# Corporate Social Responsibility (CSR): An exploration of Chained and Non- Chained Hotels in Ghana

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## ABBREVIATIONS

AMA- Accra Metropolitan Assembly
CPP- Conventional People's Party
CSR- Corporate Social Responsibility
EPA- Environmental Protection Agency
EIA- Environmental Impact Assessment
FDB- Food and Drugs Board
GCB- Ghana Chamber of Mines
GDP- Gross Domestic Product
GHA- Ghana Hotels' Association
GIPC- Ghana Investment Promotion Center
GTB- Ghana Tourist Board
IHEI- International Hotels Environment Initiative
IMF- International Monetary Fund
MNC- Multinational Companies
NGO- Non-Governmental Organisation
PPP- Progressive People's Party
SSNIT- Social Security and National Insurance Trust
SOE- State Owned Enterprises

# ABSTRACT

The issue of tourism sustainability have become a major a concern for many people across the globe. NGO or (I)NGOs, International Organisations and concerned individuals have not been the only groups to push forward the claim of sustainability of the earth. More recently, the businesses in the tourism industry have also embraced the concept of corporate social responsibility (CSR) to guide them in the achievement of environmental and social sensitivity. Hotel companies have responded to this call and have embedded the idea of CSR in their business models. While this assertion is widely known in most developed countries, the situation in a developing country like Ghana is under-researched, leaving stakeholders in the country with little knowledge on this matter. With the use of a qualitative approach, the study seeks to ascertain the extent of recognition, nature and content of CSR actions by chained and non-chained hotels in Ghana, invariably, researching into the notion of CSR among the chained and non-chained hotels, their motivations for social and environmental responsibilities, actions and activities for channelling such claims.

There is no doubt that multinational or chained hotels, through globalisation and through the expansion of tourism have paved their way into Africa. As the wave of CSR touches certain parts of Africa especially the Eastern parts due to the emergence of multinational hotels, not enough is known in Ghana about what hotels (chained and non-chained) are doing to ensure the country's social and environmental sustainability.

It was expected from the study that multinational hotels will even provide great assistance to the local community in which they are located due to their corporate sustainability policies. From the research, this expectation is not met as the multinationals in question at the time of the research had no corporate sustainability policies that were at work in Ghana just like their counterpart non-chained hotels. Prevailing issues immediately identified were the growing concept of CSR in Ghana, low levels of CSR adoption and implementation by both hotel categories and the short time existence of most hotel chains in country.

With the sustainability debate widely known and several businesses taking up their mantle as suggested by literature, the study reveals on the contrary that in Ghana the debate is not widespread. The sustainable agenda among hotels in Ghana is not a commendable issue. CSR strategies and initiatives adopted by the hotels are more geared towards social aspects of the community rather than environmental or economic whereas other sectors in the country such as the telecommunication have credible investments in their CSR initiatives.

Although this thesis is an exploratory study, it paves way for future research into the role of tourism businesses in helping alleviate poverty in developing countries. The results, as described in this thesis, hold valuable implications for managers, policy makers and the country as a whole.

# CHAPTER 1

# INTRODUCTION

This opening chapter sets the context of the research by providing an elaborate background of the study and an insight into the emergence of corporate social responsibility (CSR). It further explains the problem statement, the research objectives and questions that were formulated as well as an outstanding justification for the purpose of this research.

## 1.1 Background of the Study

Tourism over the years has grown to become one of the most important industries in the world today. In most developing countries such as Ghana, Kenya, Tanzania among others, tourism is the largest foreign exchange earner that contributes majority of the country's gross domestic product. Tourism constitutes Ghana's third major export commodity after minerals and cocoa. Visitor arrivals moved from 145,750 in 1990 to 399,000 in 2000. During the same period, revenues from international arrivals increased from $81 million to $386 million (Ghana Tourist Board (GTB), 2000). The situation has not remained the same and due to current global issues, the contribution of Travel and Tourism to Gross Domestic Product is expected to decline from 7.6% (GHC 1,558.8 billion or US$ 1,257.1 million) in 2009 to 6.9% (GHC 4,251.8 billion or US$2,995.4 million) by 2019 (WTTC Tourism and Economic Research 2009, Ghana).

Tourism is one of the activities that depend heavily on the environment as well as the society at large. Pristine beaches, warm climates, clean air, dramatic landscapes among others promote tourism. However, it also has the potential of destroying the very environment on which it depends. If not properly managed, a classic case of ''killing the goose that lays the golden egg'' Mensah (2006). As Zierer (1952) notes, 'a notable characteristic of the tourism industry is that it does not, or should not, lead to the destruction of natural resources' (Cohen, 1978, p. 218 in Miller & Twining-Ward, 2005, p. 28).

In 1970, during the rise of *environmentalism,* the discussion came to pass about the sustainability of, in that time developed, mass tourism. Especially since tourism appeared to be a growing business; it developed internationally and the negative effect it had on the environment became more and more well-known (Holden, 2000). In this regard, the production side of tourism has also increasingly taken action to incorporate sustainability in the core of their operations.

To try to define sustainability will be an impossible task that might overshadow the core essence of this research. Many questions are constantly being raised by various researchers as to whether tourism in developing countries is sustainable. There has been an enormous concern for nature and resources that the environment has to offer. Debates regarding this

are many and sustainability has become a mere social construction if not political. According to Mowforth and Munt (2009), sustainability is a word that is defined, interpreted and imagined differently between individuals, organisations and social groups.

The Report of the Brundtland Commission, Our Common Future (1987) defines sustainability as *"development that meets the needs of the present without compromising the ability of future generations to meet their own needs"*. Following this were the Rio Summit (1992) and other conferences all held in honor of making the earth, in which we live, a better place free of pollution and resource degradation.

Over the years, the industry has also tried, in their own way, to adjust and conform to a more environmentally friendly ways of doing business. In the 1990s, the business sector slowly awoke to the sustainable development agenda and to the role of business in sustainability (Mowforth and Munt, 2009). In recent years, there has been a steady growth in 'corporate social responsibility' (CSR) within which the impacts of business in the economic, environmental and social sectors are accounted for and audited (Elkington, 2001). According to the World Business Council for Sustainable development (2000),

*Corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large*.

From the definition above, one may wonder the contribution of the business to the natural environment too. Well, as heavily debated by numerous researchers around the globe, there is no straight forward definition for the concept that encapsulates all the actions, activities, scope of corporate social responsibility. The Confederation of British Industry (CBI), UK organisation of employers defines the concept as follows;

*Corporate Social Responsibility requires companies to acknowledge that they should be publicly accountable not only for their financial performance but also for their social and environmental record. More widely, CSR encompasses the extent to which companies should promote human rights, democracy, community improvement and sustainable development objectives throughout the world (Confederation of British Industry, 2001a).*

Other researchers have defined the concept in different ways. Nonetheless, no matter how the concept is defined, one thing is certain that the concept encapsulates five main dimensions which include; the environmental dimension, social dimension, economic dimension, stakeholder dimension and voluntariness dimension (Dahlsrud, 2008). These spheres tackle the overall wellbeing of the environment and the people at large while in most places, reducing poverty.

The wave of adoption of CSR has swept through many, if not all, developed countries. (I)NGOs have questioned its usefulness and whether it actually aids in social and environmental sustainability as nicely written in reports. The Travel Concern (2002b) raises this thought; 'the questions remain to what degree is CSR an adequate response to global poverty and inequality and to extent is it a largely postmodern philanthropy centred upon the power of consumers and an incremental and partial voluntarist response in an

adequately regulated global environment.' In response to this though, many more businesses have embraced the concept and are able to win the hearts of their consumers, many of which would only make transactions with companies they think are environmentally and socially sensitive. Given that major hotel chains are multinational or transnational, this means that they have an important role to play and CSR acts as a vehicle in achieving this goal (Bohdanowicz and Zientara, 2008).

Though some businesses in the industry especially in the developed world have succeeded in incorporating sustainability practices in their operations, the actions of those in the developing countries (especially in the tourism industry) have become questionable.

## 1.2 Problem Statement

The question of quality of life highlights the significance of corporate social responsibility (CSR) (Bohdanowicz and Zientara, 2008). Over decades, many debates and discussions are being held about the impacts that tourism has on the environment and the lives of people in which tourism thrives. Like a two edged sword, tourism has both impacted positively and negatively on the environment and the lives of people. Literatures explore this and try to rule out and present the pros and cons of tourism. In this light, the businesses have put up every effort to pay attention to their activities and its impacts on environment and people. CSR has taken its premise that businesses ought to justify their existence in terms of service to the community rather than mere profit (Crook, 2005). Many companies have adapted to this current phenomenon. However, not enough research has been done on the tourism and hospitality sector. It is rather more common to see or read about CSR reports of companies in areas such as banking, mining, and agriculture, among others. On the topic of CSR in Ghana, researches such as those by Ofori and Hinson (2007), Boon and Ababio (2009) and Dartey-Baah and Amponsah Tawiah (2001), all portrayed the importance of the concept in other sectors of the economy as mentioned above. Much more devastating is the fact that, few researches on CSR in the tourism industry have a high concentration in America and in Europe about huge multinational (chained) hotels such as Hilton and Accor (Holcomb *et al.* 2007). There is no doubt that these multinational or chained hotels, through globalisation and through the expansion of tourism have paved their way into Africa. As the wave of CSR touches certain parts of Africa especially the Eastern parts due to the emergence of multinational hotels, not enough is known in Ghana about what hotels (chained and non-chained) are doing to ensure the country's social and environmental sustainability. Zambia and Kenya are examples of some African countries where the CSR notion has deeply been rooted. The research by Kivuitu *et al.* (2005) revealed that those two African counties host an emerging specialist of CSR organisations such as the Partnership Forum in Zambia and Ufadhili in Kenya. These organisations raise the profile of CSR issues at a national level and bring some familiarity with CSR concepts and practices. Also both countries have been selected for the introduction of the UN Global Compact/UNDP 'Growing Sustainable Business for Poverty Reduction' initiative. These are few instances of CSR taking effect in some parts of Africa whereas actions and practices of that of Ghana especially in the tourism industry are not widely known.

Simply put, the hotel industry in Ghana lacks in-depth research on its CSR. It is therefore imperative to explore the concept of CSR at work in Ghana especially in the tourism industry, in the sense that tourism is one of the country's largest foreign exchange earners which has led to the emergence of numerous tourism establishments particularly multinationals in the industry.

## 1.3 Research Objectives and Justification

The main objective of the research is to explore the adoption and implementation of corporate social responsibility in the hotel industry of Ghana. In particular, the first objective of the study is to examine the extent to which hotels in Ghana accredit to the understanding and adoption of corporate social responsibility. Secondly, the research aims to investigate and identify the driving forces, both internal and external, that influence a hotel to engage in sustainable business practices (CSR). Thirdly, the research aims to reveal the specific strategies or initiatives employed by hotels in their implementation of corporate social responsibility. Lastly, the research also seeks to compare the level of adoption and implementation of CSR between chained hotels and non-chained hotels in the industry.

To pursue the objectives explained above, four research questions are formulated below under the central research question,

*How do hotels in Ghana adopt and implement corporate social responsibility (CSR) in their business operations?*

The research will seek to answer questions like;

1. To what extent are hotels knowledgeable and willing to respond to the issue of corporate social responsibility in their business operations?
2. What are the critical internal and or external factors that compel a hotel to adopt corporate social responsibility?
3. What are the key strategies and assorted CSR-oriented initiatives implemented by hotels?
4. How is the level of adoption and implementation of CSR by chained hotels different from that of non-chained hotels?

To justify the need for this research and its implications, first and foremost, this research adds to the very few researches that have ever been conducted regarding CSR in the tourism industry of Ghana. Upon going through literatures of CSR and Ghana, one prominent research that was stumbled upon and close to the CSR actions of hotels was the research by Mensah (2006) who researched on environmental practices of hotels in the Greater Accra Region of Ghana. Despite the fact that this research is over six years old, it also mainly focuses on one scope of CSR ignoring other important aspects, especially the societal and economic impacts of those hotels. Moreover, other researchers such as Ofori and Hinson (2007) and Boon and Ababio (2009) also relate CSR with only the mining industry of Ghana. Thus, the research will be highly instrumental in providing in-depth information regarding the notion of CSR among hotels in Ghana, what motivates them in

dealing with social responsibilities and various ways in tackling the issue of corporate sustainability.

Furthermore, the outcome of this research provides a concrete comparison in ways and dimensions of how CSR is adopted, reported and executed by chained hotels and non-chained in Ghana. This comparison is deemed necessary because, it goes without saying that since chained hotels in Ghana have its origins from mostly developed world where CSR is more prominent (according to the literatures), they should be able to in the same way, embark on CSR initiatives that will be of great benefit to the developing world in which it operates. It is expected that such chained hotels should carry out CSR strategies which have been nicely formulated in a developing world as much as it would in a developed world. It is only through these actions that a first world business can aid in the eradication of poverty and promote development in a third world. Also, the research can provide information for indigenous companies regarding more cost effective ways of executing their social responsibilities in the country.

The research provides all stakeholders especially the Ghana Tourist Board, Ghana Hoteliers Association and the Ministry of Tourism with information about corporate sustainability and the way forward of getting more actors in the industry involved.

This research also provides information for the government as well as nongovernmental organizations with regards to tourism sustainability and developmental issues that have been the major issues of concern over the years in their attempt to develop a more sustainable tourism industry in Ghana.

 Lastly, research also contributes to the knowledge available on this topic and serve as a point of reference for further research in the corporate social responsibility of tourism industry and business operation in Ghana. The thesis will contribute to growing bodies of theory and literature in sustainable tourism development and the hotel industry in general. It also makes an important contribution to tourism businesses in developing world setting.

## 1.4 Thesis Structure

This thesis is structured in five main parts. The first part which is chapter one, sets the context of the research by providing an elaborate introduction of the entire thesis and a background of the study which gives a little bit of insight into corporate social responsibility (CSR). It further gives the problem statement, the research objectives, questions that were formulated and an outstanding justification for the purpose of this research.

The second part of this thesis, the chapter two, connotes an extensive literature review and and conceptual framework adopted for the study. It gives a description of the hotel industry in general, tourism sustainability and an insight into corporate social responsibility in the hotel industry and Ghana as a whole.

The chapter three, which is the third part of this thesis brings into focus the methodology used for the research. It gives a brief description of the study area of the research which is Accra, the capital city of Ghana. It also explains the approach and sampling procedure used

for the study, the sources of data, how the data was further collected and analysed and finally revealing the research limitations encountered.

Chapter four of this thesis gives an analysis of findings obtained from the research. It explores CSR among chained and non chained hotels in Ghana; the understanding of CSR among these hotels, their motivations/drivers as well the implementation strategies adopted. It further gives a compason of the two categories of hotels.

Lastly, the final part which is chapter five raises a further discussion for this research and provides concluding remarks. It also proposes some recommendations that can be considered by policy makers, players in the industry and the like.

**CHAPTER 2**

**TOURISM SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY**

This chapter connotes an extensive literature review and conceptual framework adopted for the study. It starts with a highlight of corporate social responsibility (CSR) in tourism, followed by a description of CSR in the hotel industry and in Ghana. The chapter further stipulates a conceptual framework for the study, focusing on the stages of CSR, the motivations /drivers of CSR and lastly, the dimensions and activities of CSR.

**2.1 Corporate Social Responsibility in Tourism**

Tourism is one of the largest global industries and one of the most important social phenomena (Smith, 1995: Theobald, 1998). It heavily depends on people and the society for its existence. Tourism is also a multidisciplinary subject. It is multifaceted and has processes such as socio cultural, economic and political operating on and through it (Mowforth and Munt, 2009). To understand tourism better, Britton (1991) characterises the geography of tourism as being primarily concerned with:

*the description of travel flows; micro scale spatial structure and land use of tourist places and facilities; economic, social, cultural and environmental impacts of tourism of tourism activity; impacts of tourism in the third world countries; geographic patterns of recreation and leisure pastimes; and the planning implications of all these topics*.

This definition encapsulates the vital elements of travel and tourism and many scholars have propounded theories that address specific elements in this regard. One peculiar aspect of the definition that stresses on the usefulness of this research are the impacts that tourism activities have on the society and environment at large. The implications of tourism are not unambiguously positive (Charter for Sustainable Tourism, 1995). It is a widely-known fact that tourism has both negative and positive impacts. By and large, these fall into three broad categories: economic (money related, employment related, infrastructure related), socio-cultural (culture related, religion related and society related) and environmental (Bohdanowicz and Zientara, 2008).

CSR in tourism research seeks to address the impacts that tourism has on the environment and everything within it. Van der Duim *et al.* (2011) in juxtaposition of this claim maintain that, scholarly and managerial attention for CSR have rapidly evolved in the tourism business community as a consequence of increasing concerns over the negative impacts of tourism on the natural and socio-cultural environment. They further gave instances in the tourism industry where CSR has sought to address by the use of Dahlsrud's (2006) dimensions. According the researchers, the environmental dimension of CSR addresses issues in the tourism industry such as airlines and emissions, cruise lines and waste disposal; hotels and natural resource management and tourism and biodiversity. The *social dimension*

also addresses the business and societal issues like sex tourism and pro-poor tourism. The *economic dimension* of CSR mainly focuses on the debate on linkages and leakages. *Stakeholders* are identified when developing sustainable destinations and sustainable businesses. Finally, the *voluntariness dimension* refers to Antarctic tourism.

CSR is a cutting edge which addresses several negative related issues in the tourism industry. Further in the research, the three broad categories as identified by Bohdanowicz and Zientara (2008) which include economic, socio-cultural, and environmental, will be adopted as the basis in exploring the diverse intervention actions and activities of CSR identified by various literatures.

## 2.2 Corporate Social Responsibility and the Hotel Industry

It is now widely recognised that poverty reduction and sustainable development will not be achieved through government action alone. Policy makers are paying increasing attention to the potential contribution of the private sector to such policy objectives (Kuvuitu *et al.* 2005). It is in this view that many industries and companies in the private sector have found it imperative to promote sustainability in their way of doing business. Gradually, these businesses have found the need to also 'care' for the people who work with them and live around them. This has been channelled through the engagement of employees and the local people in various business activities that result in their wellbeing.

In particular, the hotel companies have tried in their best interest to contribute to the quality of life in the host communities and environment. The accommodation sector is predominantly concerned with issues of natural resource management, local procurement to reduce leakages, labour conditions and in some regions, the combat of child-sex tourism (Van der Duim *et al.* 2011). This is true for majority accommodation establishments and chains in the developed world. Many growing number of hotels have presented concrete initiatives and highlighted their rationale in embedding the idea of CSR into their business models. One of such company is Scandic, one of the largest and best established hotel operators in Scandinavia, which has been viewed as a pioneer of sustainability work (Nattrass and Altomare, 1999). The framework used by this company in line with others will be discussed further.

The hotel sector in Ghana has also experienced a rapid growth since the 1990s in response to tourism growth and also with the advent of the Economic Recovery Program and the Structural Adjustment Program (ERP/SAP) in 1986 by the then government. Ghana's nascent and growing tourism industry has experienced a steady growth in hotels but it is not exactly known how these hotels are embracing the concept of environmental management and social responsibility, within the context of sustainable tourism development (Mensah, 2006).

The entrances of multinational hotel chains have boosted the growth of hotels in Ghana. In the past, travel and tourism in Ghana struggled with a limited supply of travel accommodation facilities. However, this problem has in a way been addressed with hotels which meet international standards. The hotel industry has received a boost as new

international luxury hotels have been established and most of them concentrated in the capital city of Accra. At present, accommodation represents the largest portion of travel and tourism revenue in Ghana, accounting for 34% of tourist expenditure. Hotels recently developed in the country include Holiday Inn, Best Western, Mövenpick Ambassador Hotel and existing chains in the country include Novotel and Golden Tulip. Since their completion, these new hotels cater for the increasing number of visitors travelling to country. Growth in hotel revenue will also be essential in increasing Ghana's foreign exchange earnings and thereby enhancing development. Other means by which the development of these hotels have been beneficial to the country is through the provision of jobs for Ghanaian citizens and it can be expected that these hotels being multinational will provide great assistance to the local community in which they are located due to their corporate sustainability policies.

## Table 1: Number of hotel rooms and beds, 1997–2007

| YEAR | NUMBER | ROOMS | BEDS |
| --- | --- | --- | --- |
| 1997 | 751 | 10921 | 14164 |
| 1999 | 834 | 11384 | 16814 |
| 2001 | 1053 | 15453 | 19648 |
| 2003 | 1250 | 17352 | 22909 |
| 2005 | 1345 | 18752 | 23924 |
| 2007 | 1430 | 21159 | 26226 |

*Source*: Ghana Tourist Board (GTB), 2007.

The table depicted above shows a ten year span increase of the number of hotels, rooms and beds in the Ghanaian accommodation setting. Though outdated, considering the last information obtained was about five years back, the table shows a tremendous increase in hotel activity in the country and evidence that the accommodation sector have really aided the growth of tourism in the country. Nonetheless, the growth of hotels has not been without effects on the environment and the society at large. In Ghana, there have been instances where the media has reported cases of hotels (especially those located along the coast) channelling their waste into water bodies and surroundings. Also the industry hires a greater proportion of individuals in the house keeping sector and yet they are the least paid or looked after by the hotels they work in. For hotels to start operating in Ghana, one requirement sort for by the Ghana Tourist Board is an Environmental Impact Assessment from the country's Environmental Protection Agency. This report however is only limited to the environmental aspect ignoring other important aspects which CSR seeks to address. In most cases, through bribery and corruption in the country, some hotels do not provide satisfactory reports and are still made to operate unchecked.

Research into the communication of CSR by leading multinational corporations in the US and EU such as Johnson and Johnson, Hewlett Packard British Petroleum, Nokia among others reveal that though US based companies would favour more economic justifications for engaging in CSR and EU companies favour sustainability arguments in order to bolster their actions in stakeholder communications, both companies are seeking to project a positive image with regards to sustainability, peppering their social reports with a significant

number of sustainability terms. MNCs in the hotel industry such as Accor Hotels, Holiday Inn Best Western among others are also in operations in the country. There is no doubt therefore that businesses in the hospitality industry of tourism are also doing the best in their capacity to promote the sustainability of the environment and society in which they operate. However, it goes without saying that there is far more research on CSR in developed countries than there is in developing countries (Dobers and Halme, 2009). This is also true for CSR research in the tourism sector of developing countries. In most cases, should there be any form of CSR research, it is purely limited to companies (particularly multinationals) operating in other sectors of the economy. These provide authentic justification for much more outstanding research in the tourism industry of developing countries especially hotels, where majority of multinationals have expanded their operations to.

## 2.3 Corporate Social Responsibility in Ghana

Historically, the concept of CSR is alien in many developing countries and remains so in some countries even today. CSR has not been part of the corporate agenda of many companies in the developing world (Amponsah-Tawiah and Baah, 2011). Weak institutional environments, such as in developing countries, often harbour illicit financial outflow from poor countries to rich ones. This strips developing nations of critical resources and contributes to failed states, a point hardly ever discussed in the CSR literature (Dobers and Halme, 2009). Ghana is no exception. The country is especially known for its weak institutional and legal environment where companies 'get away with' their actions or inactions that affect the people or environment and where corruption and tax fraud is profound. With a population of 23.8 million, Ghana has a 29% of its population below the national poverty line (World Bank Development Economics LDB Database, 2011).

Admittedly, over the past ten years some countries in Africa have seen significant progress in the area of human rights and CSR. South Africa (Visser, 2005) and Kenya (Mwaura, 2004) can be singled out as two cases in point. However, the spread is not as encouraging as expected considering the abuse and neglect that characterise most regions which harbour natural resources and are being exploited by many companies. In Ghana the concept of CSR has been left for major corporations in the mining industry and telecommunications ignoring the actions of those other establishments and businesses (especially MNCs). For example corporations like MTN, Valco, Goldfields, and AngloGold in Ghana have only been instrumental in the social development of the country in some ways. Similarly, the focus of CSR has only been with effects on the external environment neglecting other areas of which the term seeks to address (Amponsah-Tawiah & Baah, 2011).

In Ghana, the socialist orientation of the first president Dr Kwame Nkrumah gave the impression perhaps rightly or wrongly that State Owned Enterprises (SOEs) were able to solve societal problems. His fight for the independence of the country led to his regime trusting the welfare of the society to only the government. This existed for a long time in the country even after his death. Successors of his regime promoted that fact and after several coups in the country spearheaded by Flight Lieutenant J. J Rawlings (president 1981-1992),

corporate organisations' social obligations were limited to the payment of taxes. In recent times, the current government have called out to private organisations as well to see to the social and environmental problems of the country, judging from the fact that the government alone is incapacitated if it has to do so all by itself.

The topic of CSR is now being discussed in Ghana and it is not a political priority or at the top of the development policy agenda. It is now widely accepted that corporate governance and its CSR component has moved from the profit-centred model to the socially responsible model, a concept referring to the way in which companies exercise responsibility and accountability for the economic, social and environmental impact of their business decisions and behaviours. Issues such as environmental damage, improper treatment of workers, and faulty production leading to customer inconvenience or danger are being highlighted in the Ghanaian media; elsewhere, investors and investment fund managers have begun to take account of a firm's CSR policy in making investment decisions; some consumers have become increasingly sensitive to the CSR programmes of the firms from which they buy their goods and services.

According the reports in one of Ghana's famous newspaper the Daily Graphic on the 16$^{th}$ December 2009, The Ghana Chamber of Mines defines CSR as the broader responsibilities that results from the relationship that a company develops with both the environment and society in an effort to jointly achieve an integrated environmental management system and satisfy social objectives. The reports also reveal that Ghana Club 100 (GC 100), in ranking the nation's best performing companies considers their social responsibility in areas such as: concern for health, education, poverty alleviation, environmental concerns, issues relating to the socially vulnerable, and contribution to sports development. However, the Ghana Club 100 (GC100) is an annual compilation of the top 100 companies in Ghana to give due recognition to successful enterprise building and was launched in 1998 by the Ghana Investment Promotion Centre (GIPC).

The GC 100 is about corporate excellence. Companies making it into the GC 100 are to serve as role models for the private sector and provide a forum for corporations in Ghana to interact with the government at a high level. Judging from its sole purpose of existence, the GC 100's aim is to promote corporate enterprising in Ghana and the issues and concerns for Ghana Club 100 are mainly tied with industries other than tourism and hospitality industry. It is not exactly known the extent to which the ranking of best companies by the Ghana Club 100 is effective and the exact methods used for their ranking. The extraction industry such as mining and agriculture and other business corporations are rather more prominent. In 2008, the British chocolate manufacturer Cadbury began to switch to purchasing fair trade cocoa beans and it plans to purchase only from fair trade sources in Ghana by 2012. The company, which is part of Kraft Foods, is investing a total of GBP 45 million to upgrade its supply chain and raise the standard of living of cocoa farmers. In addition to Ghana, target regions include India, Southeast Asia and the Caribbean.

Another example can be seen in the German companies located in the country. Since these German companies are not involved in the mining, oil and gas sectors, they receive no direct requests for CSR activities. However, European customers of German companies expect them to make sure that the members of their value chains respect human rights and comply

with social standards. This applies for example to cocoa farming. German companies frequently find that workers in Ghana lack necessary expertise, and it is often difficult for them to bring foreign workers to Ghana. Accordingly, they provide basic and further training for their employees. These examples stress the absence of detailed information about CSR in the tourism sector as well.

The Government's involvement in CSR seems to rest mainly with the legal dimension, which enjoins businesses to obey the law. However, there is no comprehensive CSR policy or law in Ghana. There are a variety of policies, practices and initiatives that together provide the CSR framework in Ghana; the Government may seek to promote CSR by putting in place legislation that defines minimum standards for business performance. Examples include constitutional provisions, local government laws and requirements for environmental impact assessments contained in an Act of Parliament.

The Government also facilitates CSR by providing incentives to companies undertaking activities that promote the CSR agenda and drive social and environmental improvements. The role of the Government here is basically catalytic, secondary, or supportive (Daily Graphic, 2009) thereby encouraging private firms to take the leading role.

CSR activities in Ghana are mainly spearheaded by large scale multi-national companies as discussed previously. But activities of such multinational companies in the tourism industry particularly the accommodation sector is not known. In the same way, that of indigenous companies is not widely known. Though the concept in Ghana has become synonymous to the mining industry where there appear to be more environmental and human rights concerns, with a lot more interest groups calling for ethical, social and environmental responsibility from companies operating in the area (Amponsah-Tawiah & Baah, 2011), it must be stressed that tourism is another sector of the economy that heavily depends on the environment, culture and people without which neither of them can survive.

There is thus urgency for concerted efforts by the private sector, public sector and non-governmental organizations to develop structures and institutions that contribute to social justice, environmental protection and poverty eradication (Dobers and Halme, 2009). This makes it highly imperative to explore the concept of CSR at work in Ghana especially in the tourism industry in the sense that tourism is one of the country's largest foreign exchange earners which has led to the emergence of numerous tourism establishments particularly multinationals in the industry.

## 2.4 Corporate Social Responsibility: A conceptual Framework for the Study

Corporate social responsibility, also known as corporate citizenship, corporate sustainability, corporate responsibility or responsible business (Kalisch 2002, MacIntosh *et al.* 2003), has been defined by many academicians and practitioners till date. No clear cut definition of the term has been put across because, more often than not, the execution of the concept deeply relies on the geographical location of a corporation, its main motives as well some factors in the external environment that affect or interrelate with it in one way or the other. Admittedly, Berger and Luckmann (1966) attested that CSR is viewed as a social construction and as such, it is not possible to develop an unbiased definition.

However, to provide a better understanding for the purpose of the research, several definitions were obtained from academic literature to establish grounds for the concept. The Commission of the European Communities (2001) defines CSR as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. In the same way, Khoury *et al*. (1999) saw it as the overall relationship of the corporation with all of its stakeholders. The stakeholders as noted by the authors include customers, employees, communities, owners/investors, government, suppliers and competitors. Albeit this is one of the few definitions of the concept that actually spells out whom the stakeholders of a company really are. All the same, Hopkins (2003) finds it as concerning with treating the stakeholders of the firm, ethically or in a responsible manner. Stakeholders therefore become one important aspect of the entire CSR initiative.

The research adopts three main theories in the CSR debate in answering the core objectives of the study. These theories are embedded into one conceptual framework which acts as the underpinning or rationale for the research. The research entirely explores the knowledge of CSR among hotels, factors that drive them to adopt CSR and lastly the scope of their implementation. It based on these that the research adopts the three theories; stages of CSR, motives for CSR and dimensions of CSR which have been discussed by numerous academicians.

## 2.4.1 Stages of CSR

Zadek (2004) clearly stated that companies do not become model citizens overnight and that Nike metamorphosed from the poster child of irresponsibility to a leader in progressive practices by undergoing five main stages. This five-stage model of company's learning pathways though complex provides an excellent framework for determining and understanding the CSR status of the hotel industry of Ghana. It will help to reveal the stages of chained and non-chained hotels in Ghana where CSR is concerned.

The first stage as the model portrays is the Defensive stage. In this stage, organizations deny the existence of problematic practices or responsibility for addressing them. This they do to defend against attacks that could affect short term sales, productivity etc. In this first stage the main thought of the organisation is 'It's not our job to fix that'. The company is also faced with unexpected criticism from civil activists and the media but sometimes from direct stakeholders such as customers, employees and investors. The company's responses are designed and implemented by legal and communication teams and tend to involve outright rejections and allegations. Through this research it will be determined whether hotels in the tourism industry of Ghana actually face some pressures from their stakeholders and the various ways through which they are addressed. An insight in this issue will reveal whether or not such hotels are in the defensive stage of CSR adoption and implementation.

Following the stage of defence is the Compliance stage where companies reluctantly adopt a policy-based compliance approach as a cost of doing business and to protect the company's reputation. These first two stages are *reactive* or *ignorant* (Van der Duim *et al.* 2011) owing

to the fact that company's 'do just as much as they have to'. In the compliance stage it's clear that a corporate policy must be established and observed especially in ways that is visible to critics. The main aim for the compliance action is that it is seen as a cost for doing business and to protect the company's image. The image of the company is a core issue disregarding the actual sense of undertaking a CSR.

According to Zadek (2004), the third stage, which is the Managerial stage, is when the organisation realises that it is faced with a long term problem that cannot be shoved away with compliance or public relations strategy. Managers are assigned and given core business responsibility for the problem and its solution.

The fourth stage being the Strategic is where the company integrate the societal issues into the core business strategies. The company learns how realigning its strategy to address responsible business practices can give it a leg up on the competition and contribute to the organisations long term success. This therefore grants the company a competitive edge to satisfy its stakeholders accordingly. For example automobile companies are concerned with environmentally safer forms of mobility, food companies with their consumer's health, in the same way hotel companies must deeply be concerned with all internal and external stakeholders that affect them directly or indirectly.

Last but not least is the fifth stage, Civil. By this stage, companies promote broad industry participation in corporate responsibility, making sure everybody else does it. Companies thereby promote collective action to address societal concerns. For example the hotel chain ACCOR together with other sustainability concerned groups make available their social and environmental sustainability reports with the aim that everybody will see what they are doing and others can also adopt as well.

## 2.4.2 Motivations for CSR

There are substantial literatures that explain why companies act in socially responsible ways and what the financial payoff of those actions might be. This is to say that to every action undertaken by a company there are some expectations as to the resulting outcomes of those actions. Numerous studies have examined motivations for environmental responsibility (e.g. Annandale and Taplin, 2003; Bansal and Roth, 2000; Khanna and Anton, 2002) as well as the motivations for social responsibility (e.g. Anderson and Bieniaszewska, 2005; Bendell *et al*., 2005; Bichta, 2003; Tullberg, 2005), and there is increasing trend in looking at corporate social and environmental responsibility in unison (e.g. Egri *et al*., 2004; Lund-Thomsen, 2004). To date, much of the literature concerning the motivations for CSR concentrates on heavy industries such as the mining, chemical and energy sectors; moreover, there is a paucity of research on CSR in the service sector (i.e. Céspedes-Lorente *et al*., 2003; Kirk, 1998). This research sought to analyse literature to determine the motivations of CSR and at the end of the research, revealing what really motivates hotels in the tourism sector to adopt and implement the sustainability agenda.

From a more general perspective, in recent years there has been increasing attention on the drivers of value in organizations. Undoubtedly, in order to make effective decisions, managers must know the impact of company products, services, processes and other

activities on either the external or internal environment (including all of the various corporate stakeholders) or on the company (Epstein and Roy, 2001). Basing on Epstein and Roy (2001) external and internal environment of a company and after a thorough review of literature (Udayasankar, 2008; Cornelius *et al.* 2008; Lynes and Andrachuk, 2008; Hermingway and Maclagan, 2004) it can be concluded that, actually, what drives an organisation to be committed to social and environmental issues relies on two main distinct but yet interrelated factors that arise from its internal and external environment. These factors can then be further categorized as *external* and *internal* drivers. For the purpose of this research, drivers and motivations were used interchangeably as the research considers both terms to mean the push or pull factors that enables or motivates a hotel to engage in sustainability practices. Also, both internal and external drivers that set a direction for the actions undertaken that relate to sustainability issues and their impact on corporate social, environmental and financial performance (Epstein and Roy, 2001).

### *External drivers*

External drivers are those elements pertaining to the outside of the organisation in which the organisation has little or no control over. Social and environmental issues can be both powerful external drivers (Epstein and Roy, 2001). These external drivers can be linked with the external stakeholders of the hotel.

Key stakeholders of a company are the groups or persons who can affect or are affected by corporate actions or the achievement of an organization's purpose (Epstein and Roy, 2001). CSR is a response to the competitive environment and the demands on managers from various stakeholder groups (Menon and Menon, 1997; McWilliams and Siegel, 2001). Further, hotel companies in the tourism industry are exposed to widely different pressures from political/governmental institutions, customers, and community activists. These various pressures are important external stakeholder drivers of corporate sustainability. They are issues that involves the integration or acceptance of the business into the local community where it is situated.

Political/governmental institutions who also act as governing bodies present companies with certain legislations for example labour rights in the community to ensure the sound operations of businesses in the community. Legislation can be referred to the desire of a firm to improve the appropriateness of its actions within an established set of regulations, norms, values, or beliefs (Suchman, 1995). It also included complying with legislation, establishing an environmental committee or environmental manager position to oversee a firm's ecological impacts and advise senior management, developing networks or committees with local community representation, conducting environmental audits, establishing an emergency response system, and aligning the firm with environmental advocates. Firms motivated by legislation will be more focused on the stakeholders most influential in prescribing or articulating legitimacy concerns.

Another strong external stakeholder pressure to a hotel in operation is the customers. To every business, the opinions and concerns of its customers are vital to its growth. It is not

surprising that in the hospitality industry the slogan 'customers are always right' goes a long way to tell how much value the firm regards its customers, and of course without them the company ceases to exist. In the US, marketplace polls suggest that a positive relationship exists between a company's CSR actions and consumers' reactions to that company and its product(s). For example, the 2002 Corporate Citizenship poll conducted by Cone Communications found that "84% of Americans say they would be likely to switch brands to one associated with a good cause, if price and quality are similar." This positive link of CSR to consumer patronage is spurring companies to devote greater energies and resources to CSR initiatives (Bhattacharya and Sen, 2004).

In the tourism industry, evidence available suggests that tourists are becoming increasingly concerned about the environmental and social conditions of destinations they visit and the accommodation facility they sleep in. For instance, the Conde Nast Travellers' magazine conducted a readers' poll in September 1996, which revealed that 95% of travellers are concerned with the environmental conditions of their destinations (Moffitt and Engeldrum, 1997) as well as the social wellbeing of the destination. It is therefore heart-warming that hotels are responding to these calls and concerns, culminating in initiatives such as the International Hotels Environment Initiative (IHEI), an alliance between 11 international hotel chains, who in 1993 accepted a manual spelling out a comprehensive campaign to advance environmental and social performance in the hotel industry (Mensah, 2005). Also, Individual hotels like Novotel, Ibis Homebush, Grecotel, Ramada Renaissance Hotel, Fairmont Hotels and Resorts among others are aggressively pursuing sustainability initiatives in other to attract and satisfy their customers.

One final aspect of external stakeholder pressure on hotels that acts as a driving force in the adoption and implementation of CSR is the local community or the society at large. Most often than not, there have been calls for action by local residents (who are at times customers and employees) and Non-governmental Organizations (NGOs) within the society to see to it that companies are sensitive or behave ethically in the community they operate. Takala and Pallab (2000) distinguish between juridical and ethical responsibility in business ethics. The latter encapsulates an active pursuit of morally sound behaviour as a means in itself (action over and above basic legal requirements). A firm may initially mimic good behaviour as these are the 'rules of the game', but over time the firm ''internalises ethical practices for their intrinsic value  (Takala and Pallab, 2000: 114). Businesses are always put in the position that they are expected by the society to perform certain moral and ethical gestures in the community they find themselves in. To confirm this assertion, Bansal and Roth (2000) viewed social responsibility as a motivation that stems from the concern that a firm has for its social obligations and values. There is a redevelopment of local community areas to green field, the provision of a less profitable green product line, donations to environmental interest groups and other local community groups, use of recycled paper, replacement of retail items or office products with more ecologically benign items, and recycling of office wastes.

Moral imperatives notwithstanding, business leaders are struggling with the appropriate goals guiding the formulation and deployment of CSR initiatives that will reap the greatest benefits for their companies (Bhattacharya and Sen, 2004). When businesses yield to the pressures emerging from its external stakeholders, its imagery becomes one important aspect it seeks to develop. Imagery therefore can be identified as an important aspect for a

business operation in the external environment. In today's world, companies spend vast amounts of money to appear 'good' to the general public and the community they operate with the hopes of attracting more customers and gaining much grounds. The media (TV and advertisement) is used to promote all CSR related initiatives and also inform customers about the company's social and environmental sensitivity. Recently, the Royal Dutch Airlines (KLM) adopted the use of twitter (social media) to enhance its customer service. Their strategy was to follow-up on their passengers that had twittered their departure to a particular destination. What KLM did was to meet these passengers at the departure halls and surprise them with a parting gift (based on their lifestyle or their purpose of travel). The airline adoption of social media in this way made it one amongst many their enhancing its image and distinguishing it from the rest.

Imagery is also crucial for hotels in tourism and has propelled them in the adoption of CSR. Companies reported that the two main reasons for their CSR activities were an interest in improving the company's image and a desire to promote the socioeconomic development of the most important stakeholders (such as the community in which they were located). Studies have determined that most projects were designed to meet the expectations of direct stakeholders such as communities and customers.  For many companies, CSR disclosure and reporting have been viewed in terms of corporate image management, a strategic marketing activity. Tools of marketing communications are employed, notably public relations activity, in order to improve the competitive position by delivering the messages designed to create or maintain a good image (Adkins, 1999a, b; Darby, 1999). Sceptics have accused companies of taking a public ethical stance in order to project a "good" image, regardless of their unpublicized unethical practices (Caulkin, 2002).


### *Internal Drivers*

Internal drivers are those elements which stem from the inside of the organisation and therefore found within the limits or scope of the organisation. With the internal drivers, the organisation has enough control to enact change. Again, a thorough review of literature indicates that competition and financial benefits, the organisational values and philosophy, managerial personal values and the size of the organisation act as internal drivers that compel companies to address corporate sustainability.

Many researchers argue the fact that CSR is linked with managing the environment as a means to an end. In this case, businesses are only concerned with the commercial need to achieve financial targets and to deliver enhanced financial performance by the use of CSR. They embark on CSR projects just like what they see their competitors do and more often than not, do it in strategic manner to put them on the forefront in the business arena. In the same way, companies who have successfully embarked on the CSR sustainability agenda have argued their point on how it generates more financial benefits in their operations. Research by Papasolomou-Doukadis *et al.* (2005) on the CSR approach of Cypriot businesses suggests the importance of managerial initiative, as well as financial gain as a key motive for the adoption of CSR by the business sector in Cyprus for tax deduction purposes.

According to Bansal and Roth (2000), competitiveness is the potential for ecological responsiveness to improve long-term profitability. The web sites of more than 80% of the Fortune 500 companies address CSR issues, and reflect the pervasive belief among business leaders that in today's marketplace CSR is not only an ethical/ideological imperative, but also an economic one. In other words, companies today are increasingly aware of both the normative and business case for engaging in CSR; not only is "doing good" "the right thing to do," but it also leads to "doing better" through its positive effects on key stakeholder groups.

In the past, firms competed on price and quality and are now competing more on the environmental and social issues as well. Competitive advantage can be gained through environmental and social responsibility. Many of these initiatives are relatively simple housekeeping measures that required minor changes to processes but improved operational efficiency which increased competitiveness through lower costs. For example, many firms turned off lights in the evening and carefully monitored air conditioning. Other firms sold or recycled waste in an effort to generate revenue. Consistent with the resource based view, firms attempted to develop ecologically related resources and capabilities to build long-term profit potential (Hart, 1995), such as improved reputation, service quality, process efficiencies, and product reliability.

According to Jones *et al.* (2007), organizations build on corporate values to create an organizational culture which promotes openness, does not focus solely on self-interest and adopts other-regarding sentiments. Organizational culture also must lead the organization in redefining members' relationships and altering its interactions and collaborations with stakeholders and the environment (Etzioni, 1988). Organizational culture commonly appears to be dynamic, multifaceted and layered (Ogbonna and Wilkinson, 2003), though no real consensus supports a definition of organizational culture (Howard, 1998), it may account for the widespread use of Hofstede's (1984, p. 21) definition of corporate or organizational culture as 'the way things are done in the business'. Schein (1990) cites the pattern of basic assumptions that organizations use to cope with external adaptation and internal integration problems, in which 'shared perceptions, patterns of beliefs, symbols, rites and rituals, and myths evolve over time and function as the glue that holds the organization together' (Zamanou and Glaser, 1994 p. 475).The existing culture of an organization clearly constitutes a framework which provides guidance on issues such as how work gets done, the way in which people think and the standards for interactions. It also determines the context within which organizations apprehend and deploy activities and strategy (Ghobadian and O'Regan, 2006) and significantly affect the organization's potential CSR development (Berger *et al.* 2007).

Hotel chains across the world, as part of their hotel values, ensure that their standards, norms and service quality are the same globally. It is therefore not surprising to experience similar services in an ACCOR hotel both in Europe and in Africa. In the same way, it is expected that the CSR plans and policies spelt out for that hotel should be same in every other country regardless of whether it is a developing country or not or whether there are strong structures to ensure its execution or not. There is a gap in research as to the extent to which chained hotels implement their CSR policies in a developing world setting particularly Ghana as compared to what they would otherwise have done in their originating

countries or elsewhere. Similarly, it is also expected that locally based (non-chained) hotels should have a strong organisational culture towards sustainability and in effect stimulate a great potential for CSR development in the local community.

Moreover, the motivation to adopt a corporate sustainability could stem from the choices of individual managers and their personal responsibility preferences and inclinations (Jamali and Mirshak, 2007). It could be argued that the motivation for engaging in CSR is always driven by some kind of self-interest (Moon, 2001), which is normally spearheaded by the owner and or leader of the organisation. In their paper, Hemingway and Maclagan (2004), raises the assumption that the commercial imperative is not the sole driver of CSR decision-making in private sector companies, but that the formal adoption and implementation of CSR by corporations could be associated with the changing personal values of individual managers. As an internal driver, the characteristics and beliefs of the leader of an organisation will certainly have a correlation with the adoption of social and environmental sustainability issues. To attest to this notion, CSR participation shares a strong association with higher levels of managerial autonomy (Atkinson and Galaskiewicz, 1988), and managerial utility (Navarro, 1988). So, corporate social responsibility may be viewed as a process in which managers take responsibility for identifying and accommodating the interests of those affected by the organization's actions (Maclagan, 1998, p. 147). From literature, it was found that managers are driven by a variety of personal values and interests, philanthropy and religious values and beliefs in addition to their official objectives (see also Anderson & Bateman, 2000; Bansal and Roth, 2000; Bramwell &Alletorp, 2001; Fineman & Clarke, 1996). These supporting literature show that CSR can be the result of championing by a few managers, due to their personal values and beliefs, despite the risks (in terms of commercial and subsequent personal outcomes) associated with it.

One of the research questions of this study is to determine the difference between the CSR adoption and implementation by chained hotels and non-chained hotels (locally based hotels). The underlining assumption for this assertion is that, the larger chains have much more tendency to establish their CSR (even in a developing country) than the smaller non chains who may be incapacitated with resources. The firm size can affect strategic motivation, thereby having a positive effect on CSR participation (Adams and Hardwick, 1998; McElroy and Siegfred, 1985). Larger firms tend to have a bigger social impact, given the scale of their activities (Cowen *et al.* 1987); it is deemed equitable that the duty to be socially responsible also falls on them, rather than on small firms. It will not be alarming however that small firms especially in the developed world engage in some social and sustainable environmental activities which they may not necessarily have documented or under the umbrella term CSR. Admittedly, some evidence suggests that many smaller firms tend to be involved in CSR activities in some way, particularly through donations and giving (Madden *et al.* 2006).

Udayasankar (2008) further identified three main aspects of an organisation in relation to its size that in turn determines its level of CSR adoption. These aspects are the firm's visibility, resource access, and firm operation. To argue out these points, large firms are well vested in these three aspects. Larger firms which are more visible are likely to gain more as a result of enhanced legitimacy and reputation effects and may also suffer more damages to their reputation for inadequate participation in CSR. In the same way, firms with much resource

at their disposal are willing to take part in CSR unlike those with limited resource. In operations, firms with well-defined decision making process and management structures are likely to be more participative in CSR since their systems for dealing with external issues may be better developed (Bhambri and Sonnenfeld, 1988; Donaldson, 2001; Miles, 1987). In considering these aspects, it can be concluded that chained hotels are more visible especially in the international front, are endowed with much resources and are excellent in their operations. It is therefore a great expectation of this research that they perform their CSR judiciously even in a developing country Ghana than that of the non chained hotels.

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                    ┌─────────────────────────────────┐
              ──────▶│ Hotels' adoption and implementation│◀──────
              │      │ of CSR                          │      │
              │      └─────────────────────────────────┘      │
              │                                                ▼
┌──────────────────────────┐                    ┌──────────────────────────┐
│ External drivers:        │                    │ Internal Drivers:        │
│                          │                    │                          │
│ • Political /governmental│                    │ • Competiveness/Financial│
│   institutions           │                    │   Benefits               │
│ • Customers              │                    │ • Organisational culture │
│ • Community              │                    │   and values             │
│                          │                    │ • Managerial personal    │
│ • Imagery                │                    │   values                 │
│                          │                    │ • Organisational Size    │
└──────────────────────────┘                    └──────────────────────────┘
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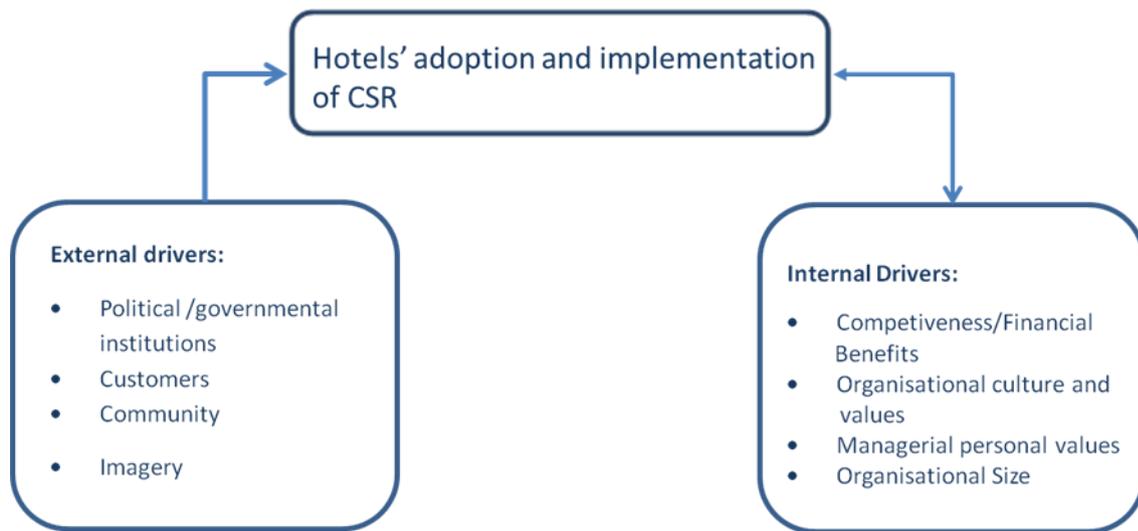
**Figure 1:** Hotels External and Internal drivers

## 2.4.3 Dimensions and activities of CSR

According to Epstein and Roy (2001), companies that are moving toward sustainability must examine the various elements that relate to their current strategies and assess whether and how their corporate and business unit strategies could have impacts on sustainability issues such as human rights, employee rights, and environmental protection. Similarly, Castka *et al.* (2004) highlight the plurality of characteristics contributing to the respective areas of CSR. They observe that this dimension is comprised of human capital management, health and safety standards, quality of management, adoption to change and innovation, managing environmental impacts, natural resources and managing finances. Dahlsrud (2006) also gave five dimensions of CSR as an insight into areas which companies really set their mark in as far as the topic is concerned. After analysing 37 definitions worldwide, Dahlsrud established the notion that when companies claim their engagement in CSR they are actually operating within one or more of the dimensions he discovered. These are the Environmental dimension, Social dimension, Economic dimension, Stakeholder dimension and Voluntariness dimension.

For this research, actions and activities performed by chained and non-chained hotels in the area of the study will determine the dimension(s) which they operate in.

Corporate social responsibility (CSR) can be defined in basic terms as the voluntary commitment of a firm to contribute to social and environmental goals (European Commission, 2002). Projects aiming to achieve these goals usually relate to education, environmental protection or the healthcare system. Donations are a common means of demonstrating social responsibility. One comprehensive summarization of the different CSR actions in the US is contained in Socrates: The Corporate Social Ratings Monitor, a database that describes and rates over 600 companies in terms of their CSR records. This database reduces the numerous, diverse CSR initiatives undertaken by these companies into six broad domains: Community Support (e.g. support of arts and health programs, educational and housing initiatives for the economically disadvantaged and generous/innovative giving), Diversity (e.g. gender, race, family, sexual orientation, and disability), Employee Support (e.g., concern for safety, job security, profit-sharing, union relations, and employee involvement), Environment (e.g. environment friendly products, hazardous waste management, use of ozone-depleting chemicals, animal testing, pollution control, and recycling), Non-U.S. Operations (e.g. overseas labor practices (including sweatshops) and operations in countries with human rights violations), and Product (e.g. product safety, R&D/innovation, marketing/contracting controversies, and antitrust disputes). However, CSR initiatives are more complex and basing from the above discussions, CSR implementation strategies can be considered in three main broad categories environmental, social and economic.
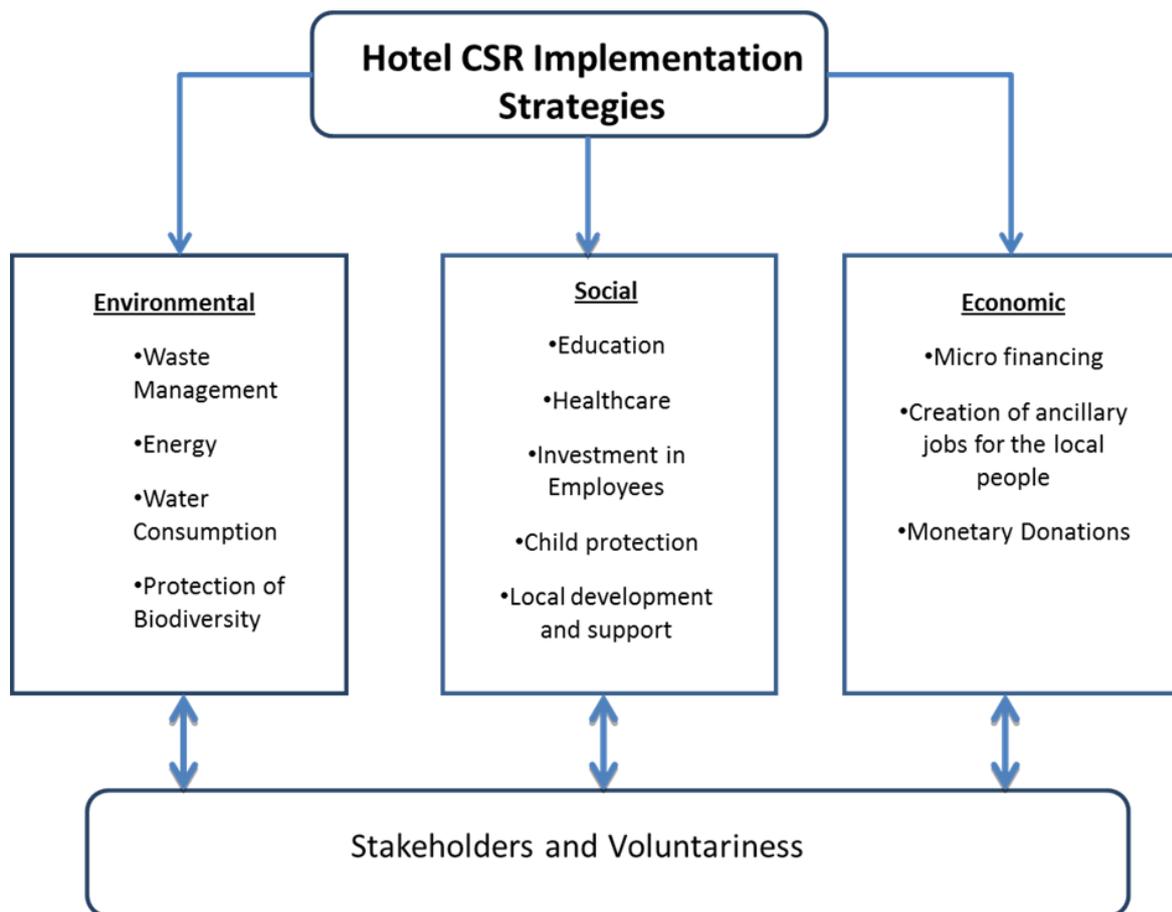


**Figure 2:** Dimensions of CSR

### *Environmental*

The environmental dimension relates to the natural environment and a quest for cleaner surroundings. The environmental approach to CSR is one broad category which entails many aspects of the environment that must be considered in order to attain environmental sustainability. Within the hotel sector, the areas of concern for the environment include recycling of waste, waste management, clean air, energy and water conservation, environmental health, maintenance of permits such as building permits and compliance with legislation, purchasing policy and environmental education (Mensah, 2005). According to the reports from Best Western Corporate Initiatives and Actions for an Environmentally Friendly Hotel reports, Best Western hotels do everything from having in room recycle bins and linen reuse programs to geothermal and solar-powered hotels that that actually sell power to the grid. It also reported that every hotel in North America is required to have a green program in place. This could be anything from using recycled paper and installing low-flow shower heads to full participation with national or international eco-labelling programs.

In the same vein, reports from Accor (Environmental Footprint) reveal an ambitious study that seeks to assess the Group's impact on the environment. On the one hand, it makes a full survey not restricted to $CO_2$ emissions alone: Accor's environmental footprint also includes the Group's annual impact as regards energy, water consumption and pollution, and waste. On the other hand, it studies Accor based on a very broad perimeter, taking into account not only the impact directly caused by its hotels, but also the impact generated indirectly for instance trough transport of goods , or raising the chickens for its restaurants. Accor's CSR initiatives with regards to the environment (ECO Priorities) are mainly centred on issues relating energy, water, waste and biodiversity. The hotel chain has put in place measures to reduce energy consumption such as the use of energy efficient lamps and the use of solar panels. Water is also conserved through the use of flow regulators whereas waste is managed by the recycling of paper, cardboard, and glass as well as the processing of batteries and compact fluorescent light bulb tubes. With biodiversity, all of Accor's hotels, as stated in their report are involved in tree planting initiatives and the serving of organic products is encouraged. It is worth noting that these initiatives are part of the general policies as spelt out by the hotel. The extent to which all these actions have been achieved in a developing country like Ghana is not known.

### *Social*

The social dimension of CSR is attributed to the relationship between business and society. According to Marrewijk (2003), with the societal approach, companies are responsible to the society as a whole of which they are integral part. They operate by public consent (licence to operate) in order to serve constructively the needs of society to the satisfaction of society. After a thorough review of literature and some CSR policies of some hotels, the social approach of CSR include issues such as the opportunities for educating the local people, respect for their culture, healthcare provision, stakeholder dialogue, focus on children and an investment in employees. In Ghana, the African Regent Hotel has its CSR branded as 'iShare' Hospitality Project. Their main aim is creating awareness to children by

instilling in them the hospitality courtesy through the creation of fun activities and education. Through this report, a considerable number of children are taken off the streets in their activities. Again the sustainability report of Accor in relation to the society examined four main attributes which include; local development, child protection, fights against epidemics and balanced food. Strategies for local development were mainly micro financing and agriculture in certain countries as well as the support for fair trade in new countries. With child protection, the hotel chain aims to commit its hotels in Africa to sign the Code of Conduct developed by the WTO and ECPAT after stressing that UNICEF had identified that about 3 million minors are victims of sexual exploitation every year. The hotel chain also seeks to increase its number of hotels in Europe that have signed the code and also strengthen internal training for employees to completely eradicate child abuse in the societies where the hotels are located.

In Ghana, C182 the convention entitled "Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor." Child labor is found in Ghana primarily in agriculture and in the informal sector. The government does not dispute the fact that this problem exists and research have not revealed yet its existence in the tourism sector though without doubt exists. With respect to Africa, Accor highlights the existence of epidemics HIV/AIDS and malaria and aims to introduce prevention programs in all hotels as well as the deployment of ACT-HIV.

However, Cornelius *et al*. (2008), draw attention to investment in employees, over and above financial reinvestment targeted towards the local community and to develop the firm as a whole in terms of its service provision. Employees of an organisation must be educated on CSR as well as also well-taken care of. Takala and Pallab (2000: 109) cite the importance of firms considering internal aspects of CSR where ''employees have to be socialised into the fact that along with the firm, they are equally responsible for morally right, pro-environmental actions''. Welford (2005) highlights several internal codes in a social approach for CSR that pay special attention to employees. These include non-discrimination, equal opportunities, fair wages, vocational education, freedom of association, and human rights. These internal aspects can be applied to assess the extent to which internal CSR practices are observed within an organisation.

In essence, ethical responsibility overcomes the limitation of law by creating an ethics ethos that companies can live by (Solomon, 1994). It portrays business as being moral, and doing what is right, just, and fair. Therefore, ethical responsibility encompasses activities that are not necessarily codified into law, but nevertheless are expected of business by societal members such as respecting people (and their culture), avoiding social harm, and preventing social injury. Such responsibility is mainly rooted in religious convictions, humane principles, and human rights commitments (Lantos, 2001). The final type of social responsibility is where firms have the widest scope of discretionary judgment and choice, in terms of deciding on specific activities or philanthropic contributions that are aimed at giving back to society. The roots of this type of responsibility lie in the belief that business and society are intertwined in an organic way (Frederick, 1994). Examples of such activities might include philanthropic contributions, conducting in-house training programs for drug abusers, or attempts at increasing literacy rates (Carroll, 1979).

## *Economic*

The economic dimension is related to socio-economic or financial aspects including describing CSR in terms of a business operation. From the literature gathered, CSR in the economic approach includes among other things, economic empowerment of local people by purchasing local products to bring economic yield to the local community, the creation of ancillary jobs for the local people, purposeful donations to the community and transparency. The first category that Carroll (1979) delineated in CSR is a responsibility that is economic in nature, entailing for example providing a return on investment to owners and shareholders; creating jobs and fair pay for workers; discovering new resources; promoting technological advancement, innovation, and the creation of new products and services. Business from this perspective is the basic economic unit in society and all its other roles are predicated on this fundamental assumption (Carroll, 1979).

# CHAPTER 3

# METHODOLOGY

This chapter provides the methods used for the research. It gives a brief description of the study area of the research, the approach and sampling procedure used for the study, the sources of data, how the data was further collected and analysed and finally revealing the research limitations encountered.

## 3.1 Study Area

The study area for this research is Accra, the capital city of Ghana, West Africa. It is the largest city of Ghana, with the population of the city estimated at 3,963,264 as of 2011. Accra is also the capital of the Greater Accra Region and of the Accra Metropolitan District, with which it is coterminous. Originally built around a port, Accra stretches along the Ghanaian Atlantic coast and extends north into the interior. It served as the capital of the British-ruled Gold Coast from 1877. Accra has since transitioned from being a 19th-century suburb of Victoriaborg into a modern metropolis; the city's architecture reflects this history, ranging from 19th-century British colonial buildings to skyscrapers and apartment blocks.

Again, as Ghana's largest city, Accra is furthermore a cultural and tourist hub, spotting a wide range of nightclubs, restaurants and hotels. Since the early 1990s, a number of new buildings have been built, including the multi-storey French-owned Novotel hotel. Recently many other hotels as well as chained hotels such Holiday Inn have sprung up in the city.
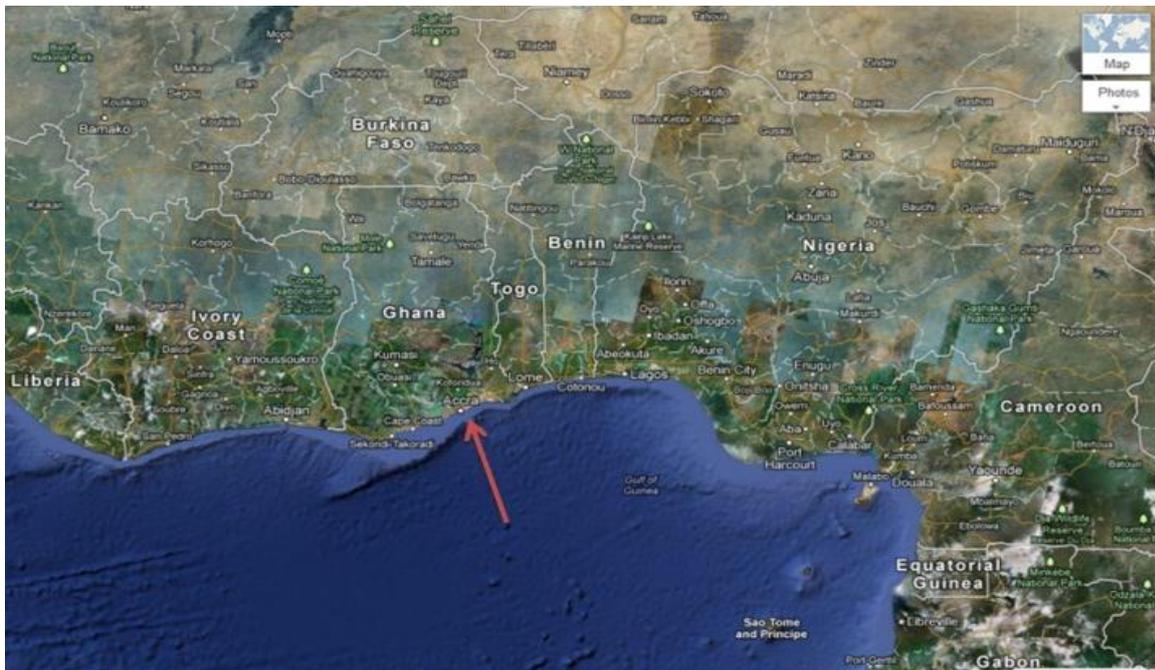


**Figure 3:** Map of Ghana
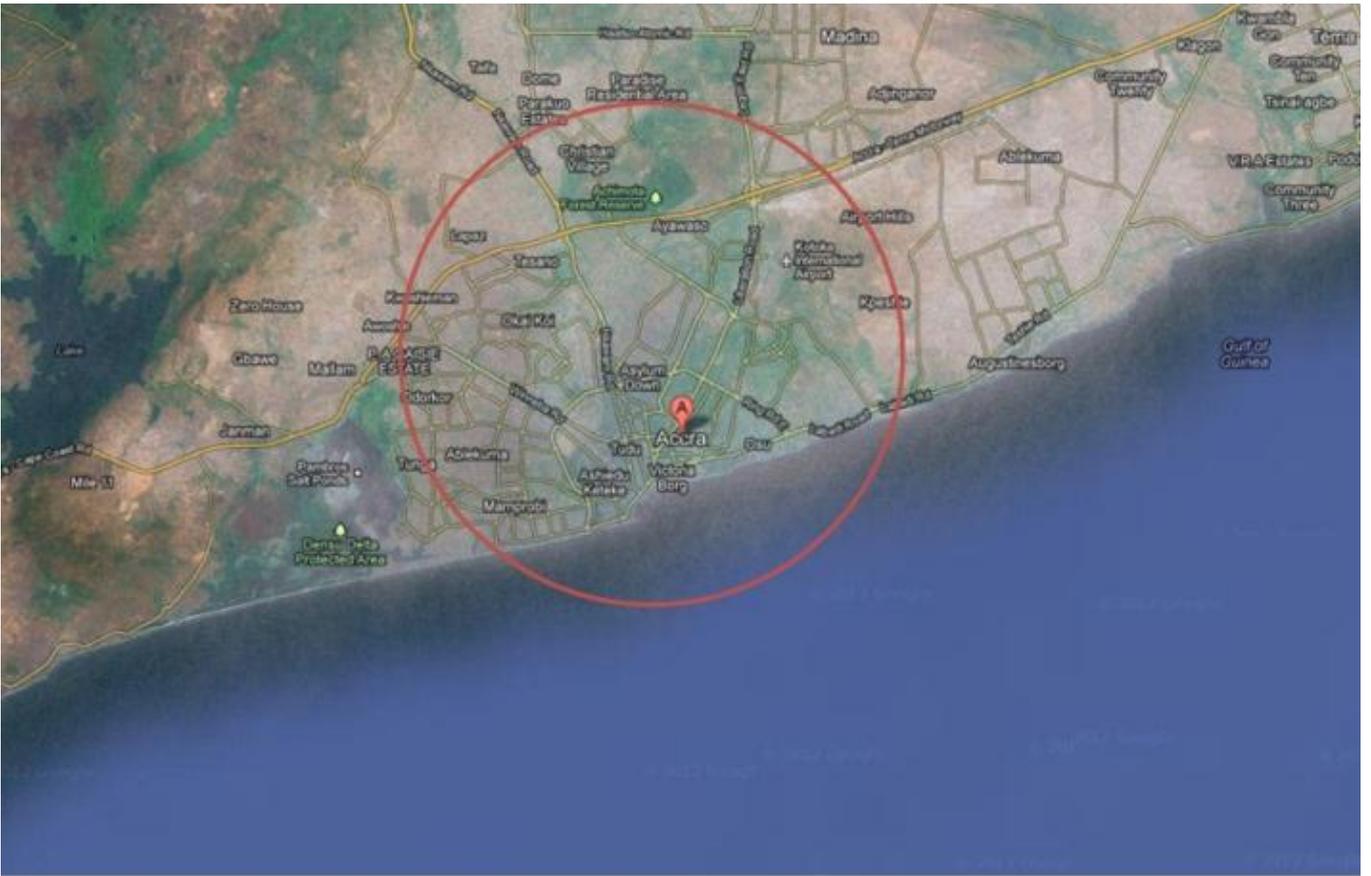
**Figure 4:** Accra

### 3.2 Target Population

Busha and Harter (1980) defined a population as a set of persons or objects that possess at least one common characteristic. These elements of the population are potential cases. The target population of the research were both chained and non-chained hotels in the capital city of Ghana, Accra.

### 3.3 Approach and Sampling Procedure

The research adopted a qualitative approach. As explained by Hammersly and Atkinson (1995), in a qualitative study, research design should be a reflexive process operating through every stage of the project. They further explained that qualitative research is not represented by a linear model and includes the activities of collecting and analysing data, developing and modifying theory, elaborating or refocusing the research questions and identifying and addressing validity threats, each process influencing the other. In addition, rather than aspiring to statistical generalizability or representativeness, qualitative research usually aims to reflect the diversity within a given population (Barbour, 2001).

In an effort to explore the nature of CSR amongst chained and non-chained hotels in Ghana, it is crucial to identify those hotels with present operations in Ghana. Due to the qualitative nature of the study, a total of 10 hotels were deemed appropriate for the study. For this reason a list of all registered hotels in the Greater Accra Region of Ghana was obtained from the Ghana Hotels Association (GHA). The Ghana Hotels Association has a mission to be unified, effective and instrumental in advocating and shaping policies that promote the hotel industry in Ghana and also providing training and technical assistance to its member hotels that will strengthen the sector and foster good relationship among members and stakeholders in the tourism industry.

From the list, six main chained hotels in the country were identified and selected. These include; Novotel Accra City Centre Hotel (4 star), Holiday Inn Accra Airport (4 star), Best Western Premier Accra Airport (4 star), Golden Tulip Accra Hotel (4 star) and Labadi Beach Hotel (5 star and part of Legacy Hotels throughout the African continent) and Moevenpick Ambassador Hotel (5 star). These hotels were purposely chosen for the study for the sole reason and fact that they are the main multinational hotels in the country as at January 2012. Below is the classification of hotels in Ghana documented by the Ghana Tourist Board.

**1) Category one (Budget/one star)**

i) **Budget**: Provides the barest minimum of furnishing with no facilities, amenities or guest services.

ii) **One star**: Provides basic furnishing and very limited or no facilities, amenities and guest services (Hot and cold water in rooms, central heating etc.)

**2) Category two (Guest house/ two star)**

i) **Guest house**: Provides good furnishing, facilities, amenities and guest services like a two star rated hotel but has less than eleven rooms.

ii) **Two star**: Provides more furnishing and some facilities, amenities and guest services (Breakfast/dining room, TV lounge etc.)

**3) Category three (three star- five star)**

i) **Three star**: provides better quality furnishing and a more extensive range of facilities, amenities and guest services (private bath/shower, lounge area, bar, restaurant, staff assistance throughout the day etc.)

ii) **Four star**: Provides superior quality furnishing and a complete range of facilities, amenities and guest services (all rooms with bath, direct dial telephone, radio and TV set, individual control heating and air conditioning, full room service, some shops and sports facilities etc.)

iii) **Five star**: Provides deluxe accommodation and marked superiority in the extent and quality of facilities, amenities and guest services (minibar in rooms, 24-hour laundry service, several bars, restaurants and lounges, health club, shopping arcade etc.)

**Figure 5:** GTB's classification of hotels (*Source*: Ghana Tourist Board.)

Next, to facilitate the comparative nature of the study, an additional four non-chained hotels were selected from the list through the purposive sampling technique. The star rating of the non-chained (indigenous) hotels was considered as a merit in selection with the assumption that locally based hotels with high ratings (and similar to that of the multinationals in the country) may have a greater sense of responsibility and concern for the society and environment in which they operate. Therefore, the four locally based hotels considered were Alisa Hotel (3 star) , African Regent (3 star), Coconut Grove Regency (3 star) and Frankies (2 star). In looking at the nature of the research and topic, purposive sampling was deemed more appropriate. Many researchers have agreed to the fact that purposive sampling is the most common sampling technique in qualitative research. In purposive sampling, the researcher actively selects the most productive sample to answer the research question. This can involve developing a framework of the variables that might influence an individual's contribution and will be based on the researcher's practical knowledge of the research area, the available literature and evidence from the study itself.

This is a more intellectual strategy than the simple demographic stratification of epidemiological studies, though age, gender and social class might be important variables (Marshall, 1996). Barbour (2001) further states that one major advantage of using this technique in sampling is the fact that it offers researchers a degree of control rather than being at the mercy of any selection bias inherent in pre-existing groups (such as clinic populations). On the other hand, obviously, this technique does not guarantee the statistical representativeness of the research.

## 3.4 Sources of data

Both primary data and secondary data were solicited for the research. The primary data entailed the information gathered from semi-structured interviews, whereas secondary data included reports of CSR obtained from the hotels, information of hotels CSR gained through web audits as well as from the review of available literature. By this, the CSR reports of the hotel under the study were retrieved electronically via web audits and analysed thoroughly. There was further search to compile any publicly available annual social reports from each of the hotels in connection with CSR which are accessible for download or other electronic form of access. Hotels without such information publicly were noted and requested for during interviews. The reports were subsequently evaluated to find information regarding the environment, treatment of workers and human rights.

## 3.5 Data Collection and Analysis

A semi-structured interview was employed to collect information from hotel decision makers, who are owners or managers assigned to answer on behalf of the hotel. The nature of the research is such that other members of the hotel identified as key to aid in gathering information were interviewed. A semi structured interview guide was prepared to facilitate the procedure. Interviews were recorded, transcribed and further coded for analysis. In order to analyse the data, a codebook was created. According to Boeije (2010) the coding

involved two steps, segmenting and reassembling the data. She also emphasizes that both activities of segmenting and reassembling of the data are out from the angle of the research questions and research purpose. Data coding creates categories, which allow for further interpretations, and generates theoretical understanding of the subject under study. For this research, after transcription, analysis was performed through identifying emerging themes important for the research. Theses themes were interpreted, explained and consequently related to the theories revealed in literature regarding corporate social responsibility.

Collection of data for the purpose of this research took a total of five weeks from 1$^{st}$ March to 5$^{th}$ April 2012. Within these five weeks, the researcher started by first contacting the hotels to be involved in the study through email. Only two out of the ten hotels contacted responded with possible meeting times for interviews to commence. For the remaining hotels, the researcher had to print out hard copies of the previous email sent and also added a cover letter which were sent to the physical locations of the hotels.

In all, a total of ten hotels were researched for their corporate social responsibility. Out of these ten, six chained hotels were interviewed. These included Best Western Premier, Moevenpick Ambassador Hotel, Golden Tulip, Novotel Hotel, Holiday Inn and Labadi Beach Resort. The remaining four non chained hotels completed the study and included Alisa hotel, African Regent Hotel, Coconut Groove Regency and Frankies Hotel. All these hotels are located in the catchment area of Accra Metropolis, the capital city of Ghana West Africa.


**3.6 Research Limitations**

Parliamentary elections as well as presidential elections are scheduled to be held in Ghana in December, 2012. Ghana is one of the peaceful countries in Africa that have enjoyed a democratic rule over the past years. After every four years, elections are held to change seat of government through democratic means. At the end of this year, there will be another round of election following the peaceful 2008 elections that took place in country four years ago. This scheduled election for the country posed as a limitation for the research because, though the data collection for the study took place in March, there were owners and/or respondents of the research who misjudged to sole purpose of the research to be political propaganda. Although strong efforts were made by the researcher in terms of providing an introductory letter from the university and other forms of identification, political suspicion of the researcher could not be ruled out due to the heavy presence of political campaign in the country at the time.

Another limitation of the study was the small sample size. Ten establishments were considered for the research although the number of interviews per establishment may differed. Clearly the results obtained from the study cannot ultimately reflect the views and opinions of the entire hotel industry in the tourism sector of Ghana. This highlights the limitation of qualitative study in that a generalisation cannot be made based on such methodology. However this approach also provided rich in-depth information which otherwise would not have been obtained if any other method was used by the researcher. The research in essence provides a relatively good foundation for future research.

The time frame for the data collection of the research posed as another limitation for the study. The researcher allocated five weeks of data collection including time in booking appointments with the hotels under the study for interviews. In reality, these appointments clashed with the busy schedules of hotels within the five weeks, rendering the time-frame of the data collection too short.

**3.7 Overview of Hotels**

The table below gives a brief description of all the hotels, both chained and non-chained, that were considered under the study.

| Hotel | Category | Star Rating | Ownership structure | Years of operation | No. of rooms | Customer Target |
|---|---|---|---|---|---|---|
| **Best western** | Chained | 4 Star | Ghanaian entrepreneur | 2 years | 109 | Business |
| **Movenpick Ambassador Hotel** | Chained | 5 Star | Entreprenuer, the Suadi Prince Al Waleed Bin Talal | 1 year | 260 | Business and Leisure |
| **Golden Tulip** | Chained | 4 Star | Ghana and Libya GHLACO | 20 years | 238 | Business and Leisure |
| **Novotel Hotel** | Chained | 4 Star | Private Limited Company | 14 years | 190 | Business and Leisure |
| **Holiday Inn** | Chained | 4 Star | Royal Airport PF | 4 years | 168 | Business and Leisure |
| **Labadi Beach Hotel** | Chained | 5 Star | SSNIT (Ghana government) | 20 years | 164 | Business and Leisure |
| **Alisa Hotel** | Non-Chained | 3 Star | Ghanaian Entrepreneur | 13 years | 60 | Business and Leisure |
| **African Regent** | Non-Chained | 3 Star | Airport West Hospitality Limited | 5 years | 109 | Business and Leisure |
| **Coconut Grove Hotel** | Non-Chained | 3 Star | Ghanaian Entrepreneur and presidential candidate | 18 years | 36 | Business |
| **Frankies Hotel** | Non-Chained | 2 Star | Lebanese Entrepreneur | 13 years | 20 | Business and Leisure |

**Table 2:** Overview of Hotels

Best Western Premier is the only Best Western franchise chain operating in Ghana at present. Best Western in Ghana is a 4-star hotel and its operation period is only two years. It is individually owned by a Ghanaian entrepreneur who also has a locally branded one, Airside Hotel that fall under many of the properties owned by the Ghanaian entrepreneur. Best Western came about as a result of the owner discovering the limitations of suitable hotels in the country that will meet international standards and cater for the needs of the

international travellers and business travellers that visit the country. The hotel targets more of business clients that stem from the mining and oil companies in the country, and also makes use of international bookings from the headquarters and associate hotels worldwide. It has 109 rooms.

The Movenpick Ambassador Hotel is the second 5- star hotel in the country. In Ghana, the franchise was officially opened in November 2011 but operations already began in May 2011. The brand itself started in 1948 and the roots were restaurant based which was further developed into hotel operations. The owner of the property in Ghana is the Saudi prince, Prince Al Waleed Bin Talal, who bought the remains of Ghana's first hotel, Ambassador Hotel. The Ambassador hotel had for a long time become a white elephant in Ghana and was in the hands of the Ghanaian government as an ancient relic of the past and also as a historic building in remembrance of Ghana's first President Dr. Kwame Nkrumah. The location of the hotel, in the heart of the city centre and close to the airport, attracts a wide variety of business clients. The hotel has 260 rooms.

The Golden Tulip Accra is the third chained hotel under the study and has 4-star rating. The hotel is owned by collaboration between Ghana and Libya and has been in operation since 1991, therefore been active in the hospitality industry for 20 years now. It forms part of the Golden Tulip Hospitality group/LOVRE hotel. In Ghana, the hotel operates in Accra and Kumasi. In Nigeria Elugo and Lagos, as well as other African countries. The hotel attracts both business and leisure clients with a total of 238 rooms. A current survey of the hotel revealed 320 permanent employees though the hotel makes use of casual staff too who are brought in on contract basis at certain peak periods.

The Novotel chain hotel in Ghana has a 4-star rating and was established somewhere in 1998. It has been in Ghana for 14 years now. Its original name is Accra City Hotels. It is a private limited liability company and part of the Accor Chain Group. The hotel's customer target is made of about 65% business and 35% leisure and has 190 rooms available.

The Holiday Inn chain has been in existence in Ghana for the past 4 years and is rated as a 4-star in the country. The hotel is operated under the group Royal Airport PF by an individual Ghanaian entrepreneur. It being a few minutes away from the city's international airport, the hotel attracts both leisure and business clients. The number of rooms amount to 168.

The Labadi Beach Resort is the final hotel chain that was considered for the research. At a point, it was the only 5-star hotel in the country until the establishment of Movenpick about a year ago. The hotel is fully owned by the Social Security and National Insurance Trust, SSNIT (part of the Ghana government), and has been in existence for 20 years. It is currently managed by a hotel management company called Legacy Hotels and Resorts. Its head office is in South Africa. The hotel has 164 rooms. The hotel also attracts both business and leisure tourist as it is well known for its private beach, providing receptions and a well catered for greenery.

On the other hand, the four non-chained hotels under the research are described as follows; Alisa hotel, being a 3-star rated hotel was established in 1999 (13 years in existence in the hospitality sector) and owned by an individual Ghanaian entrepreneur. It originally started as a 14 bedroom hospitality firm and has over the years developed into this stage. The hotel attracts both business and leisure tourists and has 60 rooms.

African Regent Hotel is the second non-chained hotel considered. It is also a 3-star hotel has been operating for 5 years now and owned by the Airport West Hospitality Limited. The Chairman and CEO who is also the former president's son opened this local brand because he felt there were not enough hotels owned by a local Ghanaians to promote a Ghanaian brand. Most were franchise corporations such as Novotel, Golden Tulip and Holiday Inn. The vision of the African Regent Hotel in Ghana is to promote a hospitality establishment which portrays 'Ghana', has a Ghanaian ambience and cuisine, hence the African Regent Hotel. The hotel attracts both business and leisure clients and has 109 rooms available.

The Coconut Groove Regency Hotel, another 3-star non chained hotel in the country started as a beach resort in 1994 and therefore has been in existence for 18 years now. It is owned by aspiring and presidential candidates Dr and Mrs Nduom of the PPP political party in Ghana. It is a 100% local brand with four locations throughout Ghana. It has a total of 36 rooms.

Frankies Hotel is the last non chained hotel and the only 2-star hotel under the study. The hotel started in 1999 (13 years now) and owned by an individual Lebanese entrepreneur (Samir Taleb) who resides in the country. Majority of its operations are in food production; what Frankies are well noted for in Ghana. The hotel aspect of Frankies has 20 rooms.

# CHAPTER 4

## CSR: AN EXPLORATION OF CHAINED AND NON- CHAINED HOTELS IN GHANA

This chapter gives an analysis of findings obtained from the research. It explores corporate social responsibility among chained and non chained hotels in Ghana; the understanding of CSR among these hotels, their motivations/drivers as well as the implementation strategies adopted. It further gives a comparison of the two categories of hotels.

### 4.1 Corporate Social Responsibility among Chained Hotels

The first part of the objectives of this research was to discover the extent of knowledge that hotels in Ghana have in relation to corporate social responsibility. Hotels were asked if they had heard of CSR and what the concept meant to them individually. Consequently, they were asked about what they believed were the main global issues that affected their way of operations.

### 4.1.1. The understanding of CSR by hotel chains

All six chained hotels responded in the positive when asked if they had ever the heard the concept of CSR. However the idea behind this notion differed from hotel to hotel. Regardless of how each chained hotel explained what the concept entailed, the underlining and main understanding of CSR by chained hotels in Ghana is 'giving back to the society' and all other activities geared towards that. These hotels acknowledged the fact that it is imperative for them to pay their quota, as little as it may be, to the society where their businesses are set up. Some hotels deemed it a mandatory action that they needed to take if their operations needed to have a head start in the country. For example, for a chained hotel that had recently started operations in the country they noted that;

*"It is a very important thing for the company. For environmental for instance the company is making sure that every individual hotel has to be certified but because we are new we are now going to start. In terms of the social, every hotel has to link up with some form of a charity or social cause. It is up to every hotel to determine because obviously everybody and the country where they operate in and they know what the needs are based on what they decide will lead to the image of the company."- Movenpick Ambassador.*

Another hotel explained;

*"Yes. It's just like you are somewhere benefiting from the society so it's about giving back to the society. You can't be operating in an environment and not provide an enabling environment for those that live there"- Golden Tulip*

*"It is a concept we believe in very well even though I must say at the moment we have not done something big but in our own small way, we have people coming from disadvantaged homes soliciting for funds for one thing or the other and we do contribute to that."- Best Western*

As to whether these hotel chains provided official documents and reports to prove their responsibility towards the society and the environment, only Labadi Beach Resort actually did have such documentations which were not even concise or complete. Majority of the hotels had in one way or the other performed many CSR activities, but did not find it necessary to have formal reports on such activities. As a matter of fact, during the process of data collection, some interviewees had to recollect some of these activities and had no evidence whatsoever. In the process of totally relying on recollection of some activities in the past, definitely, a considerable amount of information could be omitted since no record had been kept. On the other hand, some hotels were not too sure if such a report existed in their operations; others had future plans of putting together a report whereas most identified their Environmental Impact Assessment (EIA) as a form of CSR report. The EIA is a certification required by all business operations in Ghana and solely ensures that the impact of businesses on the environment is at a reduced rate. This does not consider the societal aspects of the community in any way and therefore cannot be completely related to CSR documentation.

To further find out more on what might have been the origin of such knowledge in CSR, respondents were asked if they were aware of some global issues which (according to the literatures) can affect their hotel operations and have consequently led to sustainable practices worldwide.

The main global issues acknowledged by these hotel chains can be categorised as; the Global Economic Recession, Political Issues and the Sustainability Debate. The first two categories have no direct relation to the concept of CSR although they were the much talked about issues. As discussed further in the following pages, the two issues recognised (the global economic recession and political issues) are issues that only have great impacts in the overall success and business operation of the hotel. It can also be argued that these issues mostly determine the economic grounds of the hotels' progress. How they prosper financially, attract more business and tourists, depends on a larger extent the economic and political situation worldwide. Obviously, people travel when they have the discretionary income to do so and to a particular country if it is safe enough to be there.

Five of the chained hotels under the study identified these two main global issues as factors whereas surprisingly only one hotel strongly brought up the sustainability agenda as a key global issue. This was the only global issue identified by a single hotel that has a direct link to corporate social responsibility. This immediately shows that, in the Ghanaian setting, the

worldwide sustainability debate that has consequently led to CSR of businesses worldwide is strongly lacking. Despite the enormous growth on companies in the country especially in the accommodation sector, the sustainability framework is evidently missing and probably another concept profound and highly debated in the first world countries.

### a. The Global Economic Recession

Among many of the main global issues addressed by the chained hotels in Ghana was the global recession period especially the most recent one that occurred in 2008-2009 as identified by the International Monetary Fund (IMF). Multinational hotels in a developing country as Ghana were also heavily affected by the global economic slowdown which according to them decreased the rate of sales gotten from the business travellers who make up a large percentage of their customer targets. Data from the Ghana Tourist Board (GTB) in June 2010 revealed that in 2009 the total number of tourists who visited the country was 802,779. Of this number, only 72,250 representing 9% were in the country for the purpose of business and attending business conference. This figure ultimately depicts the low numbers of business tourists in Ghana during the economic slowdown and thus the impacts on international hotels at the time. In actual sense, hotels believed that every corporation must indeed consider issues in the world at large for strategic positioning and thinking.



**Figure 6:** International Tourism Arrivals in Ghana

Source: World Tourism Organization, Yearbook of Tourism Statistics, Compendium of Tourism Statistics and data files.
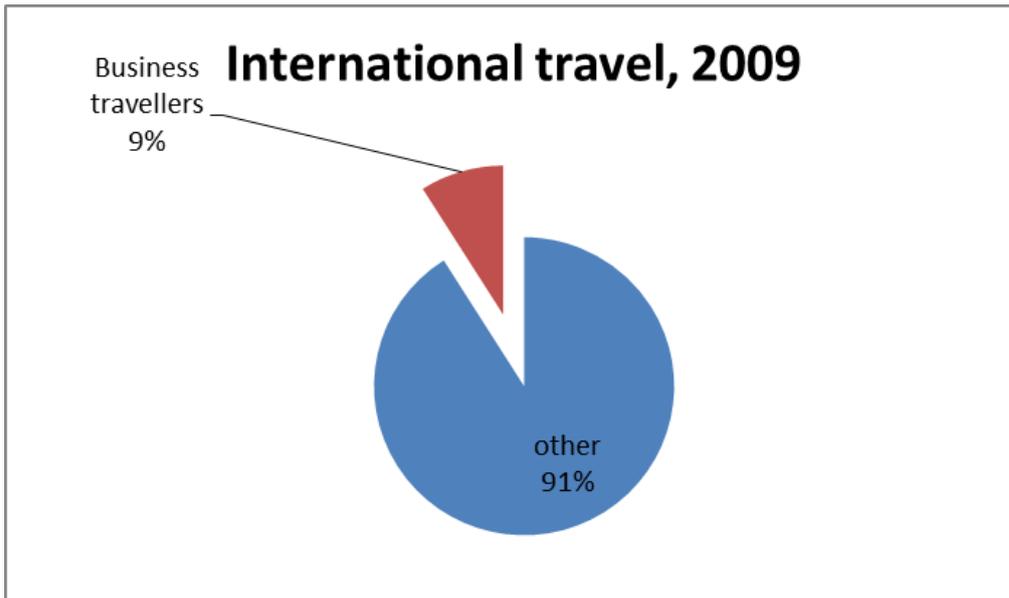
**Figure 7:** Business Travel in Ghana, 2009

Source: World Tourism Organization, Yearbook of Tourism Statistics, Compendium of Tourism Statistics and data files.

**Table 3: Visitor Arrivals in Ghana**

| Year | Visitor Arrivals |
| --- | --- |
| 1995 | 286,000 |
| 1996 | 305,000 |
| 1997 | 325,000 |
| 1998 | 348,000 |
| 1999 | 373,000 |
| 2000 | 399,000 |
| 2001 | 439,000 |
| 2002 | 483,000 |
| 2003 | 531,000 |
| 2004 | 584,000 |
| 2005 | 429,000 |
| 2006 | 497,000 |
| 2007 | 587,000 |
| 2008 | 698,000 |
| 2009 | 803,000 |

Source: World Tourism Organization, Yearbook of Tourism Statistics, Compendium of Tourism Statistics and data files.
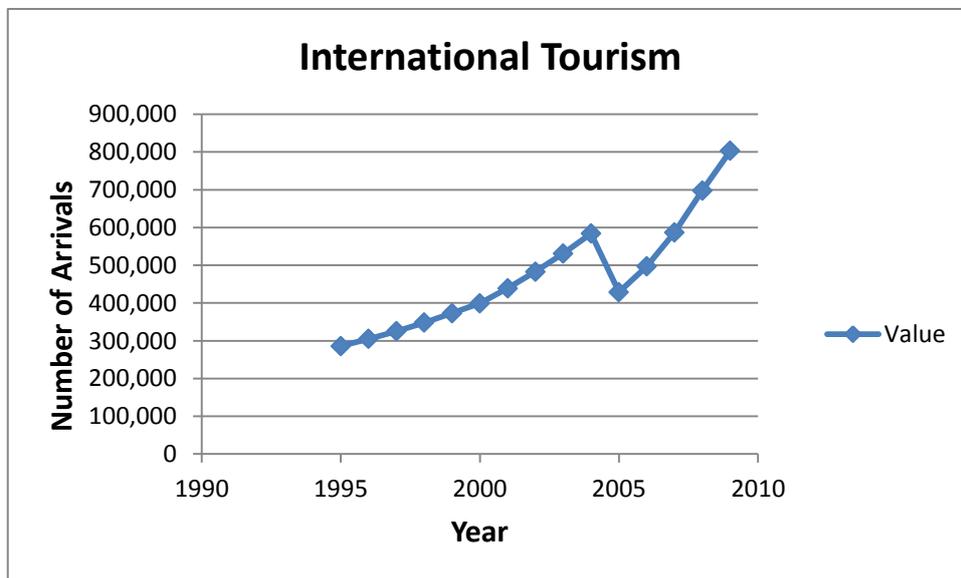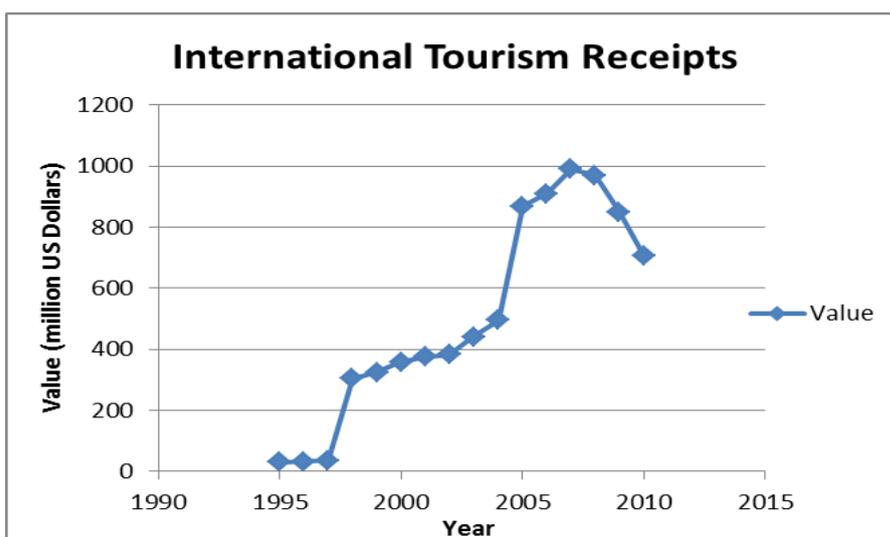


**Figure 8:** International Tourism Receipts in Ghana

*Source*: World Tourism Organization, Yearbook of Tourism Statistics, Compendium of Tourism Statistics and data files.

**Table 4: International Tourism Receipts in Ghana**

| Year | Value $ million US |
|------|--------------------|
| 1995 | 30 |
| 1996 | 32 |
| 1997 | 35 |
| 1998 | 304 |
| 1999 | 325 |
| 2000 | 357 |
| 2001 | 374 |
| 2002 | 383 |
| 2003 | 441 |
| 2004 | 495 |
| 2005 | 867 |
| 2006 | 910 |
| 2007 | 990 |
| 2008 | 970 |
| 2009 | 849 |
| 2010 | 706 |

Source: World Tourism Organization, Yearbook of Tourism Statistics, Compendium of Tourism Statistics and data files.

From the graphs and tables above, the value for international tourism, number of arrivals in Ghana was 803,000 as of 2009. Over the past 14 years this indicator reached a maximum value of 803,000 in 2009 and a minimum value of 286,000 in 1995. Figure 6 shows a steady growth in international tourism in the country from 1995 to 2004 where there was a decrease in 2005. The number of visitors in the country slowly shot up until 2009. Though there was a slow rise of tourism in the country again, as figure 7 shows, in 2009 during the economic slowdown, only 9% of the total numbers of visitors in the country were for the purpose of business and a greater percentage of visitors were in the country for other purposes including holidays.

In comparing the international visitors to tourism receipts (Figure 8), the latest value for International tourism, receipts (current US$) in Ghana was $706,000,000 as of 2010. Over the past 15 years, the value for this indicator has fluctuated between $990,000,000 in 2007 and $30,000,000 in 1995. International tourism receipts are expenditures by international inbound visitors, including payments to national carriers for international transport. These receipts include any other prepayment made for goods or services received in the destination country. They also may include receipts from same-day visitors, except when these are important enough to justify separate classification.

The increase in international tourism did not match up international tourism receipts received in the country. The graph (Figure 8) shows a substantial decrease from 2008 and onwards during the same time as the world economic recession. This shows that there were less spending in the country around that time confirming the issue of low sales in the country by chained hotels during that time. Hotel chains have therefore endeavoured to broaden their target groups in order to increase sales.

One hotel stated that;

*"Definitely, economically when there was the global recession most of our clients are business travellers and this affected our sales. We are now trying to make use of other type of travellers" – Golden Tulip.*

### b. Political Issues

Another global issue identified by the chained hotels was politically related issues happening in Ghana and the rest of Africa. These issues entailed, the political stability in Ghana, the Ghana election year 2012 and the recent Libyan War.

Firstly, the political situation in Ghana was one main issue discovered as a possible factor that affected or will affect the operations of hotel chains in Ghana. For a long time, the Ghanaian community has experienced peaceful political stability and aside it attracting a lot of tourists in the country, it has contributed immensely to the existence of many multinational corporations in the country. On a more positive note, chained hotels found this political stability an add-on to their functions since the fast development of business relations in the country invariably increases the number of business travellers who make use of the international hotel brands in the country. No doubt, many of these chain hotels, such as Holiday Inn, Best Western and Novotel among others are located some few minutes from the international airport and also found within the central business district of Accra.

On the other hand though, other hotel chains were a bit indifferent about how the situation for this year's (2012) coming elections will turn out. Ghanaian elections have been peaceful since 1992. The Parliamentary elections that will be held in Ghana on 28 December 2012, have already paved way for the Electoral Commission of Ghana to establish a biometric system of registration for the electoral register prior to the 2012 elections to prevent double registration and to eliminate ghost names in the old register. This is the first of its kind in the country.

The beginning of the biometric registration was around the same time of the data collection for the research. There were lots of minor confusions and uproar at the biometric registration stations due to the limitations of logistics to fully execute the biometric registration of all Ghanaians above eighteen years. Many organizations called on the Ghana government to deploy security personnel to all registration centres to maintain peace and order, a call which was rather unyielding since the government did not have enough resources and means to undertake such an action. Despite all other circumstances the peace in the county have very much prevailed and many Ghanaians as well as hotel

establishments look forward to a peaceful election by the end of the year. In this view, one hotel stated;

*"In the political sense, Ghana is having its election this year and the stability of the country will either attract business people to come in to invest or visit or not. They wouldn't want to risk their lives"- Holiday Inn.*

Lastly, the recent Libyan civil war that occurred in 2011 emerged as another world political issue that was identified by the hotel chains. The Libyan civil war (also referred to as the Libyan revolution), was an armed conflict in the North African state of Libya, fought between forces loyal to Colonel Muammar Gaddafi and those seeking to oust his government. In Ghana many corporations are owned by Libyan nationals who legally reside in the country. One of the hotels under the study which is partly owned by the Libyan government as well suffered huge losses during the entire period of the war. As revealed in the research, this multinational hotel, during the Libyan war was sanctioned by America in that all dealings with the war stricken country was to be halted with an immediate effect. This was a great global issue for the hotel chain as apart from providing accommodation to some individual tourists from that country, also dealt greatly with most of the Libyan companies that were operating in Ghana. This hotel chain in the interview expressed that;

*"During the Libyan War, the Libyan functioning of the hotel was greatly affected as the hotel is partly owned by Libya so it indeed affected us. The Americans brought a sanction that the hotel didn't have to deal with any Libyan company meanwhile they form majority of our target. The American companies were also not patronising us"- Golden Tulip*

### c. The Sustainability Debate

One chained hotel identified the on-going and never ending sustainability debate a major issue in the world today that plays an increased role in how their hotel performed. That being said, this chained hotel in the country is compelled by their headquarter franchise in the US to yield to the international standards of the particular franchise and their 'going green' agenda. As mandatory as it sounded as revealed in the research, many of these chained hotels presently have little in place as far as the issue of 'going green' is concerned. According to the reports from Best Western Premier in Accra Ghana, they have been commissioned by the Best Western headquarters to go Solar in all energy operations in the hotel by 2015. As at the time of the visit of the hotel, only initial stages of solar panelling have been put in place and a considerable amount of solar energy used to control their water system. This was one of all the six chained hotels visited that had (or had devised plans for) the use of solar for their energy consumption.

**Table 5:  Motivational factors for hotel chains**

| | External | | | | Internal | | | |
|---|---|---|---|---|---|---|---|---|
| | Political Governmental | Customers | Community | Imagery | Competition Financial | Organisation Culture | Managerial Personal values | Organisation Size |
| **Best Western** | No pressures identified AMA sanitation inspections | Customer complaints | Issue identified in society related to child education Returning children to school | Failure to use marketing Ultra Clean label | Word of mouth | Discipline to the hotel the society and the environment | Not identified | Capable organisational size |
| **Holiday Inn** | Institution malfunctioning | Collaborations with customers | | | Long term benefits | Care for people and environment | Enthusiastic managers and staff | Capable |
| **Golden Tulip** | No pressures Malfunctioning of institutions | Collaborations with customers | Paying our quota To affect lives | To harmonise with the locals Relating with the public Informational basis No label | Indirect benefits CSR as a matter of choice collaborations | Quality service and service to the environment | Enthusiastic managers Indifferent staff | Crucial need for motivated and well informed human resource |
| **Novotel** | EPA inspections FDB inspections Fire Brigade | Proactive and environmentally sensitive guests Collaborations with guests | A duty to identify the needs if the hotel | Going the extra mile | Long term benefits. Struggling to obtain international qualifications | Not identified | Enthusiastic managers Top management decision for CSR | Problematic human capacity |
| **Labadi Beach Resort** | EPA inspections | Collaborations with customers | Identifying core issues in the society eg providing portable water to a surburb | Word of mouth Public relations and informational basis Heritage label | Indirect benefits | Service quality to people and the environment | Personal donations by managers to the less privileged in the society | Budget for CSR |
| **Movenpick** | Not identified | Not identified | Provision for children | | To increase in business and affect lives | Care for people and environment | Enthusiastic managers | Mandatory CSR activities |

## 4.1.2 External and Internal motivational factors for hotel chains

The second major research question that was formulated was to find the compelling factors that enabled hotels to perform some sort of CSR activities in the area they are located. These driving or motivating forces were put into two categories; ones which stem from within the hotel (internal drivers), and those that were from the external environment (external drivers).

### a. External Drivers

To begin with, the research literatures identified some key external stakeholder groups that may act as external drivers for hotels to embark on CSR initiatives in the community they are located. These key stakeholders of a hotel are the groups or persons who can affect or are affected by corporate actions or the achievement of an organization's purpose. Such external drivers proposed were political/governmental institutions, customers, community and lastly an overall imagery.

From the research, it was discovered that mainly, customers of hotel chains and the expectations from community leaders and members of the society act as external drivers for the hotels to engage in CSR. Political/governmental pressures and the use of CSR for image building were really not main drivers for these hotels.

To discuss this further, some hotels found that their customers actually are the motivating factor behind their CSR related issues and as such they are able to fully engage in collaborations with their key and existing customers to provide some essential needs to the society where they are located. This therefore attests to Bhattacharya and Sen's (2004) assertion that there is indeed a positive link of CSR to consumer patronage which is spurring companies to devote greater energies and resources to CSR initiatives. This finding also conforms to the Corporate Citizenship Poll study by Cone Communications in 2002 where more than 84% of Americans are willing to switch to brands which are associated with a good cause and also facilitate this cause. In Ghana, many customers who patronise the services of the hotel chains are indeed particular about the extent to which the hotel is willing to collaborate with them to promote activities that will help the overall development of the community. In order to retain their customers, show the great value which customers are to the company and ultimately prove themselves as establishments with the society in mind, these hotel chains are more or less compelled to follow through the activities of their customers which are geared towards environmental or social sustainability.

As stated by two hotels under the study,

*"A lot of customer initiatives. Recently one of the women organisations, they always do their parties here in the hotel and they appeal for us to give them free food. There are little things. One thing I can talk about is Father Campbell, he basically has a leprosarium. Every year we give him our venue to do his event. Some of them we are not directly involved but indirectly by giving out venues, rooms and providing free food."- Golden Tulip.*

*"I am working on one now and it is about a customer who is part of an association geared towards the promotion of healthy living she's trying to involve us in it. It is a worthy cause and we don't mind"- Labadi Beach Resort.*

Also, these hotels revealed that most of their customers today are proactive and sensitive to environmental issues. Therefore in order to satisfy their needs and retain such customers, hotels endeavour to partake in CSR activities and inform them about it. However, there was one hotel that had actually experienced the direct opposite, where a guest actually complained about 'no smoking' signs in the hotel. The social welfare of the customers was not in focus of many of the chained hotels. The social welfare in this case includes the extent to which hotels indulge in the individual and personal life of its customers by providing healthy food, remembering their birthdays and all other forms of social initiatives that will enhance the social relations that hotels have with guests. Apart from providing excellent and satisfactory services for guests and collaborating with them on some community projects, hotels did not have that internal motive to go beyond the service and touch the main social aspects of those they call their customers other than one interesting action taken by Novotel with the customer in mind; providing organic based soap and toiletries for the guests.

Similarly, the community played a major role when it comes to the external driving forces of CSR by hotels. The community is one key stakeholder, as discussed previously, which really determines how far a business can actually succeed in their environment. As noted by the hotels, it is virtually impossible to exist in the community without identifying what the community needs and trying out ways that will meet those needs. More often than not, the local authority leaders in the communities send numerous requests to the business entities in their locality for assistance. These requests, if they are not met, result in conflicts between the business and members of the society. This is in strong relation with Takala and Pallab (2000) distinction between juridical and ethical responsibility in business ethics. They explained that business ethics encapsulates an active pursuit of morally sound behaviour as a means in itself (action over and above basic legal requirements) and commits to environmentally safe actions. As revealed in Chapter 2, this shows the subtle way in which the community expects that hotels perform their moral and ethical obligations to society. For example, as noted by one hotel;

*"You don't just operate in an area and ignore the people in the community. As a socially responsible entity like Novotel, we see it as our duty to perform actions in the environment including the people. For instance during festivities, the Gas will come to us for tokens to aid in their celebrations. The local authorities come to see us to discuss sanitation issues"- Novotel.*

There were two other external factors that did not play any role in the CSR motivations for hotel chains. As mentioned, these were the political or governmental institutions and imagery. To begin with, hotel chains under the study identified the total absence of any form of governmental regulations and or policies they have to comply with in relation to CSR. Only a few mentioned the regulations from the Environmental Protection Agency in a form an Environmental Impact Assessment (EIA). As elaborated in Chapter 2, in Ghana, the

EIA is a kind of requirement for every business to determine the impact that the business may pose to the environment. It is solely for environmental bases and cannot be purposefully attributed to a CSR requirement. It was found that the EPA in itself is malfunctioning and there is no pressure on the hotels to execute their responsibility to the society or to the environment. It therefore highlights the notion posed in the literatures that Ghana is especially known for its weak institutional and legal environment where companies 'get away with' their actions or inactions that affect the people or environment and where corruption and tax fraud is profound. This conforms with Dobers and Halme's (2009) claim that there are indeed weak institutional environments, such as in developing countries, which often harbour illicit financial outflow from poor countries to rich ones, stripping developing nations of critical resources and contributes to failed states, a point hardly ever discussed in the CSR literature. It also questions the call made by the current Ghanaian government to private organisations (especially MNCS) to see to the social and environmental problems of the country judging from the fact that the government alone is incapacitated if it has to do so all by itself. This shows that the call made by the government encouraging existing business to embark on CSR has no legal grounds and therefore not in the constitutions of the country. Clearly, the situation in Ghana is rather different from countries like Zambia and Kenya (Kivuitu *et al.* 2005) who have specialist CSR organisations that ensure the full execution of CSR and where the CSR notion has deeply been rooted. Meanwhile, as boldly exclaimed by one hotel chain under the study, CSR is a "matter of choice" and they decide whether or not to perform such duties and obviously such duties are only performed at times that the hotel feels there is enough money to give out. One hotel expressed that;

*".Certain things are not really followed through to the later end here in Ghana. You can practically run away from certain things. Sometimes you can blame them but others you cannot blame them (the governmental institutions). ...You see the problem is not really the regulation it's about the fact that we just need to give back. If it is just about complying I don't think we will do it at all. There are no real checks to make sure that organisations are giving back to the society. It's more about the individual finding his own responsibility to the society." – Golden Tulip.*

Imagery in itself was not a motivating factor for the hotels to engage in CSR. However, these hotels expressed that the implementation of certain CSR initiatives is highly instrumental for building their image in the community. Therefore chain hotels in response to identifying the needs of the society and providing some form of solutions to them invariably attain a form of positive image in the community. For instance, as stated by a hotel;

*"It really counts. If you are always helping in the society. For instance where we are now is for the Labadi people; they also come with their own issues. If we don't do it for them, can you imagine the bad mouthing that will follow this hotel?"- Golden Tulip*

*"It is the most critical and important thing. If society will see you as not only taking from it but giving back to society, that is excellent for your image. Secondly, you are giving to society in trying to preserve the environment. We all know that without the environment we*

*will be dead anyway. So if we believe in that philosophy and we want our business to keep on performing well, and go on without dying then we must make sure the environment does not die. I think in the not-too-distant future, I am beginning to see a situation where corporate institutions that are environmentally friendly and conscious will have a good image"- Best Western*

In view of this, CSR as a marketing tool is not common in most chained hotels in the country. Efforts are not put in place to market activities. To some hotels, advertising and marketing of purely CSR initiatives is rather another expensive cost which the hotels do not wish to consider unlike the other multinational corporations in the county like the telecommunications who spend large sums of money to actively publicise their responsibility initiatives. These hotels acknowledged that the performance of CSR is rather to have a personal relation with the community and not just about marketing what is done. Also at points where it is important, hotels only use the media as a means of providing information to the general public as to what they did for the community. This is however seen solely as public relations and not as a heavy advertising or marketing. A few of these hotel chains have never considered the publications of their actions towards the community because of the lack of resources to do so.

🎙 *"We don't consider it as a marketing tool. At least we inform where important. We put it in the Daily Graphic (one of Ghana's famous newspapers) as a form of informing the society that this is what we are doing. And I see it as a means of public relation, giving back information back to the society than it being a purely marketing strategy"-Golden Tulip*

Out of all six chained hotels, only two of them had labels/certifications to their accreditation. These labels were Ultra Clean and Heritage accredited to Best Western and Labadi Beach respectively. Further information showed that the Ultra Clean certification by Best Western was rather a sustainable cleaning label than an environmental and social certification. The Heritage Environmental Certification Programme which Labadi Beach is involved in has been developed to provide operators of all types of tourism-based businesses an effective environmental management system (EMS) designed to reduce and limit the impact that their operations have on their environment. Heritage incorporates the standards of seven international programmes in a three-tiered approach to sustainability certification. Heritage represents Africa's first certification option and businesses choose to associate with the brand in order to demonstrate their environmental commitment. The programme is based largely on the Swan Eco-Label in Scandinavia, Green Globe Agenda 21, IHEI and ISO 9000, 14000 and 18000 and many of the standards developed for the commercial sector have been incorporated into the Heritage initiative to ensure international compatibility. Heritage provides an opportunity for tourism-based businesses to change the way in which they interact with their environment both natural and human, with a practical, hands-on approach to resource management that delivers financial returns while at the same time, positioning businesses internationally as environmentally responsible. Regardless of what the programme entails, it was not clear how Labadi Beach really portrays the program's initiatives.

The remaining hotels either had no idea of what labelling or certifications entailed or were working hard to be clean or sustainable enough to obtain one. For Novotel, a prominent

chain in the country who has been operating for years, they stated that at this moment in time they are still striving with gaining certification with Earth Check as an environmentally friendly hotel and despite all efforts put in place, it has been one of the hotel's biggest challenges. This was mainly due to the reasons that sustainability was not a common goal for all departments in the hotels. There were still constant efforts being made by the hotel to get everybody involved in sustainable practices that will in effect cause the hotel to be eligible for obtaining an Eco label.

### b. Internal Drivers

Diverse internal drivers are seen to have a compelling force for hotels to adopt the concept of CSR. Among these internal factors, it was found that managerial personal values and the organisational size were the main internal factors that compelled chained hotels in Ghana to fully adopt the CSR initiative.

The managerial values of hotels did to some extent enhance the hotels' motive to indulge in CSR. Senior managers in most hotels claimed they had special influences and displayed special concerns with regards to the society and the environment they operated in. These managers are really enthusiastic only in the area of performing their tasks of which CSR may be inclusive. Though their personal attributes and activities in the hotel did not have a direct relation with CSR, there were instances where managers stated the fact that if they were well endowed financially, they will provide huge supports personally to their communities. These managers could not really provide concrete examples of what they have personally contributed to the society neither could they relate their personality to CSR activities. On this note, Jamali and Mirshak's (2007) stand that motivation for corporations to adopt corporate sustainability also stemmed from the choices of individual managers and their personal inclinations is highly flawed in the Ghanaian settings. In this case the motivation of CSR cannot be in a way driven by self-interest and in Ghana, definitely not spearheaded by the owner or leader of the organisation unlike Moon's (2001) claim.

On the contrary, these managers were quick to shift blames to their subordinates. The managers interviewed rather found their employees indifferent when it comes to performing specific tasks that will promote CSR, for example community clean up campaigns etc. It is on this note that they stressed the need for constant training and education of staff on sustainability issues.

From the study, chained hotels in relation to their organisational size, were well equipped to perform CSR related activities. Some of these hotels had budgets allocated to their CSR initiatives. Their only concern though was the human resource. Some of the hotels stated that there is a crucial need for motivated and well informed employees that will aid in performance of CSR initiatives. It can be argued that the human resource capability of a hotel solely depends on the hotel in the forms of training and education. For example, Labadi beach Resort's budget for CSR the previous year was 1400 US dollars. This amount was donated to an orphanage in the community. The donation of 1400 US dollars by a well-known 5-star hotel in the country is indeed questionable in that, the amount, in comparison to the entire revenue accrued by the hotel is rather insignificant. Other telecommunication companies in the country, reports enormous amounts of money they provide to the

community as part of their CSR. For example, MTN Ghana, one of the famous telecommunication companies, donated a total of 600,000 US dollars for a hospital project on 4th April, 2008. Other hotels did not have budgets per se but occasionally issued cash to charity groups and the community. There were no invoices, reports and others records to prove these transactions made and it highly questions the financial accounting for these hotels as the money issued were directly from the hotels' expenditure and has no trace. Once again, in a country where fraudulent activities and corruption are prevalent, there is no doubt that some individuals may use the absence of accountability for CSR budgets a means of extortion money from the hotel.

On the other hand, finance/competition and organisational culture were not found to be internal motivators for hotels. In order to determine if the hotels under the study saw CSR as financially beneficial to them, a question was posed asking the extent to which these hotels found CSR as an income generator to their hotel. It was found that CSR in particular was not a financial motivator for the chained hotels to go an extra mile to see to the needs of the society. It was rather seen as an indirect gain on the side of the hotel to perform in social and environmental activities. CSR did not directly yield any direct income to the hotels as found. On the contrary, with CSR being a "matter of choice" for hotels, it actually went a long way to promote a positive word of mouth about the hotel that perhaps may attract more customers to the hotel in the near future.

*"Indirectly maybe but not directly. The hotel rather is spending so for me I don't think so. We have a choice whether or not to do CSR and since we are not under pressure to do so, I wouldn't say it's a means of generating income".- Golden Tulip*

Similarly, the organisational culture of hotels did not play much role as an internal motivator for hotels. Many of the hotels found it extremely difficult in trying to link the kind of organisational cultures they possess which actually relates to the sustainability of the environment and portrays a form of sensitivity to the society. Nonetheless, the hotels stressed on their service quality as one internal driver, such that in the midst of providing service to their customers, such value is also extended to the kind of help given to the society. Two other core values found were discipline and care. Some mangers under the interview stated that the training of their employees to be disciplined in performing their roles at work actually has a positive effect on how these employees behave both on the job and at home. Being disciplined entails highly mandatory work standards to very trivial day to day habits such as printing on both sides of paper and avoidance of littering among others. In caring for their customers too, hotels argued that this care is ultimately transcended to how they deal with the environment and the community at large. Care and service were such intangible attributes for hotels in that, the relation these attributes had with society and the environment was not strong enough.

Also, these are common hospitality traits needed for a successful operation in the tourism industry and can therefore not be argued as specific organisational cultures cultivated to actually promote environmental and social sustainability. As stated by Etzioni (1988) in the literatures, organizational culture must lead the organization in redefining members' relationships and altering its interactions and collaborations with stakeholders and the environment. Though this assertion can be highly true in the developed world, for Ghana,

this statement does not hold at all. From the study, there were no existing organisational cultures formulated with the society and environment in mind. To explain this further, there were no clearly identifiable shared perceptions, patterns of beliefs, symbols, rites and rituals, and myths evolved over time and functioned as the glue that held the hotels together (Zamanou and Glaser, 1994) and further explained the hotels' apprehension and deployment of CSR activities and strategy (Ghobadian and O'Regan, 2006). An organisational culture for CSR is clearly missing.

**Table 6: Environmental strategies and CSR-oriented initiatives by hotel chains**

| ENVIRONMENTAL | Best western | Holiday Inn | Golden Tulip | Novotel | Labadi | Movenpick |
|---|---|---|---|---|---|---|
| **Waste Management** | Incomplete waste separation points Waste Management Company Reuse of linen Bulk purchase Recycled paper | Waste Management company | Waste Management company | Waste management company Liquid waste connection to underground sewage system No system for recycling Hotel used oil sold to local soap manufacturers | Liquid waste channeled to a water body (lagoon) Waste Management Company Recycled Paper for stationery | Unpopular waste separation methods in Ghana Waste Management Company Sustainable habit |
| **Energy** | Energy efficient light bulbs Fully solar by 2015 Automated Card systems Sustainable habits | Sustainable habits | Main goal to minimize hotel costs Energy reduction committee Automated card system | Energy saving light bulbs Centrally controlled air conditioning systems | Energy efficient light bulbs | Automated card system |
| **Water** | Underground water (Bore hole) Unchecked water usage Unreliable Ghana water company Dual flush | | Unchecked water usage Dual flush WCs | Tap filters Regulated times in Plant watering Bore hole (under-ground water | Recycled water | Low shower heads Dual flush toilets Staff education |
| **Flora/Fauna** | Biodiversity not a focus | | Use of nonirritant chemicals Biodiversity not a major concern. | lack of support from community. | No | |

**Table 7: Social strategies and CSR-oriented initiatives by hotel chains**

| SOCIAL | Best Western | Holiday Inn | Golden Tulip | Novotel | Labadi | Movenpick |
|---|---|---|---|---|---|---|
| **Education** | Staff training | Hotel signage | | Staff training on environmental issues | No | |
| **Healthcare** | No specific societal healthcare projects | | | | Health Talk projects Nonsmoking areas Hospital Projects eg. Donation to the psychiatric hosp | |
| **Investment in employees** | Subsidized accommodation High wages Career Development | Training Programs Career enhancement Social Networking Fair Salary Structure | Scholarship/sponsorship contract | Benefits, Improved salaries, HIV not a basis for lay-offs | Internal Job posts Medical provision Career development and Educational Support | Career Development Training programs and Self development Reference to the Ghana Labor Law Unions, Healthcare benefits and packages |
| **Child Protection** | Absence of monitoring in the premises Consideration of street children rather than child sex tourism | No | Sponsoring Children in orphanages | Information for guests on Child Sex tourism | Orphanage Donations | No |
| **Community Development** | No records of local community support. | Donation of used linens and towels to charitable organizations Support and funds to University Ghanaian tradition in cuisine and staff attire | | Difficult as international standards have to be strictly followed | | Acknowledging the relics from Ghana's past |

**Table 8: Economic strategies and CSR-oriented initiatives by hotel chains**

| ECONOMIC | Best Western | Holiday Inn | Golden Tulip | Novotel | Labadi | Movenpick |
|---|---|---|---|---|---|---|
| **Linkages** | Inadequate food supply from local farmers | | Inadequate food supply from local farmers. Imports to meet standards | Inadequate food supply from local farmers | Purchase of artifacts from local craftsmen Limited ingredients from local farmers Imports to conform to international standards | Inadequate food supply from farmers that meet international standards |
| **Jobs** | Ghanaian owner, 3 expatriates in managerial positions 5 in no managerial levels | | 2 expatriates at top management level. | 3 expatriates all from France | 4 expatriates in managerial positions | 7 Expatriates. Intended for variety |
| **Purposeful Donations** | No records | No records | | Numerous. Some not recorded | Numerous. To NGOs, Orphanages, Schools | No records |

**4.1.3 Key strategies and assorted CSR-oriented initiatives by hotel chains?**

*a. Environmental*

The CSR implementation strategies differed from hotel chain to the next. Though all three aspects of CSR which are the environmental, social, and economic were considered, hotels did not have specific reports of all their activities.

All chained hotels under the study had a contract agreement with waste management companies allocated to them by the city authority, Accra Metropolitan Assembly. In Ghana, the Accra Metropolitan Assembly (AMA) is in charge of the sanitation and environmental issues in the country. These companies came for the solid waste of the hotels and further sent it away from the hotel premises. Hotels did not have appropriate waste disposal systems and highly lacked the incorporation of recycling waste. As discovered, the common waste management company was "Zoomlion". All five hotels had contracts with this company apart from Novotel who had contracts with "Jecura". These are privately owned waste management companies in the country and it is not exactly known how the company deals with the waste they collect.

Also, there were no known reasons as to why the city authority had the sole rights of allocating waste companies to hotels for their waste collection. Hotels had no rights to choose their own waste company, paid taxes to the city authority for the allocation aside paying the waste management for their services. The hotels had little knowledge of what happens to the waste after it has been taken from their premises but from all indications and as noted by some hotels, waste separation methods is something that is highly unpopular in the Ghanaian environment. It is also a major challenge which has led to inappropriate waste disposal and management in the country.



**Figure 9:** One of Ghana's common waste management company, Zoomlion.

For Best Western, the hotel at the time of the visit had an uncompleted waste disposal unit which as a matter of fact, had been under construction for some time. Further plans as how the waste sent to the unit would be separated and processed were not provided.  This finding certainly contradicts the statement made in the reports of the Best Western Franchise that "Best Western hotels do everything from having in-room recycle bins...."

(Best Western Corporate Initiatives and Actions for an Environmentally Friendly Hotel report). Admittedly, a visit to the hotel and a tour round the guest rooms during the research did not reveal any form of in-room recycle bins. If such reports by Best Western were based on activities of Best Western franchises in the developed world, these reports need obvious reformulation as the situation in Ghana unfortunately differ intensely.



**Figure 10:** Waste disposing unit and separation center still under construction for months now.

Apart from some few hotels that mentioned how their liquid waste was managed, the other hotels failed to give responses to this effect. Novotel mentioned that their liquid waste is connected to the underground sewage system of Ghana of which they had to pay taxes. Also, for Labadi Beach Resort, their liquid waste is channelled to a lagoon that consequently joins the sea at some point. This ultimately conforms to the concerns raised by the media in Ghana a couple of years back that there were several instances where hotels (especially those located along the coast) channelled their waste into water bodies and surroundings (Mensah, 2005). Labadi Beach Resort is conveniently located just a short drive from central downtown Accra and the Kotoka International Airport, situated adjacent one of the most popular beaches in Ghana. This beach provides a means of livelihood for the people of La, who live in the community. Their main occupation is fishing thereby making the sea an invaluable resource for them. This therefore questions the disposal of liquid waste by Labadi Beach Resort into the resource highly depended upon by the local community. It goes without saying that in the long run, the constant disposal of waste into the sea will invariably lead to a depletion of fish catch for the people living in that area.

 All hotels under the research re-used their linens to a point where it was no longer acceptable to provide for guests. Linen and towels no longer used were given away. For instance Holiday Inn donates all its used linen and towels to a charitable organisation in Ghana called the Ministry of Care and Compassion who further provided to the homeless and needy in the country.

Recycling of resources, for example paper, is also not a common practice at all. There were no recycling systems in place. These hotels however employed daily sustainability habits such as printing on both sides of paper, tuning of lights when not in use, among others to ensure that resources in the hotel are well utilised. These habits, of course, are not checked, have no sanctions attached and most often are ignored. Apart from Labadi Beach Resort

that specially ordered its stationery made from recycled paper from their headquarters Legacy Hotels abroad, other hotels try their possible best to utilise their paper, for example by printing on both sides and buying paper that had the recycled symbol on it. For their kitchen waste, the only means by which on a more cost effective way waste was managed is by using leftovers in preparation of the next meal. One interesting initiative is by Novotel, who sells its used soap from the guest rooms at an affordable rate to local soap manufacturers. This particular hotel however found it extremely difficult on how to recycle its used cartridges and batteries. The manger interviewed had a collection of these but had no idea where to send them or what to do with them.

All of the chained hotels under the study made use of energy efficient light bulbs for their establishment. To control the usage of air conditioning, aside Novotel that employed the use of centrally controlled air conditioning systems; all other hotels had the automated key card system in place for the guest rooms. In this case, the air conditions (and lights) went off automatically as the guest uses his key card to exit the room. This way as identified by managers, regulates the use of energy. Staff are also trained on routines geared towards saving energy such as turning off computers in offices when they are not in use, among others. Golden Tulip had in place an energy saving committee that had been set up to continually find ways the hotel can reduce its energy usage. Interestingly however, this action taken had its goal of minimising the enormous costs the hotel incurs on its energy and not necessarily as a sustainable development agenda. Only Best Western used some amount of solar energy in its hotel. The use of solar to save some energy was greatly missing in majority of the hotels under the study. Similarly, apart from hotel signage that informed guests on some practices, what was still missing was the constant education of guests on eco-friendly issues such as the reduced usage of energy, conservation and preservation of the environment.



**Figure 11** Solar panels used to generate energy, at the moment to generate energy for the water system of the hotel -Best Western.

Water consumption was one resource that was highly unchecked by many of the hotels under the study. It was found that this was a result of some of the hotels having their own underground water system (borehole) which supplies the hotel with water. Meanwhile the advanced borehole technology used by the hotel to generate water is very costly and difficult to maintain as compared to the traditional boreholes used by the some communities around Ghana. One hotel expressed that;

*"We really do not control the usage of water in the hotel. The guest can shower the whole day for all we care. This is because we have our own water system. The hotel uses water that has been dug from the ground and treated and acts as a source for the building. This is bore hole which does not come from the government and not paid for in any way"- Best Western.*



**Figure 12:** The Rooms Division Manager (also son of the owner) and the Head of Security showing the bore hole connection (underground water).



**Figure 13:** The underground water system controlling unit. This is the main source of water supply to the hotel. This is regulated with solar energy, and the hotel invests huge sum of money for its maintenance.



**Figure 14** A traditional borehole in Ghana used to generate water from the ground unlike the picture above which depicts a more sophisticated technology used by hotels to obtain water from the ground.

It was revealed that water from the Ghana Water Company was very unreliable and ultimately expensive it if it had to be used for hotel operations. These chained hotels also had in place dual flush toilets (except Novotel which was still renovating some of its toilets to dual flush), low shower head and as stated by Novotel, tap filters which reduces the flow of water to about 50%. Recycled water is used in watering plants for some hotels.

On the other hand though, flora and fauna (biodiversity) was not in the main focus of the hotels. This was one lacking aspect in the CSR activities of the chained hotels under the study. Upon being asked about the use of environmentally friendly cleaning materials, hotel lacked in-depth knowledge about its purchase and mostly purchased cleaning materials without necessarily considering whether or not it was harmful for the environment.

Similarly, there were no specific initiatives found which were related to the conservation and preservation of flora and fauna (biodiversity).



**Figure 15:** An environmental initiative displayed in the lobby of Novotel, this formulation however not in place on the ground.

### b. Social

On the social perspective, chained hotels in the country had embarked on some projects that benefitted the country generally. The overall social dimension of CSR embarked by the hotel as found from the study was an investment in employees and general community development initiatives. The chained hotels revealed that their employees were an integral part of their organisation such that many initiatives were put in place to ensure their wellbeing and growth in the organisation. Some the initiatives included; subsidized accommodation, high wages, career development, fair salary structure health care among others. This highlights the point raised by Cornelius *et al.* (2008) that it is imperative for companies to draw attention to investment in employees, over and above financial reinvestment targeted towards the local community and to develop the firm as a whole in terms of its service provision. He also stressed on the fact that employees of an organisation must be educated on CSR as well as also well-taken care of. To attain a complete CSR, a special attention is indeed needed to be paid to employees who are the representatives of the community in the hotel as well.

Whereas many records had not been kept by the hotels on their activities to help in community development, some were able to provide examples of some projects they had embarked in previous years. These included numerous donations to orphanages, NGOs, Charitable groups, University Student Associations, donations to hospitals, blood donations, among many others. Hotels however stressed on the fact that support to local community went beyond the cash or item donations but the provision of their venue and food for charitable organisations was also key. Two hotels, Golden Tulip and Labadi, have in the past provided venue for one Father Campbell, a missionary who has set up a leprosarium in the country to help those affected with leprosy. These contributions are indicated by Carroll (1979) as philanthropic contributions on the part of the hotel company.

On the other hand, a lot of social issues were still missing and not considered by the chained hotels in question. Apart from hotel signage to inform guests on some practices, there was a lack of constant education of guests on eco-friendly issues such as the reduced usage of energy, conservation and preservation of the environment among others. Another lacking element was major, specific and complete healthcare projects, such as hospitals, clinics or community health centres, targeted at providing timely healthcare solutions to members of the society. Another, significant element missing in the social context is interventions for child protection on the side of hotels. There were no specific strategies or plans laid out to see to it that the vulnerability of children is not taken advantage of. The hotels had not signed any code of conduct developed by the WTO and ECPAT. Novotel was the only hotel that had a strong commitment to educating guests on child sex tourism where information regarding the topic had been placed at some points in the hotel to prohibit such actions. Other hotels however argued the non-prevalence of child sex tourism in Ghana but credited child labour as one of the issues that must rather be considered. To this effect, children are obviously not employed by hotels and the children of employees are well looked after. Some hotels had specific donations to orphanages around the country and helped to keep children off the streets. Golden Tulip had donated some amount of money to aid the registration of thousand children under the national health insurance scheme of Ghana. These donations however are not done on a constant basis.

**Figure 16:** In Ghana, it is more common to find issues relating to child labour than child sex tourism. A greater percentage of children are found in the agricultural, mining and quarrying sector as well as economic merchandise along the streets.



**Figure 17** Hotel signage educating guests on child sex tourism- Novotel.

### c. Economic

The main issues expressed by the chained hotels with regards to CSR included purposeful monetary donations and other available jobs for the local people that lived in the area where the hotels are situated. Every hotel had over the years donated some credible amounts of money to diverse groups in the community. It was found that giving out cash was the most common way that the hotels participated in responsibility for the people around them. However, just as discussed previously, there were no records of these expenses whatsoever and the big question still remains as to who is in charge of such expenses of the hotel and why such expense which is part of the hotels' official spending are not reflected in their records and business operations? There is no transparency in this kind of business operation. More often than not, these hotels revealed that money donated was mainly given to the community leaders who approach the hotels to seek for aid in their community development. Clearly, these developments in question are not seen to materialise in the community and how the money is used remains a puzzle. For the hotels, their claim is that they did their utmost best through the provision of the finance and their contribution ends right there.

To a certain extent, hotel chains made it a conscious effort to employ as many Ghanaian locals as they could. There were some available jobs for locals residing in those communities. In this case, the first part of Carroll (1979) delineation of CSR in that CSR is a responsibility which is economic in nature, entailing for example providing a return on investment to owners and shareholders; creating jobs and fair pay for workers was to some extent evident. This is because, as already stated in the social aspects, some of the hotel chains were completely owned by Ghanaian natives who ensured other locals were very much employed. Also, investment in these employees was important for the hotels' business operation.

On the other hand, there were crucial economic elements that were missing in the CSR initiatives of the chained hotels in question. Obviously, though some locals were employed, hotel chains in the country to a large extent have expatriates working in topmost managerial positions. The local people, though employed were mostly not put in critical managerial roles. Best Western and Holiday Inn Ghana are privately owned by Ghanaian entrepreneurs who employs expatriates for the hotels' core functioning. Best Western records three expatriates in managerial positions and five in non-managerial roles. The remaining hotels are owned jointly by the Ghanaian government and outside companies. These are Golden Tulip, Novotel and Labadi Resort. Movenpick is solely owned by the Saudi Prince and has the highest number of expatriates for a hotel chain in Ghana. Golden Tulip records two expatriates (the GM and experience manager) in top management at the moment though in the past had about ten. Novotel records three expatriates (the GM, F&B, and Rooms Division managers) all from France. Labadi Beach Resort records four expatriates (the GM, Financial Controller, Chef, F&B manager) and lastly, Movenpick records seven expatriates. Movenpick however related to their high number of expatriates to the fact that the hotel recently started operations in Ghana and it is the second 5-star hotel in the country after Labadi Beach Resort. The hotel argues that it needs professional and experienced managers from abroad to help raise the standards to an acceptable level in the country so that their local assistants can learn from it and later in the future take up the roles as managers. It is a widely known fact that, expatriates in the long run repatriate all income earned in the

country to their originating countries invariably inhibiting the circulation of money in the country. Therefore the growth of accommodation sector in Ghana which brought about an increase in hotel revenue as anticipated earlier really does not reflect in Ghana's foreign exchange earnings or economic development.

Furthermore, economic linkages to locals, say local farmers, is on the minimal. Chained hotels do not solely rely on local farmers for their foodstuffs. As found from the study, there were inadequate food supplies from the local producers therefore, hotels, in order to meet international standards of their cuisine, were compelled to import some products which cannot be gotten from the Ghanaian market. For example, certain fruits and vegetables, sausages etc. In Best Western for instance, the chef, an expatriate, had to express his difficulty in finding ingredients needed for international meals and therefore was compelled to order from multinational supermarkets in the country. The costs involved are also enormous. Some of the hotels purchased artefacts and paintings directly from the local craftsmen for decorations and allowed them to display some for sales though this alone do not aid in economic growth for the country as a whole.



**Figure 18:** Display of Ghanaian artifacts made by local craftsmen in hotel lobbies (some of which are for sale).

There is therefore no doubt that there is a prevailing weak economic situation regarding hotels' CSR projects though the economic aspect is an integral part which drives the country's development.  In contradiction to Kuvuitu's (2005) findings that it is now widely recognised that poverty reduction and sustainable development will not be achieved through government action alone and policy makers are paying increasing attention to the potential contribution of the private sector to such policy objectives, in Ghana, there is still a great reliance on the government to provide all the necessary aids for development and this does not yield to any positive results. As a matter of fact, there are no policies compelling the private sector in this regard.

### 4.1.4 Benefits

The chained hotels expressed diverse benefits they consider important in performing CSR initiatives. Those identified included 'sense of belongingness', 'personal satisfaction', 'harmony with the local people', 'affecting lives' and 'making a difference'. These benefits of CSR as exhibited by the chained hotels in question were more in the social light than economic or environmental. This further stresses the claim that hotel businesses are more inclined to performing some little social deeds here and there in their communities when it comes to CSR.  Two hotels in their response stated that;

*"I think mainly it is the personal satisfaction. Giving back to the society. I think CSR is very important. It doesn't really take much to do. It shouldn't be because of publicity but providing for the less privileged."- Golden Tulip*

*"Apart from the good image, there's this warmth that we get from people. That warm feeling is enough for us. The response to the charity show we do was overwhelming and we have been asked to do something similar which we will do during the Easter." – Labadi Beach Resort*

The hotels saw CSR as a tool that enables them to relate better with the community so as to operate smoothly without conflicts with the society. With regards to this, the sustainable agenda of the hotels remains missing as that is obviously not in question when it comes to CSR by the hotels.

**4.2 Corporate Social Responsibility among Non-Chained Hotels**

**4.2.1 The understanding of CSR by non-chained hotels**

In the same vein, the non-chained hotels under the study were asked to exhibit their knowledge for the CSR concept as well as the global issues they found to be factors that affected their way of operations. Of the four non-chained hotels under the study, only one which is African Regent, embarked on a complete CSR project called 'I-share hospitality' which is targeted at children. The remaining hotels had heard of the concept but had no reports or documentations.

For being a non-chained hotel in the country these hotels expressed the challenge of competing with other hotel chains in the country. They therefore faced the constant task of convincing prospective customers that locally branded hotels in the country are also capable of providing services of internationally recognised standards. From the research, these hotels were not completely interested in the global issues happening around the world that may affect their operations. Interviewees had little opinion about this issue and related it to the fact that they operated locally. However, Alisa hotel identified the USA September eleventh calamity as one global event that affected their operations for a while. Following the event, there was a decrease in international travel and their clients being business men and tourists from all over the world especially America, this meant that there was a significant decrease in sales around the period. This sad event actually has no direct relation to the CSR concept in anyway and as discussed in the previous pages. It is only a factor that determines the success or failure of the hotel and is limited to the economic and political determinants for a successful business operation.

As stated by the hotel;

*"Yes we do. Remember when 9/11 happened, it affected tourist travel all around the world. So you cannot delink global issues from what happens. The whole industry is based on tourists. Our raw materials are tourists."- Alisa Hotel*

One of the hotels also noted that;

*"Yes. We actually engage in CSR in the sense that, since I have been here for the past 2 years, the hotel has in every year has been identifying residents in pro-poor communities and we deliver items to them. Last Christmas we were at the Dzorwulu Special School and we donated a whole lot of items like clothes, towels, food, drinks etc. Just within our environment we have been supporting the North Ridge Clinic"- Alisa Hotel.*

**Table 9: Motivational factors for non-chained hotels**

| | External | | | | Internal | | | |
|---|---|---|---|---|---|---|---|---|
| | **Political governmental** | **Customers** | **community** | **Imagery** | **Competition Financial** | **Organisation Culture** | **Managerial Personal values** | **Organisation Size** |
| **Coconut Grove** | No political obligations, CSR a personal choice | Collaborations with customers | To have harmony with the community | Imagery not the main focus | Indirect benefits | Not identified | The owners are aspiring presidential candidates and therefore display enormous support social issues. | Well functioning departments |
| **African Reagent** | No policies identified No pressures | Customer enquiries Involving clients in community projects | Identifying key societal needs, in this case changing the mentality of children about working in a hotel. "I"share Hospitality project for children | Marketing and adverting of the project Word of mouth | Financial gains through hosting of children events Advertising Ishare project in local magazines to set examples for others. | Teamwork that aids in the execution of the project | Enthusiastic mangers on the Ishare project | Budget allocated for the Ishare project Core Hotel Initiative |
| **Alisa Hotel** | No identified pressures Corporate initiate | Collaborations and requests from customers Secretaries club Customer recognition programs | Identifying key areas which needs help | Location, product is important CSR important to attract clients Word of mouth No label | Not really an income generator, more of an indirect benefit and good for the image of the hotel | Quality service to guests and to the society Care for the guest and to the people of the society | Motivated director, enthusiastic managers willing to participate | Using the hotel as practical/training grounds to aid hospitality schools Open & Working organisation structure |
| **Frankies** | No pressures | | Supporting community festivities | Long time in operations | | | Lack of support from managers and other supervisors | No structures Bad decision making process Nepotism |

## 4.2.2 External and Internal motivating factors for non-chained hotels

### a. External Drivers

Similarly, non-chained (locally based) hotels in the country as at the time of the study expressed three main external factors that compelled them to engage in CSR. These were their existing customers, the community and imagery. Interestingly, the customers of these hotels also in many ways acted as drivers for the initiations and implementations of CSR by the hotels. In diverse ways, there were collaborations with customers to evoke community projects. For example one hotel stated;

*"Occasionally we get some who want to collaborate with us based on what they see us do in the media"- Coconut Grove*

The community plays a role for hotels' CSR initiatives in the sense that hotels find it important to maintain a good relationship with the society they are located in. They support certain activities just to be in harmony with the people. In doing this, the hotels identify key needs in the society and try their possible best to devise projects that may ultimately provide for their needs and hence eradicate some of the problems in the society. African Regent identified the perception people, especially children, had about working in a hotel a major problem that may affect the hospitality industry in the near future. Their main CSR project 'I-Share Hospitality' is aimed for children and helps mould their mind-set about the service industry.

*African Regent Ishare Project- "We targeted children between the ages of 9 and 12. We tried to change their mentality. We were considering younger children but they wouldn't understand better. We broke the hotel department into sections (F&B, housekeeping, front office sections). Every term (there are 3 terms in a year) we sent letters to different school but only 8 agreed. We took a particular day in a term; pick a class, a club, the whole school and teach them about each department. Last term it was the F&B department, we took a chef and a waitress went to the school and they explained how to keep yourself clean in the kitchen, how to prepare a fruit salad, what and not what to do, washing your hands, laying a basic table at home and made some of them try it out. We taught them about the profession in F&B (you can be a waiter, cook, bartender, chef etc.). Our goal is to change their mentality. We try to target specific schools that are near to us and the schools of the children who are brought here to swim. We pick both government and international schools. We have three low class schools and four higher class schools. For example, the Dzorwulu Primary. Whatever section we do, we have points that relates to the child. For example we teach them how to lay a table. We do what we have in a hotel and what we have at home. We ask more than ten to try it there and they ask questions."*

Unlike the chained hotels, non-chained hotels under the study expressed the notion that their participation in community support and projects is indeed key for their visibility in the community they are located. This enhances their image since there is a good word that goes round about them and that in turn will attract many more people. This therefore is their main purpose for engaging in the CSR activities.

The other external element missing was political/governmental drivers. The non-chained hotels found no political obligations to comply with which were related to their social and environmental responsibility. According to them, for example as indicated by Coconut Grove, CSR is a personal choice that comes naturally from the hotel's own will. In this case, any activity performed in the society is mainly because the hotel sees it as a duty to the people in the society. Alisa hotel also mentioned its core CSR project as a major corporate initiation from the hotel itself without being obliged to do so in anyway by an authority.

### b.  Internal

Internally, non-chained hotels also revealed that two main factors compelled their engagement in CSR. These were their managerial personal values organisational size. Three of the hotels identified they had highly enthusiastic managers who are willing to take into action issues that will benefit the society and the environment at large. Frankies however expressed the lack of support from the managers and owners of the hotel. It also had no structures in place for CSR initiatives, had a bad decision making process and suffered nepotism in the hotel.

The other three hotels had well-functioning departments as well as some budgets for their projects. For example, Alisa Hotel clearly stated that the hotel had an open structure which enables the hotel to use its premises for training of hospitality students in the community. African Regent had budgets allocated for their "I"share project which is the hotel's core initiative.

 However some issues were still missing so far as internal motivations were concerned. All the hotels raised the notion that the pursuit of CSR only provides an indirect benefit and had a long term profitable basis therefore competition and finance was not an internal motivating for them. Realistically, it is the hotels that spend enormously to initiate community projects that may or may not be seen in a favourable light by the members of the community. On the positive note, people give reference to the hotel and in the long run can attract more clientele to the hotel. Many of these hotels also found it extremely difficult to relate their known core values to the environment and society. Two core hotel values that were identified were 'care' and 'team work' recognised by Alisa Hotel and African Regent respectively. African Regent expressed that their team work value in the hotel brings their "I"share project into full execution. Everyone in the hotel participates in the project. On the other hand, Alisa hotel recognises their 'care' value as a major service quality trait extended to both guests and the people in the society as well as their care for the environment.

**Table 10: Environmental Strategies and CSR-oriented initiatives by non-chained hotels**

| ENVIRONMENTAL | Coconut Groove | African Regent | Alisa | Frankies |
|---|---|---|---|---|
| **Waste Management** | No systems in place Waste management company Use of recycled paper | Waste separation methods without further processing Waste management company Feeding staff Bulk purchase for cost reduction | General management of waste Waste management company Have no idea what happens next Reuse of linen Creativity to cut down cost No recycled paper | No systems Local waste collectors Bulk purchase to minimize costs |
| **Energy** | Future plans for solar and biogas Energy saving bulbs Sustainable habits | Energy efficient light bulbs Automated keycard system Solar energy use at night | Energy efficient light bulbs Sustainable habits Automated key card system | Energy saving light bulbs No further control of energy Changing old appliances |
| **Water** | Unreliable Ghana water company Underground water (Borehole) Highly controlled shower heads | Recycled water for watering plants Dual flush toilets Unchecked water usage | Rain water collection dual flush underground water (borehole) | Unchecked water usage Purchase of water |
| **Flora/Fauna** | Biodiversity not in focus | Cleanup exercises in surrounding areas | External contractor to take care of hotels greenery Biodiversity not a main focus | Biodiversity not a focus |

**Table 11: Social strategies and CSR-oriented initiatives by non-chained hotels**

| SOCIAL | Coconut Groove | African Regent | Alisa | Frankies |
|---|---|---|---|---|
| **Education** | Monthly Staff training | Staff education Sustainable education to guests in rooms Hotel signage | Updating employee on sustainable practices | |
| **Healthcare** | Blood Donations to hospital blood bank | | Donation to hospitals | |
| **Investment in employees** | Internal recruitment High salary Healthcare provision Career development | Career development In-house training Health benefits Fair opportunities | Social employee welfare, staff development in-house Childcare benefits training not enough resources to do even more | Healthcare benefits Career development and enhancement, staff training, Benefits High labor turnover |
| **Child Protection** | Not identified | The Ishare project purposely for children Guarding children at pool areas | | Supporting USAID children projects |
| **Community Development** | Support or schools Sponsoring medical groups in villages 15000 dollars to children hospital | Support to schools Donations to children's children's hospitals The hotel is based on promoting Ghanaian tradition | Donating linens and towels Donation to special school Support to leprosarium Supporting the Ghana football association Providing internship programs for students etc Supporting young artists | Sponsorship to charitable groups Aiding community festivities clean up exercises, free food. |

**Table 12: Economic strategies and CSR-oriented initiatives by non-chained hotels**

| ECONOMIC | Coconut Grove | African Regent | Alisa | Frankies |
|---|---|---|---|---|
| **Linkages** | The hotel provides Ghanaian course meals and purchase only made in Ghana products therefore no need for exports | Buying from local farmers and importing where necessary | Direct purchase from local farmers and imports where necessary Ghana Hoteliers Associations needs to encourage the setup of farmers association to supply | Local produce, imports where necessary |
| **Jobs** | 100% hiring of local employees | Majority of Ghanaians employed apart from Chinese exchange students, Mauritius GM and French IT Manager | | Lebanese owner, Ghanaian employees |
| **Purposeful Donations** | Internal records which will not be shared | | | |

### 4.2.3 Key strategies and assorted CSR-oriented initiatives by non-chained hotels

#### a. Environment

All four non-chained hotels under the study similarly had contracts with waste management companies who came to collect their waste from their premises. They also had absolutely no idea what happened next after the waste was removed from the hotel. No systems were put in place to separate the waste or for further processing. Recycling was not a common practice, and in most cases bulk purchases were done in order to reduce costs that the hotel was faced with. As a general practice too, linen was reused and donated to charitable organisation when it cannot be used for guests anymore. All hotels also used energy efficient light bulbs. Two of the hotels, Alisa and African regent also used the automated key card system to regulate the use of energy in the guest rooms and all of the hotels employed sustainable habits to cut down costs in the hotel. Only one of the hotels, African Regent had the use of solar energy in the night time to save some energy. Coconut Grove also had future plans in place for the use solar and biogas. Nothing more was done so far as the use of energy was concerned, apart from Frankies Hotel that made mention of the fact that the hotel endeavours to change all its old electrical appliances, for example air conditioners, in order the reduce its c02 emission into the atmosphere. This is also because the older some appliances get, the more energy they consumed.

Water was a major challenge for some of the hotels. First of all, Coconut Grove identified the unreliable water supply from the Ghana water company which has obviously led them into providing their own water for the hotel form underground (borehole). As a result the usage of water in the hotel is highly controlled by means of low shower heads, dual flush toilets, recycled water for watering plants etc. The remaining hotels did not exactly have methods in checking the usage of water though Alisa hotel identified another source of their water supply which was from rain water collection during the wet seasons in the country.

Flora and fauna (biodiversity) was also not in the focus of the hotels. There were no initiatives by these hotels to ensure that there is the conservation and preservation of the nature around them. There were no tree planting initiatives or campaigns to decrease cutting down of trees.

#### b. Social

The social dimensions of CSR implementation by non-chained hotels was very prominent as discovered from the study. Just like the chained hotels in the country, non-chains' social initiatives included investment in employees and community development. There were various frameworks that sort to enhance the welfare of employees in the hotel. These included career development programs, in house training of employees, health care benefits, internal recruitment strategies, childcare benefits, fair opportunities, high salary, among others. These however does not erase the fact that the hospitality industry among all others still faces the issue of high turn-over as stated by one of the local hotels.

There were many non-monetary support and cultural activities done by the hotels. Every one of the hotels had in one way or the other supported their communities in diverse ways.

There were support for schools, sponsorships for medical groups, cash donations, donations to (children's) hospitals, donations of hotels' linen and towels to charitable groups, free food, internship programs for hospitality students and many others. For example one hotel stated that;

🎙️ *"You see most of the customers also belong to society so once in a while we have requests from various areas for some to religious bodies. Some of them come to take our rooms to do their programs for free. We give to the Ghana Football Association and support the Black Stars by giving them rooms. We support the orphanages when they are having international conferences, women's groups, persons with disabilities -  we have to give them offers to use our facilities for free or with minimal charges. These things come periodically and are considered by management depending on the business of the day. For example if we are in low season, we thrive on these activities in order to offer our social responsibilities to such groups."- Alisa Hotel.*

African Regent stressed on its promotion of the Ghanaian culture through its display of Ghanaian arts and crafts in the hotel, employee attires etc. Alisa hotel also allowed young artists to display their piece of art for sale in the hotel.

The elements found missing in the social realm were education, healthcare and child protection. In terms of education however, there were no standards put in place to educate staff and guest on key issues of sustainability. There were only general periodic staff training which involved other matters and sometimes on minor sustainability practices such as putting off PCs and lights when not in use.

There were not many health related projects from hotels to the society apart from some few donations to hospitals and Coconut Grove Hotel stating its yearly blood donation to the blood bank of Ghana's main hospital, Korle-bu Teaching Hospital. There were no vigorous health related projects such as hospitals and community health centres. Non-chained hotels expressed that such initiatives were solely the duty of the government.

Apart from African Regent that had children as the core of its CSR project, not many strategies were in place to see to the protection of children by the non-chained hotels. Frankies hotel only on some occasions had supported the USAID children's projects in the country by providing venue and food during those events. The issue of child sex tourism was not common as mentioned by the hotels and they made sure as per the rules in the hotel business, only adults were allowed to lodge in the hotel. Neither of these hotels had heard of the Code of Conduct developed by the WTO and ECPACT.

### c. *Economic*

In the economic sense, as revealed from the study only the provision of jobs to the local people was one major positive economic contribution by non-chained hotels to the country. All hotels, aside Frankies which was owned by a Lebanese and African Regent which had 2 expatriates in the position of GM and IT manager, majority of the people employed were local inhabitants. Coconut grove reported it had 100% of its workers as Ghanaians.

Again, crucial economic issues were economic linkages to the local community of the country and records of all purposeful donations made. Among all four of the hotels under the study, only Coconut Grove stated that it purchased directly from local farmers and also used only made in Ghana products in preparing food for the guests. All the ingredients used are locally produced and none is imported at all. The eggs, chicken, rice etc are all local brands from local producers. The aim of this hotel as stated earlier is to provide jobs for Ghanaians and brand Ghana in the tourism and hospitality sector. This conscious effort can be attributed to the fact that, and as discussed earlier, the owner and his wife are presidential candidates who want to make sure Ghanaians recognise their contribution to the overall development of the country as they stand for elections by the close of this year 2012. The hotel also hired only Ghanaians in the sense that there no expatriates who are in top management positions of the hotel. Though this hotel claims it is making a conscious effort to promote the development of the country, a hotel acting alone obviously cannot make a significant boost in the economic situation of the country.

## 4.2.4 Benefits

Two major benefits were identified by the non-chained hotels. These were the satisfaction obtained in giving back to the society as well as a good and cordial relationship with the community. African Regent expressed their success in their Ishare project.

*"Yes there is a contribution that every hotel can make. I endorse CSR. It is very important. If everyone was doing it then at least the trickledown effect even though it will take some time but it will eventually benefit society"- Alisa Hotel*

**4.3 The Differentiation of CSR among Chained and Non Chained Hotels in Ghana**

## 4.3.1 Level of adoption

The last but not the least objective of this research was to explore the differences in the level and adoption and implementation of CSR between chained hotels and non-chained hotels in Ghana. The results of the study revealed that there is no concrete distinction in these two categories of hotels when it comes to how CSR is adopted in implemented in the country.

Previous studies have concluded that hotel companies have tried their best interest to contribute to the quality of life in their host communities and environment. Though the hotel companies in Ghana at certain points make generous contributions to the community, a significant improvement in the lives of the people cannot be seen. Van der Duim *et al.* (2011) have also concluded that the accommodation sector is predominantly concerned with issues of natural resource management, local procurement to reduce leakages, labour conditions and in some regions, the combat of child-sex tourism. However as discovered from the study the Ghanaian context is entirely different and such issues are not heavily put across.

The Ghanaian hotel industry has received a boost as new multinational luxury hotels have been established and most of them are concentrated in the capital city of Accra. It was expected from the study that these hotels being multinational will even provide great assistance to the local community in which they are located due to their corporate sustainability policies. This expectation was not met as the multinationals in question at the time of the research had no corporate sustainability policies that were at work in Ghana just like their counterpart non-chained hotels.

In considering how well knowledgeable these hotels were in CSR related issues, the chained hotels were much more informed and aware of global matters such as economic, political and environmental issues that affected their operations. This may be attributed to the fact that these are multinational establishments that had their functioning all over the globe. However, the non-chained hotels did not consider those global issues as factors that were capable of affecting their operations in any way. This may also be because their functioning is somehow limited to the country. The global issues identified by the hotel chains were issues that mainly determined their success in business operations and not issues that compelled them to join in the sustainability debate which is directly related to CSR. It can be concluded that both types of hotels do not really partake in the sustainability agenda happening worldwide.

Lastly, in considering the stage of hotels using Zadek's (2004) five stage model with regards to the adoption of CSR, it can be strongly argued that both categories of hotels are in the 'Compliance Stage' of the model. This stage was immediately identified through the interaction with the hotels and the analysis made as the hotels responded to the research questions posed. At this stage, company's 'do just as much as they have to' and a corporate policy is established and observed especially in ways that is visible to critics. Also, the main aim for the compliance action is that it is seen as a cost for doing business and to protect the company's image. The image of the company is a core issue disregarding the actual

sense of undertaking a CSR. As found from the study, the hotel companies recognise the need to give back to the society and reluctantly, in many occasions, grant the requests of charitable organisations that approach them for assistance and they also collaborate with customers too on community projects. The research found that these two; customers and the community, are strong external forces that compel the hotels to adapt to some CSR measure and initiatives. Though corporate policy is key for compliance in the model, some of the hotels have not yet integrated CSR in their core business procedure, but at various levels comply with the requests from their customers and community and particularly not governmental regulations. In this case, they are not defensive about the concept and definitely do not shirk the responsibility of taking actions that will benefit the society in some way. Therefore, hotels are socially more proactive which helps to keep them in operations in the community.

For example, Best Western, Movenpick among others, try to engage in these CSR initiative as spelt out by the franchise headquarters but they do not have reports of their own showing their CSR initiatives. Non-chained hotel also do just as much as they have to because they are also approached by community leaders of the society who solicit for aid.

## 4.3.2 Implementation Strategies

All hotels in the study had heard of the concept of CSR and though they did not have any official documentation in a form of reports, they performed several activities and roles that were geared towards the sustainability of the environment as well as enhancement of the society. Several of these have been discussed thoroughly in the previous pages. As a matter of fact, the hotels had engaged in mostly social initiatives for their communities and there was not a clear cut distinction between what chained hotels did and what non-chained hotels did in the country. As revealed from the analysis, the focus was more societal than environmental or economic.

Similarly there were not much striking differences in what motivated the various hotels to engage in CSR. Firstly, both chained and non-chained hotels found no pressures from political or governmental intuitions empowering them to be responsible and accountable for their actions. Both hotel categories also found their customers as a great motivator to partake in CSR initiatives. This is done as discussed, through collaborating with some guests who were involved in some sort of community projects. Also, though chained hotels did not find the use of CSR as a means of building their image in the country, the non-chained hotels saw it a means of having a positive image with the society at large and improving their image in the community so that their presence can be felt just like the chained hotels in the country.

### 4.3.3 Prevailing Issues

Several reasons may have amounted to the fact that there is no significant differentiation between how chained hotels and non-chained hotels in Ghana have adopted and ensured to implement CSR initiatives in the country. Of these reasons, three prevailing issues that can be immediately identified are the concept of CSR in Ghana, low levels of CSR adoption and implementation by both hotel categories and the short time existence of hotel chains in country.

First and foremost, the concept of CSR is an entirely new and a growing concept in Ghana. It is widely known in other sectors of the country such as the telecommunication and mining which were first thought to have damaging effects to the environment. The concept is fairly new in the hospitality sector and as it stands at the moment, in the accommodation industry, little efforts are being put in place and in most cases these activities are actually not fitted into the umbrella term corporate social responsibility.

Furthermore, after a comprehensive analysis of the first three objectives of this research, it can be said that there is an obvious low level of corporate social responsibility by both categories of hotels invariably meaning that adoption and implementation is somewhat the same on the lower level. Several explanations can be as a result of this low level of CSR generated by both hotels. As explained earlier, all hotels fall under the stage two (Compliance Stage) of Zadek's (2004) ascending five stages of CSR. At this stage the hotels to some do some activities of CSR reluctantly so as to remain in operations. They are not defensive (first stage) and do not totally ignore their responsibility as expected of them by members of the society. Also, with Ghana being a developing country, there are no forceful regulations in the country that result in vigorous CSR embarkations unlike countries in the developed world. There is a 'jolly free ride' for hotels companies and out of compliance they do little 'nice things' for the communities as when they felt like. To explain this further, the hotels just focused on one aspect of CSR which is the social aspects and it is not even strongly incorporated in their policies and method of operations. Similarly, hotel chains in the country fail to diligently follow the CSR policies of their headquarter franchise which has ultimately resulted in highly effective CSR initiatives in the developed world. There is an absence of activist groups and several other frameworks invariably leading to a low level of CSR incorporation by both hotel categories in the country.

Lastly, another issue that can be said to be a major reason for the non-significant differentiation between how chained hotels and non-chained hotels in Ghana have adopted and ensured to implement CSR initiatives in the country, is the short time of existence of hotel chains. The short time of operations has not enabled them to fully embrace the CSR concept effectively. The most recent hotel in the country as at the time of the study was Movenpick (one year in existence). During the research, the hotel had only embarked on very few social CSR initiatives and claims to have huge plans in the future devised by the Saudi prince (owner) in partnership with the Ghanaian Government. Their plan is to enhance the economic development of the country. Nonetheless, the hotel being the second five star hotel in the country, from the study, has the highest number of expatriates working within it thereby making their plan to boost the Ghanaian economy somewhat questionable. Other hotels such as Best Western and Holiday Inn are also recent in the

country. The short time of operations as noted can be a major reason why CSR initiatives by chained hotels in Ghana is as low as the non-chained hotels in the country. This further renders a lack of significant difference in what hotel chains do with CSR as opposed to non-chained hotels. With that being said, certainly, other chained hotels have been in existence in country for about 20 years (Golden Tulip and Labadi Beach Resort). These major hotels though in the past have endeavoured to perform some social initiatives in their communities, just like the others, do not have strong CSR policies purposely developed and incorporated in their business operations.

# CHAPTER 5

## CONCLUSIONS, DISCUSSION AND RECOMMENDATIONS

This final chapter raises further discussion regarding corporate social responsibility of hotels in Ghana. It then provides concluding remarks and also proposes some recommendations that can be considered by policy makers, players in the industry, among others. This thesis explored how hotels in Ghana adopt and implement corporate social responsibility (CSR) in their business operations. In particular, it examined the extent to which hotels in Ghana are knowledgeable and willing to respond to the issue of CSR, questioned the critical internal and or external factors that compel Ghanaian hotels to adopt CSR, sought the key strategies and assorted CSR oriented initiatives implemented by the hotels and lastly compared the level of adoption and implementation between chained and non-chained hotels in the country. With this aim, and by the use of qualitative research method, a total of ten hotels (six chained and four non-chained) in the capital city of Ghana were selected and interviewed accordingly.

## 5.1 Conclusions

With the sustainability debate widely known worldwide and several businesses taking up their mantle as suggested by literature, the study reveals that on the contrary, the debate is not widespread in Ghana. The sustainable agenda among hotels in Ghana is not a commendable issue. The concept is fairly new in the sector and only few measures are being put in place with regards CSR and the global sustainability agenda.

Also, with regards to CSR, literature suggested that there are some internal and external motivations that compel businesses to indulge in CSR initiatives. The study reveals that, on the whole, there are more strong external motivations for hotels to embark in CSR initiatives. These are the customers and the community that together coerce hotels to be responsible in the society and environment. This ultimately means that the people outside of the hotels are important compelling factors as opposed to the pressures from governmental institution which are absent or imagery as literature describes. The study also reveals that hotels in the country are not particularly internally motivated when the issue of CSR is raised. The internal motivations for hotels to indulge in CSR are not strong enough though many of the hotels acknowledged that their managerial personal values and organisational size are some of the intrinsic motivations as compared to their organisational culture and competition.

A thorough review of literature consequently suggested that CSR is in three major dimensions and businesses around the world exercised CSR in these three major dimensions which include the environmental, social and economic. From the study, it was found that in Ghana there is a lacking interrelation of these three aspects amongst hotels in Ghana. The strategies and initiatives adopted by the hotels are more geared towards the social aspects of the community rather than environmental or economic. This finding of a greater social CSR initiatives throws more light on the Ghanaian culture which highly regards the

importance of family, community and strong bonds in the society. Hotels only focus on providing some support to their community both monetary and non-monetary as part of their responsibility without concrete initiatives in conserving and preserving the environment as well as initiatives like economic linkages and the provision of high position jobs to locals to strengthen the economy of the country.

A suggestion by literature raised the expectation that chained hotels, by virtue of their international exposure should have a better adaptation to CSR and consequently engage in vigorous environmental, social and economic CSR initiatives similar to those of their franchise groups around the globe. The study reveals a contradiction to this expectation and assumption. There is no significant distinction as to how the concept is adopted and implemented by chained hotels and non-chained hotels in the country. Three major reasons for this turn of results as the study reveals lie in the fact that in the Ghanaian setting the concept is entirely new and emerging, both types of hotels practiced CSR on a low level and lastly, the majority of the chained hotels have just started operations in the country and attribute their short term of existence to their inadequate CSR initiatives.

This thesis can be argued as an exploratory study because though CSR is a worldwide known concept especially in the developed world and some sectors of the Ghanaian economy (mining and telecommunication), the concept is researched in a fairly new sector (accommodation) of the Ghana. Furthermore, qualitative research was adopted to acquire in-depth knowledge about the extent to which the concept is known and at work in the hotel industry of Ghana. Nonetheless, this empirical study paves way for further research into the role of tourism businesses in helping alleviate poverty in developing countries. This research focus on CSR as a possible tool whereas other research in the same light can be more extensive, on a wider scale and possibly on a different method of data collection. Similarly, other research can focus on the tourism supply chain and the role (and impacts) of small scale tourism businesses in pro poor tourism initiatives.

## 5.2 Discussion

In Ghana, there have been several calls for companies to pay particular attention to CSR and see it as a core component of their business. Aside the president of the country reaching out for this cause, leaders of some sectors have done same. In March 2006, the chief executive of the Ghana Chamber of Mines Joyce Aryee made a profound statement inviting companies to focus on ethics, transparency, governance, and environmental management and strengthen relations with various stakeholders.

This triggered companies in the mining sector of Ghana to sign a code to uphold fundamental human rights, to respect the culture and customs of their employees and locals affected by their actions. Many companies such as Newmont Ghana Gold, Bogoso Gold, Chirano Gold Mines, and Ghana Bauxite Company, among others were involved. Ghana is deeply rich in gold and it is the second largest producer of gold after South Africa thus making mining one of the important economic activities in the country. Many researches have been embarked, for example the one by Boon and Ababio (2009), to determine the impacts of CSR in this sector over the past 20 years. These researchers argued that the economic, social and environmental impacts of these mining companies are felt greatest at

the local level. No wonder there have been numerous efforts by the various groups to see to the effectiveness of CSR policies in this area. The CSR policies in the mining sector have been effected in diverse ways such such in education, health and alternative livelihoods for the local people directly affected by the mining activities.

In 2005, the mining industry paid $26.76 million to the government as royalty, which increased to $38.46 million in 2006 and $53.80 in 2007. The sector also contributes 6.44 percent to Ghana's GDP and boasts of a labour force of 17,500. In addition producing members of the GCM voluntarily contributed about US$9.8 million to their host communities in 2006. This represents about 26% of mineral royalties paid by these companies in that year. The GCM points to the creation of ancillary jobs, infrastructural development and discharge of CSR as some of the significant contributions of the industry to the sustainable development of mining communities.

The telecommunication in Ghana is another sector in the country with strong CSR initiations. MTN Ghana is one of the leading telecommunication companies in Africa that uphold a strong CSR in their corporations. The company had the MTN Ghana Foundation launched in 2007 to manage its CSR activities. Its philosophy is closely linked with the principles of sustainable development and argues that enterprises should be obliged to make decisions based on not only the financial or economic factors but also on social, environmental and other consequences of their activities. The foundation focuses on education, health, economic empowerment, music, arts and culture. For example one of its major projects in the country was the refurbishment of the maternity labour ward in Ghana's number one hospital, Korle-bu Teaching Hospital. This was a 600,000 US dollar project in 2008. Several projects after that were set up including huge supports to stakeholders such as the Women's Caucus of Parliament, NGOs and volunteer associations among others.

The telecommunication in Ghana, portrays that it has highly efficient CSR policies and initiatives deeply embedded in their operations. These CSR activities are also publicised and marketed strongly in the country to present a certain image about the company. In the study, hotels expressed their thoughts on the fact these telecommunication companies in the country really channel a lot of capital in environmental and social activities and attract a lot of attention to their company. Hotels also saw this as a mere marketing activity to increase sales and outwit their competitors and not genuinely for the conservation of the environment or the protection of the society.

The above discussion reveals the immense efforts made by two major sectors in the country with regards to CSR. Generally in Ghana, these two play a major role in CSR, and the study reveals that there are not much vigorous CSR initiatives in the service sector. For instance, the mining sector, over the years, has been thought of as having more drastic effects to the society and the environment. In reality, the service sector similarly poses diverse adverse effects to the environment, people, their culture and livelihood. The tourism and hospitality sector remains silent in this regard meanwhile it is one of the sectors that employ a vast majority of people in the country.

Though international hotel franchises are present in the country, the study further reveals that their international CSR policies are actually not operated fully in the country. They have

been drowned in the ineffective Ghanaian system and also been consumed by the weak institutionalisation. Similarly, in investigating the CSR policies and practices among hotels, more attention is paid to community social activities and less paid to environmental related issues and economic factors. The economic dimension identifies three areas which involves economic linkages with local producers, employment issues and financial support.

From the research, the first two are lacking. A strong linkage with the local producers is evidently missing. Hotels in Ghana mostly depend on imported ingredients to meet up with their international standards and cuisine. This therefore creates less opportunities for local farmers within the communities where the hotels are located and rendering them with less economic empowerments. Although hotels mainly depended on imported furniture and decorations for their premises, partly, local artefacts and souvenirs are also ordered from local craftsmen in the community. This provides some sort of support for this category of people.

The accommodation sector credits itself with a large labour force in Ghana. Various departments of a hotel, especially housekeeping and the back office constitute the highest amounts of people for a single hotel. This therefore makes employment and labour issues clearly an important aspect of CSR for a hotel. It goes without saying that this internal aspect CSR needs great attention and employee's career development and quality of life needs must ultimately be met for a full execution of CSR. From the study, frameworks that hotels adopted in employee investment were general human resource principles which are not fully integrated into CSR policies. Takala and Pallab's (2000) claim that employees have to be socialised into the fact that along with the firm and they are equally responsible morally right pro-environmental actions is definately not evident in the Ghanaian setting. From the study, though the accommodation sector in Ghana employs majority of the country's labour, it also has a high labour turn over as compared to other sectors. This attribute discourages enormous investments in human resource simply because employees did not stay very long in the company and are always likely to leave the company. Considerations for human capital can be said to be more of quantity (number of people employed) than a deeper interest in their quality of life as part of CSR.

From the study, the Ghanaian culture, etiquette, customs and protocol can to some extent, be said to explain why majority of the CSR activities of hotels in the country tend to be more of social initiations. In general, Ghanaians emphasize communal values such as family, respect for the elderly, honoring traditional rulers, and the importance of dignity and proper social conduct. Individual conduct is seen as having impact on an entire family, social group and community; therefore, everyone is expected to be respectful, dignified and observant in public settings, and in most every aspect of life customs are often passed on through the extended family, while the customary leaders or chiefs are given historical authority over social, family, and land-related matters. Family is a very strong bond in Ghana and is the primary source of identity, loyalty and responsibility. Family obligations take precedence over pretty much everything else in life. Individuals achieve recognition and social standing through their extended family and the help given to one another. All these attributes of the typical Ghanaian culture and way of life are evident in the entire process of how CSR is adopted and implemented in Ghana.

Hotels in the communities mostly engaged in social intiatives just to be in harmony with the people of the community and also, so they can be seen as part of the bigger family which is the community. Similarly as the research shows, majority of the hotels are mostly approached by the community leaders or traditional rulers to seek for some sort of help for their local communites. In the Ghanaian culture, a proper social conduct is considered by honouring such people of higher hierachy in the society. Hotels therefore see it appropriate and dignifying to always heed to their requests otherwise their rejection will be seen as disrespectful on the part of hotels. Hotels also find the help they render to the communities as going a long way to strenghten that social bond that Ghanaian tend to have with one other. This is because such help given to one another in the Ghanaian setting is normally seen as a responsibility to one another. It also stems from an unconscius expectation for those who have the means to reach out to those in need in the society.

## 5.3 Recommendations

Although this thesis is an exploratory study, the results as described in the previous chapter hold valuable implications for managers, policy makers and the country as a whole.

First, from the research it is a major conclusion that, with regards to CSR, hotels in Ghana only focus on the social aspect of the entire concept. The other two important elements are not strongly in perspective. This research highly advocates for hotels in Ghana to channel their efforts and aid they provide to the environment to the economic and environmental aspects of the country in order to attain a wholesome support to the country.

Second, regulations and policies have a vital role to play regarding CSR among hotels in Ghana. The literature in this study already suggested that the government of the country realising that the economy of the country cannot grow with the government acting alone, made an appeal to the private sector to help out by performing their responsible tasks in the country. This 'call' or appeal realistically cannot be effective if it is not transformed to legislative frameworks that will act as a mechanism for changing the behaviour of hotels with regards to CSR in the country. CSR regulations and policies should be fundamental requirements established and constantly reinforced by the government of Ghana through the Ministry of Tourism and Diaspora Relations, the Ghana Tourist Board and the Ghana Hotelier Association. These governmental institutions only ensure that hotels have an Environmental Impact Assessment and safe food for consumption as devised by the Ghana Food and Drugs Board. Standards should also to be set for CSR at work in hotels in the country if they are expected to aid in the social and environmental improvement of the country.

Third, frequent checks and sanctions by franchise headquarters undeniably need certain re-enforcements. Hotel chains under the study at some points during the data collection mentioned that they constantly have to follow standards laid out by their headquarter franchise in order to remain in operations else suffer a closure. Evidently, with the aspects of CSR, hotels chains are not meeting these standards which other franchise groups in the developed world strive to achieve. It is therefore imperative that for this worldwide franchise to maintain their brand, the activities of franchises in Africa especially is checked and sanctions laid out appropriately. These franchises should not only focus on expansion to

all other parts of the world but ensure that all aspects of the brand, including CSR, are carefully executed. With CSR fully at work by brands in the developed world, there should be no reason why it cannot be fully exercised in a developing world such as Ghana.

Fourth, in Ghana, there have been numerous existences of humanitarian support and initiatives to combat the prevalence of poverty. There is therefore the need for the emergence of activist groups and non-governmental organisations that will target the activities and impacts tourism businesses, especially the accommodation industry, have on the society and environment and society. CSR can be used as a tool for poverty reduction in the country and certainly, NGOs can also focus on this tool as a medium to draw the attention of hotels in the country in behaving more responsibly in the society and environment. These organisations must also endeavour to raise the issue of CSR at the national level and consequently bring familiarity to the concept and practices. Such organisations in some parts of Africa are Ufadhili and Partnership Forum in Kenya and Zambia respectively.

Fifth, the sustainability debate which is evidently lacking in the Ghanaian perspective from this research should be highly campaigned by the media and academia. These two sectors of the Ghanaian economy should collaborate their efforts and activities into raising the issue of sustainability and CSR by businesses if the country is to be more aware of this endless debate happening in the world today. When hotels under this study were asked about global issues (in relation to sustainability and CSR) that affected their operations, it is somewhat a surprising revelation that these businesses did not realise the sustainable agenda which has led many business around the globe to go green. A strong 'Going green' agenda is definitely lacking among hotels in Ghana.

Sixth, this study generates the promotion of Eco certification among the hotels in the country. According to Bohdanowicz *et al.* (2004), environmental certification is a fairly new concept which first appeared in travel and tourism in the 1980s, around the same time the sustainable debate was in motion worldwide. It originated from Europe and currently there are over 100 Eco labels in the industry worldwide. Its major aim is to stimulate environmental concerns of both producers and consumers. Examples of those in the accommodation sector include Green Leaf (Thailand), Green Key (Denmark) Nordic Swan (Scandinavia) among others. It was discovered from the research that hotels have no accreditation whatsoever to known Eco labels round the globe. Some hotels are still in the process of meeting standards required by some labels after 20 years of operations in the country. This highlights the fact that hotels are actually not putting much effort into gaining such certification partly because both the producers of accommodation and consumers in the country are obviously not particularly concerned. Hotels should embrace the need to have standardisations from accredited organisations if they have to meet international standards of operations. For example, the Heritage Environmental Certification is one accreditation that can be standardised for hotels in the country. It is a certification in Africa with inclusive programs for CSR attainment. From the research, only Labadi Beach had this label even though the hotel had not fully incorporated the Heritage activities in its operations. A policy can be formulated to allow many other hotels in the country to sign up to the Heritage Eco label since majority of the hotels have no accreditations to known eco labels.

Last and not least, it highly essential that hotels in the country fully incorporate the CSR concept into their business operations by providing seasonal documents and reports of the activities they have engaged in over the years as far as CSR is concerned. The study reveals the absence of such documents and accountability of financial supports offered by hotels. To make this more effective, if possible hotels should create departments with the sole task of developing sustainability strategies and using CSR as a major tool. From the research, it was discovered that there is a hap-hazard nature of who is responsible for CSR. Individuals should be purposely assigned the task of CSR initiatives of the hotel in order to make accountability easier.

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# APPENDICES

**APPENDIX 1**

**<u>INTERVIEW PROTOCOL</u>**

**Introduction:**

I want to thank you for taking the time to meet with me today. My name is Doris Bill, a master student from Wageningen University and Research Centre Netherlands. I would like to talk to you about how your hotel has adopted and implemented corporate social responsibility in its operations, specifically your knowledge and notion about the concept, your motivations toward it and your strategies for implementing it.

The interview should take less than an hour. Would you mind if I recorded this interview in order not to miss any of your comments? Although I will be taking some notes during the session, I would not be able to write fast enough to capture all your important comments.

All responses are kept confidential. This means that your responses will only be shared in my academic institution and produced as part of a final master thesis. Please remember you do not have to talk about anything you do not want to and you can end the interview at any time.

Thank You.

1. **Hotel overview**

- Would you be so kind to give me an overview of your hotel (history, length of operation, customer target, number of employees, current revenue situation?)
- Are you a chained or a non-chained hotel? If chain, which chain and how does that influence your way of operation?
- Would you kindly describe, if any, some of the consequences you face for being a chained (or a non-chained) hotel in Ghana?

2. **Knowledge (**Dodds & Kuehnel, 2010)

- What do you believe are the main global issues (political, economic, environmental) affecting your hotel operations?
- Have you heard of the concept of corporate social responsibility? If yes, what does the concept mean to you if anything?
- If no, to what extent does your hotel comply to the description below:

  *Corporate Social Responsibility requires companies to acknowledge that they should be publicly accountable not only for their financial performance but also for their social and environmental record. More widely, CSR encompasses the extent to which companies should promote human rights, democracy, community improvement and sustainable development objectives throughout the world (Confederation of British Industry, 2001a).*

- Does your company produce any non-financial report? (such as a CSR Report, Responsible Business Report, Environmental Report, Community Report, Responsible Accounting Report or a Health and Safety Report)

**3. Drivers/Motivation**

a. External

- Political/Governmental institutions
  - What government regulations and or policies, generic or specific and related to CSR, does your hotel have to comply to?
  - How is your hotel able to comply with these regulations and or policies?

- Customers
  - To what extent and in which way has your hotel experienced pressure from customers to become sustainable? Please provide me with some examples.
  - To what extent do you find contribution to the social welfare of your customers' key to your hotel?

- Community
  - How would you consider the adoption and implementation of CSR as a means of providing solutions to the most significant problems in the society? Can you provide me with some examples?
  - Can you give specific examples which illustrate your responsibilities towards the community where your hotel is located?

- Imagery
  - To what extent (and in which ways) do you consider your social and environmental responsibility as elements of your image building?
  - How do you consider the use of CSR initiatives as a marketing tool for your hotel? Could you provide some examples?
  - What particular labels (or certification) have you adapted to and to what extent do you use it as a branding tool?

b. Internal

- Competitiveness/Financial benefits
  - To what extent do you consider the adoption and implementation of CSR a means of generating income for your hotel?
  - How do you strive to set positive examples for other hotels and stakeholders proving that you can combine the profit goal and social commitment?
- Organisational Culture and Values
  - What are some of your hotels core values related to the environment and society?
  - Can you give examples of how the hotel's culture and values has an influence on the hotels choice to engage in sustainable practices to benefit the society and environment?

- Managerial Personal Values
  - Are there any, and if yes, what are the special influences and special concerns from senior managers regarding social and environmental tasks? Please provide examples.
- Organisational Size
  - To what extent and in which ways would you say that your hotel has enough access to resources (human, capital etc) which enables it to engage in CSR initiatives?

- How would you describe your hotels visibility in the community an influencing factor for participating in CSR activities?
- How would you describe your hotel has well defined decision making process and management structure that allows it to deal with CSR issues?

4. **Implementation activities**
   a. Environment
      - Waste Management
        - To what extent do you employ appropriate waste disposal systems in your hotel to recycle waste?
        - How and to what extent does your hotel reuse linen and towels?
        - To what extent do you employ measures to composite food left over from the kitchen?
        - How does your hotel encourage bulk purchase to reduce package?
        - To what extent does your hotel use recycled paper for brochures and administrative work?
        - Any other examples related to waste management?

      - Energy
        - To what extent does the hotel use energy efficient light bulbs?
        - To what extent does the hotel encourage the reduced usage of air conditions?
        - To what extent does the hotel purchase and use energy efficient appliances?
        - Any other examples related to energy?

      - Water Consumption
        - To what extent does your hotel provide low shower heads is the bathrooms?
        - To what extent does the hotel promote the installation of dual flush toilets to control water consumption by the hotel?
        - Any other examples related to water consumption?

      - Flora/Fauna
        - To what extent does the hotel, employ the use of environmentally friendly cleaning materials
        - What activities does the hotel embark on to conserve and preserve the communities flora and fauna (eg. tree planting initiatives)
        - Any other examples?
   b. Social
      - Education
        - How does the hotel educate its staff to be eco-friendly?
        - How does the hotel educate guests to be eco-friendly?

      - Healthcare
        - What healthcare projects do you engage in or have you ever embarked?

      - Investment in Employees
        - What frameworks do you put in place concerning employee career development and quality of life needs? (such as non-discrimination

policies, equal opportunities, fair wages, human rights, health and education)

- Child Protection
- What ways do you consider the protection of children in your sustainability strategies (policies related to child labour)?
- Have you signed any Code of Conduct as for example the one developed by the WTO and ECPAT?

- Local Community Development and Support
- What non-monetary supports do you provide for the local community
- To what extent do you provide support for cultural activities such as theatres, exhibitions, cinema and events?

c. Economic
- Linkages
- To what extent does your hotel provide support for small farmers (such as through the purchase of raw materials, foodstuffs directly from them?

- Jobs
- How is the hotels division of staff (local and nonlocal) over management/non- management functions?

- Purposeful Donations
- What monetary donations have you ever provided to the local community you are located and to whom?

## 5. Conclusion

- What benefits, in your opinion, does the hotel derive in implementing these environmental, social and economic (CSR) activities?
- What kind of consequences does the hotel have to face in adopting and implementing the above mentioned activities?
- Do you have any available documents concerning your social, environmental and or economic contribution to the area in which you operate (if possible photographs)?

Is there anything more you would like to add?

I will be analysing the information you and others gave me and submitting a master thesis in this regard in the next three months. I will be glad to send you a copy to review at the time if you are interested.

Thank you for your time.

**APPENDIX 2**

**LIST OF INTERVIEWEES**

1. Movenpick Ambassador Hotel - Sylvia Asiamah (Training Manager)
   Sylvia.asiamah@movenpick.com

2. Best Western Premier – Martin Iddrisu Yamusah (Executive Manager, General Operations) and Michael Adusei Sanman (Sales and Marketing Associate)
   iddrisu@bestwesternpremier.com.gh

3. Golden Tulip – Semira Anku (Assistant Sales and Marketing)
   semiratu.mohammed@goldentulipaccrahotel.com

4. Holiday Inn – Paul Ampofo (Human Resource Supervisor)
   paul.ampofo@holidayinnaccraairport.com

5. Labadi Beach Hotel – Rebecca Omari Appah (Sales and Marketing Manager)
   rodonkor@legacyhotels.com

6. Novotel – Mr Issaka Amonkotei (Facility Manager)

7. Alisa Hotels – Kodjo Hazel (Human Resource Manager) and Patricia
   hr@alisahotels.com

8. Frankies Food and Rooms – Nii Ayi Adu-Aryee (Assistant Managing Director) and Emmanuel Owusu (Hotel Manager)
   nii@frankiesghana.com

9. The African Regent – Zoe Lamptey (Intern, Sales and Marketing)
   mkt2@african-regent-hotel.com

10. Coconut Grove Regency- Ralph Ayitey (General Manager)
    ralph.ayitey@coconutgrovehotel.com.gh