Greener Business, Better Workplace

Module 1

Changing Enterprises in a Changing World: Continual Improvement and Joint problem-Solving for Sustainability
Acknowledgments

The Greener Business Asia project largely draws upon the successful experience of the ILO Factory Improvement Program (now SCORE) and it has also relied on the learnings and training resources of other projects and initiatives such as the ILO’s Succeeding in Business, Better Factories, Equality and Non-Discrimination at Work in Cambodia.

Parts of the materials in Module 1 and 3 were adapted from presentations and training materials of ILO’s Succeeding in Business and the Factory Improvement Program, parts of the materials in Module 4 were drawn upon resources from the Better Factories Program and upon the manual Equality and Non-Discrimination at work in Cambodia.
Module 1: Changing Enterprises for a Changing world

Main topics

1. The hotel industry in a changing world: emerging challenges and responses

2. Continual improvement and joint problem-solving: key concepts

3. Continual improvement and joint problem-solving: tools and techniques
The hotel industry in a changing world: emerging challenges and responses
The hotel sector: the case of Thailand

• Important contributor to the economy
• Large provider of employment
• Significant environmental impact
Strengths and challenges of the hotel sector

- Tourist attractions
- Natural landscapes
- Changing customers demand
- Costs & service standards
- Keeping good staff
- Reputation

Competing destinations
Typical challenges in the hotel sector

- Good market positioning but need to address rising challenge from competing destinations
- Importance of dealing with changing customers demands and customer groups
- Need to manage costs while preserving superior standards of service
- Importance of hiring good staff and keeping employees committed
Typical challenges at the level of hotel operations

- High operating costs - including energy consumption
- High operating costs - food & beverages
- Responding to changing a customer base and preferences
- Human resource management including skill needs and staff turnover
The Thai tourism industry: the environment as a key asset

- 103 National Parks
- 89 Wildlife Sanctuaries
- 3219 km of coastline
- Biodiversity (4951 recorded animal & 2829 plant species)
- Energy and water resources
The tourism industry can pose threats to its own assets

Unsustainable business practices

- Waste management problems
- Air & water pollution
- Energy & climate change
- Pressure on water resources
- Habitat loss
Hotels & their environmental impact

Input
Water, energy, environmental resources

Hotel Operations

Output
Services for customers
Solid waste, water pollution, ...

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## Other environmental issues

### Hotels operations and environmental impacts

<table>
<thead>
<tr>
<th>Sewage</th>
<th>Water pollution and eutrophication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid waste disposal</td>
<td>Waste pollution, litter, entry into aquatic environment</td>
</tr>
<tr>
<td>Land transportation companies</td>
<td>Non-point source pollution</td>
</tr>
<tr>
<td>Facilities maintenance</td>
<td>Generation of wastes; risks of pollution</td>
</tr>
<tr>
<td>Guest consumption patterns</td>
<td>Overexploitation of fish and other marine species. Aquaculture impact on mangroves. Agricultural impacts on terrestrial ecosystems.</td>
</tr>
<tr>
<td>Beach maintenance and/or restoration</td>
<td>May affect local hydrology and habitats.</td>
</tr>
<tr>
<td>Operation of golf courses and other sports grounds</td>
<td>High use of water; pollution from herbicides, pesticides, and fertilizers; low biodiversity and loss of habitat</td>
</tr>
<tr>
<td>Water supply</td>
<td>Water over consumption; local water shortages</td>
</tr>
</tbody>
</table>
The accommodation sector contributes 20% to the overall tourism-related carbon dioxide (CO2) emissions, which are the major factor behind climate change.

CO2 emissions from the sector mostly relate to energy consumption.

In Phuket, Thailand, electricity costs are 11% of total operating costs, the 2nd largest operating cost for hotels.
Other examples of environmental challenges, Thailand

More than 30% of waste is improperly disposed and managed.

More than 52% of coral reefs are at high or very high risk.
Example: Minimum water demand by foreign tourists in Thailand: over 40 million cu.m in 2006
Example: Energy consumption

<table>
<thead>
<tr>
<th>Energy consumption activities</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Space cooling/heating</td>
<td>31%</td>
</tr>
<tr>
<td>Hot tap water</td>
<td>17%</td>
</tr>
<tr>
<td>Cooling</td>
<td>15%</td>
</tr>
<tr>
<td>Lighting</td>
<td>12%</td>
</tr>
<tr>
<td>Cooking</td>
<td>5%</td>
</tr>
<tr>
<td>Office equipment</td>
<td>4%</td>
</tr>
<tr>
<td>Ventilation</td>
<td>4%</td>
</tr>
<tr>
<td>Refrigeration</td>
<td>3%</td>
</tr>
<tr>
<td>Others</td>
<td>9%</td>
</tr>
</tbody>
</table>

Going greener: who will benefit?

**People**
Better health, safety and security of employees as well as customers

**Community**
Better quality of life in surrounding area

**Business**
More resource efficient and better able to respond to customer demand

**Environment**
Reducing negative impact on the environment
Beyond green - changing world, changing businesses

In an increasingly dynamic and international market environment, an enterprise’s competitiveness does not depend on cost and price alone.

Rather, it is also based on
- customer orientation and the agility to respond to changing customers’ preferences
- the ability to innovate and to provide value for money

This in turns rests on
- Good workplace and HR practices (including equality of opportunity and treatment) and worker-employer relations for retaining and growing talent, encourage knowledge-sharing and innovation, respond to customers’ concerns on businesses’ social impacts
Beyond Green: Business of yesterday **OR** Business of tomorrow?

- Only thinking of short-term financial gains
- Business working in isolation - little recognition of reliance on workers and society
- Business in isolation: little recognition of their reliance on the environment

- Strategic thinking about lasting success
- Business as part of a bigger system: fully respects and supports workers and social progress
- Business as part of a bigger system: helps conserving environmental assets
Business thinking and strategies are changing and many leaders are shifting to new approaches that can give a stronger and durable edge over competitors.

**Old business thinking:**
- Focuses only on immediate financial gains, ignoring longer term benefits and sources of competitive advantage.
- Looks at the business in isolation, forgetting that it critically depends on people both inside and outside the organization: its workers and its customers.
- Looks at business in isolation in that it ignores its role in preserving and looking after the natural environment on which it depends.
- Believes that doing good is a marginal aspect of business operation.
- Believes that competition is only about price and cost cutting (race to the bottom).

**Emerging business thinking:**
- Focuses on broader and stronger basis of success that give lasting competitive advantage.
- Looks at business as part of a larger world, as relying on and contributing to social progress.
- Looks at business as part of the larger world, and recognizes its reliance on the environment and the need to protect it.
- Places sustainability and the new thinking at the core of its business strategy.
- Believes competition has to include quality and strives to continuously improve.
Drivers for change in the hotel sector

- Guests and tour operators concerns - the local environment & sustainability principles
- Impacts and relations with local communities
- Staff retention and talent development, ability to innovate and improve
- Cost savings for businesses through higher resource efficiency
What is Greener Business Asia & how can it help you?
Improvements and results are within reach - examples from GBA Phase I

- Innovative strategies for guest engagement: laundry expenses reduced by 18% (over 10,000 USD savings per year)
- Process control and workers’ participation measures >> 30% energy savings
- Food audit introduced >> 42% reduction in food waste
Achievements in the improvement path

Worker-management teams established and running

Workplace improvements

Revived OSH committees taking action

Stronger staff engagement and participation

Replacement of chemicals with env. friendly cleaners produced in-house
Taking action, achieving results

Diverse teams of workers and managers that participated in the pilot phase of GBA used the tools and practical knowledge acquired in the course to get motivated and take initiative to improve their hotel environmental and economic performance and workplace conditions.

They were successful in achieving concrete benefits and results for the hotels, their workers and the wider environment.
The GBA Approach

- Quality products and services
- Resource efficiency and greener operations
- Improved working conditions
- More productive workplaces

Worker-employer cooperation
The GBA approach

• The GBA approach starts from the understanding that improvements in different aspects of enterprise operations are mutually supportive and beneficial. For example

  – Better working conditions, workplace diversity and equal treatment typically are linked to better quality of services and products thanks to more committed and productive workers;
  – A more efficient use of resources, including energy and water, involve better environmental performance and cost savings.

• For improvements to be successfully implemented in practice and become part of the day-to-day functioning of the enterprise at all level, they need to be based on worker-employer cooperation and dialogue, which helps secure commitment and full participation.
Sustainable enterprises recognize the economic and social aspirations of people inside and outside the organization on whom the enterprise depends, as well as the impact on the natural environment.
GBA support

Social Sustainability - People

Economic Sustainability - Profit

Environmental Sustainability - planet

Sustainable Enterprises

Courtesy of DesLoeschteufelGrossmutter
GBA Phase I: Key facts

- Countries: Thailand & Philippines
- Sectors: Hotels & Manufacturing Sectors
- Support: Government of Japan
Objective & Methodology

Assisting enterprises, workers and employers to achieve sustainable enterprises with greener workplaces through workplace cooperation

By

- Providing practical tools and knowledge resources
- Offering training workshops for enterprise teams
- Assisting with follow-up support and knowledge-sharing among enterprises
How is GBA different from other ‘green’ programs?

• Environmental issues are integrated in overall logic of improvement.

• Based on worker-manager cooperation.

• Secures buy-in through progressive structure and emphasis on business case.

• Light-weight and flexible structure to respond to the need of enterprises.
GBA - Expected benefits I

- Competitive businesses that are more desirable places to work.
- Better, cleaner and more collaborative workplaces.
- Wider efforts towards resource efficiency across hotels departments and functions.
- Cost savings through more efficient use of resources and less waste.
GBA - Expected benefits II

• **Commitment:** Businesses that are more committed to their workers and workers that are more committed to their jobs.

• **Engagement:** A wider engagement of employees in ensuring service quality.

• **Preparedness:** Businesses that are better equipped to face up to increasingly complex global challenges.

• **Responsibility:** A deeper level of social and environmental responsibility.
GBA Program - Hotel Sector

**DAY 1**
- Continual improvement and greener workplaces
- Changing Enterprises in a Changing World: Continual Improvement and Joint problem-solving for Sustainability
- Greener processes and workplaces

**DAY 2**
- Workplace relations & mechanisms of cooperation
- Workplace cooperation, principles and practices
- The 5S
- Workplace relations, rights and equality

**DAY 3**
- People & workplaces for service excellence
- Occupational Health 7 Safety - Level 1
- People for continual improvement and service excellence
- Green Improvement Planning

**ELECTIVE SESSIONS**
- Energy efficiency
- Water Management
- Service Quality
- Waste Management & Green procurement
- Occupational Safety & Health L2

**Preparation of Green Improvement Plans by joint teams**

**Improvement action implementation by teams & Follow-up Support**
GBA - process

1. Identification of hotels and training participants
2. GBA presentation for executives - Day 0 - 1.5 hour session
3. Core training - Joint: managers & staff - Day 1, 2 and 3
4. Break
5. Elective thematic training sessions
6. Follow-up support
7. Knowledge-sharing
You are a committee of judges who has to select the winner of the prestigious competition ‘Hotel of the Year’.

List at least 5 criteria that you would use to make your selection (what makes a hotel successful? What makes it an example for others?)

1. 
2. 
3. 
4. 
5. 
Exercise Option 2 - A Debate at the Hotel Blue Wave

Form 2 teams

• **Team A** is a group of managers and staff from Hotel Blue Wave who wants to implement a Green Hotel program.

• **Team B** is a group of managers and staff at Blue Wave who opposes the program.

✓ Prepare your respective arguments and defensive points.
✓ Identify one champion to present your position.
✓ The two champions present their positions.
Continual improvement and joint problem-solving: key concepts
What is Continual Improvement or Kaizen?

What is it?

A way of thinking and taking action in enterprises to get better and better at what they do and how they do it.
Why continual improvement?

• To respond to changing markets
• To deal with complex customers’ preferences
• To achieve excellence in operations and processes
• To instil commitment across the organization and workplace
• To turn a vision of a sustainable enterprise and greener workplace into real changes
Where to apply continual improvement?

• In all areas of the workplace and all aspects of enterprise operations

• Continual improvement can be about making the enterprise greener, about making workplaces safer, about delivering higher quality services
Continual improvement - How?

• By recognizing that there is always room for improvement

• By continuously looking for ways to do things better, finding problems and solutions - improvement is not a one-off event

• By involving everyone in the enterprise and creating mechanisms for workers to share insights and make proposals - they are the ones that know enterprise operations first hand

• By focusing on step-by-step improvements
Key conditions for continuous improvement

- Systems and people
- Ongoing effort to identify & solve the causes of problems.
- Tools and techniques for identifying & solving problems
- Workplace cooperation, which in turn rests on good worker-employer relations and respect for workers’ rights
- Measuring and monitoring change
People and systems - the basis for improvement

**People:**
Staff and management in charge of running the hotel and delivering the services

Why are they important: People are the core of all enterprise operations and key to the quality of service

**Systems:**
Standards and procedures to carry out a process or a specific task (e.g. Policy for handling of chemicals; Standard Operating Procedures (SOP) for room cleaning)

Why are they important? To ensure quality and safety, to facilitate the task/operation at hand; to help training new staff
People and systems - the basis for improvement - How?

**People:**
When you are looking at ways to improve, questions to ask include:

- Are they committed and satisfied with their jobs?
- Are they given clear responsibilities?
- Are rights at work respected?
- Is there dialogue and cooperation?
- Do they need additional/different training?
- ...

**Systems:**
When you are looking at ways to improve, questions to ask include:

- Does the hotel have the necessary procedures and systems in place?
- Are they good enough? Are they clear and well communicated?
- Do they need updating?
- Are they part of induction and training programs?
- ...

Make sure systems work for people and people know the systems

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Problem solving for continual improvement

• Problem-solving tools and techniques are not just about problems but can be used to identify opportunities for improvement.
• If we look at problems, the key is to identify causes and resolve problems striving to go beyond a simple ‘fix’ towards further improvement.
• Encountering problems is just part of being day-to-day business.
Problem solving with a mindset for improvement

Ask the right question

When something goes wrong, Don’t try to fix things and get them back to the way they way they were before.

Ask yourself

“How can I fix things and make them better than they were before?”

- This question will stimulate creative problem solving.
- Brainstorming is a helpful technique to generate creative solutions.
Joint problem-solving

What is Joint Problem Solving?
Solving problems and finding opportunities for improvement in diverse groups using team-based tools and techniques

Benefits of Joint Problem Solving

- Diversity of background/roles encourages creativity and innovation.
- Value of inputs from those who are hands-on on the job.
- Joint discussions help build shared objectives, commitment and motivation.
Continual improvement and joint problem-solving: tools and techniques
5 step process to solving a problem or improve an unsatisfactory situation

Step 1: Identify your goal and define the problem: what would you like the situation to be? (Be specific)

Step 2: Find root causes of the problem/unsatisfactory situation

Step 3: Identify possible solutions

Step 4: Evaluate possible solutions and select the most appropriate ones

Step 5: Plan action

Step 6: Evaluate the outcomes
Step 1 - Identify your goals and define the problem/issue for improvement

Questions to ask:

- What is your goal?
- What would you like the situation to be?

Useful tools and techniques

- Brainstorming
- Eco-mapping
Questions to ask:

• What are the causes of the problem?
• For each cause, work backwards, keep asking why? until you find the root cause of the problem
• Collect information to help identify most significant causes of a problem

Useful tools and techniques

- Fishbone diagram
- Pareto diagram
- Brainstorming
Step 3 - Identify possible solutions

Questions to ask:

- What are the most significant causes of the problems and how we can address them?

Useful tools and techniques

- Brainstorming
- Group discussion
Step 4 - Evaluate possible solutions and select the most appropriate one

Questions to ask:

• What are the advantages and disadvantages of each possible solution?
• How feasible are they?
• Should you combine different solutions for better results?

Useful tools and techniques
- Group discussion on advantages and disadvantage of each solution and evaluate their feasibility
Questions to ask:

- What resources (people, finances, expertise, others) are needed to implement the solution?
- What are the steps for implementation?
- How to you document / measure change?
- Who should be involved in implementation? Who should lead?
- Should you ‘pilot’ the solution first?

Useful tools and techniques

- Group discussion & brainstorming
- Measurement tools and tips
Step 6 - Evaluation and feedback

Questions to ask:

• Was the solution implemented?
• What was the result? (use evidence/measurements)
• Has the goal been achieved?
• If not, do you need to find an alternative solution?

Useful tools and techniques

- Group discussion and brainstorming
Some tools and techniques for problem solving

- Brainstorming
- Ecomaps
- Cause and effect (“Fishbone”)
- Diagrams
Brainstorming is a technique for generating new ideas as a group and it can generally be helpful in discussions that seek to stimulate creative thinking. It can be used as part of a process of identifying innovative solutions to problems and opportunities for improvement.

**How to do it?**
- Bring in a diverse group of people
- Hold the meeting in a relaxed and informal setting
- Define the question/problem for discussion clearly.
- Ask participants to speak out every idea that comes to mind.
- One person notes down every idea on a board/large sheet of paper.
- Only after all inputs have been noted down, the group starts discussing them, analyzing them, and combining them.
Brainstorming - Rules

Rules

✓ Focus on quantity.

✓ Withhold criticism.

✓ Welcome unusual ideas.

✓ Combine and improve ideas.
Introduction

Eco-maps are a tool for the visualization and identification of problems / issues for improvement in your workplace and for identifying ‘hot spots’ where many problems concentrate. They are a tool used in a group setting and they stimulate cooperation and learning.
Eco-maps - How?

How to do it?
1. Choose problem area/theme to address (i.e. energy, water, waste, occupational health and safety,...)
2. Draw crude outline of workplace area on paper with key functions, machinery and facilities.
3. Decide your own symbols, i.e. circle=big problems, square=medium problem, etc.
4. Put one transparent sheet on top of your drawing
5. Mark problems in respective spaces/locations using the symbols you chose
6. Replace the used sheet with a new transparent & follow procedure for a new problem area/theme.

After selecting the problems you want to address, you can start analyzing their causes, and finding solutions, for example using the Fishbone diagram (see next tool).
Example:
Energy eco-map of an office

Developing an energy Eco-map

- Lights on even during day
- AC is too low
- Isolation not optimum
- PC’s left on at nights
- Staircase light always on
- Windows open & AC on
The Fishbone diagram is a tool used for identifying root causes of problem/unsatisfactory situation to correct them.

How is it used?
• Gather a small group of people
• Select problem to address
• Set the problem as the effect (head of the Fish)
• Mark down broad categories of causes - typically you should look at Processes, People, Equipment, Materials, Physical Environment (the large bones of the Fish)
• For each category, think of possible causes of your problem and note them down in the diagram (the smaller bones of the Fish)
• For the various causes you found, try to find their own causes
• Once finished, look at the diagram to start thinking how you can correct the main causes of your problem
Example: Why is breakfast service often late?

Steps to create a Fishbone Diagram

1. Problem
   - Environment
     - Distance kitchen-dining area
   - Equipment
     - Oven broken
     - Lack of crockery
     - Toaster unsafe (burns)
   - Materials
     - Foods not available
     - Vegetables spoiled
     - Out of cooking oil
   - Process
     - Unclear responsibilities
     - Wrong order taken
     - Slow processing of order
   - People
     - Lack of staff
     - Lack of training
     - Lack of motivation

2. Causal categories
   - v1
   - w1
   - x1
   - y1
   - z1

3. Causes of the problem in each category
   - W
   - X
   - Z

Adapted from ILO Succeeding in Business Training
Diagrams and Bar charts like can help visualize information and measurements.

This in turn can help you understand information about a situation or problem, for example by allowing you to compare different causes, or identify trends.
Pareto (Frequency) Diagram

Causes of Absenteeism

Childcare...  "Moonlighting...  Hangover  Colds

Frequency

Cumulative %
Measure to manage, measure to Improve

Documenting and measuring - why?

• To identify and better understand problems
• To monitor progress as you carry out improvement actions
• To measure/document results, by capturing the changes before/after an improvement action
• To communicate and report on actions taken and results achieved to other staff and management
Visual documentation

Can be used for

- Capturing visible changes in workplaces - documenting the problem/ the ‘before’ situation and the same place/area following the action (the ‘after’ situation)
- Capturing initiatives and activities undertaken (e.g. photo of a training session)
Measurement and monitoring improvement through indicators

What are they?
Indicators are agreed measures for monitoring change over time and for documenting results achieved.

Indicators can be
Quantitative: they typically use information/data that can be counted.
Qualitative: they typically use information based on opinions or on presence/absence of specific conditions.

When are they used:
- **Before**: the required information is collected before the improvement action starts.
- **During**: while the action is being carried out.
- **After**: following the completion of the action.
Documenting, monitoring and measuring improvement

How to document monitor and measure?
• Through visual documentation: before & after photos

• Through specific indicators: quantitative & qualitative measurements (e.g. staff turnover rate; percentage of staff reporting being satisfied with the canteen; presence of training room)

When to use visual documentation and indicators?
Always, when identifying an improvement action, decide on how to measure progress and results by choosing indicators. Use indicators and visual documentation before, during and after improvement action.
Measuring and monitoring - energy consumption (basic indicator)

Electricity purchased (kWh)

Room-sold

Each month

Note: compare it to the same month of the previous year to see the difference under similar climatic conditions

Hotels usually conserve their energy bills and records on room sold, so it is easy to find the data
Measuring and monitoring - water consumption (basic indicator)

<table>
<thead>
<tr>
<th>Water purchased (Litres)</th>
<th>Each month</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room-sold</td>
<td></td>
</tr>
</tbody>
</table>

Note: compare it to the same month of the previous year to see the difference under similar climatic conditions.

Hotels usually conserve their water bills and records on room sold, so it is easy to find the data.
Continual improvement and problem solving: dialogue and cooperation as a key success factor

Successful and effective problem solving and continual improvement is based on:

- **Different people with different skills, knowledge and perspectives:** collective knowledge is much larger than individual knowledge!

- **Open discussion and sharing ideas:** new knowledge and better understanding is generated through dialogue!

- **Developing shared goals and taking joint action:** teamwork and participation make things actually happen!

**Keywords:** openness, respect, trust, dialogue

*See module 3 & 4 for principles and practices of workplace relations and cooperation*
Exercise - Eco-mapping

✓ Group with the other participants from your hotel
✓ Choose one hotel area/department to assess for improvement
✓ Draw its spatial outline (follow the tips for ecomapping)
✓ On a transparent sheet, identify and mark problems/areas for improvement in terms of ENERGY CONSUMPTION
✓ Identify and mark problems/areas for improvement in terms of WASTE MANAGEMENT