

Corporate Social Responsibility in Tourism Sector: A Review of Literature

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ABSTRACT: The fact is that in the last decade India has seen a very significant growth in the tourism and hospitality sector. Likewise Corporate Social Responsibility (CSR) related articles have been written and published in the recent years on a large scale. This paper explores how CSR has developed within the extant literature. This emerging research on CSR in the context of tourism and hospitality is pushing past the boundaries of early approaches to corporate sustainability by providing empirical evidence to support the importance of integrating a range of stakeholder perspectives and needs throughout the planning, implementation, and evaluation of CSR initiatives. Moreover, we observe that while there is ample research on certain stakeholder groups such as management, employees, shareholders, and consumers, there is less emphasis on the role of communities and ecosystems as stakeholders and very little related to suppliers, NGOs, and government. Although tourism and hospitality firms may not be subject to the same pressures as other industries, there remain important opportunities to both document and engage these external stakeholders in the journey towards sustainability for a long time in the country.

KEYWORDS: CSR, Planning, Stakeholder, Hospitality, Tourism Sector, Sustainability.

INTRODUCTION: Most of the scholars agree with the fact that CSR in tourism can be defined as a guiding business policy whereby tourism companies integrate social and environmental concerns in their own business mission, strategies and operations as well as in their interaction with their stakeholders. As corporations are part of a broader society satisfying stakeholders' needs is central to retaining societal legitimacy and financial liability over the long term. There are different frameworks and guidelines available for integrating CSR into a company's strategy depending on the companies' specific characteristics and their perception of their social responsibilities. CSR today is seen as a multi-stakeholder approach where stakeholders are not

only receivers but also partners for realizing and implementing CSR strategies. Therefore, in tourism companies' strategies the concept of CSR has become a central part and parcel. Environmental protection, fair working conditions for employees and contributing to the welfare of local communities are key issues in the strategies of international tourism corporations in the broader perspective in the recent years.

THE CONCEPT OF CSR: Actually, the concept of CSR has evolved since the 1950s, as society has placed greater expectations on companies. The evolution of definitions of CSR has been shaped by how it is socially constructed and how corporate social responsibility is defined. Rather than repeating well established definitions, it is worth relating the subject of this journal and its focus on sustainable tourism with the concept of CSR. The World Commission on Environment and Development (WCED), typically known as the Brundtland Commission, defined sustainable development as meeting the current society's needs without compromising the ability of future generations to do so. Sustainability, therefore, is the aim of both this journal and this special issue. Responsibility is the human response to that aim: it is a choice in relation to, firstly, accepting that sustainability is important and secondly, deciding which initiatives, activities, and other changes one is willing to undertake in response which relates to activities pursued to achieve a social good and performed to meet social requirements.

Simply the word, 'CSR' is the business' contribution to sustainable development. Although there are many deviating definitions and numerous terms used to describe CSR, it is the economic, social and environmental performance, combined with the voluntary nature and the consideration of stakeholder relations which describe the comprehensive scope of CSR. A recent study using frequency counts via a Google search identified the five most common dimensions of CSR: stakeholder dimension, social dimension, economic dimension, voluntariness dimension and environmental dimension. Many CSR definitions are academically derived, but recent contributions have been made by organizations such as the Commission of the European Communities. The definition adopted by the European Commission (2011), CSR can be defined as "a guiding business policy whereby companies integrate social and environmental concerns in their own business mission, strategies and operations and in their interaction with their stakeholders on a voluntary basis".

REVIEW OF LITERATURE: However there is a plethora of literature on the concept of CSR in tourism and business sector. Most of the scholars agree with the fact that there are many past examples of social activism in response to the negative consequences of business activities. Moreover, philanthropic entrepreneurs who sought mainly to improve the situation of employees and can be seen as a forerunner of CSR. Here it is noteworthy that the modern era of CSR concepts started in the 1950s when Howard Bowen defined CSR in his book “Responsibilities of a Businessman” as the obligations of companies to reflect the expectations and values of the society in their performance, and thus to envision the total benefit to society as the most important factor for their operations (Bowen 1953). However, the CSR concept has also received heavy criticism. Friedman (1970) advocated a different approach to CSR in his article “The Social Responsibility of Business is to Increase Profits” where he sees the responsibilities of companies as being limited to creating shareholder value in terms of profit.

Nevertheless, we can't ignore the fact that in the coming years, the perceptions of business activities changed and corporations became seen as members of the society which serve the needs of the society and foster social morality in business behavior. Several definitions of CSR subsequently emerged and the CSR concept became more specific. In 1984, R. Edward Freeman introduced Stakeholder Theory (Freeman 1984), which states that corporations have relationships with many groups in society (stakeholders) and that responsible corporations must consider the interests of all stakeholders. In the 1990s, related themes such as corporate citizenship, business ethics and corporate governance emerged for a comprehensive summary of the evolution of the CSR construct.

Here it is to say that indeed, it has only been in the last 10 years that we have started to see significant growth in this literature. However, in 2006, there were no articles published on CSR in tourism and hospitality but in 2007 there were two papers (Merwe & Wocke, 2007 Merwe, M., & Wocke, A. (2007). An investigation into responsible tourism practices in the South African hotel industry. In fact, a search of the Web of Science database for refereed books or articles that self-identified as being related to either CSR, corporate sustainability, corporate responsibility, or corporate social and environmental responsibility and either tourism or hospitality including research related to airlines, cruise ships, and restaurants which reveal that

366 articles have been published in journals and refereed conference proceedings on this subject, and over 70 percent of all articles on this subject have been published in the past five years.

Moreover, some of the scholars agree with the fact that the degree to which an organisation acknowledges responsibility towards society determines how proactive their approach to CSR is and, therefore, the pro-activity of a stakeholder. It also determines whether their actions contribute towards shared wellbeing, depending on whether these actions are motivated by seeking benefits to oneself, to others, or to the biosphere (De Groot & Steg, 2008). Value orientations to explain beliefs related to environmental significant behavior how to measure egoistic, altruistic, and biospheric value orientations. Under this conception of CSR stakeholders, and their relation to organisations engaged in CSR, lie key indicators of responsibility for individual CSR strategies. In short, by looking at how CSR strategies define and engage stakeholders, one can determine how inclusive and proactive a strategy is, as well as the breadth of its application. The stakeholders in green i.e. consumers, shareholders, management, and employees are prominently discussed in tourism literature on CSR; orange i.e. communities and ecosystems are moderately but not widely discussed; yellow i.e. suppliers, NGOs and government are virtually untouched in the literature.

Today it is essential to engage both employees and customers in order to co-create meaningful sustainability experiences (Zhang et al., 2012). Tourists' own interpretations of CSR vary considerably depending on their inner versus outer directed goals and the role that responsibility has as part of their self-identity (Crane et. al. 2014). Also, we know that consumers are considerably more environmentally friendly at home than in hotel settings, and that their reasons for pro-environmental behaviour are normative at home, but hedonic on holiday (Miao & Wei, 2013). Hedonism may explain why positive (but not negative) emotions on environmentally responsible behaviour have a mediating role between destination social responsibility and environmentally responsible behaviour (Su & Swanson, 2017). In many studies it was found that consumers boycott hotels' environmental actions that are perceived to lead to inconvenience, cost cutting, and loss of luxury. Altruistic CSR communications to consumers that focus on preventing something negative from happening work well, whereas

both altruistic and strategic CSR communications that promote a positive outcome are received similarly well by consumers (Kim & Mattila, 2017).

Likewise, exploring the direct and indirect effects of CSR on organizational commitment, most of the scholars are also sceptical about environmental claims for which they recognise an ulterior motive of the hotel, affecting their intention to support the hotel's CSR programme and to revisit the establishment (Rahman, Park, & Chi, 2015). CSR has a positive synergistic effect with service quality for full service airlines and a negative effect for low cost airlines (Seo, Moon, & Lee, 2015). While CSR mostly influences the affective dimension of brand image, the functional image mostly influences brand loyalty (Martínez, Pérez, & del Bosque, 2014). Trust, customer identification with the company, and satisfaction are therefore mediators between CSR and customer loyalty (Martínez & Rodríguez del Bosque, 2013). Often larger firms initially engage in CSR to manage their image, brand, and corporate systematic risk (Jung et al., 2016).

Environmental certification schemes, Hotel managers' views and perceptions also result in small businesses "greenhushing" – that is, deliberately under-communicating their sustainability actions (Font et. al. 2017). However, recent evidence shows that the benefits achieved from engaging in CSR are more than reversed if the CSR activity is discontinued (Li, Fang, & Huan, 2017). Consumer response to discontinuation of corporate social responsibility and communication of CSR actions needs to be more strategic and less ad hoc, and must consider the likely consumer responses, in relation to both what is communicated and how (Font & McCabe, 2017).

When sustainability benefits and responsibility actions are persuasively communicated, they can positively affect consumer satisfaction. In return, this raises the likelihood to repeat business (Jarvis, Stoeckl, & Liu, 2016). The impact of economic, social and environmental factors on trip satisfaction and the likelihood of visitors returning. The role of moral emotions and individual differences in consumer responses to corporate green and non-green actions. Through effective communication, CSR positively affects perceptions of corporate reputation and customer satisfaction, and positively impacts customer commitment and behaviour, particularly amongst people with a higher income (Su, Pan, & Chen, 2017).

To conclude, we can say there are very good reasons to further research how to better market and communicate CSR. For example, previous studies have demonstrated that image is an important motivator for firms to adopt CSR practices, and there is evidence to support the mediating role of trust between image and customer loyalty. Trust as mediator of corporate social responsibility, image and loyalty in the hotel sector in *Journal of Sustainable Tourism*, (pp. 1–17) expands on the theoretical and empirical evidence regarding how customer trust acts as a mediator between CSR and image and loyalty, initiated by Martínez and Rodríguez del Bosque in 2013. Regarding the CSR and customer loyalty, the roles of trust, customer identification with the company and satisfaction, *International Journal of Hospitality Management* (Vol. 35, pp. 89–99), this research shows that customers are more inclined to believe that responsible companies operate honestly in their activities and are more willing to enter into relationships with firms that develop socially responsible initiatives. Furthermore, Moscardo and Hughes (2018) pointed out that strategies for engaging guests in corporate responsibility programmes, to close the consumer's attitude–behaviour gap towards CSR using literature from tourist interpretation, social marketing and sustainability marketing. This paper highlights some valuable recommendations for businesses, and useful guidance on avenues of further research.

CONCLUSION: Thus, tourism sector like all other business sectors has become very important for the economy of a country. Likewise the concept of Corporate Social Responsibility has become a central component of companies' strategies. To operate successfully in the future it will be necessary for tourism businesses to continuously implement and realize CSR strategies. Environmental protection, fair working conditions for employees and contributions to the welfare of local communities are key issues in the strategies of international tourism corporations. According to recent publications on CSR trends, the pressure on corporations to develop and implement CSR strategies and practices will increase due to requirements by consumers, or sustainability shoppers and public policies e.g. reporting obligations, subsidies, and taxes. Collaboration across sectors and corporate transparency will also become more important. Actually emerging trends in the area of Corporate Social Responsibility have recently been identified and published by many scholars in India also.

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