

# CORPORATE SOCIAL RESPONSIBILITIES: RECENT ISSUES IN HOTEL INDUSTRIES

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## **Abstract:**

*Corporate social responsibility is the Corporations' ongoing contribution to the economic and social development of the societies they work. Corporate social responsibility is just another's moral obligation, without expecting anything in return. CSR in the era of social welfare and community development by taking various social initiatives. CSR's fundamental objective in these days is to maximize the overall impact that the company has on society and stakeholders. CSR's aim is to take responsibility for the actions of the organization and to promote a positive effect through its efforts on the environment, clients, staff, societies, stakeholders and all other members of the public sphere. Now a day, establishments of the hospitality industry, particularly hotels and lodges, are the main component and come up with the idea of Corporate Social Responsibility (CSR) in the business sector. It highlights CSR policies in India and examines the cases of CSR initiatives in India companies including role of SMEs in CSR. CSR faces many obstacles in India and the paper gives ideas for overcoming them and speeding up CSR initiatives in India. In this paper we examine the recent issues and developments through corporate social responsibility in India over the last decade.*

**Key words:** *Corporate social responsibility, Social development, Corporate Image, CSR Challenges, CSR initiatives*

## **INTRODUCTION:**

Corporate Social Responsibility (CSR) is a management technique in which businesses actively take into account the social and environmental implications of their operation and its effects. CSR's basic principle is ethical and fair behavior towards all stakeholders and at the same time respecting the environment for big corporations, especially international ones, the concept of corporate social responsibility was particularly interesting initially. CSR is increasingly becoming appealing not only to business and management theorists but also to small and medium-sized enterprises. Business Social Responsibility (CSR) has been in practice for quite some time in the business arena.

Organizations are looking about the sole objective of profit-maximization and gradually becoming mindful of the social aspects of the company. Part of this transformation in the company mentality is also a result of CSR's economic benefits in the form of greater reputation and long-lasting consumer relationships. (D. Corvet, 2008). Corporate Social Responsibility (CSR) has a positive business performance relationship,

especially with service companies such as hotels, hospitals, and universities. The concentration in Corporate Social Responsibility is focused on its ability to achieve the value of an authority company."(Qeed, 2015).

As per Company for Social Responsibility, 2003 "Corporate Social Responsibility is achieving commercial success in ways that uphold ethical standards and respect individuals, societies and the natural environment from which company can be gained in different ways that are less detrimental to the environment, providing not only workers but also society with a safe and clean atmosphere."(Rajiv Kumar, 2014). Over the past few decades, CSR has become a hot subject, and also an important market practice field (Goldstein & Primlani, 2012). NGOs, foreign NGOs and even local advocacy groups are lobbying businesses to be environmentally and socially conscious.

CSR is all about the correct business-to-society relationship that it operates in. Hotel management as a rapidly evolving economy sector and an important part of the tourism industry, apart from offering high-quality services, should meet the needs of society in the sense of mitigating negative effects on the natural environment, helping its workers and local community. Hotel management is a particular industry that leads to environmental degradation as visitor accommodation facilities are built and managed. The aim of this article is to address the fundamental questions related to the philosophy of corporate social responsibility and outline the good practices of CSR embraced by the hotel industry.

The new generation of corporate leaders in the modern age considers profit optimization as the main, rather than profit maximization. Organizations take more action actively to improve the quality of life for their workers and their families, as well as for the local community and society as a whole. India has become one of the world's fast-growing economies, and an emerging foreign market. Climate conservation and the natural resources of a nation are a core element of the definition. Moreover, an equally significant need is to ensure that society does not suffer from wealth inequality and the provision of social services such as health care, education and literacy.

## REVIEW OF LITERATURE:

According to **Ahmed, Khalil, Mohammad**, investigating that the companies have shown tremendous concern for their local community and the stakeholders, it can be safely inferred that much of society's fate lies in the corporate hands. CSR has a very significant role in today's world development scenario, and can be an innovative resource for sustainable growth.

**Usha. L, (2012)**, asked if companies had the experience, strategic thinking, energy and resources to promote significant social change. Strong collaborations between corporates, NGOs, and government would bring tremendous growth in India's social development.

**Kasambu and Sritharan, (2018)** concluded that customer satisfaction requires customer satisfaction. Since products and services have to fulfill their consumers ' needs and expectations, there must be unique features that do not inherently suit, but also satisfy, consumer needs and expectations. Customer satisfaction is a clear connection to the user.

According to **Bowen** said that "CSR refers to the businessmen's responsibilities to implement those policies to make such decisions or to obey such lines of ties that are appropriate in terms of our society's goals and values"

**Marsden, 2001**, emphasized that Corporate Social Responsibility (CSR) is about corporations ' core actions and accountability for their overall effect on the communities they work in. CSR is neither an optional add-on nor is it a philanthropic act. A business that is socially conscious is one that runs a productive enterprise that takes into account both the positive and negative environmental, social and economic consequences that impact on society.

In his study **Kasambu and Sritharan (2018)** indicated that customer satisfaction, as described before the attempts to create a Delightful customer at present. The customer delights with the variables and overall hotel satisfaction and also affects the company satisfaction factor.

According to **Bruch & Walter, in 2005**, it recognizes that the company is made up of people who take responsibility for fostering and sustaining a community that embraces philanthropy and its range of goals. Successful philanthropy – fulfilling the target is vitally essential to an organization.

**Ivancevich, Lorenzi, Skinner and Crosby (1997)** said socially sensitive companies are constantly pursuing solutions to social issues. Contrary to this view, progressive managers apply organizational expertise and resources to any problem — from run-down housing to youth jobs, and from local schools to job development for small businesses.

According to **Park & Levy (2014)**, the main objective of their research was to find out the overall perception of CSR activities by hotel industry front-line workers, in their place of work, and the effect of their perception on the employee's organizational identity. The findings showed that CSR programs were more than just employees ' environmental awareness, and that it was all about workers, culture, and guests / clients.

#### **RESEARCH OBJECTIVES:**

1. To learn the CSR definition & the advantages of CSR.
2. In India to review the status of CSR.
3. To recognize the Hotel industry's CSR activities.

## RESEARCH METHODOLOGY:

To assess the level of Corporate Social Responsibility activities in hotel industries, primary data is collected from Hotel Manager Hotel Industry & secondary data is collected from the annual reports of the businesses, company website, newspapers, magazines, books, etc.

## LIMITATIONS:

- Not every single plant is included in the analysis.
- The primary data is obtained from the Hotel Manager and the researcher could not go into depth due to the time constraint.
- The data collected are only from the Hotel Industry Manager & employees, recipients are not interviewed.

## CONCEPT OF CSR:

Corporate Social Responsibility is a management philosophy whereby businesses incorporate social and environmental issues into their business processes and their stakeholder relationships.

## BENEFITS OF CSR:

- **IMPROVED PUBLIC IMAGE:**  
It is important, because customers judge your brand image before they decide to buy from you. Much like staff members spending an hour a week at a hospital, something simple shows you're a brand dedicated to helping others. As a consequence, you'll appear much more consumer.
- **INCREASED BRAND AWARENESS AND RECOGNITION:**  
When you are committed to ethical principles it will spread this news. Therefore, more people can hear about your brand which generates an increased awareness of the brand.
- **COST SAVINGS:**  
Many quick, sustainability- friendly improvements, such as using less packaging, will help to reduce the production costs.
- **AN ADVANTAGE OVER COMPETITORS:**  
You stand out from rivals in the business by adopting CSR. Through considering social and environmental factors you define yourself as a organization committed to moving a step further.
- **INCREASED CUSTOMER ENGAGEMENT:**  
You use sustainable structures, yell it from the rooftops. If Post it on your platforms of social media, and build a tale from your efforts. You should also expose your efforts to local media outlets with the hope that they can get some publicity for it. Customers are going to follow this and engage with the company and their operations.

- **GREATER EMPLOYEE ENGAGEMENT:**

As with customer engagement, you must always ensure that your staff are aware of your CSR strategies. Employees have been shown to enjoy working more for a company that has a strong public reputation than one that does not. In fact, you're much more likely to attract and keep the best applicants by showing you're committed to issues like human rights.

- **MORE BENEFITS FOR EMPLOYEES:**

When you accept CSR, there are a variety of advantages for your workers too. Your office will be a more supportive and successful place to work and you will be facilitating personal and professional development by supporting things like volunteering.

### **CSR ACTIVITIES IN THE HOTEL INDUSTRY:**

Not only is corporate social responsibility limited to the large multinational hotel chains. It is the major corporations who have really implemented the incorporation of CSR concepts into the company strategy. Smaller hotels also often note the advantages of this operation, however. Here are examples of good practice adopted by the Polish hotel community, which is part of one of the international hotel groups and belongs to a private owner in the city. The selection of CSR activities was inspired by the previous achievements of certain hotel groups or establishments operating on the Polish hotel market. The ecological activities, in effect, are linked to three areas: electricity, water, and waste.

The hotel makes use of biodegradable cleaning agents to clean the rooms. The guests are told about the hotel's environmental policies and encouraged to support the hotel's eco-activities. Both the above hotel facilities take the concept of corporate social responsibility into account in their everyday activities. Implementing CSR values into a corporate plan provides major economic and environmental benefits to the organization itself, as well as to the staff and the surrounding community. The employees of a socially conscious hotel can rely on regular wage payments, permanent professional development due to the availability of courses and training, absence of discrimination in the recruiting process and high-quality social facilities.

A hotel that works in accordance with the CSR principle develops its positive reputation among employees, becomes a trustworthy place of work that affects gaining new employees and maintaining the best ones that it has. A hotel that handles the natural resources and waste in a responsible way reduces its negative environmental effects. Its immediate surroundings often benefit from the promotion of eco ideas among a socially conscious hotel's business partner. The potential benefits for the local community are: increased job security, culture and education growth, stimulation of local entrepreneurs' economic development.

## **CHALLENGES IN HOTEL INDUSTRIES:**

### **1. LACK OF COMMUNITY PARTICIPATION:**

Lack of contact between the firm and the community limits the reach of CSR activities. Additionally, problems escalate due to inadequate knowledge of CSR among populations, coupled with poor communication. There is a general deterrent to group involvement.

### **2. NARROW PERCEPTION OF CSR INITIATIVES:**

Most NGOs and government agencies believe that only funds are interested in the companies involved in CSR activities. It de-motivates companies to undertake and carry out CSR programs.

### **3. TRANSPARENCY ISSUES:**

The common view that there may be a lack of accountability on the part of local implementation authorities, and that they are not making sufficient efforts to report details on the success of social programmers that have been implemented, can also trigger challenges. Furthermore, it is especially important for businesses and funding agencies that audit processes, impact evaluation and the use of their funds have to be well reported and communicated among stakeholders. Such perceived lack of accountability adversely affects the trust-building process between businesses and local communities.

### **4. NEED TO BUILD LOCAL CAPABILITIES:**

One explanation why there is lack of accountability is insufficient local capacity. The capacity building of local NGOs is required as there is a severe dearth of skilled and productive organizations that can contribute effectively to the ongoing CSR activities initiated by companies. It often limits the scale, ramp-up and size of CSR initiatives. Likewise, difficulties also exist with respect to entering remote and rural areas, the inability to determine and recognize the community's specific needs, and collaborating with the corporate sector to ensure the effective implementation of CSR activities.

### **5. LACK OF CONSENSUS ON IMPLEMENTING CSR ISSUES:**

While implementing CSR projects, there is a lack of consensus among local communities, agencies, government bodies and companies. This lack of consensus also results in corporate houses duplication of operations in their areas of operation. It results in a competitive atmosphere rather than a collaborative approach between the local implementing agencies.

## **FINDINGS:**

Corporates view and give resources to CSR as a separate agency. Many corporates have a vision and mission statements that sometimes compel their CSR program at the corporate or even at the CSR level.

## **CONCLUSION:**

The hotels have to receive input from their customers to implement new CSR strategies, because they are the brand partners they support. Both workers have to participate regularly in philanthropy programs to recognize the importance of these activities in order to respect their responsibility. Employee consciousness



must be increased by preparation and participation in CSR activities. Until recently, CSR was not a common concern among companies with businesses focused on generating income. Corporations have the experience, strategic thinking, energy and resources to make significant social change easier.

Strong collaborations between corporates, NGOs, and government would bring tremendous growth in India's social development. As per the growing market demands the hour requires is for the implementation of the CSR system that the government has implemented. And we can all make the world safer to live in. With increased media coverage, pressure from non- governmental organizations, and rapid global exchange of knowledge, there is a increasing demand for CSR participation at different levels, such as sustainable business practices and social welfare programs.

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