

# Recent Research Progress on Corporate Social Responsibility of Hotels <sup>†</sup>

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**Abstract:** The term “corporate social responsibility” (CSR) refers to a set of voluntary guidelines put in place by businesses to demonstrate their willingness to take responsibility for their actions and contribute to the betterment of their surrounding communities with environmental and social factors. This management action is based on the idea that businesses can and should care about the world around them by incorporating social and environmental issues into their daily activities and relationships with their stakeholders, as CSR helps companies balance economic, environmental, and social goals while meeting shareholder and stakeholder expectations. This research synthesizes the literature in the duration of 2003–2023 on corporate social responsibility (CSR) in the hotel business. Articles that covered hotels with 3BL (Triple bottom line) approach were included in the current study. A total of 57 articles have been selected on the basis of “CSR-Practices,” “CSR-Reporting,” and “CSR-Impacts” with both the hotels’ and customers’ perspectives as inclusion. The internal and external CSR impacts on hotel businesses were highlighted, and customer reactions to CSR were also studied. There are some significant voids found in the understanding of the linkage between corporate financial performance (CFP) and corporate social responsibility in the hotel sector. The local community, which is an essential CSR stakeholder, was found under-researched in the existing literature. Research Gaps as linkage of CFP and CSR, role of local communities as CSR stakeholder and accordingly future research dimensions were also suggested.

**Keywords:** Corporate Social Responsibility; CSR-Practices; CSR-Reporting; CSR-Impacts; Corporate Financial Performance; Hotels

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## 1. Introduction

Interest in studying policies and procedures, especially those of major corporations, has increased over the past decade. There has been much talk about corporations’ social responsibilities since the global financial and economic crisis [1–3]. Private corporations are under growing pressure from society to adopt management strategies that emphasize the interests of the company’s many stakeholder groups [4].

There has been a great deal of scholarly focus on CSR in response to the growing interest in the actions of organizations and businesses in the public eye [5]. Practitioner interest in CSR and stakeholder management has also increased [6,7]. Managers are

becoming more and more aware that firms are judged not just on their financial performance, but also on their social performance [8].

Furthermore, CSR has become a strategic requirement for many firms today due to the increased demand from various stakeholders and society [9,10]. CSR is being used by an increasing number of companies throughout the world as a means to increase their credibility, acquire an edge over the competition, and secure their own long-term success [11].

CSR was first proposed by Merrick Dodd, who noted that business leaders should consider the communities from where their companies' revenues originate. Economic, legal, ethical, and philanthropic dimensions are all part of the CSR paradigm proposed by Carroll (1979) [12]. According to this concept, a company can pursue both economic and social goals without compromising on either. Businesses should achieve their financial goals and run their operations lawfully, but they must also adhere to ethical norms even if they are not mandated by the government [13].

All CSR definitions boil down to the idea that businesses must serve not just their shareholders but also other interested parties [14]. Stakeholder theory, which has informed much empirical research on CSR, posits that businesses must meet the needs of the many constituencies that make up their operations or risk losing the support of those customers [15]. Customers, workers, investors, suppliers, and local communities are all examples of distinct types of stakeholders [16].

Many facets of CSR have been studied by researchers, including its adoption motivations, the attitudes of employees and customers, and the financial success of businesses (CFP). While there has been an astonishing amount of academic study on CSR, and many hotel chains have made progress toward responsible corporate behavior, there has been a dearth of CSR studies that focus on the hospitality industry. Many authors, have brought this to light [17–21]. Furthermore, some research conducted in past has mostly addressed environmental factors [17].

Taking into account the foregoing, the goal of this research is to synthesize the existing research on the subject of corporate social responsibility (CSR) in the hotel business from 2003 to 2023, highlighting the many areas where scholars have focused their attention and providing suggestions for further study.

## 2. Method of Research

All scholarly publications on hotels published between 2003 and 2023 and indexed in the two most prominent scientific databases (Sciences Citation Index and Scopus) have been revised. As a result, the scope of the review was broadened to include both specialized tourism and hospitality publications and more general academic journals. Corporate social responsibility, hotels, and travel were some of the terms utilized in the search. Only those articles evaluated from the list acquired that met both criteria (dealing solely with hotels and addressing the problem of CSR from an economic, social, and environmental standpoint). Therefore, publications that focused on hotels but just on environmental elements were not included, nor were those that focused on other subsectors of the hospitality industry (such as casinos or restaurants) or that mixed hotels with other tourism-related enterprises. Content, methods, and outcomes were evaluated across articles. Thus, the purpose of this paper is to evaluate and synthesize the current business literature concerning the importance of CSR in the hospitality sector. The primary aim of this study is to provide a clear comprehension of what has already been examined and the key discoveries that have been uncovered. The gaps in the current literature are highlighted, and suggestions for future research are offered as a result of this study.

### 3. Results and Discussion

#### 3.1. Studies of Corporate Social Responsibility in the Hotel Sector

After conducting the literature review and analyzing the papers' content, 57 articles covering CSR and the hotel industry between 2003 and 2023 were identified and classified into three categories: (a) CSR-Practices, (b) CSR-Reporting, and (c) CSR-Impacts from consumer and company perspective. Each segment has its own set of factors and issues under investigation.

#### 3.2. CSR Practices

The first stream of study is to analyze the corporate social responsibility (CSR) activities of hotels (such as philanthropy and contributions) to determine the primary motivations and challenges to their adoption (one issue that has attracted the attention of more than half of the papers). The range of these activities, the views of managers, and the incorporation of CSR into business strategy are also examined. Throughout this body of study, suggestions for improved CSR practice management are also presented.

Hotels' CSR activities may be broken down into categories: social, economic, and environmental. There are some measurable steps, with the economic, followed by the social, and then the environmental. The listed CSR initiatives within the economic component are geared toward protecting consumer rights [22], Having Adequate Tourist Data [20], also encouraging its customers to buy regional goods [20,23,24].

Hospitality companies' corporate social responsibility (CSR) efforts within the environmental sphere focus on issues of sustainability and the natural world [25], mitigation of pollution, conservation of energy, control of water and waste, reuse of discarded materials [23,26] connection maintenance, environmental program development, and awareness of or participation in environmental preservation [20,22] or to the betterment of vehicular flow and public safety [20]. Hotels engage in a wide variety of corporate social responsibility (CSR) activities, mostly focused on the social component [19], charitable and welfare-oriented deeds [20,22,27] strong ties to the neighborhood, support for workers' rights [22], creating strategies for inclusiveness, and partnering with colleges and institutions in the area to spread tourist education [20] to ensuring that the tourism destination's history and culture are protected and celebrated [23]. To legitimize themselves in the eyes of their stakeholders and attract and retain customers, hotel companies increasingly prioritize CSR initiatives for both humanitarian and economic/competitive reasons (cost reduction, improved image, environmental preservation) [28], managers own personal morals and ethics [29], and pressures from regulators [30,31]. Gu et al., 2013 [22] noted that in China, a hotel manager's political ties might affect how open they are to adopting CSR measures. The size and quality of the hotel are important factors in the decision to conduct CSR initiatives [32]. Instead, financial constraints are the biggest stumbling block [28] and managers not understanding what CSR is or not knowing what it means [33]. In general, the views and understanding of CSR held by managers appear to play a pivotal role as either a driver or a barrier to CSR being put into practice. Tsai et al. (2010) [20] found an integrated approach to CSR management by employing complex programs of structural relationships to assist managers of international hotels in choosing CSR programs that are both cost-effective and well-suited to achieving the dual "firm-society" goal of enhancing the hotel's competitive position while also positively impacting the local community. The Outside-In and Inside-Out management approaches, based on the Deming cycle of Plan-Do-Check-Act, may be employed by large hotel chains and independent motels. In order to be certified, the first group follows CSR requirements, while the second group follows material sufficiency to assure long-term sustainability [34]. According to Levy and Park (2011) [26], Most US CSR programmes concentrate on the environment to minimize expenses and improve the company's image. Hotel owners and managers can expect long-term benefits from CSR in the form of higher profitability, stronger worker relationships,

and ongoing professional growth. The hotel also incorporates CSR into its product line as a means of standing out from the competition [35]. CSR has been explicitly integrated into the company's strategy to assist in creating organizational identity, as Martinez et al., 2014 [36] note in their analysis of a case study of an international Spanish hotel chain.

### 3.3. CSR Reporting

The second school of thought examines "accountability" in CSR reporting and its distribution through ICT. This line of research also assesses and characterizes CSR activities, but it uses "content analysis" in all of its investigations. Most research in this field has looked at CSR reports and come to the following primary conclusions: There are conflicts between commercial and charitable endeavors [38]; many CSR reports focus on donations and the mention of CSR policies without providing evidence in the real field [18]; CSR issues have a positive impact on human resource management, community service, and environmental sustainability [39]; and CSR activities help to increase internal and external legitimacy [17]. Interestingly, while many hotels have stated CSR objectives, only a fraction of them have provided specifics on projects and actual performance [40]. Corporate social responsibility (CSR) systems are not reflected in operations, eco-savings form the basis of environmental performance, compliance with local legislation is the primary goal of labor policy, socioeconomic policies have no bearing on the tourism destination, and commitment to the customer is shallow [21]. Furthermore, firms prioritize financial concerns over environmental and social ones [41]. Findings from other sources, however, indicate that CSR information transmission in the hotel industry is now dispersed throughout the reports and websites of the firms; hence, it is advised to enhance CSR communication. Particularly, Pérez, 2015 [42] recommend that hotels reconsider their communicative connection with certain of its stakeholders, such as suppliers, and take steps to arrange CSR information online. Studies in this line have investigated the reporting procedures of the world's top hotel chains; therefore, they cover practically all geographical areas, unlike the "Practices" line of study. In recent years, there has been less interest in studying this phenomenon.

### 3.4. CSR Impacts

Thirdly, CSR studies are divided into two categories: (a) studies that examine how CSR relates to hospitality companies' marketing actions and strategies, with the goal of describing or measuring the effect of CSR actions on customers' perceptions and behavioral intentions (external stakeholders); and (b) studies that examine CSR from within the company, with the goal of analyzing the effects of CSR on the company's internal stakeholders. Internal influences are researched more than external ones. The near-total dominance of Asian market research, especially in China, is startling. In addition to structural equation modelling, most research in this topic involves in-depth interviews and content analysis. Quantitative research outperforms qualitative. Surprisingly, hotel management is surveyed regarding potential implications on corporate performance. Only two pieces in this series poll consumers/customers, and practically all are Chinese. US and Spanish studies seldom exclude Asian buyers.

#### 3.4.1. CSR-Marketing

Tourists' propensity to select hotels according to environmental and social criteria has been the focus of studies in the field of external marketing [43,44], with researchers identifying such responsible attributes as culture and local cuisine and the positive, helpful, and knowledgeable attitude of the staff as factors that add to the overall quality of the stay. Customers respect the company's connection to the local community, political position, workplace culture, purpose and vision, and environmental policies, with a focus on the latter two in terms of loyalty, price-sensitivity, service quality, and brand identification [43]. Several research suggest that CSR affects customers' purchase

intentions for hotels with significant ornamental design. Externally focused CSR activities (business philanthropy, environmental conservation) in luxury hotels moderated the connection between conspicuous decoration style and purchase intention more than internally oriented ones (e.g., staff treatment) [45].

#### 3.4.2. CSR Business Performance

Researchers have largely examined CSR's influence on employees. Some researchers studied how CSR impacts workers. Workers' CSR opinions have been extensively explored. Employees' understanding of CSR initiatives is related with better levels of job satisfaction and engagement [46,47], and it has a positive impact on organizational identity and commitment, and, thus, on organizational citizenship behavior [48–50]. When it comes to corporate social responsibility (CSR), workers place a premium on leadership styles that emphasize innovation and environmental stewardship [51].

### 4. Conclusions and Future Scope

There is a lot of research on customer responses to CSR initiatives in general management, but less on how they affect hotel guests' buying choices, loyalty, and advocacy. To understand how CSR influences marketing and long-term competitiveness, one must answer all of these issues. Thus, hotels' CSR involvement needs more persuasive grounds. The bottom line will ultimately compel corporations to operate responsibly. Consumer awareness is crucial. Most big hotel chains prominently promote CSR on their websites. Do consumers and the public know about these CSR initiatives? Do these policies impact their spending? How do consumers learn about CSR? Academics have ignored these simple, important issues. If consumers and customers are uninformed of CSR practices, how can firms expect a positive response? How can hotels use CSR to boost their brand, client preference, goodwill, and advocacy?

No research has examined hotel stakeholders' CSR perceptions. Locals are a hotel's most significant clients, yet few empirical studies have examined their opinions. A hotel's reputation and good status in the community boost guest satisfaction (since engaging with locals is part of every trip) and government officials' and regulators' favour. Researchers should assess the local community's CSR knowledge and attitudes. Customers, employees, and the neighborhood are diverse. Researchers have ignored the likelihood of different CSR reactions within these groups, assuming they share the same views, values, and viewpoints. These stakeholders' requirements and reactions to hotels' CSR initiatives may vary greatly. Thus, segmentation may disclose new CSR-consumer, worker, and community results.

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