

**An Initiative for improving  
Corporate Social Responsibility (CSR)  
in the hospitality sector**

Brussels, December 2004

**1. Introduction**

CSR is a concept whereby enterprises integrate social, societal and environmental concerns in their business operations and in their interaction with their stakeholders (employees, consumers, customers, shareholders, suppliers, public authorities and, more generally, the community where the enterprise is located) on a voluntary basis. CSR is about core values and the way a business is run.

EFFAT and HOTREC, the social partners in the European hospitality sector, share the perception that the enterprises in the sector should contribute to sustainable development by managing their operations in a way that enhances their positive contribution to society whilst minimising negative impact on people and the environment. On the understanding that CSR will contribute to achieving the EU strategic goal of becoming, by 2010, *“the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion”*, adopted by the Lisbon Summit of March 2000, EFFAT and HOTREC have decided to work in common on this issue, focusing on the employer/employee relationships in the hospitality sector.

It is essential that the specificities of the sector be fully taken into account, in particular its predominant “micro enterprise” dimension. Most enterprises in the sector have less than 10 employees: this “size class” accounts for 95% of all enterprises. Such enterprises employ on average 4 persons and most of them are family-run. The statistical class of less than 50 employees gathers some 98% of the sector’s enterprises<sup>1</sup>.

With this in mind, EFFAT and HOTREC will endeavour to identify the drivers, obstacles and critical success factors for integrating CSR in the day-to-day management of employer/employee relationships in the enterprises of the sector (see Annex 1).

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<sup>1</sup> Statistics in Focus, Industry Trade and Services, Theme 4-8/2000, Eurostat, European Communities, 2000; Services in Europe, Data 1995, Eurostat, European Commission, 1998, p.58

EFFAT and HOTREC will suggest areas for acting that go beyond legal requirements. The collection and dissemination of best practices shall serve as a vehicle for sharing experiences, and function as a source for learning and as an inspiration to develop good practices throughout the whole European hotel and restaurant sector. The process should be ongoing and continuous improvement should be sought.

The success of the commitments imply that they have to be developed from within the companies, after consultation between management and employees/workers, and have to be adapted to their specific characteristics and circumstances. Where there are staff representative bodies in the company, the consultation will take place in the framework of company social dialogue. CSR policies can therefore only be company driven, based on common ethical, social and environmental principles.<sup>2</sup>

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<sup>2</sup> See common reply by EFFAT and HOTREC to the Green Paper consultation on CSR, 20 December 2001.

## **2. Preliminary remarks**

### **2.1 Voluntary basis**

The concept of CSR refers to actions that are undertaken by enterprises on a voluntary basis. This document shall encourage national hospitality associations and their enterprise members to undertake CSR initiatives.

### **2.2 Beyond legal requirements**

CSR denotes voluntary business strategies and actions that go beyond legal and contractual requirements.

The prerequisite for moving beyond legal requirements is that the legal framework at international level<sup>3</sup>, at European level<sup>4</sup>, at national, regional and local level is fully respected. This framework includes, where they exist, binding collective agreements at the various levels of employer/employee relationships.

However, CSR implies that the legislative framework is not only fully respected but also interpreted in a responsible constructive manner.

### **2.3 Corporate Social Responsibility is not to replace Public Authorities' Social Responsibility**

EFFAT and HOTREC share, as indicated above, the perception that the enterprises in the sector should contribute to sustainable development, but they also underline that the integration of social, societal and environment concerns should remain a top priority for public authorities at local, regional, national and European level. Enterprises should not be asked to substitute the public authorities in their role to manage these different concerns, but initiatives at company level should be regarded as complementary.

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<sup>3</sup> See for instance the UN Declaration on Human Rights ([www.un.org/Overview/rights.html](http://www.un.org/Overview/rights.html)) as well as the ILO website ([www.ilo.org](http://www.ilo.org)) for a list of relevant conventions on fundamental principles and rights at work.

<sup>4</sup> See for instance the EU Charter of Fundamental Rights [http://europa.eu.int/comm/justice\\_home/unit/charte/index\\_en.html](http://europa.eu.int/comm/justice_home/unit/charte/index_en.html)  
See also the website of the European Commission, Employment and Social Affairs DG ([www.europa.eu.int/comm/employment\\_social/index\\_en.html](http://www.europa.eu.int/comm/employment_social/index_en.html)) for a list of EU labour law directives and other texts.

### **3. Suggested areas for acting beyond the legal framework for employer/employee relationships**

#### **3.1 Equal opportunities and non-discrimination**

EFFAT and HOTREC believe that social partners at all levels must assume their responsibilities for promoting equal opportunities and for combating all types of discrimination. The European hospitality sector should ensure the full integration of each employee in his or her working environment, regardless of his or her ethnic or national origin, colour, age, gender, disability, trade union or political affiliation, religion, sexual orientation or other distinguishing characteristics.

Enterprises should develop explicit policies against discrimination in hiring, salary, promotion, training or termination of any employee on the basis of any of these aspects. They should make sure that all staff knows about these policies. They should set the tone in not tolerating sexist, racist, homophobic jokes or behaviour in the business e.g. harassment and bullying.

More generally, the hospitality sector, because of its unique role of “living room” of the society, should lead the fight against racism and xenophobia. Hospitality establishments offer a privileged environment for exchange of views, cultures and experiences. Hospitality enterprises and any persons representing and working in these enterprises should abstain from any discrimination in their activities, functions and attitudes.<sup>5</sup>

#### **3.2 Working conditions and work organisation**

The principle of non-discrimination, already mentioned above, should apply fully as well in relation to working conditions and work organisation.

Enterprises should be open to job-splitting, flexi-time and other forms of work-life balance and favour family-friendly policies. Work schedules should - as much as possible - be discussed with employees and notice of work schedules should be given as early as possible to allow the employees to plan their private life.

Enterprises should seek to alleviate problems linked to seasonal work, by – whenever possible – re-employing seasonal employees from one season to the next and strive for creating sustainable jobs in the sector.

In general, the same regulations as laid down in law and/or collective agreements have to be applied to any worker at a given location<sup>6</sup>.

EFFAT and HOTREC condemn any form of illegal or undeclared work, and support any initiative aimed at the eradication of this form of work in order to avoid unfair competition and social dumping.

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<sup>5</sup> See footnote 2

<sup>6</sup> See EFFAT – HOTREC Joint declaration on EU-Enlargement, November 2002

### **3.3 Fair pay**

The principle of non-discrimination, already mentioned above, should apply fully as well in relation to pay levels.

Enterprises should also, where practical, consider non-financial incentives but with a financial as well as a family-friendly impact e.g. participating in the organisation of day-care for children etc.

### **3.4 Vocational and continuous training and life-long learning**

EFFAT and HOTREC recognise that it is important to invest in the development of human resources. In a service-oriented business, where trends and expectations of clients change constantly, the perpetual development and improvement of skills and competences of service providers is essential. Providing employees with the possibility to develop their individual potential to the maximum contributes to the success and competitiveness of the enterprise.

Training aims at enhancing the professionalisation and employability of employees. The acquisition of skills and competences should be supported through appropriate measures and their recognition should be conducted in a comprehensive way.

The enterprises in the sector should make, whenever economically and socially feasible, a significant effort to offer more young people places as apprentices and trainees, in order to improve their long-term chances on the labour market. These trainees and apprentices should not be used to replace permanent, skilled staff. Furthermore, the training opportunities and “mentoring” should maximise promotion within the enterprises.

Education and training should, as much as possible, be discussed by employers and employees. Proposals and initiatives by employee representatives, trade unions and individual employees should be taken into account as much as possible.

### **3.5 Health and safety**

Enterprises should establish policies to ensure the health and safety of all employees. Employees should be involved in discussions affecting the work environment.

Specific training programmes and safety procedures, focusing on the specific hazards linked to the hospitality sector, should be developed in all enterprises. Employees should be fully informed and consulted on such programmes and procedures.

### **3.6 Restructuring**

Since an open dialogue is a pre-requisite for a climate of mutual respect and confidence, employees and their representatives should be regularly kept aware of the situation of the enterprise as well as informed and consulted on planned restructuring measures in due time, in order to avoid, or at least limit, negative consequences of such changes on employment.

### **3.7 Relationship between social partners**

CSR is not an alternative but a complement to laws and social dialogue, which can only prosper on the basis of those foundations.<sup>7</sup>

A constructive social dialogue between employers, employers' associations, employees' representatives and trade unions at all levels is an important element for a successful functioning of the sector and its enterprises. Informing and consulting employee representatives and trade unions promotes confidence and cooperation between management and workforce.

This is why the hotel and restaurant sector has steadily carried out a social dialogue at European level since 1987, recognised by the European Commission by the creation in 1999 of a sectoral dialogue committee for the hotel and restaurant sector.

Furthermore, the social partners have jointly developed a certain number of surveys, studies and declarations. They will continue with and further develop this dialogue, aiming at improving the sustainability of employment and the competitiveness of the sector.

In connection with the enlargement of the European Union, the social partners express the wish that, with the complementary assistance and support of the public authorities, a genuinely constructive and responsible dialogue can be established with a view to laying the foundations for an enlarged Europe.<sup>8</sup>

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<sup>7</sup> See footnote 2.

<sup>8</sup> See EFFAT-HOTREC Joint Declaration on EU enlargement, November 2002

#### **4. Implementation, monitoring and review**

1. EFFAT and HOTREC will invite their national member organisations to disseminate and discuss this document with their members.
2. To ensure a wide dissemination of this document, it should be translated into the different European languages.
3. EFFAT and HOTREC will regularly monitor the progress made in the suggested areas for acting by collecting from their member organisations the best practices developed by enterprises in relation to this document
4. EFFAT and HOTREC will regularly assess the best practices collected and, on this basis, update this document.
5. Best practices should regularly be disseminated among national member organisations.
6. EFFAT and HOTREC will include in their discussions the work of the European Multi Stakeholder Forum on CSR, in particular as far as SMEs are concerned.

Brussels, 10 December 2004

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Annex 1: Drivers, Obstacles, Critical Success Factors identified at the occasion of the 2<sup>nd</sup> roundtable on “Fostering CSR among SMEs” of the EU Multi Stakeholder Forum on CSR, Brussels, June-July 2003.

Annex 2: List of EFFAT and HOTREC member organisations

## **Annex 1: Drivers, Obstacles, Critical Success Factors for integrating CSR in management of employer/employee relationships in the enterprises of the hospitality sector<sup>9</sup>**

### **1. Drivers**

#### **1.1. Drivers for individual SMEs**

- Values / personal motivation and satisfaction of the business founders
- Attracting, retaining and developing motivated and committed employees
- Winning and retaining consumers and business customers (supply chain pressures and opportunities)
- Being a good neighbour – maintaining a licence to operate from the local community
- Responding to pressures from banks and insurers
- Reputation – with internal and external stakeholders
- Changing perceptions of the role of business in society (not only a source of profit) through the media, education, and actions by stakeholders
- Cost and efficiencies savings, e.g. reduced insurance costs
- Networking opportunities
- Need for more sources of creativity and innovation in business
- Product / market innovation, differentiation, and competitive edge
- Economic stagnation means need to find new markets / revenue streams
- Speed of market and technology change means need flexible and engaged staff
- Anticipating future legislation / getting practical experience of compliance in ways that help business
- Core purpose of a business may be social goal
- Responsible entrepreneurship makes business more attractive

#### **1.2. Drivers for society as a whole to promote CSR to SMEs**

- Cumulative impact of SMEs (e.g. SMEs = 60% UK commercial waste) and the fact that the majority of companies are SMEs
- Smaller firms = often are THE business community of an area
- SMEs may be easier to change behaviours than the “super-tanker” multinationals
- De-coupling economic growth from environmental degradation

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<sup>9</sup> See minutes of the second Round-table on “Fostering CSR among SMEs” of the EU Multi Stakeholder Forum on CSR, Brussels, 30 June-1 July 2003

## **2. Obstacles**

### **2.1. Obstacles for individual SMEs**

- Lack of knowledge and skills (e.g. to relate CSR as a mainstream issue; to make the business case; and where to find technical support)
- Reluctance (embarrassed?) to seek external help (often until it is too late)
- Cost (actual/perceived)
- Time / resources (actual/perceived)
- Administrative burdens (actual/perceived)
- Low status of CSR as a business issue / not seen to be relevant to the SME
- Management inertia
- Economic short-termism and pressures from struggle to survive commercially
- CSR so far largely aimed at large businesses (in terms of business case, tools, measurement and verification processes)
- Exclusive language of “CSR” is off-putting
- Obsolete / over-complex legislation
- “Talk-shop” syndrome (i.e. plenty of discussion but how much concrete action?)
- Many SMEs not (fully) aware of their environmental and social impacts
- Costs of verification to satisfy Corporate Codes of Conduct
- SMEs and especially micro-businesses usually do not keep good records
- Supply Chain pressures may deter SMEs
- Limited rewards so far for responsible business practice

### **2.2. Obstacles for society as a whole to promote to SMEs**

- Risk of devaluing existing SME efforts
- Asking SMEs to engage with whole CSR agenda at once
- Lack of expertise / understanding inside business intermediaries
- Lack co-ordination between organisations with expertise in different aspects of CSR
- Lack of available concrete case-study examples
- Voluntary measures may not be enough to create momentum
- Lack of political will or political support

### **3. Critical success factors**

#### **3.1 Critical success factors for individual SMEs**

- Commitment of owner/management
- Activities in relation with core business
- Integration into management/operational practice
- Networking opportunities
- Easy early wins to build confidence
- Employees' and other stakeholders engaged
- Hunger for results
- Availability of understandable benchmark standards to aspire to (and corresponding management tools to help those businesses that want to, to achieve)

#### **3.2 Critical success factors for initiatives to promote CSR to SMEs**

- Easily accessible, relevant and quality advice
- Tailored to SMEs
- Available through channels that are known and trusted by SMEs
- Not bureaucratic
- Incentives – encourage honest endeavour
- Unpacked to component parts?
- Has to be sold to intermediaries
- Leadership and individual champions
- Importance of networks to reach SMEs
- Long-term: education in schools etc about responsible business
- Ultimately must make SMEs more competitive
- Make full use of sector specific trade associations
- Keep it fun!

**Annex 2: List of EFFAT and HOTREC member organisations**

<b>Country Pays Land</b>	<b>EFFAT</b>	<b>HOTREC</b>
<b>Austria</b>	Gewerkschaft Hotel, Gastgewerbe, Persönlicher Dienst (HGPS)	Austrian Professional Hotel Association (APHA) Austrian Professional Restaurant Association (APRA) Veranstalterverband (VVAT)
<b>Belgium</b>	CSC Alimentation et Services (CCAS-CSC) Syndicat des travailleurs de l'alimentation, de l'hôtellerie et des services (CAHS-FGTB)	FED. Ho.Re.Ca. Bruxelles/Brussel FED. Ho.Re.Ca. Vlaanderen FED. Ho.Re.Ca. Wallonie
<b>Croatia</b>	Samostalni Sindikat Ugostiteljstva i Turizma Hrvatske (SSUTH)	
<b>Cyprus</b>	Cyprus Hotel Employees Federation (OEXEV-SEK)	
<b>Czech Republic</b>	Ceskomoravský Odborový Svaz Pohostinství Hotelu a Cestovního Ruchu (COSPHCR)	Czech National Federation of Hotels and Restaurants (NFHRCR)
<b>Denmark</b>	RestaurationsBranchens Forbund (RBF) HK Privat	Association of the Hotel, Restaurant and Tourism Industry in Denmark (HORESTA)
<b>Estonia</b>		Estonian Hotel and Restaurant Association (EHRA)
<b>Finland</b>	Palvelualojen pamattiliitto PAM ry (PAM)	Finnish Hotel and Restaurant Association (FHR)
<b>France</b>	Fédération des Services CFDT (FdS-CFDT) Fédération générale des Travailleurs de l'Agriculture, de l'Alimentation, des Tabacs et des Services annexes - Force Ouvrière (FGTA-FO) Fédération CGT des Personnels du Commerce, de la Distribution et des Services (CGT Services) Syndicat National CFTC du Personnel des Hôtels, Cafés, Restaurants, Bars et Collectivités (CFTC-HCRBC)	Confédération des Professionnels Indépendants de l'Hôtellerie (CPIH) Fédération Autonome Générale de l'Industrie Hôtelière Touristique (FAGIHT) Groupement National des Chaînes (GNC) Syndicat National des Hôteliers, Restaurateurs, Cafetiers et Traiteurs (SYNHORCAT) Union des Métiers et des Industries de l'Hôtellerie (UMIH)
<b>Germany</b>	Gewerkschaft Nahrung-Genuß-Gaststätten (NGG)	Deutscher Hotel- und Gaststättenverband e.V (DEHOGA) Hotelverband Deutschland e.V. (IHA-D)

<b>Country Pays Land</b>	<b>EFFAT</b>	<b>HOTREC</b>
<b>Greece</b>	Panellinia Omospondia Ergaton Episitismou kai Ypallelon Touristiko Epaggelmaton (POEEYTE)	Hellenic Chamber of Hotels (HCH)
<b>Hungary</b>	Vendéglato és idegenforgalmi szakszervezet (VISZ)	Hotel Association of Hungary (HAH)
<b>Iceland</b>	Starfsgreinasamband Islands (SGS)	
<b>Ireland</b>	Services Industrial Professional & Technical Union (SIPTU)	Irish Hotels Federation (IHF) Restaurants Association of Ireland (RAI)
<b>Italy</b>	Federazione Italiana dei Lavoratori Commercio, Turismo e Servizi (FILCAMS-CGIL)  Federazione Italiana Sindacati Addetti Servizi Commerciali Affini e Turismo Agrigento (FISASCAT-CISL)  Unione Italiana dei Lavoratori Turismo, Commercio e Servizi (UILTUCS)	Federazione delle Associazioni Italiane Alberghi e Turismo (FEDERALBERGHI)  Federazione Italiana Pubblici Esercizi (FIPE)
<b>Latvia</b>	Latvian Public Services Employees' Trade Union (LAKRS)	
<b>Lithuania</b>		Lithuanian Association of Hotels and Restaurants (LAHR)
<b>Luxembourg</b>	Lëtzebuenger Chrëschtliche Gewerkschaftsbond (LCGB) - Fédération Commerce et Alimentation  Onofhängege Gewerkschafts-Bond Lëtzebuerg (OGB-L) - Syndicat Alimentation et Hôtellerie	
<b>Malta</b>	General Workers' Union (GWU)	Malta Hotels and Restaurants Association (MHRA)
<b>Netherlands</b>	Christelijk Nationaal Vakverbond (CNV) Bedrijvenbond  Federatie Nederlandse Vakbeweging - Horecabond (FNV-HB)	Koninklijk HORECA - Nederland (KHN)
<b>Norway</b>	Hotell-og Restaurantarbeiderforbundet (HRAF)	Reiselivsbedriftenes Landsforening (RBL)
<b>Poland</b>	Sekretariat Przemyslu Spozywczego NSZZ Solidarnosc	Polish Hotel Association (PHA)
<b>Portugal</b>	Federação Dos Sindicatos de Alimentação, Bebidas, Hotelaria e Turismo de Portugal (FESAHT)  Sindicato dos Trabalhadores de Escritório, Comércio, Hotelaria e Serviços (SITESE)	Federação da Restauração, Cafés, Pastelarias e Similares de Portugal (FERECA)  Federação da Industria Hoteleira e do Alojamento Turístico de Portugal (FIHOTEL)

<b>Country Pays Land</b>	<b>EFFAT</b>	<b>HOTREC</b>
<b>Romania</b>	Federatia Sindicatelor Independente din Hoteluri-Restaurante Comert si Ind. Alimentara (HORIA)	
<b>Slovakia</b>	Odborový Zväz Pracovníkov Obchodu a Cestovného Ruchu (OZPOCR)	
<b>Slovenia</b>	Sindikát Delavcev Gostinstva in Turizma Slovenije (SGITS)	
<b>Spain</b>	Federación Estatal de Trabajadores de Comercio, Hostelería , Turismo y Juego de la UGT (FETCJTJ-UGT)  Federación Estatal de Comercio, Hostelería y Turismo de Comisiones Obreras (FECOHT-CC.OO.)	Confederación Española de Hoteles y Alojamientos Turísticos (CEHAT)
<b>Sweden</b>	Hotell-och Restaurang Facket (HRF) Tjänstemannaförbundet (HTF)	Swedish Hotel and Restaurant Association (SHR)
<b>Switzerland</b>	Hotel & Gastro Union Le Syndicat du Secteur Tertiaire (UNIA)	Société Suisse des Hôteliers (SSH) GASTROSUISSE
<b>Turkey</b>	Otel, Lokanta ve, Eglence Yerleri İşçileri Sendikası (OLEYİS)	
<b>United Kingdom</b>	GMB Transport and General Workers' Union (TGWU) Union of Shop, Distributive & Allied Workers (USDAW)	British Beer & Pub Association (BB&PA) British Hospitality Association (BHA)