV Netherlands Development Organisation and GTZ to collate and analyse a number of examples of CSR best practice amongst tourism organisations in the Asia Pacific region.

The aim: to produce a guide with practical case studies that will help increase understanding about how the tourism industry can, potentially, collaborate and adopt similar CSR practices within their own respective companies and organisations.

For the purposes of the guide CSR is defined as a “concept of responsible business whereby organisations voluntarily take responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment.”

This can be broken down into three key areas: environment, community involvement and cultural conservation.

The case studies selected cover the full spectrum of this definition and include organisations both large and small (three of which are presented here – see over page).

What they uncover is that, when carefully thought out and properly integrated into an organisation's culture, CSR brings significant benefits.

“In several of the cases you see that more tourists visit the hotel or resort, that occupancy rates are higher, that the brand value of the organisation is higher and that employees are more satisfied with their work,” explains Vasja Zalokar at SNV.

He adds that tourism businesses in particular have much to gain. “CSR is a valuable tool for mitigating ecological and social risks that can harm the image of the company and the tourism destination.”

Nicole Haeusler, Associate and Senior Tourism Consultant at Mas Contour – a Berlin-based consultancy contracted by PATA/SNV/GTZ to research the CSR case studies – agrees. “Acting sustainably helps to make tourist destinations more pleasant places to visit. Ensuring the long-term quality of the destination also helps to guarantee business viability,” she says.

Most importantly, the case studies reveal that CSR in its sincerest form, contrary to the GlobeScan findings, goes far deeper than a simple marketing exercise. However, to ensure that the outside world perceives this, SNV's Mr Zalokar says it is critical that practices are embedded within the organisation in a systematic manner, with careful monitoring of activities and their impact.

“A corporate CSR strategy presents a mid to long term investment. In order to achieve success CSR activities should be integrated into the daily operations and be part of the core business. It will require time to establish a corporate culture of doing business differently,” he explains.

Mas Contour's Ms Haeusler adds that CSR not only needs to be supported by the CEO and leading managers, but there should also be a dedicated individual – outside the marketing department – who works as CSR coordinator, in charge of managing day-to-day activities relating to implementation and answering directly to senior management.

And, as the Evason Phuket & Six Senses Spa case study (see over page for more details) reveals, CSR activities work best when the whole organisation is involved.

“It cannot be done by one or two individuals alone. You can set up systems, design and equipment but in the end it is how it is used and maintained that is important. Everyone has to contribute,” explains Arnfinn Oines, Area Environment Conscience – Thailand & Vietnam Six Senses Resorts & Spas.

Evason Phuket achieves this through ongoing training for staff. All employees go through the ‘Six Senses Mandatory Environmental Awareness Programme’ and ‘Evason Phuket's Environmental Training’. Subjects include waste separation, composting, energy saving, water saving, health and safety, and fire training.

Such comprehensive understanding of the resort's CSR practices by employees no doubt helps guests to see that Evason Phuket's measures are more than just token gestures, thereby increasing the likelihood that customers will select this resort over others.

There is certainly evidence to suggest that, increasingly, customers



Bon Island at Evason Phuket & Six Senses Spa

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Vasja Zalokar, SNV.

are including CSR practices within their selection criteria when they look for a hotel or resort.

At Shinta Mani Hotel in Siem Reap (see over page for more details), for example, 65% of guests say that one of the reasons they chose the hotel is because they felt they were supporting the local community by staying there.

Nevertheless, Bill Black, Managing Director of BMC Management (the Thailand-based group who own Shinta Mani), believes that CSR only becomes a deciding factor if the hotel meets other requirements, such as value for money, service and product quality.

Rosalind Head at Mas Contour, who has completed research on the influence of CSR in the decision-making process, agrees. “It was apparent that it had played a small but conscious role at the end of the decision-process for some, when other needs have been at least partially fulfilled (i.e. cleanliness, comfort, convenience, indulgence etc). It was effectively being seen as a value-add feature if a number of properties were perceived to be similar,” she explains.

SNV's Mr Zalokar believes that having this additional ‘value-add feature’ is even more critical during the current economic downturn. “Those tourism operations that have established successful responsible business practice will be better equipped and positioned to respond to increased market competition.”

“We live in an age where the demand for more ethical business is increasing year by year and so a proven track record in CSR could be seen as a competitive advantage,” confers PATA President and CEO Greg Duffell.

Whatever the economic situation, Mas Contour's Ms Haesler says we cannot continue the ‘take, make, waste’ industrial model. “The patterns of the past have to be broken and turned into new activities, values and standards.”

She says that is for this reason that it is so important to present well-tested and well-functioning CSR activities – such as those presented in the PATA guide – to demonstrate that it is possible to tread new paths.

“Our role is to cajole, encourage and persuade our members – and the wider travel community – about the importance of CSR in the 21st century,” says PATA's Mr Duffell. “If we can act as a catalyst for renewed commitment and vigour and then see, as a result, a number of substantive CSR programmes our efforts will have been justified.”



Trekking Group

3 Sisters Adventure Trekking and Empowering Women of Nepal

Officially founded in 1998 by three sisters Lucky, Dicky and Nicky Chhetri in Pokhara, Nepal, 3 Sisters Adventure Trekking aims to train and empower women through adventure tourism.

The idea for 3 Sisters Adventure Trekking – and the subsequent training arm Empowering Women of Nepal – came about in 1993 when the three Chhetri sisters were running a restaurant and lodge in Pokhara, Nepal. Here they had the opportunity to meet solo female trekkers from all over the world, some of whom were unhappy or frightened, having been harassed by their male guides.

The sisters quickly realized that there was a gap in the market – a trekking company for women by women. The following year they started their Female Trekking Guide and Porters Services for Lady Trekkers. They invited other local women to join them, with the aim of improving the lives of rural Nepalese women – often uneducated, underprivileged and treated as second class citizens – by offering them job opportunities in the trekking industry.

The trekking service was immediately successful, however it was not without its challenges. Lucky Chhetri says that, as a traditionally male-dominated profession, female trekking guides were looked down upon.

“The men would laugh at women’s initiation in trekking,” says Ms Chhetri. “One neighbour even sued us for exploitation of women in an attempt to damage our reputation.”

To tackle these challenges the Chhetri sisters demanded to be allowed to receive training at the Council for Technical Education and Vocational Training Institute. Having completed this, the sisters were then able to formulate their own introductory training course to help raise the skill levels of disadvantaged and rural mountain women.

3 Sisters Adventure Trekking aims to train and empower women through adventure tourism.

The first training took place in 1996 with 10 participants. The trekking company 3 Sisters Adventure Trekking was then formally registered in 1998. To continue the training programme they founded Empowering Women of Nepal (EWN) the following year.

The six-month trekking guide apprenticeship takes place twice a year in Pokhara, at the base of the Himalayas, with a maximum group size of 40. Women from remote rural areas are provided with free accommodation and food at the EWN hostel as well as trekking equipment. The cost of the training is covered by 3 Sisters Adventure Trekking.

The programme starts with a four-week training course covering technical and conversational English, as well as the essential skills and knowledge to work as trekking guides. The course also emphasizes ecological awareness and conservation, with the aim that as participants develop into adventure tourism professionals they can pass on these practices to trekking clients.



Trekking at Thorangla Pass

At the end of the training the women enter an apprenticeship programme with 3 Sisters Adventure Trekking where they can earn wages equal to those of experienced men and acquire field experience working as trainee guides. After finishing the training, most alumni find work in the adventure tourism industry.

Ms Chhetri says that at first Nepali women lacked the courage to work in tourism, but through the training programme they became empowered to believe in themselves and their capabilities. “The women learnt new skills and gained confidence in their own abilities – they realized that they could be trekking guides.”

Those women employed by 3 Sisters Adventure Trekking are offered fair wages, plus insurance, tuition fees for their children and a savings and credit programme. The improvement that this offers to the women’s social and economic situation directly influences their families and communities. The women are given the chance to expand social boundaries and, in the long run, contribute to social change and a better quality of life for all Nepali women.

And Ms Chhetri adds that, slowly, attitudes are now beginning to change. “When we started to become popular they [other trekking companies] said we were not providing real trekking services, we were providing women for sex. Now some trekking companies want to employ women trained by us.”

Empowering the rural women of Nepal was just one half of their mission – the Chhetri sisters also set out to offer a trekking guide service for solo female trekkers. In this aim, too, they have been successful.

“99% of our clients are happy and give us positive feedback, expressing the view that they are inspired by our mission to help women. Strong repeat business and word of mouth confirms this,” says Ms Chhetri.

Future plans for 3 Sisters Adventure Trekking and EWN include the construction of a training centre for adventure tourism in Pokhara, which will allow them to increase the training programmes on offer. With better facilities they hope to offer a wider range of adventure tourism activities, including mountaineering, rafting and ice climbing.

Evason Phuket & Six Senses Spa

Located on the southeast side of Phuket Island (Thailand), Evason Phuket & Six Senses Spa is, much like the rest of the Six Senses group, committed to environmentally friendly and socially responsible business practices.

“A resort is only as beautiful as its destination,” explains Arnfinn Oines, Area Environment Conscience – Thailand & Vietnam Six Senses Resorts & Spas. “It doesn’t matter how nice your resort is – if you pollute and destroy your destination tourists will choose to go to other places.”

Part of the group’s mission is to reduce the impact of the businesses

on the environment at both development and operational stage. This is clearly illustrated by the approach taken at Evason Phuket.

Six Senses bought the property in 2001 and developed the resort in the shell of an existing building, recycling the construction of the former hotel. Since then numerous features and practices have been put in place to minimise negative impacts on the environment and the surrounding communities.

One of the first and most important measures was installation of an energy monitoring system with ‘peak demand’ control. 10% savings were achieved simply by monitoring the consumption and reducing peak demands (times when the most electricity is used) by changing times and settings for lighting, pumps and other systems.

A range of other energy saving activities were initiated, including refitting split-type air conditioning with a more efficient mini-chiller system at the Sundeck Wing; pumping water to the highest point to allow use of gravity in distribution, thus reducing water pumps and energy consumption; heating water via the use of a solar thermal plant; using natural ventilation and shading to reduce the need for air conditioning.

At Evason Phuket all kitchen and garden waste is composted





Evason Phuket & Six Senses Spa

As a result of these – plus other – measures the resort's initial requirement of two 13000kW transformers has, today, been reduced to just one 1100kW transformer – despite an increase in staff and guest capacity and the addition of energy consuming features, including a spa and more restaurants.

"This has halved our energy consumption and obviously saved much on the energy bill. For example, USD45,000 is saved annually on the mini-chiller AC system alone," comments Mr Oines.

Further cost savings have come through water conservation. With water consumption a major concern on Phuket, an important step at the Evason Phuket was to make the resort self-sufficient all year round by collecting rainwater in a separate reservoir (rather than have it delivered by trucks). After treatment this can be used for both showering and even drinking water. "This has led to a USD330,000 annual saving," says Mr Oines.

With regards to waste management the focus is on the three R's: Reduce, Reuse and Recycle. Measures include using natural rubbish bags, such as potato sacks, to reduce plastic waste; ensuring kitchen and garden waste are composted, creating soil which is used for the garden; encouraging suppliers to reduce packaging on deliveries and delivering in bulk.

Nature conservation also comes into play, with efforts to boost biodiversity in and around the resort. By planting trees and shrubs that would have grown in the area naturally, for example, the resort now attracts an increased number of migratory birds.

The benefits of such measures have not just greatly improved operational costs and profitability, but also demonstrate their sense of responsibility to the surrounding environment, the local community and future generations by reducing the resort's negative impacts as much as possible.

"As result the resort has been recognised with several awards, generating a lot of positive publicity, which has led to higher occupancy rates, improved guest satisfaction and a higher brand value," comments Mr Oines.

Spreading their work further afield the Evason Phuket, as does every Six Senses property, donates 0.5% of its revenue to the Social and Environmental Responsibility Fund. Through this fund more than USD100,000 was given to social and environmental projects in 2007.

In the future the resort plans to change to mini-chiller systems in every wing of the resort, while Mr Oines says they also hope to place increased focus on organics which are still not widely available in Thailand.

Shinta Mani

At first glance Shinta Mani could easily get lost amongst the growing number of hotels vying for guests in Siem Reap. The 18-room boutique hotel, which lies on the site of the former post office in the heart of the old French Quarter, features a restaurant, swimming pool, spa, a library and an art gallery. But there is one important difference: the hotel is also actively involved in community projects and poverty alleviation.

Shinta Mani finances and runs the Institute of Hospitality, a hospitality school where disadvantaged Cambodian adults can train in areas relevant to the hotel business, such as front office, housekeeping, food and beverage and kitchen operations.

Bill Black, Managing Director of BMC Management (the Thailand-based group who own Shinta Mani) says that the Institute was initially set up to train local unemployable Cambodian adults coming from areas of risk that could be employed at the group's new property Hotel de la Paix.

"There was a delay in opening and so we started a second class due to the demand in the local hospitality market for western skilled cooking staff," he explains. Since then (2004) more than 100 students have been trained, changing their lives – and those of their families – for the better.

In addition to receiving free education, students also get a monthly stipend, uniforms, meals, study materials and a weekly supply of four kilogrammes of rice for their families. To qualify for a training course students have to be orphans, from a single parent or large family with

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an income of less than USD10 per month, or be physically challenged.

Due to the ongoing tourism boom in Siem Reap students usually find a job within two months of completing their training, often earning USD60-130 per month – two or three times the country's average income.

The Institute is funded through individual donations as well as from the operation of the hotel; USD5 of each confirmed reservation via Shinta Mani's website goes to the Institute.

The Institute is just one part of the community work the hotel engages in. Along with its sister hotel, Hotel de la Paix, Shinta Mani also offers its guests the opportunity to participate in local community support projects. Guests can visit poor families and help to support them by financing anything from a brick house to a water well, piglets to a sewing machine.

Such donations can make an enormous difference to the lives of the poor. For example, access to clean potable water via a well dramatically reduces incidence of diarrhoea and infections and can help double a family's income during times of drought.

More than 1,000 families have received support since the project's implementation in 2005. Mr Black attributes this success to word of mouth rather than any kind of hard sell to guests.

"Much of our success in raising funds comes from word of mouth and donors repeating donations after they see how effective their first donation has been," he explains.

He believes that Shinta Mani's Institute and community work have made a significant difference to the success of the hotel. "Without question our school and community activities have provided the hotel with a distinctive competitive advantage in an over-supplied market such as Siem Reap. Our occupancies and average rates are the highest within our competitive set of hotels."

Looking ahead, Mr Black says they plan to grow the Shinta Mani hotel brand throughout the Greater Mekong Sub-region, with each property having an 'institute of learning' (which will not be restricted to just hospitality training).

"A needs assessment in the area that the hotel is located will influence the programme selected to be taught at the school. The same will apply to the community based activities – they will not simply be a cut and paste from Siem Reap, but what is best for the community that we are working in," he explains.

Meanwhile at the original Shinta Mani in Siem Reap, Mr Black says they are taking their community work to the next level, looking at how their projects can be applied not just to individual families in the community but working with the community as a whole in producing produce which can be sold directly to local market as well as to hotels and restaurants.



Shinta Mani Hotel, Siem Reap



The Institute of Hospitality provides training for disadvantaged Cambodian adults



Guests are encouraged to support local community projects, such as providing access to clean water