

# Environmental Training and Measures at Scandic Hotels, Sweden

## EXTENDED ABSTRACT

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## **Introduction**

The aim of this paper is to provide an overview of the environmental pro-activeness and ground-breaking work that has been carried out within the Scandic hotels chain (henceforth referred to as Scandic) over the past decade. This is an account of how environmental responsibility can become a top corporate priority and lead to significantly decreased environmental impacts, excellent economic performance and a considerably upgraded environmental image.

## **Methods**

A comprehensive literature review complemented by an analysis of the Scandic Utility System database was performed, and a survey among the managers and team members carried out at Scandic, Sweden (Bohdanowicz & Martinac 2003, Bohdanowicz 2003). Scandic collectively refers to their hotel personnel (staff and management) as “team members”, and this term will be used in this paper.

The Scandic Utility System is a data-collecting system developed and incorporated to help in keeping track of resource use and changes over time. Scandic hotels are required to send monthly reports documenting the consumption of electricity, energy in the form of district heating/cooling and fuels, water and unsorted waste, as well as a number of other key parameters (property area, number of guestnights, turnover). For the purpose of this analysis only those Scandic Swedish hotels providing complete monthly reports on energy, water and waste-related data, and number of guestnights have been selected.

A survey questionnaire was distributed among the hotel team members by way of e-mail in the months of October to December 2002. An additional questionnaire survey was carried out among hotel managers in June 2003, with the support of the Scandic environmental department (Bohdanowicz 2003). All 65 Swedish Scandic hotels and 4 Swedish Hilton hotels were targeted. Forty-nine (49) correctly and completely filled-in forms were collected, accounting for an effective response rate of 71.01%. The relatively high response rate

indicates that the survey was taken seriously. The trends observed may, therefore, be considered representative of the Swedish branch of the Scandic chain. Results obtained from both sources indicate that the environmental training and work carried out at Scandic are producing very encouraging results.

### **The Development of an Environmental Program at Scandic**

Environmental awareness at Scandic gained particular importance in 1993 and quickly became a fundamental part of the Scandic agenda. In 1994, Roland Nilsson, CEO of Scandic AB, contacted Karl-Henrik Robèrt at The Natural Step and found their concept to be suitable for developing the New Scandic profile. Scandic subsequently developed their training program “The Environmental Dialogue”, based on The Natural Step (Nattrass & Altomare 1999). The four components of the program include an environmental guide, environmental meetings, environmental program and an environmental barometer. The environmental guide, which includes a description of the Environmental Dialogue process, the Scandic Environmental Policy and goals, information on current activities and suggestions aimed at stimulating environmental concern is provided to all employees joining the Scandic team. An environmental meeting is scheduled a week after co-workers have received the environmental guide, or the environmental training is performed in a group. It should ultimately result in the development of an environmental program – an action plan designated for the implementation of a number of improvements at a particular hotel. The environmental barometer was developed as a semi-annual or annual publication containing status reports from every hotel, summarizing how particular facilities have succeeded in meeting the goals set in the environmental program. It is not currently used since the hotels are being assessed according to the Nordic Swan criteria.

In 1995, a more sophisticated benchmarking tool, the Environmental Index, was developed. Approximately 60 environmental measures were identified in 9 areas, defining how specific operations at Scandic should be conducted, based on an ideal case scenario. The

environmental index is currently not active, instead criteria from the Nordic Swan eco-label are used. In order to focus more on resource use efficiency, the Resource Hunt program was initiated. A computer database, the Scandic Utility System – SUS, was developed and incorporated to allow for the monitoring of resource consumption. A new version of the database is currently being implemented (Hilton Environmental Reporting - HER). The Resource Hunt program includes an employee reward system, where monetary rewards are transferred to a special fund at the hotel and allocated for various activities designated for use by hotel team members. The Scandic environmental department has further developed the Best in the Class system (BINC), based on SUS and measuring 18 key indicators over time-intervals of different length. The results achieved are displayed in the team members' access areas at each facility.

In the next stage, Scandic decided to involve their suppliers in the environmental program, and committed to purchasing products with a low environmental impact. All new suppliers were expected to document their corporate environmental policies, and were required to sign the Scandic Supplier Declaration. Starting in 2004, all Scandic suppliers will be requested to sign the Declaration (Hardt 2004). In several cases, Scandic successfully persuaded producers and suppliers to make their products more environmentally friendly (Bergkvist 2003). Since 2001, all Scandic facilities in Sweden offer KRÅV-certified breakfasts, implying that at least 11% of all meals served in breakfast buffets are KRÅV-labelled (Scandic 2004).

Scandic has also recognized the continuous retrofitting of its facilities as an excellent opportunity of further reducing environmental impacts. In 1995, Scandic introduced the concept of a 97%-recyclable hotel room, also termed eco-room. Currently more than 10 000 rooms in the Scandic stock are 97%-recyclable (Hardt 2004). In a further step, Scandic developed its own Environmental Construction Standard, listing materials, which may not be used in their facilities, and specifying acceptable alternatives (Scandic 2001). Currently, the Scandic family includes 7 environmental hotels (Hardt 2004). In the next step, facilities were to be eco-certified. Today, 48 Scandic and two Hilton facilities in Sweden are

Nordic-Swan-labelled, the aim being that all Swedish Scandic facilities should be certified by the end of 2004 (Nordic Ecolabelling 2004; Scandic 2003).

A network of environmental coordinators has been created to facilitate participation in various activities. Feedback on facility performance is continuously provided to team members through various publications, as well as by means of the Scandic intranet. Environmental performance is further communicated to guests and the general public through a number of channels, including an "Environmental Corner", hotel TV, a booklet entitled "The EcoLogical Choice", notices displayed in various parts of hotel rooms, the company web page, as well as annual reports, containing sections devoted solely to environmental activities undertaken at Scandic.

## **Results**

As a result of many years of environmental work and training, the environmental performance at Scandic hotels has improved significantly. After the first 24 months of implementing the "Resource Hunt" program in the Scandic Nordic facilities, a 23%-reduction (on a kWh/guestroom-used basis) in energy consumption was achieved (Scandic 2000). Between 1996 and 2003, the energy consumption in the Swedish Scandic branch was reduced by approximately 15% on a kWh/m<sup>2</sup> basis (with 1996 as a reference year), and approximately 12% on a kWh/guestnight basis (note: only hotels with proper reports are included in the analysis). During the first 24 months, the overall reduction in water consumption was estimated at 12%, while the amount of unsorted waste decreased by 38% (Scandic 2000). The creation of a SUS database further allowed for the continuous tracking of changes in resource consumption patterns.

The green purchasing policy successfully prevented the disposal of 200 million items of dispensable packaging over a period of 7 years (1995-2001), which significantly reduced the overall amount of waste generated (Scandic 2004). As a result of corporate policy

concerning eco-breakfasts, over 580 tonnes of ecological food are served annually in Scandic facilities (Scandic 2004).

The results of an independent survey performed among Scandic managers further confirm the benefits of corporate pro-ecological policy. All respondents in the survey emphasized that environmental protection was essential for the performance and further development of the tourism industry. The results of corporate efforts in promoting environmental awareness are additionally apparent as more than 79% of respondents declared having some knowledge of activities aimed at developing “greener” hotels (75% listed at least one improvement possibility). All respondents declared being involved in energy saving measures (primarily energy-efficient lighting), along with some type of environmentally responsible waste management. Water conservation measures ranked second with 95.8% of the respondents acknowledging their involvement.

When asked to rank, on a 7-point Likert scale, the incentives most likely to stimulate them in conducting environmentally-oriented activities, the hoteliers collectively mentioned customer expectation as their top priority, followed by their own commitment to mitigate environmental impacts. Due to a relatively low demand from customers, hoteliers are currently giving eco-friendliness low priority in their marketing efforts. Nevertheless, 79% of respondents mentioned that information relevant to their environmental work is being used as a marketing tool.

Scandic’s efforts towards greater corporate responsibility have received international recognition, and the chain has received a number of prestigious environmental awards from different industry associations (Scandic 2004). The eco-room concept was given the “1999 European Design and Development Award”. The International Hotel and Restaurant Association named Scandic as “Highly Recommended” in 2001, and the chain received the “Environmental Award” in 2002.

## **The importance of role-models**

One of the greatest barriers preventing hoteliers from promoting “greener” establishments is a widespread (and equally misleading) belief that environmental measures are prohibitively expensive. This attitude was encountered by the author in numerous interviews with the industry. While the necessary modifications in technology may require substantial investments, behavioural and operational changes can often be achieved at no or minimal costs. Moreover, it has been previously shown that environmentally responsible behaviour can be profitable in the long run (Enz & Siguaw 1999; Martinac et al. 2001; SSCC 2003). Experiences from ecologically and economically successful facilities should be made available to all segments of the hotel industry. The Scandic case history shows that environmental concern can be made a corporate priority and lead to significant environmental improvements in an entire hotel chain.

The results of this survey are intended to be used by national hotel and tourism organisations, as well as hotel operators in order to promote greater environmental responsibility within the industry.

## **Conclusions**

After extensive training and many years of environmental work, Scandic team members and management executives are well updated on the environmental impacts of chain operations, as well as appropriate strategies of environmental control and prevention. The creation of SUS has allowed management to track changes in the patterns of resource consumption and identify problem areas. The incorporation of various efficiency and conservation measures into daily hotel operations has resulted in a significant decrease in resource consumption, and consequently substantial reductions in operational costs. It is estimated that the Resource Hunt program generated direct financial benefits in excess of 6 MSEK (USD 800 000) in 1997 alone (Nattrass & Altomare 1999). Scandic’s environmental work has earned the chain an image of environmental commitment with competitive advantages

including a more recognized and valuable corporate brand. This value is bound to increase even more once Scandic has reached its goal of becoming the first international hotel chain to eco-certify all of its facilities with an external label.

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