

CORPORATE SOCIAL RESPONSIBILITY IN HOSPITALITY INDUSTRY

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ABSTRACT

Background: Corporate Social Responsibility (CSR) refers to the obligations of an organization concerned towards the society. It entails the efforts by a company to improve the society in a way that our community is benefited economically, socially in order to improve the standard of living. CSR has been practiced by companies of all the sectors for decades voluntarily around the world. **Objectives:** The study identified CSR practiced in Hotels of India and sensitized hospitality students regarding CSR. **Methodology:** The study entailed a quantitative as well as a qualitative research design. For determining the CSR practices of eight hotels data collection was done through official websites of the hotel. The Sensitization was conducted for thirty two hospitality students on the basis of convenience sampling technique through a powerpoint presentation followed by an online quiz. The locale for sensitization was Institute of Hotel Management, Catering & Nutrition, Pusa, New Delhi. The results of the sensitisation were analysed through calculation of mean, median, range and percentage analysis. **Results:** The findings of the present study revealed that every hotel brand had adopted and practices their own set of activities for doing CSR. CSR was done for the members of the society, environment and promoting culture and heritage of our country through artisans. The Sensitization session results revealed that every respondent was able to score more than 60 points in the online quiz. The mean for the points scored by the respondents was 85.63 points. The median score was 80 points and the range of the points scored was 60-100 points. **Conclusion:** The course curriculum for Hospitality students should also be incorporated with brief and vibrant ideas of CSR which students can start imbibing in their practices from their academics and try to incorporate in future when they join the hospitality industry. CSR activities and Hospitality students for sure with this culture going to improve the society overall and bring a bright future for our country.

Key Words: Corporate Social Responsibility, Hospitality, Hotels, Practices, Sensitization

INTRODUCTION

"Business need to go beyond the interest of their companies to the communities they serve"

- Ratan Tata

At the global level, Howard Rothmann Bowen mentioned CSR in 1953 in his publication "Social Responsibilities of Businessman." Bowen defined CSR as "Social responsibility of businessmen refers to the obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Carroll, 2008).

According to UNIDO, "Corporate Social Responsibility is a management concept where by companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple Bottom Line Approach"), while at the same time addressing the expectations of shareholders and stakeholders."

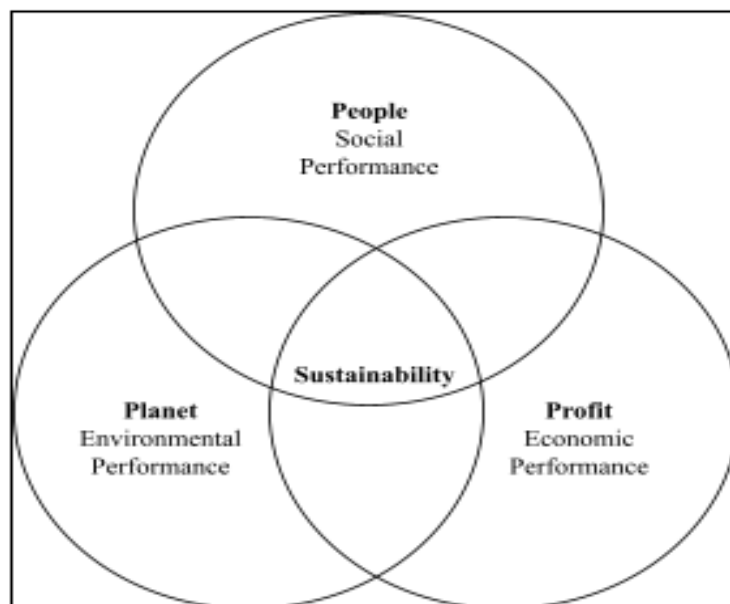


Figure 1: Triple Bottom Line (Source: Elkington, 1998)

Sharma (2016) defined CSR as “The unprofitable concern towards the environment, society along with the economy is termed as corporate social responsibility (CSR).” The European Commission defined CSR “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission, 2011).

Corporate Social responsibility is an important factor for all the industries, especially service sectors like the hotel industry. Practising CSR activities in the hotel industry is one of the best ways for growth and protection of natural resources, community, stakeholders and so on as the speed of hotel industry growth is consequently up (Sharma & Heidari, 2019).

Carroll, (1999) in his article “Corporate Social Responsibility Evolution of a Definitional Construct” mentioned that the definitions for CSR expanded during the 1960s and proliferated during the 1970s. In the 1980s, there were fewer new definitions, more empirical research, and alternative themes began to mature. These alternative themes included corporate social performance (CSP), stakeholder theory, and business ethics theory.

Hess, (2008) in his article “The three pillars of Corporate Social Reporting as new governance regulation: Disclosure, Dialogue and Development” suggested that in order to achieve these goals and to have an ideal social reporting, the process must rely and combine on three pillars which are, disclosure, development and dialogue. The author revealed that we are still in the early stages of social reporting, wherein the Global Reporting Initiative Guidelines (GRI) have become de-facto. Thus, he also suggested for further research regarding social reporting.

Lyon & Maxwell, (2011) in their study “Greenwash: Corporate Environmental Disclosure under Threat of Audit” defined greenwash as the “selective disclosure of positive information about a company’s environmental performance, without full disclosure of negative information on these dimensions” and emphasised on a simple model through which a non-governmental organization can audit corporate environmental reports, and penalize firms caught engaging in greenwash.

Kaur, (2018) in her research article “An overview of Corporate Social Responsibility (CSR) Initiatives in India” stated the evolution of CSR in India can be understood through four phases. 1. CSR motivated by charity and philanthropy. 2. CSR for India’s social development. 3. CSR under the paradigm of the mixed economy. 4. CSR at the interface

between philanthropic and business approaches. The author emphasised on the need for an innovative and a strong CSR strategy for organizations.

Holcomb et al., (2007) in their study “Corporate social responsibility: what are the top hotel companies reporting?” cited content analysis of websites, annual reports, CSR reports of the hotels to conclude that Hilton Hotels Corporation, Marriott Hotels, and Accor received the highest frequency of CSR reporting incidences. They suggested that it is high time for hotels to live up to the reputation of being “hospitable” to notably their guests but also to the society and they also pointed out that there exists a little research of CSR in reference to the tourism and hospitality industry.

Kang et al., (2009) in their study “Impacts of positive and negative corporate social responsibility activities on company performance in the hospitality industry” studied the relationship between CSR activities and financial performance. The study was undertaken in four different industries i.e. hotels, casino, restaurant and airlines. Their findings revealed a positive impact of positive CSR activities on the hotel and the restaurant industry and suggested concentrating on increasing positive CSR activities rather than reducing negative ones as an appropriate CSR strategy.

Kabir (2011) conducted a study “Corporate social responsibility by Swaziland hotel industry” with an aim to identify the type and extent of CSR activities done by the hotel industry of Swaziland. The results of the study pointed out that the major reason for involving CSR practices is to create and maintain a favourable corporate image and being viewed as a social organisation. They also revealed that in terms of CSR practices, community involvement is higher than the other categories of CSR practices. As there existed no mandatory regulations for companies to practice CSR in Swaziland.

Thusoo (2016) conducted a study “Corporate Social Responsibility in Indian Hospitality Industry: A Comparative Study” mentioned that there was a concept of helping the poor and disadvantaged which was cited profoundly in much of the ancient literature. Philosophers like Kautilya from India and pre-Christian era philosophers in the West preached and promoted ethical principles while doing business. The idea was also supported by several religions where it has been intertwined with religious laws. “Zakaat”, followed by Muslims, is a donation from one’s earnings which is specifically given to the poor and disadvantaged. The

author mentioned the principle of “Dhramada” followed by Hindus and “Daashaant” followed by Sikhs.

Weng & Smith (2018) in their study “CSR Reporting in Locally Owned Hotel Chains in Malaysia” found out that CSR reporting to be limited and primarily focused on community based initiatives which included activities such as providing for bursaries to poor students, donating to the local orphanage and hospices, and giving to the marginal and disadvantaged groups such as single mothers, orphans or victims of AIDS. They also suggested for a further comprehensive study with a larger sample size.

The rationale for conducting the present study was to explore the concept of Corporate Social Responsibility and the current practices formulated and practiced by hotels of Indian brands. Hospitality Industry is one of the fastest growing industries in the world and is always characterised with rapid innovation and doing small to big things in a specialised manner. The study aims to explore the same. This study also aims towards sensitizing hospitality students who are the future leaders of tomorrow’s hospitality industry regarding Corporate Social Responsibility and give an idea about the current practices undertaken by hotels. Hence, following objectives have been formulated for the present study.

The objectives of the study were:

- To identify the Corporate Social Responsibility practices undertaken by Indian Hotel brands.
- To sensitize hospitality students regarding Corporate Social Responsibility.

METHODOLOGY

Research Design: The present study entailed a quantitative as well as a qualitative research design.

Locale: The second objective was conducted on students of Institute of Hotel Management, Catering and Nutrition, Pusa, New Delhi.

Sampling Design: To identify the CSR practices undertaken by Indian Hotels, eight five star hotels were covered. The data collected covered the year of inception and the CSR activities conducted by the hotel. The sensitization session was conducted in the month of August,

2020 for which prior consent was taken from the Principal of the institute. The total sample size was 32 students from first year B.Sc. (Hospitality and Hotel Administration) and Craft Course in Food production & Patisserie (CCFP) students of IHM, Pusa. The students were in the age group of 18-20 years. Convenience Sampling was done and the presentation followed by the quiz was forwarded to students of various programmes of IHM Pusa through whatsapp and emails.

Tools and Technique: CSR undertaken by Hotels were identified by visiting the official website of the Hotels. For the second objective of sensitization of hospitality students regarding CSR, an online sensitization was conducted due to the coronavirus pandemic. It was entailed with a powerpoint presentation followed by a quiz for the hospitality students. The powerpoint presentation consisted of seventeen slides regarding the meaning, definition, concept and overview of CSR and the current practices of CSR practiced in the hospitality industry. The quiz was designed on google forms which entailed ten questions of ten marks each. The scores of the quiz were calculated and were also communicated back to the participants.

Data and Statistical Analysis: In the present study the data was analyzed by computing average, median, range and percentage.

RESULTS AND DISCUSSION

After the analysis of various secondary sources the CSR practices of various Indian hotel brands are listed in the following table.

Table 1: Indian Hotel Brands with their CSR Practices

Hotel Brand	Establishment Year	CSR Practices
Taj Hotels	1903	<ul style="list-style-type: none"> Has a legacy of “Giving Back to Society.” Serve through the CSR theme of ‘Building Sustainable Livelihoods.’ Vocational skill development programs. Partnerships to preserve and promote indigenous heritage, culture, arts and handicrafts.

		<ul style="list-style-type: none"> ● Disaster relief and rehabilitation programs. ● Income-generation and livelihood enhancement programs (IHCL, 2020).
Oberoi Hotels and Resorts	1934	<ul style="list-style-type: none"> ● Project Saksham: Partnership with SOS Children's Villages with the objective of supporting the education and well being of under-privileged children. ● Sanitation and contribution to Swachh Bharat Kosh. ● Contribution to Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga. ● Contribution to the Prime Minister's National Relief Fund (Oberoi Hotels, 2021).
Ashok Hotels	1966	<ul style="list-style-type: none"> ● Contribution to the Prime Minister's National Relief Fund. ● Participation in Swachh Bharat by undertaking cleanliness and maintenance of Qutub Minar, Red Fort and Purana Qila. ● Procurement and Providing advanced life support ambulance to District Ferozepur, Punjab (Ashok Hotels Website, 2020).
Park Hotels and Resorts	1967	<ul style="list-style-type: none"> ● Education. ● Employees. ● Environment. ● Heritage, Art & Culture: Jantar Mantar Restoration in Delhi, a private-government partnership. ● Individual Social Responsibility (ISR) Programme: Focus is on skills-based volunteering (Apeejay Surrendra, 2020).
ITC Hotels	1975	<ul style="list-style-type: none"> ● Vision of Welcom Environ for a green world. ● ITCs triple bottom-line philosophy. ● Creating employment opportunities by Employing People with Disability (PWD). ● Runs Domestic Help (DH) Value addition programme. ● Creating Accessible Building Infrastructure for Persons

		<p>with Disability.</p> <ul style="list-style-type: none"> ● Introducing the concept ISR - Individual Social Responsibility. ● E- Choupal Initiative to link directly with rural farmers. ● LEED: Leadership in Energy and Environmental Design Certification & Planet Positivity (ITC Hotels, 2020).
The Leela Palaces, Hotels and Resorts	1986	<ul style="list-style-type: none"> ● Blood donation camps. ● Group participated in Earth Hour 2017. ● Conducting donation drives for children as part of charitable giving and continuing skill-based training for the youth. ● Each property further strengthened partnerships with local NGOs for charitable donations, including, daily meals, clothing, shoes and books to underprivileged children. ● Training people under Hunar Se Rozgar Tak, to create employable skills in the local youth from 18- 25 years and who are minimum 8th class pass (Leela Hotels, 2021).
The Lalit hotels, Palaces and Resorts	1988	<ul style="list-style-type: none"> ● Green Initiatives by planting saplings in Bengaluru the Company has taken it up at Khajuraho and New Delhi and also organized free air pollution camps at New Delhi. ● Project Disha: An initiative to assist at one level school students and youth from the local population to have access to quality “education leading to employment” and on the other to equip them - to understand the benefits & opportunities available in today’s economic scenario. ● Bharat Hotels closely work with NGO’s and societies like The Subros Education Society, SAVERA (a body doing work for the underprivileged), 24/7 Women’s Security (focuses on women safety & training), SEEDS

		(Skills training and education for the needy), KHUSHI, The Blind School and The Spastic Society (Lalit Hotels, 2020).
Lemon Tree Hotels	2002	<ul style="list-style-type: none"> ● Partners with the NGOs and societies i.e. Goonj, Suniye, Akshaya Patra, Muskaan. & Ramanujan Society. ● Contribution to the Swachh Bharat Kosh, PMNRF & Clean Ganga Fund. ● Provide employment and livelihood with dignity to ‘Opportunity Deprived Indians’ (ODI). ● Protection of National Heritage, art and culture including restoration of buildings and sites of historical importance. ● Measures for the benefit of armed force veterans, war widows and their dependents. ● LTHL is the largest buyer, nationally, of tribal art from Bastar, Madhya Pradesh. Development of any area declared as slum (Lemon Tree Hotels, 2020).

The current study identified that the five star hotels are promoting “Vocal for local” concept of Government of India, working to promote Swachh Bharat Abhiyan, Clean Ganga Projects, Monuments of India, Holding Blood Donation Camps, Running Hunar Se Rozgar to impart employability to the youth and many more.

The responses of the sensitization session revealed that about 32 hospitality students participated in the quiz. The results of the quiz depicted that most of the respondents were able to score more than 60 points in the quiz. The mean, median and the range of marks are displayed in the Figure 2 below.

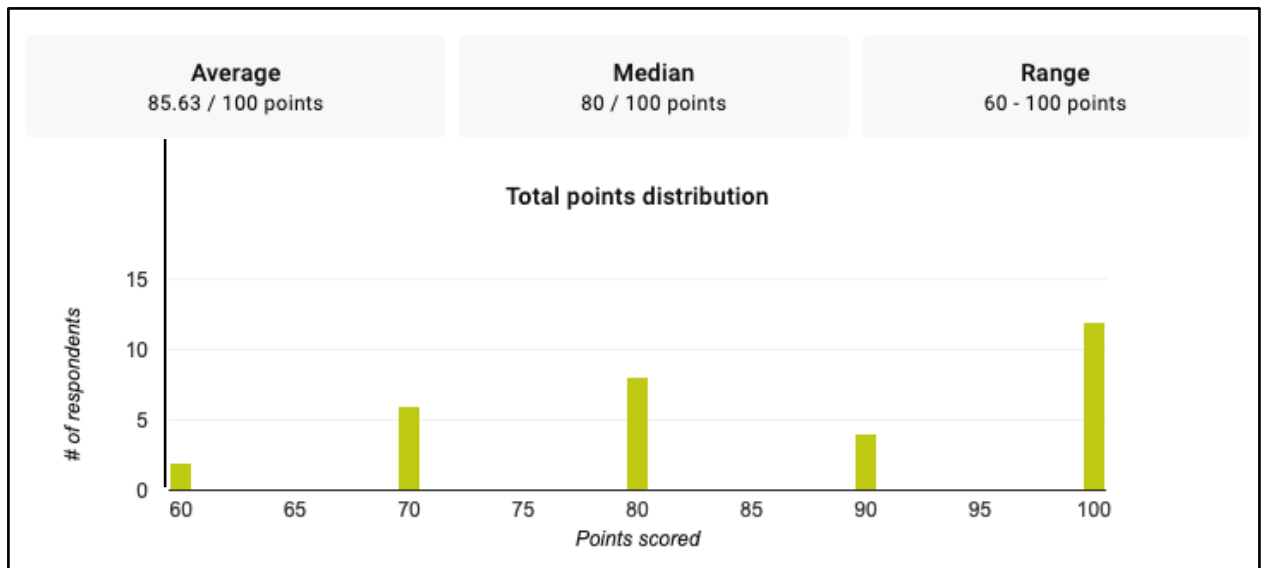


Figure 2: Average, Median and Range Scores of Respondents

The results of the sensitization quiz depicted that the range of the points of the respondents were between 60 to 100 points i.e. the minimum points scored were 60 and the maximum points scored were 100. The median point was 80 and the average points were 85.63.

Table 3: Overall Score and Percentage of Respondents

Total Score of the Respondents	No. of Respondents (n=32)	Percentage of Respondents
100 Points	12	37.5%
90 Points	4	12.5%
80 Points	8	25%
70 Points	6	18.75%
60 Points	2	6.25%

The above table number 3 shows that 12 students i.e. 37.5% of the total participants scored full points i.e. 100 points in the sensitization quiz. This score was followed by 90 points which were scored by four students. 25%, 19% and 6% of the total respondents scored 80, 70 and 60 points respectively. These figures suggest that awareness programs should be organized in hospitality institutes so that more and more future hospitality human resources are in cognizance for the noble cause.

Table 4: Percentage of Respondents answering correctly for each Question

S.No.	Questions	Percentage of Respondents
1.	What is the full form of CSR?	93.75%
2.	What is CSR?	100%
3.	The term CSR was coined in the publication “Social Responsibility of Businessmen” in 1953 by whom?	71.88%
4.	Triple Bottom Line in CSR includes?	96.88%
5.	Which one out of the following is not one of the key areas of influence of CSR?	96.88%
6.	Which country has a mandatory CSR policy?	84.38%
7.	According to Indian Companies Act, 2013. How much percentage (%) of net profits for the last 3 years for CSR spending is mandatory for Companies?	75%
8.	Employing specially abled people in hotels is a part of which dimension of CSR Responsibility?	71.88%
9.	Hotels are now considering various green initiatives and have also started producing energy through solar, wind and other natural forms. These initiatives are a part of?	87.5%
10.	Which of the following is the best example of corporate social responsibility in hospitality?	78.13%

The powerpoint presentation covered the information which formed the above mentioned questions and the presentation also had additional information regarding CSR. The above table shows that 100%, 96.88%, 96.88% of the respondents answered correctly in direct questions “What is CSR?”, “What is the full form for CSR?” and “What is Triple Bottom

Line?” respectively. It was also found that in questions which required understanding of the concept and factual questions, comparatively a lesser number of respondents answered correctly. 71.88% of respondents correctly answered the questions “The term CSR was coined in the publication “Social Responsibility of Businessmen” in 1953 by whom?”, “Employing specially abled people in hotels is a part of which dimension of CSR Responsibility?” and 75% answered correctly for “According to Indian Companies Act, 2013. How much percentage (%) of net profits for the last 3 years for CSR spending is mandatory for Companies?”

Teixeira et al. (2018) found out in their study “Students’ Perception of corporate social responsibility: evidence from a Portuguese higher education institution” that characteristics such as gender, age, professional experience and academic degree influence the students perception of CSR. Similar results were found by Burcea and Marinescu, (2011) in their study “Students’ Perceptions on Corporate Social Responsibility at the Academic Level. Case Study: The Faculty of Administration and Business, University of Bucharest.” Gorski et al. 2014 also in their study on Research on Corporate Social Responsibility in the Development Region Centre in Romania collected data by questionnaire based survey, which was organized and analyzed in SPSS. Results of their study showed that in the surveyed organizations CSR practices are not sufficiently understood and used. The recommendation they made included that a CSR strategy developed should be integrated into the business strategy and to create communications plans and make commitment public which will help the organization to stick to its commitments. Similar suggestions should be taken in our country too to promote CSR.

CONCLUSION

Corporate Social Responsibility is a responsible act of the hotels as we have to bring up the other part of the society which requires little support and push to come at the same pace and contribute to enhance the GDP of our country. The little support will give opportunity to the children of the Economically Weaker Section and they will definitely utilize it to bring forward their rest of the community. Government should enforce the CSR component as part of the classification drive of Hotels which will help create equilibrium among all hotels to give back to the society. The course curriculum for Hospitality students should also be incorporated with brief and vibrant ideas of CSR which students can start imbibing in their practices from their academics and try to incorporate in future when they join the hospitality

industry. CSR activities and Hospitality students for sure with this culture going to improve the society overall and bring a bright future for our country.

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