Universiti Utara Malaysia

BEYOND PROFIT: CORPORATE SOCIAL RESPONSIBILITY (CSR) PRACTICES AMONGST HOTELIERS IN PULAU PINANG, MALAYSIA

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DOCTOR OF PHILOSOPHY

UNIVERSITI UTARA MALAYSIA

2018

Awang Had Salleh
Graduate School
of Arts And Sciences

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Abstrak

Konsep tanggungjawab sosial korporat (CSR) telah berkembang pesat pada dekad yang lalu dan secara perlahan telah menjadi satu trend yang semakin meningkat di dalam sektor perhotelan. Di Pulau Pinang, potensi sektor perhotelan dalam memberikan manfaat kepada komuniti masih diperdebatkan walupun ianya bukanlah sesuatu yang baharu. Kajian ini mengkaji amalan CSR dalam kalangan pengusaha hotel dengan mengambil kira pemahaman mereka terhadap CSR, aktiviti-aktiviti yang dijalankan yang memberi kesan ke atas kesejahteraan komuniti, pengurusan CSR, sebab-sebab serta cabaran dalam melaksanakan CSR. Satu siri temubual mendalam telah dijalankan terhadap lapan pengusaha hotel di Pulau Pinang. Dua kumpulan perbincangan berfokus telah dijalankan melibatkan pekerja dan penerima manfaat untuk mendapat gambaran tentang persepsi terkini serta sebab-sebab yang menjadi asas bagi persepsi tersebut. Kajian mendapati bahawa amalan CSR masih dianggap berada pada tahap permulaan dan ini merupakan tanda ketidakmatangan dalam pelaksanaan CSR di Pulau Pinang. Para pengusaha hotel di Pulau Pinang gagal untuk membantu komuniti mendapatkan manfaat daripada pembangunan CSR di kawasan mereka seterusnya menidakkan peluang komuniti untuk memperbaiki kehidupan dan kesejahteraan mereka. Pengusaha hotel terhalang dengan komunikasi dalaman mereka yang lemah serta kurangnya kesedaran sosial dalam menghubungkan kepelbagaian aktiviti mereka itu. Aktiviti CSR yang dilaksanakan secara bermusim adalah disebabkan oleh dana yang tidak konsisten serta kurangnya pemahaman dan kepakaran dalam bidang ini. Kajian ini menekankan perlunya polisi dan perancangan yang lebih mantap dalam mencapai maksud CSR yang sebenar. Kajian ini turut mencadangkan satu model perubahan sosial yang lebih baik untuk para pengusaha hotel melibatkan diri dengan jayanya dalam pembangunan CSR di Pulau Pinang.

Kata Kunci: Pengusaha hotel, Tanggungjawab sosial korporat, CSR sebenar, Kajian kes.

Abstract

The concept of corporate social responsibility (CSR) has grown exponentially in the last decade and is gradually becoming a rising trend within the hospitality sector. In Pulau Pinang, the hospitality sector is not new and its potential in delivering benefits to the local communities is still a much debated subject. This study investigated the CSR practices amongst the hoteliers with regard to their understanding of CSR, the activities performed in the hotel that affect the wellbeing of communities, the management of CSR, their reasons and challenges in implementing CSR. A series of in-depth interviews were undertaken with eight hoteliers in Pulau Pinang. Two focus group discussions were conducted involving employees and beneficiaries in order to obtain an insight into their prevailing perceptions and underpinning reasons for such perceptions. The study found that CSR practice is still considered to be at its infancy stage and it is a sign of the immaturity of CSR implementation in Pulau Pinang. The hoteliers in Pulau Pinang have failed to facilitate community access to benefits of CSR development in their respective localities, thereby denying them the opportunity to improve their wellbeing and livelihoods. Hoteliers are hindered by poor internal communication and a lack of social consciousness connecting their various programs. The seasonality of CSR activities is due irregular funding and lack of understanding and expertise in this area. The study stressed an urgent need for decisive measures at policy and planning level to achieve the true meaning of CSR. This study also proposed a model of genuine social change for hoteliers to participate successfully in CSR development in Pulau Pinang.

Keywords: Hoteliers, Corporate social responsibility, Genuine CSR, Case study.

Acknowledgements

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List of Abbreviations

BYT	Banyan Tree Hotels and Resorts
CARE	Community Aid, Reach-Out and Enrichment
CDP	Carbon Disclosure Project
CSR	Corporate Social Responsibility
DNA	Deoxyribonucleic Acid
EM	Effective Management
FGD	Focus Group Discussion
FLS	Fire Life Safety
GM	General Manager
GIF	Green Imperative Fund
GTFS	Green Technology Financing Scheme
GCNM	Global Compact Network Malaysia
HR	Human Resource
IHG	InterContinental Hotels Group
ISO	International Standards Organization
KPI	Key Performance Indicators
MAH	Malaysian Association of Hotels
MARCOM	Marketing and Communication Manager
MHI	Meliá Hotels International
MNEs	Multinational Enterprises
NEM	New Economic Model
NGOs	Non-governmental Organizations
NMC	National Mirror Committee
OECD	Organization for Economic Co-operation and Development
PR	Public Relation
PGC	Penang Green Council
PWD	People with Disabilities
RM	Resident Manager

RO	Research Objective
RQ	Research Question
SD	Sustainable Development
SMEs	Small-and-Medium Enterprises
TBL	Triple Bottom Line
UN	United Nations
UNESCO	United Nations Educational, Scientific and Cultural Organization
WBCSD	World Business Council for Sustainable Development
WTO	World Tourism Organization
WTTC	World Travel and Tourism Council
WWF	World Wildlife Fund

CHAPTER ONE

INTRODUCTION

1.1 Introduction

The main purpose of this chapter is to introduce the outline of the research study. It starts with a brief overview on the problem and its background. Statement of the problem subsequently be presented along followed by research questions and objectives. Finally the rest of this chapter is devoted in explaining the significance of the research and end with the limitations of the study.

1.2 Background

The rise of sustainability wave has precipitated decision for business practitioners in 21st century to behaving responsibly and has been a clarion calls on them to adopt serious corporate social responsibility (CSR). The notion of CSR has added immense pressures for all industries, as both domestic and international companies are becoming conversant with the concept. In the aftermath of the endless corporate disasters, stakeholders who are labeled as an attention-seeker require the business to operate in socially responsible fashion. Therefore, of late, a tremendous surge of CSR has become more familiar for business institutions worldwide since the concept also acquired a new reverberation in the global economy (Jamali & Mirshak, 2007).

The term of CSR as a global trend has grown in importance and witnessed resurgence in recent years. Indeed, a vast range of activities from recycling, working with surrounding communities and tackling environmental issues are now considered under the umbrella of CSR. Despite of being widely used terms, the concept is still an

embryonic and has not been uniformly coined, with prolonged disparities in definition. At its broadest, CSR is about the way business strikes a balance between economic, social and environmental obligations and on the other hand meets expectation of wide array of stakeholders.

Conceptually, the European Commission (2001) interprets CSR as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis" (p. 6). However, the most extensive adopted definition was proposed by the World Business Council for Sustainable Development (WBCSD). The basic idea has always been straightforward which described business is not divorced from society as a whole. More subtly, WBCSD explains CSR as the business commitment to contribute to sustainable economic development, employees, their families, the local community and society as a whole in order to improve their livelihood (WBCSD, 1999). The last well known definition of CSR is defined by WBCSD (2000) as a continuing effort by business to behave ethically sound and contribute to economic growth and society at large while improving the quality of the well-being. It is noticeable that though CSR term has no universally accepted definition, the proposed definitions will actually boil down to the same elements namely profit, planet and people.

As far as its volume and value are concerned, sustainability wave has gained so much traction in social and environmental consciousness by the worldwide concerned hotels since most of them have made concerted efforts in making good headway in CSR (Tsai, Hsu, Chen, Lin, & Chen, 2010). Hyatt Hotel, for instance, is a world-renowned hospitality industry that integrates CSR into all aspects of their activities. Socially

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responsible business practices and serious commitment on their surrounding communities have been pivotal to Hyatt's culture since they critically engaged with their internal and external stakeholders. The hotel has recently embarked a new corporate philanthropy program "Ready to Thrive" which devoted in upgrading lives of communities and creating economic sense in a way. The binding between societies and hotels are essential if both are to thrive (Koo, 2013). Thus, many hotels have incorporated CSR as part of their strategic tools and marketing strategy. Take, for example, Marriott International practices strategic CSR through a program called "Pathway to Independence" by cultivating and developing long-standing needed talent while providing extraordinary job opportunities. The result mutually benefits both, the hotel and societies, whereby the program simultaneously decreased Marriott's turnover in a way that CSR permits financially self-sustaining (Heslin & Ochoa, 2008 ; Porter & Kramer, 2006).

Behind the emergence trends and growing number of hotels to behaving in a more sustainable way, hotel industries are still in their infancy phase of CSR development. A survey undertaken by Pricewaterhouse Coopers (2006) into 14 of Europe leading hotel chains shows that even though some progress has been made, hotel sector is still lag behind other European industries in responding to corporate responsibility challenges. Font, Walmsley, Cogotti, McCombes and Häusler (2012) in their study to examine 10 international hotel groups with a strong presence in Europe indicates that the focus on CSR issue is likely to be more inward- looking as hotel is interested on CSR impacts on the organization itself rather than on its audiences. There was a strong emphasize on environmental impact which has been presented in most policies, however a focus on socioeconomic issues of the hotel was totally limited. Another

crucial study is in the European context on the top three of most popular hotel in Croatia has also witnessed similar pattern of CSR practices. The findings are quite disappointing because CSR practices have not been widely accepted while social consciousness is still lacking among the surveyed hotels (Golja & Nižić, 2010).

Nevertheless, the fact remains that rapid expansion of CSR has provided avenues for economic growth for many countries, regions and social groups. Besides, social responsibility practice has become a main concern for both large corporations and small medium enterprises as they are competing to be seen as socially vibrant entities. Unlike large multinational hotel chains, some local and smaller hotel groups are still struggling with the proposed ideology and belief that CSR is only applicable for large businesses with some availability of funds and resources. It is in tandem with a study done by Maccarrone (2009) on Italian companies asserts that size of the company and the degree of internalization turned out to be relevant factors in shaping CSR achievement of a firm. For instance, in most West African region, like Nigeria, small medium sized hotels can act as a vital platform for CSR to flourish since they also contributed to economic development by optimizing high proportion of room revenue every year. However, according to study of Efiong, Usang, Inyang and Effiong (2013), delving into CSR engagement by the hotel industry in Nigeria found that there was a low level of CSR sensibility among the smaller hotel groups. Unsurprisingly, the level of CSR involvement is heavily weighted towards environmental concerns with little acceptance of social impacts. At this instance, the area of CSR involvement in Nigeria is still in its incipient stage of development in fact smaller hotel groups should view CSR comprehensively in order to be on par with the superior companies.

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CSR activities in many ways have numerous benefits for hotels in terms of creating a positive reputation, generate competitive advantage, cultivate workers' enthusiasm, increasing sensitivity for social commands and to some extent provide significant economic gains. Thailand, a country in the continent of Asia, for example, perceives CSR as sweeping change agent particularly in addressing complex social and environmental issues. However, in some circumstances, international chain hotels in Thailand are focusing on strengthening their reputations and revenues in the first place with the aim of getting certificate and recognition from publics. Local hotels, on the contrary, may only focus on costs and long term sustainability due to their resource deficiency (Khunon & Muangasame, 2013). The repercussion from that will cause local and smaller hotel groups to only deliver what they have promised as their CSR initiatives are based on sufficiency economy approach. With such claims, a recent study in Kho Samui Island reveals that most of the visible hotels (four and five star hotels) are concerned with CSR practices while environmental sector is the most preferred dimension after all (Wuncharoen, 2013). In this context, many hotels regard CSR programs as a rational investment and as part of their core business and strategies, the more genuine CSR activities will be. It seems, as far as social needs are concerned, the more the merrier.

Malaysia, being one of a well developed tourism hub in the South East Asian region had also demonstrated a growing awareness of social responsibility in recent times. The increasing army of non-governmental organizations (NGOs) such as the Malaysia Trade Unions Congress (MTUC), Consumers Association of Penang (CAP), the Federation of Malaysia Consumers Associations (FOMCA), Malaysian Nature Society and World Wide Fund (WWF) Malaysia trigger extremely in the wake of

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social and environmental consciousness in Malaysia. Even the Government of Malaysia has been discussing about CSR as a boardroom agenda for several years along with the establishment of Prime Minister's CSR awards and National Tourism policy to encourage greater degree of CSR implementation amongst the hotel sector. Despite of running the industry within permissible social and environmental limits, the extent to which Malaysian is doing CSR is still in its rudimentary stages (Nejati & Amran, 2009). On the other hand, the meanings of CSR amongst Malaysian remain interwoven and rather illusory as been crystallized by many experts in the CSR field (Janggu, Joseph & Madi, 2007).

Currently in the context of Malaysian scenario, most of CSR practices do not directly meet the expectations of local communities although some multinational companies posses good CSR reputation (Amran & Devi, 2008). CSR initiative is more on occasional gesture since many businesses will express their magnanimity to the poverty-stricken, elderly as well as orphanages during the holiday season. These activities are normally will be held in the large five star hotels with the welcoming social media to grant them publicity (Amran, Zain, Sulaiman, Sarker & Ooi, 2013). And according to Ramasamy and Ting (2004), smaller companies in Malaysia have been experienced financial and organizational constraints which curtail myriad CSR activities and appeared to be lacking in their commitment with regards to CSR. Consequently, many companies will conduct charitable activities as a means in upgrading their public relations (PR) practices and likely to select the programs that have most direct impact on their performance. Indeed, business cultures in Malaysia probably have mistaken CSR as solely corporate philanthropy when in fact the better world is not created through only charitable deeds or sympathy. Too much open and

clear philanthropic-giving will lead to the public skepticism to conclude a business's intention is not genuine and hence swept away all the intended goodwill (Blackburn, 2007). At this point, Malaysian organizations including the hotel sector regard CSR to be more on sporadic motion and on the other hand such practices are always motivated by public relations and underlying financial motives. In fact, CSR seems to be benefiting on organizations far than society does. It is obviously to notice many companies are only practicing certain facets of CSR and apparently the most prevalent approach of sustainable practices are donations, sponsorship and providing educational support whereas in reality there are explicitly a plethora of other societal issues that need to be addressed (Lu & Castka, 2009).

Nonetheless, most of CSR practices in Malaysia that have been identified in academic hospitality literature placed more importance on environmental concerns glossing over social and cultural aspects as evidenced in the study of Punitha and Rasdi (2013), Kasimu, Zaiton, and Hassan (2012), Garay and Font (2012), Kasim (2007a), and Kasim (2007b). As been discussed earlier on, environmental concerns have also received an increase of attention at regional level. The ultimate reason behind such trend is because environment had the strongest predictive power for consumer to value the achievement of CSR and in fact substantial amount of attention was given to ensure CSR activities will reflect guest experiences. Unsurprisingly therefore the common sentiment among CSR practitioners on this ideology heavily stresses on environmental aspects rather than socio-cultural CSR projects (Sheldon & Park, 2011). Hotels subsequently emphasize more on this factor as part of their CSR implementation and eventually will elevate its brand image (Kucukusta, Mak, & Chan, 2013). It shows that the hotels avoid straight away anything that does not add

value to business particularly on its performance. Ironically, hotel relies more on society for its ubiquitous presence and survivor than many other sub-sectors of the tourism industry. This symbolic and dyadic connection is vital for the success of industry because social demands are considered to give certain authenticity and prestige. Therefore, since CSR is seen as reciprocal benefits situation the focus on the impact of hotel's activities should be on a wider basis to include social consideration as being indispensable for CSR development and credibility.

A generic conclusion is that CSR terms are no longer counts as an idiosyncrasy for the hoteliers worldwide especially in both discussed regional and national context but the practice is often perceived an ad hoc approach and something nice-to-do add on. Besides, at this point, which is very repetitious, the common issue of CSR is lack of social inclusion in the community. And apparently hotels are practicing CSR in their own way without understanding the notion as to what CSR actually is. Such practices do not align with the CSR conceptions and many hotels remain confused about the true meaning of CSR and its ideology. It is a sign of immaturity of the CSR implementation where the key inhibitor is narrow view of the definition itself. Truly, CSR should be embedded and integrated as it should be. However, from the explained phenomenon above, CSR seems to be alienated and split from business, for business and society permits inseparable relationship. This is understandable, given that CSR has failed not because there was no social responsible practice but CSR in other way was artificially separated and hotel industry was fueled to serve certain part of stakeholder groups rather than a balanced interest of society as a whole. In this context, there is a major gap between the academic definition of CSR concept and the way it is applied and abused by CSR practitioners.

Irrespective of what these countries have practically achieved from sustainable practices, hotels are still at the beginning of their journey in preparing themselves to meet the fast track of global challenges and sustainable tourism market. Although there has been a positive movement for economic efficiency, sustainable stewardship on natural resources, upholding social values and creating heightened opportunities for community empowerment, these efforts however need to be developed with appropriate standard or proper indicators pertaining to genuine CSR evaluation. Unfortunately, this urgency has not adequately been addressed yet. Besides, studies on genuine CSR are limited in its scope and opens up a great opportunity for researchers to explore particularly in Malaysian context. Henceforth, it is crucial for hoteliers to comprehend every components of CSR to ensure that they developed them comprehensively and genuinely. In other words, hotels need to place importance on genuine CSR so that its economic, social and environmental growth can be sustained.
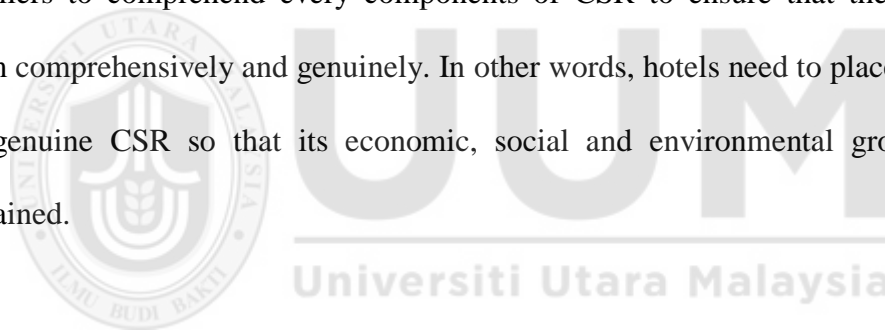
1.3 Problem Statement

Penang, one of a state in Malaysia also known as virgin paradise is located charismatically on the northwest of Peninsular Malaysia. Besides of being vastly urbanized and industrialized for its electric and electronic manufacturing hub, Penang has always been a popular holiday hotspots, both locally and internationally. Penang offers variety of accommodations and perfect getaway teeming with a number of hotels and resorts ranging from beachfront resorts to corporate style and great interior heritage design. Being one of the main tourism destinations, Penang is becoming more earnest not to produce irreparable damage to the Mother Earth and at the same time address the interests of their broader communities. It was followed by many

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hotels and resorts in Malaysia to embrace with CSR practices and capabilities in order for the industry to attain more sustainable and socially just society (Punitha & Mohd Rasdi, 2013). In a move to support the CSR wave in Penang, Danny Law Heng Kiang who is the Chairman of State Tourism Development Culture Committee had launched a CSR project proposed by Flamingo Hotel and urged other hotels and as well as private organizations to integrate CSR initiatives within their daily operations. The hotel was the first in Penang to adopt bus shelters as part of their social consciousness in public amenities project and it was believed to be the first bus shelter in Malaysia to have spotlights which work from 7 pm to 7 am (Eng, 2013).

However, based on the surface level of observations, CSR efforts undertaken by hoteliers in Penang demonstrates dearth amount of knowledge regarding genuine CSR and low level of social awareness, thus logical corollary of that approaches, long-term sustainability remain nebulous. There are also vagueness and lack of clarity on conceptualizing CSR by which many hotels have embarked on this practice without actually understanding the concept (Siti-Nabiha, George, Wahid, Amran, Abustan, & Mahadi, 2011). In some extreme cases, for instance, hotels did not know anything about their CSR status and assumed such status as being socially responsible. At worst, some hotels are using CSR as a tool to strengthen their legitimacy and reputation (Chen, Patten & Roberts, 2008). Such practices imply that most of the hoteliers are still having trouble with the CSR ideology, unaware and uncertain about the actual benefits of CSR holds for their organizations (Amran et al., 2013). According to Senior Project Manager of CSR Asia, the CSR survey conducted among the leading publically-listed companies in Malaysia revealed that most companies fall far behind global best practices, lacking knowledge and failed to fully understand the

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CSR notions as well as CSR issues relevant to their activities (Bursa Malaysia, 2007). As an observation, a clear conceptualization and direction for CSR movement is badly needed for the hotel sector in particular to remain sustainable, competence and economically viable.

Moreover, according to the above mentioned practices, study by Kasim (2009) claims that lack of sufficient knowledge and awareness regarding environmental management amongst most of small and medium sized hotels (SMH) in Kuala Lumpur will thwart business from dealing with complex issues and consequently miss the point of sustainable development. Study by Siti-Nabiha et al. (2011) on Malaysian hotels and resorts were also of the same opinion. The phenomenon is gradually occurred in Penang and even quite distressing because Penang comprises greater numbers of SMH with few big hotels. Furthermore, Kasim and Scarlat (2007) explore that there are 125 SMH and 20 big hotels in the state of Penang. They also identify the hotel sector in Penang have experienced failure in order to prioritize environmental concerns in their daily routines due to lack of support systems in terms of education, training and collective efforts by all tourism business, governmental policy makers as well as their intended stakeholders. Such issues will not only discourage hotel sector from knowing their exact role in CSR contribution but the efforts of taking genuine CSR into practices will reach an impasse.

The discoveries made by these researchers in Malaysian level however have some relevance to the Penang context as their studies emphasize on tourism industry and its social responsibility impacts on local natives (see Kasim, 2009; Siti-Nabiha et al., 2011; Kasim & Scarlat, 2007). Revisiting existing literature of CSR in hotel sector

depicts an industry profoundly focused on environmental protection, evidencing a deficit of papers studying a wide range of CSR issues involving areas such as social impact and the like (Abaeian, Yeoh, & Khong, 2014). In this context, since CSR mainstream is not a new fashion in today's parlance, it is not clearly evident on to what extent hotels have contributed towards societal aspects. Therefore, it is crucial to look at them from a social point of view. Consequently, by conducting more studies in this area, researchers will be able to comprehend the genuine aspects of CSR and how creating benefits for society is seen as the end in itself.

Within the Malaysian context particularly in Penang, many CSR cases experienced failures in terms of abuse of the very idea of CSR and practices. This has been further supported by the Penang Branch Secretary of National Union of Hotel, Bar & Restaurant Workers, Baidah (personal communication, November 25, 2013) remarks that majority of hotels in Penang used media coverage to advertise their CSR efforts. Most of the hotels are using their social contributions to provide a subconscious level of marketing. CSR is widely perceived to be more on boosting a good reputation, enhanced respectability and to garner attention rather than empowering the communities for sustainable well being. He believes that some hotels misuse CSR as a marketing gimmick since it is obscured under publicity. He further claims that most CSR experts of the hotels are sitting under Human Resources (HR) or communication and public relation (PR) department. Therefore, it is unsurprisingly for CSR to be considered as nothing more than publicity stunts. He then added that CSR is still synonymous with philanthropic exercise and hoteliers are prone to express their benevolence during festive seasons (for instance, Eid Mubarak, Deepavali and Chinese New Year).

Despite of various recent spate of studies were done in the area of CSR in Malaysia (Abaeian et al., 2014; Haji, 2013; Bakar & Ameer, 2011; Lu & Castka, 2009; Amran et al., 2013; Nejati & Amran, 2009) and other parts of the world (Kabir, 2011; Grosbois, 2012; Kang, Lee & Huh, 2010; Font et al., 2012), astonishingly, there is no research on genuine aspect of CSR has been done so far in Malaysia. However, a study of Dahle (2010) on the two Scandinavian companies has emphasized the importance of genuine CSR by developing tools and concepts for other companies that wish to evaluate their CSR practices. However, the entire research has only focused on content and scope of company's CSR efforts. This also implies that the literature concerning CSR is still in an early stage of research, in fact, there has been a lack of enthusiasm and slow progress in addressing social and environmental responsibility in Malaysia. This fact is pointing at an area where theory is fall short, indicates that there is a need to have a fitting theory where the hotel could evaluate their adherence to shared values and committed goals such as triple bottom line approach by Elkington (1997) to address the concerned area.

Still, how CSR practices should promote sustainable development remains indefinable and disputable in regards to core values, norms and principles that guide business activities (Oginni & Omojowo, 2016). Considering the theoretical concept of sustainable development, there is a need to assess the focus of CSR of the hotel industry on how they promote sustained, inclusive and social economic growth. Besides, according to Sen and Cowley (2012), due to unique resources and survival challenge, CSR within the SME sector is more aligned to the fundamental of social capital theory. On the other hand, Russo and Perini (2009) assert that social capital theory together with stakeholder theory should be taken as alternative ways of

explaining and analyzing CSR in both large organization and SME. Responding to such recommendations and minding the lack of literature connecting these concepts, the study sees these concepts (triple bottom line, sustainable development, stakeholder theory and social capital) are highly relevant for the theoretical review.

Despite of the rising value of CSR, the decisions on genuine perspectives are underexplored and being made in a relative vacuum of research data and knowledge and hence it merits further investigation to bridge the chasm. As such, this study largely looks into CSR initiatives whether the hotels are well-informed of to what CSR is and its connection with social contributions. It is believed that involvement of serious CSR by hoteliers has significantly contributed to sustainable development as it stresses on the balanced integration of economic, societal and environmental growth, thus, for that to happen, a more genuine approach of CSR should be developed and promoted by the hotel sector in Penang.

Penang, being a famous tourist destination, it is inescapable that hotel sector in this island needs to revisit its CSR development efforts, adapting more genuine approach in order to address unresolved social ills of affected parties. Unable to acquire true concept of CSR, faulty CSR in practice and failed to perform and sustain positive contributions to society will leave an open room for possible corporate catastrophes. The pragmatic logic derived in this research is quite straightforward. The point, albeit simple, makes a massive impact in the realm of CSR. The idea genuinely drives one to the reality that a doctor will judge the wellness of the patients either they are getting healthier or worse. Analogously, the success of CSR is determined by the wellbeing of the societies whether they are getting better or worse (Visser, 2010).

Therefore, having realized that there is a lack of understanding and knowledge on CSR particularly in Malaysian context, in-depth analysis of the problems and its causes are needed in the search for genuine practices.

Under the banner of CSR, hotel is requested to fulfill not just the shareholders' needs but also towards others expected multiplicity of stakeholders. However, serious issues of overconsumption, education, poverty and climate change are still posing serious hazards which are highly been criticized. Price has to be paid for the recurring social evils as humans need to rethink their deeds. Some disclosures indicate mediocre CSR practices of businesses and social responsibility commitment seems to have received lukewarm response from hoteliers in Penang. In fact, Sun, Stewart and Pollard (2010) recommend that the future success of CSR heavily counts on to what extent hotel can shift from artificial separation between business and society to a genuine connection with stakeholder groups, grounded on the interconnectedness of all individuals in community, shared value and mutual interests of self and groups, interdependence relationship between business and society and the goal of business is to serve common interests. Consequently, this study attempts to respond to such recommendations, address the above mentioned imbalances and to specifically understand CSR from hoteliers' perspectives, the impact of activities performed for the wellbeing of their communities, the management of CSR, their reasons and challenges in implementing CSR. CSR approach without a genuine wish is riddled with hypocrisy. The aim of this study is therefore to put genuine CSR on agenda to focus more on social initiatives that benefits society.

1.4 Research Questions

Correspondingly form the gaps identified above, need therefore arises to examine the overriding questions:

1. How do the hoteliers define CSR?

2. Have their CSR activities have an impact on the lives of the beneficiaries?

3. Do these hotels have specific functions responsible for managing CSR?

4. What are their underlying motives in relation to CSR?

5. What are their challenges in implementing the CSR practice?

1.5 Research Objectives

Hence, by putting organization structural, critical success factors, challenges and scope of CSR into perspectives, this study are expected to accomplish specific objectives as follows:

1. To critically evaluate hoteliers' perspectives on CSR.

2. To ascertain to what extent does CSR practice and management of hotels affect social wellbeing of their beneficiaries.

3. To specify the functions of CSR in the hotels' organization structure.

4. To explore the underlying motives that influencing the hotels to embark on CSR.

5. To identify challenges of organizing and implementing CSR in the hotel.

1.6 Significance of Study

Within this dynamic context, this study attempts to improve the knowledge base supporting the link between theory and practice in CSR. For instance, some of the theories centered on the symbiotic relationship between the companies and their

social context, lending it social acceptance and prestige. This study, therefore, highlights on theoretical understanding, evolved from an initial, vague awareness between the hotels and CSR context into an explicit identification of rules of conduct, decisive tools and indicators pertaining to genuine CSR evaluation. In particular, this study helps managers to develop better CSR tools and knowledge in order to have the best responsible managerial practices and further improve socially responsible competences.

As for the extension of this research, the study explores into the CSR practices, instruments and tools which may be useful in creating significance of CSR sensibility among business community since all parties concerned posses relevant knowledge on genuine CSR. This study, in the Malaysian context, does not purport to be fully comprehensive and not intended to be viewed in a broad scope and dynamic of the subject matter. Rather this research is to lay the foundation and serve as baseline information for future and potential in-depth studies and to enhance the effectiveness of implementing social responsibility practices and ISO 26000.

Therefore, in this context, studying the research problem will primarily contribute to understand the current position and status of CSR development in Penang especially in the hotel sector for achieving its sustainability goal. Further, this study will also helps to identify the impediments in development process of acquiring genuine CSR practices by reviewing existing policy, CSR planning process, budgets, capacity building and empowerment. Relatively little is known about what is actually being the cause and what can be achieved in a given social, cultural, political, economic and geographical conditions. This will highlight on the efforts of policy makers and

the hotels to spread the idea of CSR practices at every level with countless initiatives and formal definitions.

This study also hope to contribute to the area of discipline with the pursuit of CSR initiatives and ISO 26000-Social Responsibility which not only relevant to the hotel sector but also all types of sectors, public and private, large and small enterprises, in developed and developing countries. Other than that, this study is also expected to contribute to the expansion of body of knowledge as no studies in this area have been documented yet in Malaysia. It will represent the first attempt of contribution made to examine the nature of genuine CSR particularly involving the hotel sector especially through the formation of a model of CSR management for genuine social change.

1.7 Scope of Study

The scope of this study is targeted at hotels' CSR representatives as the core respondents, enabling researcher to evaluate and explore the success of hotels' CSR. In this regard, only those responsible for CSR will be interviewed exclude several others stakeholders and beneficiaries.

As mentioned earlier, this study, in the Malaysian context, does not claim to be exhaustive. Rather the study is to lay the foundation to the potential in-depth studies of CSR in the future. Perhaps, the future study would embark on the comparison among the sectors (manufacturing, banking, agriculture sectors) towards operating in 'socially responsible organizations'.

In this regards, there will be a new emerging market opportunities for the hotel sector to take on and at the same time, they not only need to learn how to embrace it but to conduct itself as a corporate citizen. It is also important to note that we are now living in a much more transparent world than our predecessors where it is not easy for the business to escape scrutiny.

1.8 Conceptual Definitions

For clarity, the following terms in this study are conceptually defined as follows:

Hotelier – a person who manages the operation of a hotel (Hotelier, 2017).

Beneficiary – A person, group or organization that benefits from something, who receives money or other benefits from a benefactor (Beneficiary, 2017).

CSR practice and management – Involves the interlocking functions of creating corporate policy, organizing, planning and coordinating of CSR activities performed by a business in order to achieve defined objectives (Fayol, 2016).

The functions of CSR – According to Aldama, Amar, and Trostianki (2009), function of CSR refer to the actions, activities and specific roles assigned to or required or expected of a person or group.

Underlying motives – Reason to do a certain thing or something that cause an organization to act and practice in certain way (Graafland, Kaptein, & Mazereeuw, 2010).

Challenges – Reasons for the company's reluctance to embrace CSR and sustainability (Graafland & Zhang, 2014).

1.9 Operational Definitions

In order to maintain coherence for further discussions and share common view for the underlying concepts, the following terms were operationally defined in this study and will be utilized as follows:

Hotelier – A hotel manager from four to five star hotel in Penang who is responsible for day-to-day management of a hotel and their staff.

Beneficiaries – In this study, beneficiaries represent senior citizens, children and teenagers, handicapped, communities, and educational institutions.

CSR practice and management – In this study, CSR practice and management is referred to as decisions, actions and resource allocation by the hotels as being defined by Fayol (2016) in a way that multifaceted initiatives will benefit the society as well as enable them to meet their objectives.

The functions of CSR – Functions of CSR in this study refer to a specific person assigned to manage CSR or departments that have the most impact on CSR-related decision making as depicted by Aldama et al. (2009).

Underlying motives – Motives in this study refers to extrinsic motivation (business case or financial advantage) and extrinsic motivation (ethical or altruistic) that drive and push the hotels towards CSR as being defined by Graafland et al. (2010).

Challenges – Referring to a situation and issue that threatening effective and successful CSR implementation in the hotels or what are the reasons that make hotels reluctant to embrace CSR practices as being defined by Graafland and Zhang (2014).

1.10 Summary

Chapter one outlined an introduction to the background of the study as well as emphasized instances of lack of research that have been performed on CSR in the hotel industry. Despite that much CSR study is now becoming a mainstream research, none of research highlighting on genuine aspect of social responsibility has been carried out so far in Malaysia. Guided by the concept suggested by Dahle (2009), this study is becoming more challenging and important for hoteliers in Penang to demonstrate some sincerity towards getting the right strategy to improve the quality of life in local communities by adopting the right grounds of CSR as spelled out in the research objective and significance of the study. There will be some limitations in this study but the findings of this research would not only make CSR more meaningful in the Malaysian context but also provide future research to be empirically explored into various degree, scopes and platforms.
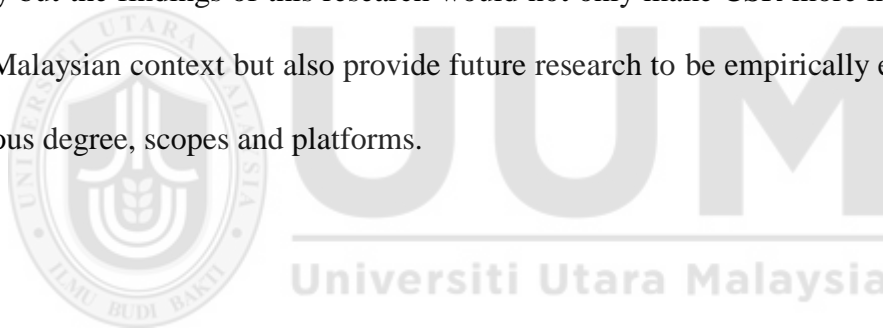
CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Introduction

This chapter commences with an overview of previously conducted studies of research on CSR. In order to have better understanding on the development of CSR and its status within business management, a specific focus is given to include a description of CSR, historical background and evolution, followed by a presentation of some arguments for CSR and underpinning theories pertaining to CSR. The remainder of the chapter discusses about status and value of CSR in Malaysia especially in addressing the local communities.

2.2 Historical Evolution and Background of CSR

Evolution of definition of CSR has a long, diverse and impressive history since 1950s with many scholars appeared to delve the concept of CSR in their body of literatures. The concept continued to grow and gained so much importance in both academics as well as business practitioners worldwide. According to Carroll and Shabana (2010) CSR is an exceptional creation for business over the past half century and today CSR remains the subject of intense debate, theoretical development, commentary and research.

One of the well-known contributors during 1950s was Bowen (1953) who queried, "What responsibilities to society may businessmen reasonably be expected to assume?" (p. xi). Bowen (1953) set an initial definition of the social responsibilities of businessmen: "It refers to the obligations of the 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" (p. 6). First of all, Bowen's (1953) book unduly focuses on the doctrine of social responsibility and it is obvious to see how it marks the modern era of CSR. His book and definition were broadly used in literature from 1950s and therefore Carroll (1999) once declared him as "Father of Corporate Social Responsibility" because of his early work on CSR. Another expert during the period was Morell Heald. Even though Heald (1957) did not briefly state definitions of social responsibility, his discussions on CSR were consistent with the idea of Bowen. Obviously, 1950s was a period of the beginning of modern era of CSR. Businesses started to feel that they cannot exist unless society exists and for that they have some obligation for the betterment of the society. Literature during the 1950s discussed about the obligations of the businesses and how their decisions touched the lives of the natives in many ways.

During the 1950s and before, there was a little evidence regarding CSR definitions. However, in 1960s, the literature marked significant efforts to state what CSR actually means. One of the early contributors in this period to define CSR was Keith Davis who wrote extensively about the subject and later in his textbooks and articles. He indicated that CSR refers to "businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest" (Davis, 1960, p. 70). He accentuated that CSR should be seen in the context of management practices although social responsibility itself is still vague. His views became commonly accepted worldwide and Carroll once considered him as the Father of CSR designation, runner-up to Bowen (Carroll, 1999). This is quite interesting because during 1960s, the discussion was more pertaining to link social responsibility with

business power and referred to the concept of social contract as been proposed by Davis (1960) on his famous "Iron Law of Responsibility," which asserted that "social responsibilities of businessmen need to be commensurate with their social power" (p.71). William C. Frederick was also a prominent contributor during 1960s as he stated:

> [Social responsibilities] mean that businessmen should oversee the operation of an economic system that fulfils the expectations of the public. And this means in turn that the economy's means of production should be employed in such way that production and distribution should enhance total socio-economic welfare. Social responsibility in the final analysis implies a public posture toward society's economic and human resources and a willingness to see that those resources are used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms (Frederick, 1960, p.60).

Another foremost scholar to define social responsibility during 1960s was Joseph W. McGuire who claimed that, "The idea of social responsibility supposes that the corporation has not only economic and legal obligations but also certain responsibilities to society which extend beyond these obligations" (McGuire, 1963, p. 144). As opposed to former thoughts, McGuire's (1963) definition is more specific. He defined social responsibility as beyond their legal and economic obligations. Even though he did not specifically mention in his definition what those obligations were, he came out with the latter statement by saying that business must has interest in politics, in the wellbeing of the society, in education, in the welfare of its employees and therefore, corporation must act in a manner as a proper citizen should. The point here was to highlight that CSR had to be accepted as genuine and corporation held the entire scope of obligations it has on society. The 1960s was where the CSR literature expanded and developed substantially.

During the 1970s the definitions of CSR started to flourish and seemed to have improvement in delineating CSR in academic disciplines. A foremost thinker on the subject, Heald (1970) at the very beginning of the decade once described about the obligations of businesses have to societies and uttered the relationship between company and society. He asserted that businessmen during that period were engrossed about corporate philanthropy and relationship with community. Another notable contribution was made by Johnson (1971) who presented a number of views and outstanding definitions on CSR. He argued a socially responsible firm must take into account their employees, suppliers, dealers, local societies and nation. Davis (1973) in his landmark article on case for and against business assumption of social responsibilities asserted that business institutions need to move enthusiastically towards incorporating social norms into their decision making process and acts in the field of social solidarity. CSR is more than profit making and businesses to date have no excuse of not to embrace with CSR. However, Milton Friedman entered the discussion with his provocative diatribe. Unlike other scholars, he approached CSR from different angle. Friedman (1962) alleged that the primary purposes of businesses are to maximize profits rather than integrating CSR in their organizations. Two other scholars during this period were Henry Eilbert and I. Robert Parket who were less interested in giving rigorous statement. It was the stage where CSR has shifted from the verbal discussions into more practical state and implementation. Eilbert and Parket (1973) describes CSR as:

> Perhaps the best way to understand social responsibility is to think of it as 'good neighborliness.' The concept involves two phases. On one hand, it means not doing things that spoil the neighborhood. On the other, it may be expressed as the voluntary assumption of the obligation to help solve neighborhood problems. Those who find neighborliness an awkward or coy concept may substitute the idea that social responsibility means the commitment of a business or business, in general, to an active role in the solution of broad social problems,

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such as racial discrimination, pollution, transportation, or urban decay (p.7).

Their study reviewed how far CSR had affected organizational structure and the type of CSR activities involved by corporations. It was stood out to be the precious findings because they signified one of early efforts to link CSR with organizational variables and suggested that CSR should be composed with various different activities.

Afterwards in 1976, Fitch defined CSR in terms of problem-solving perspective. He claimed, "Corporate social responsibility is defined as the serious attempt to solve social problems caused wholly or in part by the corporation. The problem concept is operationally defined, and social problems are distinguished from non-social problems" (Fitch, 1976, p. 38). Fitch's problem-solving approach means that firms need to be socially responsible, must recognize a social issue and from the range of social issues, later track which ones urgently to be solved first. The great think tank of CSR, Carroll (1979) proposed the four-part definition of CSR as follow: "The social responsibility of business encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point of time" (p.500). The concept proposed by Carroll represents a clearer view of the social problems faced by managers and how it can aid them to elevate their social performance. CSR definitions proliferated well in the 1970s. It is apparent that few definitions emerged in this period stressed on the stakeholder approach and during this time, too, a three-dimensional CSR conceptual framework constructed by Carroll became well known worldwide. However, during this period some other scholars defined CSR more

exclusively as a concept of social responsiveness (Sethi, 1975) and as a principle of public responsibility (Preston & Post, 1975).

One of the most notable authors to describe CSR during 1980s was made by Tuzzolino and Armandi (1981). They developed an outstanding mechanism to assess CSR by proposing a need-hierarchy framework which was designed after Maslow's need hierarchy. They did not redefine CSR but provided a conceptual tool that help business to facilitate the operationalization of CSR. They believed organizations are individuals too who possessed criteria that need to be met, similarly with human as portrayed in Maslow hierarchy. Another great CSR scholar, Strand (1983) presented a systems paradigm of organizational adaptations to the social environment which illustrated how social responsibility, social responsiveness, and social responses attached to an organization-environment model. His approach represented another attempts to link CSR concept to other similar views and to the environment-organization. Research done by Cochran and Wood (1984) was among the brilliant cases to associate CSR with financial performance. It is reasonable to conclude that CSR increases company's reputation and increases the level of trust by customers which in return will also perk up their profits. There were less definition developed during this era yet more empirical study and other dedicated themes began to mellow. As according to Carroll (1999), the alternatives themes are corporate social performance (CSP), stakeholder theory, and business ethics theory.

The 1990s was the chapter where CSR further yields to alternative themes coupled with more CSR definition that started to reveal. Wood (1991) reformulated the three-dimensional models whereby she linked Carroll's four types of corporate

responsibilities (economic, legal, ethical and philanthropic) with three institutional levels (legal, organizational and individual). She also came out with three principles of CSR namely legitimacy, public responsibility and managerial discretion. This was a noteworthy contribution because her point was more explicit as opposed to the past implicit outcomes. Her effort of expanding a corporate social performance (CSP) model that captured CSR concerns was stood out during this time. Again Carroll appeared as notable contributor in 1990s as he wanted to revisit his four-part CSR definition. For this time, he was referring to the discretionary expectations as philanthropic and suggesting that it embraced corporate citizenship. As suggested by Carroll (1991), the pyramid of CSR depicted economic perspectives at the bottom followed by legal, ethical and philanthropic categories. Carroll (1991), however, made it clear that business should not perform these categories in a chronological form but each of categories needs to be fulfilled at all times. CSR gradually emerged in 1990s that brought fewer new phenomenons in the definitions of CSR. The decade of 1990s marked an impressive transformation of CSR into alternative thematic structures.

The 21st century is the beginning phase of new dimension of CSR. Rahman (2011) stated that it is the era of emerging CSR where large organizations started to embed CSR into their corporate structures and tackle CSR problems in their related fields. The public are more educated then before and they are totally aware of what is going on in the industry. Furthermore, in the wake of the series of Enron's collapse in 2001 has surprised the stakeholders' globally to stress the businesses to be accountable and transparent in future. As CSR continue to expand, few scholars reviewed and redefined the relevance of CSR for the 21st century of business world in broader scopes of CSR territory. Thus, CSR will continue to bloom as time goes by.

2.3 Arguments for CSR

There will be no business to be done on a dead planet. This view implies that for business to have a healthy climate, it is required to take a stern action to ensure its long-term viability. Although it might sound like a cliché, the basic idea is that business and society are interdependent and interwoven rather than separate entities (Wood, 1991). This interrelationship between business and society creates an argument or rational supporting for social consciousness by many proponents of CSR. Simply put, businesses will only success with the existence of healthy society. From education to health care are needed to improve workforce productivity while working environments and product safety not only magnetize customers but reduced the incidence of internal costs (Porter and Kramer, 2006). Eventually, a healthy society creates more calls for business since more social expectations are being met. A business that seeks its ends at the expense of society, as argued by Porter and Kramer (2006) will only unearth its success to be fanciful rather than real. Meanwhile, a healthy society requires favorable companies as the business sector every now and then provides significant employments, wealth and novelty by improving the standard of living and social circumstances.

Porter and Kramer (2006) propose four prevailing justification in favor for CSR: moral obligation, sustainability, license to operate and reputation. The first argument claims that a company has a duty to be good corporate citizen. An argument on sustainability stresses about the importance of environmental and community stewardship while the third notion of license to operate implies that the survival of a company depends on the approval from authorities, communities and various other stakeholders. In order for a company to obtain its mandate to operate, it needs to build

solid bridges with the stakeholders by maintaining strong relationship with them through effective dialogue and communication. Finally, the justification on reputation refers on boosting company impermeable image, strengthen its brand identity and add value to its stock. For some stigmatized industries, chemical and energy sectors in particular, companies may use social responsibility initiatives for reputational insurance mechanism with the hope that its CSR reputation will not be tarnished by scandal or public criticism in the event of a tumult. The risk is that CSR is seen as nothing more than a PR ploy.

Companies engage in CSR for number of sound reasons. There are many arguments in support of the social responsiveness. Some justification for CSR highlights that preventing is better than curing. According to Carroll and Buchholtz (2009, as cited in Carrroll and Shabana 2010) pro-acting is sensible and less costly compared to re-acting to social issues once they have emerged. Another rationale supporting CSR claims that whilst many others have failed in combating social problems, why not giving business a try (Davis, 1973). This basically means that business possesses necessarily expertise be it from the leaders or executives to make certain plan in solving social issues. As government is limiting its efforts to answer some social calls, business has the right opportunity to fill the gap. Many of these arguments for CSR have existed for decades and remained a hot topic to the present day.

2.3.1 Business Case for CSR

The business case refers to the underlying business rationales and justifications supporting why CSR is matter in the business community, that is, how CSR activities and advancements will generate significant bottom line benefits to the companies.

Whatever the case, business case certainly postulates that by being socially responsible will bring material benefits and privilege to the company.

The business case for CSR has gained so much prevalence in discussion by the worldwide business. Generally, the business case is mainly about the bottom-line reasons for business to advance CSR practices. As been argued by Kurucz, Colbert, and Wheeler (2008), 'business case' is a pitch of investment in a project that promises to spawn significant outcome to justify the expenditure. That is to say, can a company perform better financially not only to its core business operations but also addressing its wider civil society groups? As proponents of CSR often claim upon certain advantages that derive from 'CSR cause', they usually take it as a requisite for business, not least for the sake of economic success (Kotler & Lee, 2005; Porter & Kramer, 2006). While there are voluminous arguments on business case for CSR, no single rationalization is decidedly determined for how CSR elevates company's bottom line. This, in turn, raises a question that has been issued by some researchers in CSR-related field whether there is really a clear-cut market motivation for virtuous corporate behavior. Besides, there is no evidence claimed by behaving virtuously will make business more profitable (Vogel, 2006).

Zadek (2000) has grouped the business case for CSR into four reasons and claimed that companies possess substantially identical interest in performing CSR to defend their reputations, to justify benefits over costs, to integrate with their broader strategies and to learn, innovate and manage risk. On the other hand, Kurucz et al. (2008) maintain four general types of CSR business cases which overlap with Zadek's. Their typology of the leading approaches include cost and risk reduction,

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acquiring competitive advantage, reputation and legitimacy as well as finding win-win outcomes through synergetic value creation. Under a cost and risk reduction viewpoints postulate that CSR may avert rigid rules and regulations or recognize some tax benefits which in a way minimize the cost. Clearly that company will reduce its costs and risks by practicing certain CSR activities. Company advantage arguments focus on strategy differentiation on how organizations use CSR as opportunity to differentiate themselves from their rivals. CSR activities also help organization to create strong and intimate relationship with its various stakeholders, customers and employees. Legitimacy and reputation justifications contend that CSR is about 'mutualistic' relationship which signifies that the firms are able to pursue their financial goals while meeting the competing stakeholders' expectations. Finally, synergistic value creation posit that CSR allow great opportunities for a firm to pursue its operations profitably while at the same time satisfying stakeholder's needs. These opportunities are only feasible through CSR practices because CSR itself acts as a vehicle that allows firm to pursue its goals and answer stakeholder's calls (Carroll & Shabana, 2010).

In addition, Sprinkle and Maines (2010) mention that organizations may involve in CSR for four main reasons include altruistic intentions, using CSR as a window-dressing to appease stakeholders, improve recruitment, motivation and retainment of employees and customer-related motivations. Weber (2008) on the other hand proposes five reasons for CSR namely positive effect on image and reputation, positive effect on employee motivation, retention and recruitment, cost savings, profitability, and CSR-related risk reduction or management. In this respect, Raviv, Becken, and Hughey (2013) highlight on the antecedents of implementing responsible

hotel sector which they classified into two categories. First category is endogenous (internal) factors or organizational drivers which encourage the business internally to engage in responsible practices. Second category is made up of exogenous (external) pressures or drivers of change which require the organization to change for the sake of reward or even when they do not see an intrinsic need to do so (Okereke, 2007).

Interestingly, Carroll (1979) asserts that social responsibility of an organization is recognized as an appeal and practice that influences its image and reputation. Deephouse (2000) supported the claim, defining CSR as the most important competitive excellence an organization can have. Besides improving brand reputation, there are also vast amounts of literature argued that CSR activities will result in a better brand reputation and which finally lead to competitive advantage of organization (Azim, Diyab, & Al-Sabaan, 2014; Bhattacharya, Sen, & Korschun, 2008; Brammer, Millington, & Rayton, 2007; Lee, Park, & Lee, 2013; Raub and Blunschi, 2014).

With this understanding, business have been previously discussed within three different core organizational values (endogenous motivation) such as altruism, legitimacy and competitiveness (Garay & Font, 2012) while four areas of drivers of change (exogenous motivation) are stakeholder pressure, business environment pressure, regulatory pressure and economic advantage (Kasim, 2007). However, all this, will eventually lead to better corporate image and reputation as well as better performance of the organization. Indeed, agree with Polonsky and Jevons (2009), CSR should not be viewed as another promotional opportunity although some organizations probably using CSR in a superficial tactical manner.

While business case for CSR hitherto has been gaining momentum, another eye-catching trend discovers a strong coupling between corporate social performance (CSP) and the corporate financial performance (CFP). Despite a wealth publications were sought to discuss the responsibility-profitability connection (*see* Griffin & Mahon, 1997; Margolis & Walsh, 2003; Orlitzky, Schmidt, & Rynes, 2003; Schreck, 2011; Garay & Font, 2012) the findings have produced mixed results and inconsistencies while the relationship between CSR and CFP is still far from clear. Despite with the belief that the more companies act ethically the more profitable they will be, unfortunately there is still little evidence to support these assertions (Vogel, 2006). Unfortunately, as Geva (2008) puts that measures used to gauge the connection between CSR and CFP in empirical research so far are pretty hallucinatory. She then adds that a more constant measure of total CSR is pivotal to embrace all its elements while enabling more complex relationship between them and total CSR as it mandates trade-off between economic perspectives and social obedience. In this vein, firms need to comprehend the context of different CSR activities and pursue those issues that bespeak a convergence between economic and social objectives (Carroll & Shabana, 2010; Porter & Kramer, 2006).

Yet despite the claim, some authors link strategic CSR when arguing about the potential benefits of CSR for a company. Porter and Kramer (2006) are among those who trigger strategic CSR concept and claim that the reciprocity approach is the best way for a company to integrate social issues into their overall strategy. They contend that typical approaches to CSR are so compartmentalized and fragmented from business and strategy which hinder significant opportunities for firms to serve its society. In the context of real world, a steady business case cannot be form by

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focusing solely on economic stance. Therefore, any CSR commitment and deed should extend beyond financial motive and growth (Kurucz et al., 2008). The implementation of CSR practices should not be done in a generic way but it should be embraced towards holistic and systemic approach. Business benefits that flow from CSR initiatives would look more relevant, compelling and genuine if the business case for CSR is developed as pragmatic and experimental striving towards better society and business future.

As been mentioned in above discussions, there is a vast body of literature purporting to explain the business case for CSR, however research on hotel perspective has received little attention while the focus has been largely on manufacturing industry (Graci & Dodds, 2008). Hotel industry is very multifaceted with diversified sizes and shapes of businesses, thus the business case in adopting a more responsible stance is not clearly evident and not well-communicated amongst the sector (Graci & Dodds, 2008). Some of small and medium sized hotels do not see the practical and tactical reasons of implementing CSR activities (Efiong et al., 2013) and in fact the recent understanding of CSR failed to encourage particularly the small medium enterprise to decidedly embark sustainable practices (*see* , for example, Roberts, Lawson & Nicholls, 2006; Murillo & Lozano, 2006). On the other hand, Visser, Matten, Pohl, and Tolhurst (2007) also explains that although CSR concept is valid to all sizes and ownership structures, the focus likely to be on large corporations as they normally have more power and visible to the public. Most of small medium sized enterprises decidedly perform sustainable management without actually referring to the CSR concept at all and not communicating what they practiced (Russo & Perrini, 2009). This is applicable to the hotel sector as it is also consists of high degree of small and

medium size enterprises. According to Graci and Dodds (2008) in order for a hotel industry to move forward in being socially responsible business, a greater communication, sharing best practices and cost-benefit analysis are sorely needed. Therefore, business case for CSR needs to be clearly articulated by the hotel sector not only to ensure its economic viability but also to forge solid relationship with communities. The holy grail of the business case for CSR is to show that hotels do well by doing good.

2.3.2 Moral Appeal on CSR

CSR can be categorized as one of the philosophies in the business ethics even though it been extensively accepted as a question of successful business rather than a question of morality. While CSR stream is heavily imbued to moral philosophy, the term "responsibility" itself is a value which refers to an obligation and duty to someone or something. The term "responsibility" by the same token is absolutely purposeful in depicting the needs and interest of company's stakeholders (Mostovicz, Kakabadse, & Kakabadse, 2011).

Traditionally, a moral consideration (also known as ethical responsibility) was the discipline of study of what is right and fair practice in the transactions in which it operates even though those activities are not to be enshrined in the law (Carroll, 1991). In one sense, the definitions and terms of moral and ethics seems to be used interchangeably and are cross-referenced against each other (Freeman & Gilbert, 1988). According to Velasquez (1999) in his book, he defines ethics as value judgments particularly involved in moral standards which indicates that some of the companies' free actions are right or wrong. A fundamental truth is that, every

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voluntary human activity is governed by the ethical concepts and norms which act as a channel where a person can objectively judged the 'rightness' or 'wrongness' of a practice, 'just' or 'unjust', 'fair' or 'unfair' transactions (Hosmer, 1994).

Thus understood, ethics is the foundation in creating a vibrant society, in fact, a society in the absence of ethics would spawn "the war of all against all". In similar sentiment, Lantos (2001) concedes that CSR entails the obligation for business to be responsive to society's long term needs and demands while optimizing the positive impacts and minimizing the negative impacts. He then labeling a company as ethical CSR practice if the focus is on both minimizing injurious effects and as altruistic CSR approach if the company does not mutually benefited. In other instance, if the company is planning for the profits too, strategic CSR will take place. Thus, at one point the moral justification for CSR mirrors a win-win approach.

The moral calculus is to weigh one social benefit against another or even towards its pure profits and personal ambitions. As De George (2006) postulates, the corporations have general obligation to "above all, do no harm" or so-called "moral minimum" that they must meet. This general obligation of corporations derived from the nature of the corporation, the society and collective agreement between these two parties. Thus, such obligations indicate that business at least needs to consider on environmental and social sustainability by acknowledging the existence of the society and meeting the burgeoning demands to act in more ethically desirable way. As been mentioned in the book by Drucker (1954), the ultimate duty of management was to itself, to the corporation, the community in which it engages and to its prosperity and heritage. It

remarks businesses that go beyond profit-making do not exist in vacuum and their actions and success stories are congruent with social values and dogma.

Because CSR area is intrinsically linked to moral imperative, most of corporate social performances support a sustainability interface between business and social interests. This is consistent with Graafland et al. (2010) as they found the managers that attach intrinsic value to CSR are prepared to trade off some of their earnings for achieving higher level of CSR. Although business goals and social responsibility always go hand in hand, Vogel (2006) in his book conversely asserts that virtue and profit were seen incompatible because in some circumstances and at any given time, management needs to decidedly pick between what is right and what is lucrative business opportunity. More often than not, it is more wisely to be ethical rather than being filled with all wickedness and on the other instance when the right choice is non-profitable one, management will choose the right. Although not every social interest will pays off in spades, it is more prudent for the company to strongly remain being morally sensitive in business. Interestingly as Duska (2007) describes that CSR permits ethical manner as long as it generates profit. It seems to be contradict with the ideology of CSR that summons business to constantly integrate economic, social and environment dimensions in their daily operations.

It has been argued that for a long time, business and ethics had a rocky marriage. However, many facts endorse the argument about values, integrity and responsibility actions are needed for the present-day business (Joyner & Payne, 2002; Stodder, 1998). At the very least, it is certain for management behavior that acts contrary to the stakeholder expectations will reward negative effects on the business. Armed with this

insight, Joyner and Payne (2002) provide further illumination regarding ethical motivation through empirical evidence, resulting the business tend to act in an ethically symbiotic way without being urged by external pressures or governmental forces. It is a crux of moral responsibility to be absolute mandates and do the right thing. Indeed, it implies that business needs to acknowledge their social commands and consistently behaving in virtuous manner.

As explained earlier, CSR has laid the groundwork for moral behavior in business environment. Even the notions of values, ethics and CSR are mutually independent, dyadic and reciprocal. The values will evaluate the extent of perceived social commitments on business and also been influenced by social practice and norms (Joyner & Payne, 2002). In one instance to illustrate this matter, Carroll (1979) devotes an "Organizational Social Performance Model" which highlights on firm's ethical responsibilities as one category of CSR dimension. As he puts that this ethical dimension is also been influenced by social values and demands since the society especially the stakeholders has a right to expect certain ethical actions from the companies. In light of the Carroll framework, it is clear that firm's ethical responsibilities are to meet societal expectations and recognize the importance of stakeholder views and involvement in decision making process.

It has been mentioned earlier and still sticks to the foundation of ethical concept, firm's ethical obligations are to meet society's demand and show meticulous behavior for its social betterment. Reasonably, rewards will be bestowed upon the right-doing and moral praise is a direct result of such "do-gooding". Verily, the morally-connected praising is a way of giving moral grade to someone and should be noted

that this connectedness has its own rewards and satisfactions as a result of behaving in a benevolent manner (Joyner & Payne, 2002; De George, 2006). Simply put, ethics do pay. While this might be the ultimate dream for most of the companies, a good business decisions must reflect the economic, legal and incorporating ethical considerations as integrated approach in creating a more stable and vibrant business. It is clearly mistaken and both wrongheaded and naive to exclude the ethical point of view in day-to-day dealings because what is right normally relevant and practical to make sound business decisions (Boatright, 2009). To breach these implicit moral agreement can caused the loss of legitimacy and if so, businesses are conquered by their own rhetoric and actions (Werther & Chandler, 2006). The concern is that a good business is a community member with a reason, not a piece of possessions. And thus, company once should think of itself as a wealth-creating community because these audiences are not something to be owned but something businesses belong to. These corporations, however, are immoral in the sense that they have great injustice, moral smugness and no other purpose except for their own personal ambitions and interest. At worst as Handy (2002) puts to mistake the means for the ends is the worst sin ever.

2.4 Arguments against CSR

The major argument against CSR has probably comes from Milton Friedman, an American economist who argued that sole motivation for business is to maximize the return of its shareholders and have no responsibility to society or the public (Friedman, 1970). Friedman's view was started to gain traction at that time as he tried to debunk the notion that businesses have responsibility to perform to increase the social welfare. Companies that use CSR to advance their own interest at the expense

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of shareholders show a fundamental misconception of the doctrine and nature of a free economy. And according to Friedman (1970) business core function is economic and any action dictated by any other than economic purpose would impair economic efficiency as well as exhibit a taxation obligation for the owner to bear the costs of such inefficiency.

It is arguable that Freidman's thesis about CSR has been the most prevalent argument against CSR. He was of his time but things have moved on. His contention that businesses are the ways of creating profits inherently and as long as they stay within the rules of the game, they will continue to do so. However, it was all very well during that time. In fact, the global issues are shared problems in which it is businesses' duties to find solution to lessen any damage that has been made. There is always a linkage between business and society (Porter & Kramer, 2006) but society cannot change the way businesses operate, even if they have any. Change can be made if businesses and society find common ground and that is how CSR emerges as agent of social change. Friedman's understanding on CSR is indeed too narrow to focus merely on the business which definitely outdated for modern culture.

On the other hand, Frynas (2005) has expressed similar points. This entails the competence argument against CSR. Frynas (2005) argues that although corporations have genuine intention to serve some larger social purpose, they often lack of knowledge and skills by which they are not competent enough to deal with societal issues. They eventually fail to obtain the needed result. Besides, there is a claim that few corporations have sufficient knowledge of political and cultural context of the societies in which they run businesses while many do not know what is good for

society and fail to see what the community actually need. Despite these claims, there is a lack of contact between corporations and their targeted groups. Frynas (2005) asserts that lack of involvement and interaction from beneficiaries risks creating a 'dependency syndrome' in the local community. As a result, there is a case where projects being poorly planned and corporations seem to be struggling to make strategic choice.

2.5 The Ethics Management Paradox

Bouckaert (2006) in his study on ethical paradox management recognizes the tension between instrumental and genuine motivations. The ethical assumption behind the paradox is that if ethics is used as instrument for a manager to promote the interest of company, this will create an opportunity for a company to act opportunistically. Bouckaert (2006) has also questioned the increasingly widespread use of strategic CSR. As a part of instrumental CSR, strategic CSR is focusing on strategic manoeuvring and the use of proper marketing tools (Garriga & Melé, 2004). Bouckaert further adds that the more strategic CSR is used for rational and management tools, the more it risks crowding out genuine moral feelings and genuine moral commitment. As a result of the response, a more spiritual approach to business ethics in badly needed (Bouckaert, 2006).

Although a strategic approach to CSR will create opportunities and potential benefits that simultaneously improve company's profitability, managers tend to make CSR as a rational choice and economic discourse rather than a question of genuine reasons. The idea of this paradox is supplemented by the economic incentives proposed by authorities such as premium or tax relief as an attempt to encourage companies to

adhere to the new regulations. Bouckaert (2006) argues that when economic rational argument becomes a fundamental source of ethical reasons, spiritual and genuine moral feelings will be crowded out. What is particularly significant about this paradox is that substituting economic calculations for moral feelings will create new opportunities for suspicion and distrust. Herein resides the ethical paradox in which ethic is supposed to solve the problem of opportunism, however it opens the door for disguised opportunism instead (Bouckaert, 2002).

As described earlier, strategic CSR implies on how CSR is used to promote the interests of the company. The belief underpinning strategic CSR is that it must effectively impact into the overall strategy of the company as well as promoting both the welfare of society and environment. As a result of this symbolic relationship, "the success of the company and the success of the community become mutually reinforcing" (Porter & Kramer, 2006: 89). Porter and Kramer (2006) explain that strategic CSR means company is cautiously chooses the issues relevant to the issues that fall within its business area where it can generate the greatest competitive success. This enables company to apply its expertise and resources of business to meet complex issues in the most effective way as well as creating shared value opportunities for both society and the company. As it sells motivational packages to the business, Porter and Kramer (2006) agree that "It is through strategic CSR that the company will make the most significant social impact and reap the greatest business benefits" (Porter & Kramer, 2006: 85). This means that the types of support or community groups helped will be selected carefully so that the CSR initiatives align with the corporate objectives and goals. Further, Dahle (2010) notes that CSR

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activities must be rooted in the corporation's values, vision and core competence or else it risks losing credibility.

Despite the fact that strategic CSR is concerned with the long-term success of the business, it also raises some ethical dilemmas along the way. For example, according to Immanuel Kant's own way of thinking, respecting human dignity means not treating others as mere means but an ends in themselves. He argues that for an action to be ethical, one should never see the other simply as a means, but always regarded at the same times as an end (Evan and Freeman, 1988). Certainly, using others as a tool is morally irrelevant as others are rational beings, worthy of dignity and respect. Unlike Kantian foundation, strategic CSR is treating others as objects to provide considerable benefits to company. However, it seems that virtually all systems of ethics call for all human beings to respect others as rational creatures. As such, to use CSR merely as a strategic tool to promote the interest of the company whether it is to improve business reputation or increase its competitiveness is considered immoral according to Kant's view. Instead, social welfare must be seen as end in itself. Knut Løgstrup still finds a kernel of truth in the Kant's principle which he claims that it is the duty of individuals to care for others, treating others as subject and not as object to achieving personal goal (Dahle, 2010). In term of CSR perspective, treating other as a subject implies that company is putting the welfare of society above its strategic interests. As a matter of logic, according to Dahle (2010), Kant and Løgstrup concurred that CSR is only an ethical practice if the actions taken are genuinely motivated to improve society's welfare.

Besides Kant and Løgstrup, virtue ethics also argues on what makes actions morally good. From a virtue ethics perspective, for an action to be morally good, what matters is the proper motives and doing right thing for the right reason, not for some ulterior motive (Solomon, 1992). This is true when Kant maintains, not only self-interest, but for all any attempt to satisfy one's desires or wishes are considered lacks moral worth. If the self-interest is the only reason, strategic CSR can therefore be regarded as less ethical than genuine CSR which is not motivated to promote self-interests. However, according to Ven (2008) for a company to engage with strategic CSR with the belief that it is the only proper way to produce value for all parties concerned, both for business and society, such practices are regarded as morally acceptable.

There are many views when questioning the motivations for engaging in CSR. In fact, on a moral plane, companies whose CSR practices are not based on genuine ethical reasons will be perceived as insincere by stakeholders and running the risk of losing reputation and credibility (Ven, 2008). On the other hand, Dahle (2010) points out that the instrumental use of CSR is too often perceived as an effort to hide unsavory business activities. It seems that using the right communication strategy is also important because it determines how stakeholders will perceive the sincerity of the efforts. For example, a study by Ven (2008) recognizes the company with a high-profile approach relies heavily on marketing tools such as public relations, advertising, and sponsorship to communicate its CSR efforts. Such actions, despite of adding a strong commercial aspect to the company's CSR, public skepticism also abounds which make it difficult to identify genuine CSR in action. Contrastingly, a low-profile approach indicates that company restricted its CSR communication on the website as well as social and environmental reporting only. When putting CSR into

practice, it is crucial for the CSR efforts not to be deliberately selective or conveniently overlook into the issues domains (Ven, 2008). In terms of inconsistency in moral conduct, stakeholders whose interests are not regarded as vital in the decision-making process will find CSR is nothing more than hypocritical window-dressing.

2.6 Underlying Theories

A number of explicit theories were drawn to explain CSR. However, with regards to these new ideologies, this study focuses predominantly on four theoretical approaches which serve as guidance throughout the research process namely the triple bottom line, stakeholder theory, sustainable development and social capital theory.

2.6.1 Triple Bottom Line (TBL)

The Triple Bottom Line (abbreviated as TBL) is a term of growing popularity, though akin to the CSR philosophy, it has become an apparatus for inspiring institutional concern on sustainability. Despite how TBL helps to address world's worrisome problems is particularly heartening this concept will lead businesses to sustainable development as per say goes, "anything below the sun is called sustainability". Regardless of how TBL is intended on putting social and environment into the equation, the terminology is seen as a warm and comforting approach where in reality only fewer business people knows of what the social entails.

Famous theorist, Elkington (1997) through his landmark's book "Cannibals *with Forks: The Triple Bottom Line of 21st Century Business*", popularizing the concept of TBL as his argument suggests the corporate leaders should tabulate results in three

separate bottom lines namely the 3Ps (profit, planet and people). In other sense, only companies embrace a TBL are taking into account all elements involved throughout the business cycle and apparently they will realize that the world are dominated by bits and bytes.

As been illustrated in Figure 2.1, TBL required business to consider three dimensions. It takes into account not just on economic value they add but also putting environmental and social influences into long-term perspective. It is always be in the business DNA (deoxyribonucleic acid) in maintaining economic viability and achieving commercial advantage. Perhaps, they seem beatified to operate in their silos. It is well understood about business's natural behavior to devour their rivals and competitors and lives by their instinct ignoring their business social responsibility (Elkington, 1997). Realistically, business alone does not work anymore since all the parts in the world are interconnected that required companies to consider environmental stewardship and social fabric as well. Environmental concerns and social responsibility must therefore be a part of the DNA for business today.

Economic Prosperity
(Profit)

Environmental Stewardship   **Social Concerns**
(Planet)   *(People)*
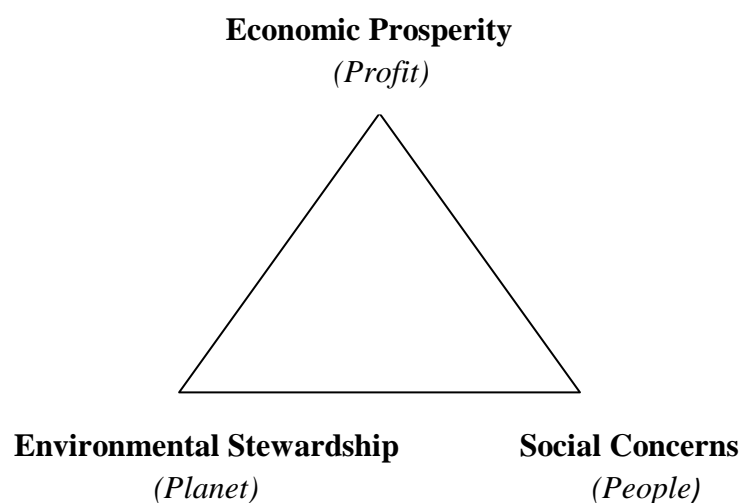
Figure 2.1. Triple Bottom Line for a Sustainable Business

From social problems to environmental matters are the issues of growing stakeholders' concerns. Activist, public interest groups, customers and investors have exploded and fueled the rise of CSR wave. They demand that business to be responsible to the ecological system and on the communities which they conduct their business. A company that guided by TBL approach will benefit many constituencies without exploiting any group of them.

In concrete terms, a TBL business in return often giving back to community, providing them with health care, education, fair salaries and safe working conditions in order to strengthen and support their communities and civil society. More importantly, for a business to sustain over indefinite period wealth opportunities need to reach as many people as possible. Undoubtedly to meet social sustainability, business needs to forge direct relationship with them, support their accelerating growth and give instant feedback to their needs. Businesses started to realize that society will help them to prosper. As a matter of fact, a study done by Ismail (2009) claimed that CSR should benefit the community because they effect and are affected by the companies' activities. It is a matter of how business respects the sensitivity of society and addresses the issues that affect them. Social sustainability is a cornerstone in creating livable communities in future. Torjman and Caledon Institute of Social Policy (2000) explained the primary concern for social dimension of sustainable development is poverty reduction, social investment and the establishment of a quality society. It is about the fact that businesses do the right things for the community and in return community will do the right things for them.

The last three decades have witnessed tremendous surge on environmental issues in organization theory and behavior (Banerjee, 2001). Environmental sustainability reflects on how economic centric approach has dismissed all elements of natural capital when in fact economic dimension is seeing as one vital part of society with both social and economic activity are constraints by environmental aspect. A TBL business typically avoids destructive environmental practices or overexploitation which leads to depletion of natural resources. Thus, the continued existence of humans badly depends on how well they steward natural capital to ensure social and economic sustainability. More importantly, environmental sustainability is seen as critical for growth and sustainability. In addition, sustainability connotes the need to maintain the health and integrity of ecological system (Bosselmann, 2008).

Needless to say, today's business is no longer enough to be a money creation machine but to ignore the other two notions of sustainability (social and environmental aspect) since this is another way of creating opportunities for gigantic losses in business. The TBL approach acts as an excellent business barometer for potential future success by exploring new opportunities to prosper and discovering benefits that come along with this notion. The upshot is that every element of a system is attached to its relationship with the whole parts. Therefore, business needs to look at the world as a system, as a whole picture and warden all its resources accordingly in order to survive (Senge, Smith, Kruschwitz, Laur & Schley, 2008).

TBL of CSR (social, economic, environmental performance) presented by Elkington (1997) see corporation as an entity with moral obligations that are not merely connected to the economic obligations as Friedman (1970) proposed. The reasoning

behind this tripartite theory is the concept aims at long-term sustainability. As such, this study assumed that a definition of CSR that includes TBL is most relevant and fits with the CSR practices of the hotels since they also emphasize on these three tabulations. Further, this study finds this theory is more extensive because it also covers many dimensions of the CSR spectrum and it is believed to help the hotels respond to sustainability issues.

In light of the above facts, there is also a growing interest in the concept of TBL across the hotel industry because of the opportunity it gives to account not only on how the industry is responding towards environmental impacts, but also to consider on its broader social and economic performance. This inclusion of social dimension implies that the hotel is a member of the moral community and simultaneously gives it social responsibilities. Thus, many hotels make rightful contribution to their respective communities by responding to suffering and their needs. It also means that there is a growing appreciation that the voice of the impacted communities must be heard. With the concerns raised by community members, this has contributed to an increasing appreciation to include social dimensions into the management process and planning (Coakes & Fenton, 2001) which also explains the increased promotion and use of TBL concept across the hotel industry.

2.6.2 Stakeholder Theory

The origin of stakeholder theory has been popularized by the idea of Freeman (1984) in the late twentieth century, which also being a mirror image of CSR. The notion of CSR is grounded on stakeholder theory with the supposition that shared sense of value is inevitably a part of creating successful businesses. Similarly, Freeman (1984)

had previously stated that managers were obligated to diversify and go beyond the legal compliances and economic interest. Davis (1960) also acknowledged that organizations cannot afford to disregard being socially responsible citizens while managers' decisions should go beyond traditional profit maximization.

There is a theory of stakeholder salience which also refers to management philosophy in the sense that it delineates on how manager looks after the health of company and seeks for a balance between the needs and values of widest possible range of conflicting stakeholders (Donaldson & Preston, 1995). Realistically, the theory pervades the belief that corporations have social obligations towards satisfying numerous constituent groups in society as opposed to the classical view of business management by Friedman (1962) where economic proficiency is the primary focus of business. Indeed, economic wealth or value is generated by people who work collectively to elevate the wellbeing of all members in society. The duty of manager within this theory is to generate earnings on collective bottom line whereby the profit is not considered as property but as social welfare. Manager, therefore need to stimulate their stakeholders, build a two-way dialogue and create positive rapport between them where everyone is vying to offer their best to signal the value the company promises.

It is well understood that the stakeholders act as important constituents while profits are the main hallmark of business practices but in reality, it is likely that economic disquiet is more conspicuous rather than assessing the key drivers for value-creating process (Freeman, Wicks, & Parmar, 2004). Despite of being economic-centric by most businesses, it is critical for them, be it small or large business entities to

acknowledge their incumbent stakeholders since these groups impose significant impact on corporate decision making. Thus, by entering a dialogue and engaged completely with a variety of stakeholders, business managers will manage to identify, evaluate, and balance the demands of these groups (O'Riordan & Fairbrass, 2008; Russo & Perrini, 2009). In this regard, according to Freeman (1984) stakeholder theory rightly takes into consideration of any groups or individual that in some way affect or those is tangibly affected by the achievement of corporate agenda and to whom management need to be responsive.

Mitchell, Agle and Wood (1997) however acknowledged the importance of stakeholders identification and described stakeholders in the narrow sense which prone to focus on those groups of human that have direct interest on corporation's economic performance. This enlightened the reason behind certain stakeholder conditions and classification important to the organizations as Mitchell et al. (1997) generated a systematic classification of attributes (power, legitimacy ad urgency) of key stakeholders vital to strategic planning.

Clarkson (1995) puts that without these beneficiaries of support and unabated collaboration, the organization would not exist. He further subdivided these stakeholders into two groups namely primary and secondary. The primary stakeholders are for those with formal or official contact with the company such as shareholders and investors, employees, customers and suppliers while secondary stakeholders include those who influence or affect or are influenced or affected by the company but not engaged in transactions with the company and not essential for its survival such as government institutions or local society (Clarkson, 1995). Regardless

of which parties may constitutes as company's cardinal stakeholders, corporations need to include all relevant stakeholders into the system since these parties posses substantial relationship and corporate social capital, as well as ensuring the ongoing survival of the business (Figar & Figar, 2011).

Notwithstanding that some researchers expound differently on stakeholder principle whether broader or to a lesser extent, there is a solid understanding that company-stakeholder relationship are dyadic and mutually inclusive (Frooman, 1999). Despite the multitudinous definitions, majority of studies simply stem from classical view of Freeman (1984) which regards a person or groups as legitimate stakeholders. As explained earlier, this is obviously a broad conception which leaves the idea for possible stakeholder uncertainty and never-ending scope for stakeholder idealization. This dilemma is compounded believing that each stakeholder group may possess different and conflicting views. Since stakeholder theory promotes an infuriating range of signals on how the issues of stakeholder identification can be answered, Mitchell et al. (1997) find this is necessary to establish limits to this broad view of stakeholders.

In a bid to make sense of reducing the managerial complexity and respond to the right stakeholders, Mitchell et al. (1997) build a typology of salience stakeholders based on normative claim that every entity holding any three key important attributes of power, urgency or legitimacy are worthy for management attention. Moreover, they contends that power, urgency as well as legitimacy must be taken into high consideration regardless of how distasteful the results are, by arguing that this preliminary theory enlightens on which stakeholders have perceived stakes. Certainly, understanding

how stakeholders will react is a part of good management and the most influential information for any manager. In short, by putting the focus on salience stakeholders approach, managers can plan and strategize their actions accordingly since they have the insight on how others in the environment will act (Frooman, 1999).

Stemming from the idea of Mitchell et al. (1997), Clifton and Amran (2011) in the similar vein argued on the reliance-on-the-powerful dimensions in the sense that favoring one own right at the expense of others as an indication for a robust criterion in such favoritism is merely violate moral solidarity. Controlling the stakeholders' interests and disregarding their rights is tantamount to manipulation and hypocrisy. What matters most for business to create sustainable world is the balanced attention bestowed with a deep sense of meeting the needs for all parties, not based on the extent of power a party might hold.

Regardless of diverse versions of stakeholder claims, it seems that there is a hierarchy of interests and corresponding obligations that will take precedence over any other claims. Moreover, the best option for managers is to create as much values as possible (Freeman et al., 2004) by linking all relevant stakeholders in decision-making process permitting to satisfy their aspirations for a more sustainable well being. It is certain that the bargaining aim of stakeholder theory management is to achieve a win-win scenario and advanced shared visions particularly in a medium to long term standpoint. From this fact, it does not assume that businesses can easily manipulate their stakeholders to reach their promising trade-offs (Post, Preston, & Sachs, 2002).The logic behind this argument is that value creation and trade need to go hand in hand but it is unnecessarily for business to make special emphasis in which

stakeholders do really count. As Freeman et al. (2004) highlight the doctrine of truth for business is about putting all together so that everyone in society will win constantly and in fact by winning the consent of these groups, businesses will obtain a social license to operate.

Within the contemporary stakeholder theory, Figar and Figar (2011) call for corporations to balance the multifaceted needs to all sides and include all relevant stakeholders into the system with the genuine intent of optimizing values across the gamut of those whose welfare are affected by business. Therefore, from a stakeholder point of view, this study must pay considerable attention in understanding the interdependencies among multiple stakeholders especially involved in hotel industry and comprehend how this collaboration exists during CSR management.

Stakeholder theory has also known as the theory of organizational ethics and management (Phillips, Freeman & Wicks, 20003), suggesting a strong linkage to social and environmental obligation. Thus, stakeholder theory is constructed upon the belief that organizations such as hotel industry are expected to manage stakeholder interests and by doing so they will eventually be more thriving. Blending social and economic initiatives together to maximize benefit to all stakeholders is crucial for a successful organization (Post et al., 2002).

It is believed that stakeholder theory is best suit for this research as the study attempts to explore and determine the hotel's CSR efforts towards numerous stakeholders. Besides, in an organizational context, stakeholders are the one who are going to be affected by the operations of the hotel. This is understandable, given that CSR and

stakeholder theory are built upon each other and complement each other (Kakabadse, Rozuel, & Lee, 2005). In fact, the word stakeholder signifies that the hotel has social responsibilities that linking it to CSR. In addition, previous literatures have also discussed on how CSR plays an important part of stakeholder theory (Carroll, 1991; Freeman, 1984; Kakabadse et al., 2015).

It is also interesting to note that even though many stakeholders are going to be affected by business decisions, some managers may not aware about what stakeholders expect from the CSR programs. This is a result of why some stakeholders perceive CSR as a means to financial gain instead of pursuing social good. In other words, the shareholders or the owners are those who are going to benefit from the financial gain of CSR, not the other stakeholders of a hotel. One of the key arguments from this theory is that managers should address the interests of various constituents rather than just their respective shareholders (McWilliams et al., 2006), thus implying that the priorities of the different stakeholder interest must be evaluated as well. It is apparent, therefore, that one of the stakeholder theory's greatest strengths by Freeman (1984) offers the most fitting perspective in this research study for a more holistic conceptualization of CSR across hotel industry.

2.6.3 Sustainable Development Theory

The past few years have seen the emergence of a significant development of sustainable development as a catchphrase. It follows with a great involvement of wide range of nongovernmental as well as governmental sectors to embrace with this new paradigm of development (Lélé, 1991). More importantly, debates about sustainability

were no longer considered solely on environmental aspect, but also included economic and social dimensions (Dempsey, Bramley, Power, & Brown, 2011).

In fact, global warming, deforestation, global starvation, water crisis, and many more are the negative impacts caused by humans. Humans destroy ecosystems (World Business Council Development, 2000). Businesses are now challenged by the stakeholders including investors, customers and activists to develop their own blueprint on how they will sustain economic vitality while protecting their environment and taking care of their employees and local communities. This adverse impact of development on environment may seem frustrating and therefore, in order to address these global concerns there is a need to seriously consider the global solutions and to act with extreme urgency, knowing that all are interconnected and even humans are part of that web.

For that reason, Agenda 21 is a global action plan is designed to address the pressing issues of today and aims at preparing the world for unprecedented challenges in next century. It was implemented at the first place to involve action at international, national, regional and local contexts. Being a comprehensive agenda for transition to sustainability in the 21st century, sustainable development reflects political pledge and global consensus at the utmost level for cooperation, interlocking environment and development as well as introducing a new concept of human-centered sustainable development. Instead, the successful of the implementation of Agenda 21 is the responsibility of various actors depending on situations, capacities and priorities of countries and regions. These include the role of governments trough its national agenda and policies, other international, regional and sub regional organizations who

step forwards to participate in this effort, broadest involvement of public and nongovernmental organizations as well as other groups with a key role to play. This process marks the beginning of large-scale partnership between various groups for sustainable development. As a dynamic program, Agenda 21 will evolve over time due to changes in needs and circumstances (United Nations, 1993).

Although sustainable development is a much-used term and idea, it has many different meanings which arouse many different responses. Broadly, the notion of sustainable development is about an attempt to combine growing concerns about an array of environmental issues with associated socio-economic issues (Hopwood, Mellor, & O'Brien, 2005). In 1987, United Nation sponsored Brundtland Commission with the release of *Our Common Future,* a report that heavily emphasizes on environmental concerns and poverty issue in many parts of the world. The Commission, named after the former Norwegian Prime Minister Gro Harlen Brundtland, vigorously offered the definition of sustainable development as a development that meets the current needs without compromising the ability of future generations in fulfilling theirs (Brundtland, 1987). This concept is usually presented as the interdependence between the environmental, economic and social components. All too often, the economic perspective is known to have priority in policies while the environment is seen as apart from humans. In reality, they are interconnected in a way that economy is highly dependent on society and environment while human existence and society are dependent on and within the environment (Giddings, Hopwood, & O'Brien, 2002).

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Despite that, the definition by Brundtland (1987) can directly applied to the situation in Malaysia since it also embarks in this collective journey where current economic, social, cultural and environmental aspects are very much dependent on one another. Thus, sustainable development requires a balance between current stakeholders needs while simultaneously foreseeing the needs of future stakeholders. Meanwhile, when Brundtland sent the report to the United Nations Environmental Programme Governing Council in Kenya, two essential points were emphasized. The first key point signifies that development cannot continue its current patterns but requires a change. Secondly, the key message highlights that change is not only needed but it is also possible (Brundtland, 1987). In this sense, action is badly needed but it is not yet too late to change towards sustainability.

In the social context, humans are at the central concern for achieving sustainable development. According to United Nations Conference on Environment and Development in 1993, sustainable development must be achieved at every level of society to promote sustainable livelihoods. Governments, for instance, with the assistance of and in cooperation with appropriate international and nongovernmental organizations should support community-driven approach to sustainability which focuses on empowering the communities. Humans are also entitled for equal access to employments, access to basic services in health, education, human rights and security (United Nations Conference on Environment and Development, 1993).

Based on the above facts, many concepts have emerged to underline the importance of striking a balance between human needs to improve well-being and on the other hand, the need to preserve natural resources and environment. More specifically, sustainable

development might means living within the carrying capacity of the planet while leaving a small footprint as possible (environment), living on the interest rather than principal (economic) and living in serenity, integrity and good governance are essential to sustainable development (social). The easiest way to understand this concept is through the 3P's mnemonic which stands for Profit, Planet and People. These three dimensions however are inseparable and it reflects how everything relies on everything else around it (Giddings et al., 2002).

It is noticeable that goal for sustainable development is to secure economic development, social equity and environmental conservation equally. As far as they could work in harmony, these dimensions often work against each other. For instance, the rapid development of good living or travelling has oftentimes resulted in less protection to the environment and effect on certain groups of the world population (Houdré, 2008). Therefore, like other emerging industries, the main challenge faced by the hotels all around the world pertaining to sustainability issue is to create sustainable condition that protect the interests of the tourists, enhance the earth's life-support systems, the communities while also continue to provide revenue stream for economic growth. In short, sustainable development is a development that good, both for the future and the present and knowing every element of ecosystems is essential for sustainable development because when one goes wrong, the rest will follow.

The emphasis on sustainable development theory in this study is to see how the sustainability aspect being incorporated into hotel management, grounded with the ethical belief of give and take in achieving long term business success. In fact, according to Ebner and Baumgartner (2006) the concept of sustainable development

on a corporate level is stated as corporate sustainability which is based upon three pillars (economic, social and environmental issues) and to which social dimension is named as CSR. The basic idea of this theory is that CSR is used as a social strand of sustainable development concept which is largely built upon a sound stakeholder approach. This necessitates the adoption of sustainable development concept since this study emphasizes on CSR especially on the hotel involvement in realizing its commitment as a member of community and due to the general acceptance of its corporate behavior by community, in and outside of the hotel.

2.6.4 Social Capital Theory

The term social capital is gaining currency and has emerged as a much-discussed in a wide range of academic circles especially in social sciences disciplines. The concept of social capital is understood roughly as a capital that posits public goods for a common good. The commonalities of various definitions of social capital are that they emphasize on social relations and networks that enable productive benefits and preferential treatment for others.

Woolcock (1998), for instance, begins with a broad understanding as he defined social capital as reciprocity and norms that facilitate collective actions for mutual acquaintance and recognition. Robison and Ritchie (2016) on the other hand assume capital as a commodity created to permit increased production of other goods and services in the future. In this regard, capital represents an accumulation of foregone consumption to highlight on the amount saved for later use. As social capital speaks of ties, synergies and linkages, some economists substitute the word "sympathy" for the word "commodity". They acknowledged other motives such as sympathy and

caring are also consistent with the definition by Smith (1976) to constitute a motive that diverge from greed. More interestingly, according Robison and Ritchie (2016) social capital is durable while sympathetic relationship tend to last a lifetime and beyond.

There is a strand of literature that recognizes the role of social capital in production of desired socio-economic outcomes. One of the publications include Narayan and Pritchett (1997) as they viewed "capital" as something accumulated which may affect higher income or more broadly better outcomes. Five mechanisms have been determined for how social capital changes outcomes. Besides, all of these characteristics explain the potential benefits that they may accrue from increased social capital and hence that greater social capital leads to better outcomes by facilitating greater cooperation.

Despite of various definitions of social capital in the literature, these definitions are not restricted to answering the question of what social capital is. Past definitions have somehow included answers to such questions as how social capital can be used to achieve and where does social capital resides. One of the examples that combine a statement of what social capital is with what social capital can be used to achieve is by Portes and Sensenbrenner (1993). They defined social capital as the expectations for collective actions that can contribute to the economic advantages and affect goal-seeking behavior of its members. This definition combines a statement what social capital is (expectations for collective actions) with what social capital can be used to achieve (contribute to economic advantages and affect goal-seeking behavior of its members).

Another example is through the definition by Portes (1995) as he defined social capital as the capacity of person to handle scarce resources by virtue of possessing durable network or social structures. This definition can be classified into a statement of what social capital is (the capacity of individuals to handle scarce resources) with a statement of where social capital resides (networks or social structures). Likewise, Burt (1992: 9) assumed social capital as friends, colleagues and more general contacts through whom you receive opportunities to use other forms of capital. In this sense, social capital appears to combine a statement of where social capital resides (with friends, colleagues and more general contacts) with what it can be used to obtain (receive opportunities to use financial and human capital).

While Putnam (1993) has different view of social capital as he combines a definition of social capital with a statement of what gives rise to social capital with what it can be used to achieve. For instance, he defines social capital as features of social organizations such as trust, norms and networks which can improve the productivity of society by facilitating greater actions. In this definition, the fundamental concept of social capital (trust and norms) can be separated from the statements of what social capital can do (improve the productivity of society by facilitating greater actions and where it resides (networks).

Further, Coleman (1988) seeks to develop a version of sociology by having two characteristics in general. The first one is by seeing individuals who are within the structure, subject to norms, rules and obligations. The second is the economic approach which is about self-interested individuals who are seeking to accomplish their goals. He then goes to define social capital as follows:

The economic stream, on the other hand, flies in the face of empirical reality: persons' actions are shaped, redirected, constrained by the social context; norms, interpersonal trust, social networks, and social organization are important in the functioning not only of the society but also of the economy (Coleman, 1988: 96).

Based on the above definitions, it is clear to notice that social capital exists in a social relationship. Although the definitions of social capital vary, the main aspects are link to include citizenship, neighborliness, social networks and public participation. And for the sake of simplicity, social capital can be understood as the links, shared values and understandings in society that permit individuals and groups to trust each other and work together. It can be concluded that greater interaction between people creates a greater sense of community pride.

Armed with the research objectives, social capital theory underpins the value for the hotels to be part of community to which they share social and economic context. It also explains the cognizance that the hotels are part of the complex social networks which they cannot disregard the consideration of the impacted communities in order to achieve a sustainable success. Social contracts, trust, moral values, commitment and stakeholders' interests are pressing issues of CSR to which the problems become apparent when analyzing CSR activities performed by hotels. Therefore, social capital theory will help this study explains how CSR practices may have in promoting the emergence of sustainable networks of relations between the hotel and all its stakeholders. Hence, the use of social capital theory may develop the effectiveness and efficacy of CSR strategy implemented amongst the hotels as well as stimulating the adoption of CSR across industry.

2.7 International Guidelines for CSR

As the roles of businesses in becoming more transparent and accessible have increased dramatically over the past few years, more of these responsibilities have been formally defined both by local and international laws as well as codes of ethics. While few of these guidelines are subject to legislation, the emergence of new set of guidelines has probably exerted significant influence over the business norms (PricewaterhouseCoopers, 2006). In the following, four guidelines are introduced and can be used as inspiration for businesses to address social responsibilities. These four guidelines even share many factors in common that are designed on the same international conventions and principles.

2.7.1 UN Global Compact

The UN Global Compact is a global policy initiative for businesses that was founded in 1999 by United Nations Secretary General Kofi Annan to support businesses to implement universal sustainability principles. Under the Global Compact, companies are brought together to adopt environmentally sustainable and socially responsible policies and to report on them.

Kofi Annan called on world business leaders to adopt and align strategies with ten universally accepted principles in the areas of human rights, labor, environment and anticorruption as well as taking actions that advance societal goals (Gilbert & Behnam, 2013). As one of the most influential initiatives worldwide for inspiration and guidance, all enterprises or organizations may embrace and enact the set of ten principles and in addition choose to join the UN Global Compact formally. The standard is completely voluntary but commitment to implementation eventually

necessitated enterprise commits to incorporate ten principles into its business activities and to report annually on the progress made to the UN Global Compact (Leisinger, 2007). However, irrespective of sector and geographical location, enterprises that wish to commit to incorporate the ten principles must have more than ten employees before can be officially accepted into the UN Global Compact's database (Gradert & Engel, 2015).

2.7.2 OECD Guidelines for Multinational Enterprises

The Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises comprise a comprehensive set of recommendations, addressed by governments to multinational enterprises (MNEs) providing voluntary principles and standards that will improve economic and community well being. Since the standard is purely voluntary initiative and not subject to regulatory enforcement, governments that adhere to the standard will sign a binding decision upon the adoption and implementation of the guidelines to promote observance of MNEs operating within the countries as well as aiming to maximize the positive impact MNEs can bring towards sustainable development as well as enduring social gains (Morgera, 2011). The guidelines cover nine areas of CSR including human rights, information disclosure, employment and industrial relations, environment, combating bribery, consumer interests, science and technology, competition and taxation (Plaine, 1977). Being the most comprehensive worldwide instrument for responsible business conduct, MNEs are expected to fulfill the recommendations and the countries adhering to the guidelines make binding commitment to implement them (Cernic, 2008).

2.7.3 ISO 26000 Guidance on Social Responsibility

ISO 26000 is another standard in describing the principles that underlies all social responsibility endeavors as well as providing the "missing link" to guide organizations integrate social responsibility into a truly integrated sustainability system (Pojasek, 2011). More specifically, ISO 26000 is intended to assist and encourage organizations to go beyond legal compliance, stressing that compliance with law is a key duty for every organization and vital part of their social responsibility. Among other things, this guideline comprises of principles, background and seven core subjects on social responsibility that guides organizations in building social responsibility strategy tailored to their businesses. The seven key areas of impact are organizational governance, environment, human rights, labor practice, fair operating practices, consumer issues and community involvement and development. Actual efforts should be made within all these seven core areas before organizations can claim themselves as socially responsible entities according to the guideline (Gradert & Engel, 2015). This guideline is important to address the inconsistent understanding of what corporate sustainability and social responsibility entail. Besides, according to Hahn (2013) this standard is helpful in outlining the starting points to implement sustainability strategies in fact such guideline is most practical and effective for the CSR beginners.

.2.7.4 UN Guiding Principles on Business and Human Rights

The UN Guiding Principles on Business and Human Rights is an authorized global standard on the role of governments and businesses to ensure that companies respect human rights in their operations and practice throughout their relationships. The Guiding Principles spell out 31 principles which later divided into three core areas within the framework "Protect, Respect and Remedy" which was proposed to the

Human Rights Council in 2008. The three pillars are the governments' human rights obligations, the need of businesses to respect human rights and greater access to effective remedy for victims (Gradert & Engel, 2015). Moreover, these Guidelines Principles are applicable to all business enterprises regardless of size, industry, ownership, location, and structure.

2.8 CSR and Hospitality Industry

The idea of benevolent is now so influential for profit-seeking organization in addressing social, economic and environmental concerns. It is widely noticed in this respect that CSR is increasingly being embraced by all organizations around the world. And this also holds true for the hospitality and tourism industry as today in era of globalization, the commercial success of hotels is achieved by honoring ethical values to support community needs and respect the natural environment. Like many other industries, hospitality industry might exert considerably negative influence on the economic, social and natural environments including waste generation, pollutions and loss of biodiversity which in turn potentially leading to more conflicts (Chan, 2011). It follows that CSR could potentially help to deal with the aforesaid issues. Therefore, a socially responsible behavior has gained foothold in hospitality and tourism industry since many international tourism associations are actively involved to address these sustainable issues (Khairat & Maher, 2012). This emphasis was escalated significantly to international guidelines through the implementation of Agenda 21 which was promoted by the World Travel and Tourism Council (WTTC), the World Tourism Organization (WTO), and the Earth Council (Martínez & Rodríguez del Bosque, 2013).

Even though this newly-found commitment has becomes an integral part of wealth creation to both business and society, it has also been shown through the CSR classification as it have in common to outline the hotel's efforts in addressing social and environmental aspects as well as its various stakeholders. Kucukusta et al. (2013) assert that difference sectors have different CSR preferences. Similarly to Holcomb, Upchurch, and Okumus (2007), Kucukusta et al. (2013) classify CSR practices into five categories – vision and values, marketplace, community, workforce, and environment. This is contrast to Tsai, Tsang, and Cheng (2012) as their study on the hotels in Hong Kong highlights six important areas of CSR performance namely state of affairs, internal and external consumers, business ethics, community interest, financial and novelty. Whereas Levy and Park (2011) categorize CSR activities into five categories; community relations, diversity issues, employee relations, environmental issues, and product quality. Gu, Ryan, Bin, and Wei (2013) on the other hand classify CSR into eight groups namely philanthropic initiatives, customer rights, environmental awareness, employee rights, health concerns, benchmarking, ethics, and wider community.

Indeed, many hospitality organizations were first to employ and to develop ambitious CSR initiatives. For example, Accor group puts heavy emphasis on the sustainable hospitality and echoes the urgent need to give extra effort in the 21st century aiming to protect the shared planet as well as the people and environment. Accor has initiated a sustainability scheme through "Plant for the Planet: Billion Tree Campaign" in which the group's hotels have encouraged their guests who are staying for more than one night to reuse bath towels as part of the raising awareness initiative based on the campaign slogan "5 towels reused = 1 tree planted". With this program, Accor has

promised to invest 50% of the savings on laundry costs to support reforestation projects around the globe (Houdré, 2008). As Accor is entering a new phase of sustained expansion, Planet 21 was developed to intensify its sustainable development effort. Under the umbrella of seven pillars namely health, carbon, nature, innovation, local, employment and dialogue, Accor has made 21 commitments as its flagship program of sustainable development which later became the main focus of the hotel's development, strategy and innovation process (Accorhotels.com, 2012).

Despite incorporating environmental management into daily operating procedures and offers, more and more hotels have started a grassroots movement within their local communities. For instance, in conjunction of its long standing affiliation with Habitat for Humanity International, Marriott has helped fund and build thousands of homes to the needy in 15 countries through its *Spirit to Serve* program (Houdré, 2008). Similarly, Oberoi Group has developed many endeavors in various areas of sustainable development such as particularly involved in community development and social work programs. Oberoi's foremost societal consciousness initiatives began by supporting the Blind School Children in New Delhi with various activities like voice donation to create audio textbooks. Among other social contributions, the group provides professional training course to underprivileged people in gardening, cooking, tailoring and cleaning skills (Kumar & Sharma, 2014). However, in many instances, according to Bohdanowicz and Zientara (2008) hotel industry is characterized and marked by comparatively high rates of staff turnover, coupled with the current state of workforce is predominantly unskilled and uneducated amid very little advancement for internal staff. As an approach to these issues, Hilton has made a prudent movement to initiate their "Hilton University" that supports the growth and

development of staff through wide range of training opportunities and skill upgrading (Boardman & Barbato, 2008).

Along with the growing interest in CSR, honoring CSR commitments have become crucial for the big hotel chains to appoint CSR manager to drive CSR performance (Khunon & Muangasame, 2013). Even shareholders are now expecting the boards of directors to put greater oversight over social and environmental impacts of corporate activities as according to Altschuller (2013). In addition, Aldama et. al (2009) claim that structure and strategy of CSR are both related to the size of the organization. They conclude that the larger the organization, the bigger the chance of having a structured area for CSR. It is noticeable that some hotels have their own sustainable development department such as Accor Hotel. The sustainable development department was designed to ensure consistency of the group's policies through all its activities (Kumar & Sharma, 2014). It is certainly true as Bohdanowicz and Zientara (2008) found that nearly half of the investigated hotels had a well-defined organizational structure for CSR. And indeed there are examples of hotels that have accomplished this goal. The InterContinental Hotels Group (IHG) is a case in point. IHG is amongst the largest hotel chains to value strategic importance by empowering a Corporate Responsibility Committee at board level help to practice and oversight strategic green initiatives and other schemes followed by commitments down the ladder (InterContinental Hotels Group, 2009). Along similar lines, the Banyan Tree Bangkok in Thailand had a clear position for CSR in their structure. The CSR team is consisted of supervisors from every department of the hotels as part of the hotel's new strategic imperative (Khunon & Muangasame, 2013). Relevantly, well-managed CSR will not just fulfilling the motivations of its stakeholders and maximize its benefits to

community and the environment but cohesive CSR will create a strong social value. Likewise, Meliá Hotels International (MHI) created their sustainable development department specifically to facilitate the integration of all the sustainability and strategic CSR aspects into its operation (Martínez et al., 2013). There seems to be consistent with study that a well-defined organizational chart or a person responsible for CSR matter is a driving force influencing the success of CSR (Bohdanowicz & Zientara, 2008; Sheldon & Park, 2010).

Although the concept of CSR is steadfastly rooted in the business agenda, hotel industry continues to struggle with many obstacles in order for them to move from theory to practice. Vogel (2006) states that many organizations experience shortcomings in their CSR efforts because they are insufficiently clear about their goals. Developing clear metrics and tools enable businesses to assess clearly their CSR progress as well as signaling their seriousness about adopting such practices. Recent findings from Berad (2011) may shed some light on the various challenges facing business in the field of CSR. The survey from their findings elicits diverse responses and expressions. The challenges identified are lack of community participation in CSR, lack of understanding, lack of consensus, inadequate trained personnel, coverage, policy, transparency and narrow outlook towards CSR initiatives. In addition, some of the hotels were pessimistic about their role in managing CSR which they believed did not come within the purview of their current profession. While Chan (2008) found that implementation cost of CSR followed by lack of professional advice and knowledge were the key barriers among the hotels sector in Hong Kong.

Based on the abovementioned facts, Siti-Nabiha et al. (2011) stated that some hotels were failed to see the potential benefits of incurring extra costs and resources and seemed content as long as they were doing the right thing to society. They also indicate that not all hotels and resorts had specific committee to handle CSR activities due to the fact that it was on voluntary basis. In fact, it was also due to the lack of expertise of personnel regarding CSR issues and lack of knowledge of the concept (Siti-Nabiha et al., 2011). To effectively practice CSR is not a linear process by any means, however, whatever the responses point to, overcome these challenges are half the battle.

Furthermore, Sheldon and Park (2010) reported that funding may significantly influence CSR success which also the main limitation to conducting CSR. The Banyan Tree Hotels & Resorts (BYT) for instance, has set up the Green Imperative Fund (GIF) to support their CSR activities. All guests are encouraged to support through a small donation of US$2 per room per night. Having audited by Ernst and Young, the fund can only be utilized for projects that benefit community and environment. With an adequate budget, it seems that funding is key reason for the success of the BYT (Khunon & Muangasame, 2013). However, according to Fu and Jia (2012) larger organizations suppose to possess more slack resources and tend to experience less issues pertaining to lack of resources when implementing CSR.

It is blatantly implausible today for a corporation to be without a CSR approach. Like other emerging field, as just noted, CSR is growing at very fast pace for the hospitality industry to remain competitive in the market they act. From the above facts, it is very much clear to comprehend that all hotels around the world are ready to

embark with CSR practices with many of them have already integrated CSR in their strategic plans.

2.9 CSR Development in Malaysia

Over the last two decades, there was a sign of CSR movement in Malaysia (Teoh & Thong, 1984), however only at the turn of this decade CSR has truly made its headway. Since driven by extreme industrialization and advancement, vibrant development growth and social milieu have been negatively affecting the quality of life for both present and future generations. Catered to the problem, Malaysian Government has simultaneously introduced important policies and initiatives to focus on improving community wellbeing by minimizing business's impact on the environment. At this instance, the government relies on existing laws such as Anti-corruption Act (1977) and Human Right Commission of Malaysia Act (1999) to enforce CSR in Malaysia (Lu & Castka, 2009). According to Sinnappan and Rahman (2011), Malaysia is known as the earliest countries in the world to take stern action in addressing environmental issue by enacting the Environmental Quality Act in year 1974. With the massive efforts to incentivize corporations, Malaysian Government has also inaugurated a framework of New Economic Model (NEM) in 2010, aiming to promote the inclusiveness of civil society as well as achieving a high-income status by year 2020.

CSR efforts in Malaysia, as in many areas, are driven by the government. The Malaysian Government, for instance, calls on business practitioners to pay heed to environmental and social issues by setting a minimum standard to administer CSR practices specifically in the areas of health, social welfare, environmental

conservation and safety. For instance, to help overcome the climate change issue, various initiatives have been indeed introduced. The introduction of Green Technology Financing Scheme (GTFS) is the most recent approaches taken by the Government whereby the green bank helps to facilitate investment in new green technology. Apart from all initiatives and raising awareness by the Government, the Securities Commission is also pushing for a greater CSR implementation in achieving the goals of the National Integrity Plan and in line with the national agenda to have better economic growth by 2020 (Najib, 2004).

Based from the above facts, it is clearly marks the seriousness of promoting CSR in Malaysia through appropriate agencies. Instead, there are three major milestones that help to accelerate CSR performance in this country. The first is the launch of Silver Book framework in 2006, formulated to guide all listed companies in incorporating CSR into their business functions. Bursa Malaysia (known as Malaysian Stock Exchange) is another key milestone launched in 2006. Bursa Malaysia made it mandatory for listed companies to disclose their CSR statements in their reports. Besides, Bursa Malaysia has also been responsible for a variety of sustainability initiatives through its charitable arm, for instance, Yayasan Bursa Malaysia has been able from promoting financial assistance to targeted groups in need to support the development of rural school children. Bursa Malaysia also fleshed out four key areas in which companies should be working such as environment, community, marketplace and workplace. When looking at the environmental domain, Bursa Malaysia is adamant that companies should be concentrating on energy efficiency, climate change, waste management and biodiversity conservation. Besides, companies should pay attention to employee involvement, education, school adoption scheme, youth

development and employment opportunities. Since employees are also drawn from society, companies should pay heed to workplace diversity, human rights, labor rights, gender issues, human capital development, employee involvement, safety and health support. Whereas the companies are expected to support green products, engage stakeholders, engage in ethical procurement practices, manage their supply chains, develop vendor relationships and pay attention to support social branding (Bursa Malaysia, 2006). The third milestone is the Prime Minister's CSR Awards, initiated in 2007 as a significant recognition given to a business sector that has made a big impact to the community through their CSR contributions. There are more than three different awards categories to recognize social contributions of local businesses such as community and social welfare, culture and heritage, education, environment, small company CSR, best CSR, empowerment of women, special award, best overall CSR program, family friendly workplace and outstanding opportunities for people with disabilities (Chong, 2010). CSR wave has become more formalized and integrated rather than to what it was few decades ago. Although the government is the leading voice, CSR in Malaysia is still not legalistic in nature. But today, CSR is touted as a good business practices and is riding its momentum.

Furthermore, the acceleration of CSR is hastened by the expansion of CSR waves through the spread of multinational companies (MNC) from other Asian and Western countries along with the influence of The Global Compact Network Malaysia (GCNM). Study by Abaeian, Yeoh, and Khong (2014) claim that hospitality businesses in Malaysia consider a wide range of social initiatives with donation of money, time and skill as well as supporting charitable causes being the most dominant. It indicates that hotels in Malaysia have gone to great lengths to improve

the quality of life of the local communities. Such CSR movement also seems to be influence by MNC businesses along with the foreign direct investment they bring into the country. Even some scholars point out that CSR is likely a western phenomenon and suffices to say that MNC often successfully attracting the developing countries like Malaysia, Thailand and Vietnam due to their cheaper labor costs with abundant natural resources (Chapple & Moon, 2005).

In light of the growing importance of CSR in Malaysia and greater support from the Government on this notion, tax incentives have been promoted to foster companies to be socially responsible and encourage them to implement broad CSR programs. To further illustrate, the tax deduction covers a wide range of areas relating to education, health support, housing, infrastructure and communication technology. The Government has proposed in Budget 2009 that the scope of charitable and community projects eligible for tax exemption be extended to include projects that help in increasing the income of the poor as well as protecting the environment. In addition to the aforesaid enhancement, the maximum allowable tax deduction for contributions made to certain relief funds and charitable institutions is increased to 10% of the aggregate income in the relevant year. It is evident that support from the Government in terms of tax rebates, financial incentives or award is essential in accelerating the CSR diffusion process. (Lu & Castka, 2009). CSR wave is relatively an emerging trend in Malaysia as many local companies and MNCs have seemed to truly accept the calling to be good corporate citizens, coinciding with the formulation of Bursa Malaysia, the Silver Book and The Prime Minister's CSR Awards. Malaysia, on the whole, is seriously promoting CSR and further encourages all companies to start turning their success into an opportunity to help others.

2.10 The Perception and Value of CSR for Community

There is no gainsaying that CSR is becoming a growing area of strategic value creation that not just providing good returns for shareholders but benefiting the broader community as well. Admittedly, organizations interact within the geographical community are likely associated with many other communities who came into contact with them. But negative consequences from the business activities may affect both corporation and community. Being actively involved in and supporting communities as well as influencing and engaging stakeholders, corporations can strengthen their working condition and mitigate customer backlash against their brand. In recent development, it is expected for all business environments to embrace opportunities to engage genuinely with their communities on regular basis.

In addressing social causes, a number of themes can be identified including donations to charitable activities, training and development, equal opportunity, wellbeing of employees, relationship with local communities and human rights (Jones, Hillier, & Comfort, 2014). There are number of ways CSR can benefits the communities. And accordingly, a number of the leading international hotel firms stress their commitment to sustainable sourcing, providing livelihood development and use CSR as a platform to develop unique competitive advantages. Hilton, for example, emphasis on providing rewarding career to team members, creating stimulating and inspiring working environment where they have access to Hilton's internal education program so-called Hilton Worldwide University to empower them with management skills, training and personal development (Hilton, 2012). In same way, Hyatt outlines its commitment on strategic education to deepen its long term efforts to education by

introducing " Ready to Thrive", a program focused on literacy and career readiness. Besides of promoting literacy and reading skills to underprivileged children, Hyatt also keenly supports a school for children of migrant laborers (Hyatt, 2014). While ensuring access to jobs and building competency among people as an important element in corporate community engagement approach that helps to contribute to the well being of the communities in which it has a presence , it is also the most visible way a corporation can demonstrate its ethics and values.

Years ago, community engagement has moved from traditionally centered to philanthropic giving and ad hoc practices to a more strategic way in which the development of local communities is given priorities and aligned with a business strategy. In this sense, despite of shifting towards quantum leap for a more sustainable future, Marriott is the another example that touches thousands of its communities by providing opportunities that benefit them, align community engagement and support community needs. And despite giving their associates opportunity to share their time and skills-based talents with local communities each May every year, Marriott is also renowned for its status in advocating people with disabilities, providing them with valuable training and employment opportunities in the hospitability industry (Marriott, 2015). Providing employment and building capacity to provide people with appropriate skills and ability to earn a living is among the activities that help address local unemployment and promote self-reliance. In similar fashion, Bohdanowisz and Zientara (2008) highlight on other global best CSR practices to consistently supporting local communities and promoting environmental sustainability in the hotel industries such as European groups, Scandic and Rezidor. They also acknowledge Scandic as the best hotel operators so far to have successfully embedded CSR into

business strategy with the establishment of its CSR-based initiative known as *Omtanke* in 1998. They also go on to state that *Omtanke* means caring for communities and alike. Guided by this philosophy, many ongoing activities are designed to reach out the needy such as coaching youths with problems, offering part time job to disable person, serving lunches to homeless, and donating furniture to local charity organizations. These facts substantiate the research done by Holcomb et al. (2007) as they claim that CSR are becoming more significant in hospitality sector since many hotels are actively perform such practices by designing sustainable livelihood development activities, long term engagement as well as sustainable economic growth.

CSR has also manifested itself in Asia which the community carry rich culture and has a long history of religious giving. The idea of giving back to community is an age-old practice embraced by the Asian' business practitioners. However, it is certainly wrong to perceive that Asian companies always trial behind their Western counterparts (Welford, 2005). More interestingly as a study done by Cherapanukorn and Focken (2014) on the ten selected international Asian hotel groups in Hong Kong, Thailand and Singapore confirms that there are growing numbers of hotel to demonstrate their sustainable practices with many of them are adopting international standards particularly ISO as operational benchmarking performance. From the research findings, BYT and Six Senses Resort & Spas are two hotels chain that predominantly position CSR as their core operations and use it as competitive advantage. These two groups embrace holistic and systemic CSR by putting society and business together as been suggested by Porter and Kramer (2006). On the other hand, CSR activities by the Asian hotels are heavily weighted to community and

environmental concerns while donations and fundraising still were by far the most popular contributions (Cherapanukorn & Focken, 2014).

The trend is also apparent in Malaysia since Malaysia itself embraced CSR practices and relatively aware of the true value of CSR. However, Lu and Castka (2009) expressed the opinion that most of the advanced practices in Malaysia are mainly from the petrochemical industry. Petronas is a case in point. They claim that this industry decides not to limit their contributions to donations but stresses its commitment more on supporting single mothers, renewable energy projects and health care. Other form of CSR practice is through educating the student and it seems to be well grounded with ongoing monitoring and efforts to help local communities. Likewise, Philip, for example, has initiated its kindergarten project in rural village, aiming to aid the underprivileged communities with continuous monitoring of their performance and rewarding them with Book Prize Award for excellent student who excelled in their studies after their kindergarten education (Lu & Castka, 2009).

Along the similar lines, Sime Darby for instance, strives to mould its CSR policy to achieve long term value and promote sustainable business making through various CSR projects to help the local communities. As identified by Abidin (2012), Sime Darby has been reported to spent worth million of Ringgits for its social contributions to various local charitable organizations every year. Sime Darby also extremely understands the importance of creating shared value with the communities especially vulnerable children. Besides, it was the first company in Malaysia to develop their own Child Protection Policy. As for Sime Darby, the activities which address the immediate needs of children are primarily focusing in giving long-term sustainable

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solutions through various training, rehabilitating school buildings, and setting up learning center for illiterate kids (UNICEF, 2012). Such efforts indicate that there are deep and ongoing community engagements in the area that these companies operate by addressing their local communities' needs on a long term basis, providing community empowerment and fostering them from dependency to self-reliance and self-determination.

Despite the significant amount of values derived from CSR implementation, the concept in Malaysia is still deemed to be superficial while the impact is still low (Amran et al., 2013). Although such development is seemed commendable, it may not reflect the needs of local communities who are perceived to be passive stakeholders. Amran et al. (2013) identified that companies will normally dominate the relationship and less attention is given to the welfare of these groups. They also mentioned the practices that planned based on Western approaches probably will not respond to the needs of the local communities. Meanwhile, in most cases, the community is just a passive recipient depending on the generosity of the companies. And for this reason, CSR is almost equated with philanthropic giving as highlighted by Prathaban and Rahim (2005). It has also been noticed that businesses in Malaysia is seasonal since most of the practices occurred during holiday season especially on Chinese New Year, Deepavali, Eid al-Fitr and Christmas (Amran et al., 2013). And for the most part, many of the companies in Malaysia employ CSR to garner publicity and elevate the company's image and this observation is consistent with previous studies by Amran and Devi (2008), Amran et al. (2013), Thompson and Zakaria (2004), and Ahmad and Sulaiman (2004).

Based from the above mentioned facts, not many local communities understand their rights as stakeholders, which are especially true for some communities who are living in remote area where the multinational companies operate (Amran et al., 2013). When it comes to concerning the awareness among the local community, most of the CSR programs organized by companies are targeting at the companies themselves. This makes a good sense why some of communities do not believe the advantages of CSR bring to them. More often than not, it follows with the paucity of knowledge regarding CSR awareness whereby most of local communities have not been environmentally sensitive in their daily routines as claimed by Amran et al. (2013). Based on the idea of Sheldon and Park (2011) CSR implementation is not at stake due to lack of understanding and resource limitations. And this is the reason why proper education and awareness on CSR programs should be promoted to local communities (Amran et al., 2013).

At present, one thing which is missing in applying this principle is the impact of CSR on the local communities. Unlike other countries, it has been observed and been discussed earlier that CSR in Malaysia is very much an ad hoc basis with donations are still seem to be major part of the social initiatives. Welford (1997) further asserts that regardless of their country of origin, companies' enthusiasm for CSR contributions has many times met with cynicism as their social approaches are directed to commercial dictates and political benefits. Meanwhile, with the current confusion and lack of understanding of CSR will lead businesses to practice their own version of CSR (Lu & Castka, 2009). Needless to say, at the most basic level, it is abysmally missing.

The empirical findings on CSR claim that CSR practices in Malaysia have been restricted to a limited set of practices where philanthropic exercise is still being the dominant (Prathaban & Rahim, 2005). Within these limited scope of practices one cannot overlook the importance placed on the "philanthropic giving" dominating every other aspect of CSR practice. This is absolutely contradicted to the CSR approach reported in the east and western countries where major part of CSR initiatives are striking to balance between economic prosperity, social equality and environmental protection. These facts raise a shocking doubt whether CSR concept has made its way to the corporate strategy.

According to the mentioned facts, the field of CSR in Malaysia involved two important aspects. The first element is the inclusion of certain facet of stakeholders in the realm of CSR and secondly is the nature and type of CSR initiatives taken by the corporate bodies. Lack of unanimity and opaque of CSR approach along with the absence of succinct definition put a question mark on CSR in Malaysia. It is supported by Lu and Castka (2009) through their study titled "Corporate Social Responsibility in Malaysia- Experts Views and Perspectives" reconfirm that CSR in Malaysia is generally an evolving term with current confusion over the meaning. The concept of CSR has so far failed to take a deep root in Malaysia especially in addressing the needs of local communities due to undefined and murky conceptual.

Despite these shortcomings, the practice of CSR still has room for improvement beyond philanthropy exercise. Much need to be done to bring changes in CSR approach and bring awareness among the corporate bodies to take proactive steps towards genuine CSR. To address the aforesaid dilemma, all business practitioners

need to demonstrate some sincerity towards getting the right strategy to improve the quality of life in local communities by adopting the right sustainability cause. Still, donations, albeit laudable, should not be treated as the preferable approach or the only initiatives because such practice is too easy-way out option (Bohdanowicz & Zientara, 2008). It is clearly that knowledge of CSR is superficial although there is a growing number of companies including the hotels have embedded the idea of CSR into their business functions. There is, indeed a need to augment the scope and practices of CSR from isolated, ad hoc intervention to a more long lasting initiative. Furthermore, to realize the simultaneous benefits between society and business, existing partnership will need greater direction and continuous monitoring to identify opportunities for action (CSR Asia, 2009). The benefits from adopting CSR to the local community are self-explanatory. All in all, a commitment to CSR is about achieving long term outcomes and business continuity towards shaping a more sustainable community.

2.11 A Conceptual Model

A conceptual model has been developed in the light of understanding of the background of research problem and facts identified during extensive literature review. Figure 2.2 shows a model that conceptualized the CSR aspects, processes as well as clearly depicts their interrelationships.

The purpose of developing this model is to illustrate the context and the scope of research phenomenon being studied and explicitly explore the relationships among various factors, processes and follow by their respective outcomes in particular. Also, the model can be used to assist this study in understanding the complexity of hotels' decisions towards CSR activities and its beneficiaries. Initially, the model provides a

comprehensive set of factors which helps the hotels to determine their effectiveness and efficiency of CSR contributions to the community.

This model believes that knowledge and understanding of CSR will greatly affect on the level of CSR achievement as it maps on four factors namely (1) organizational structure; (2) motives; (3) challenges; and (4) strategies. The way it is laid and designed, this model also presents interesting taxonomy, interrelated factors and outcome values of the CSR programs.

The model comes into light as a consequence of realization that with growing profit maximization syndrome, businesses also have special societal obligations to fulfill. This model, therefore, expects the hotels to understand CSR and perform according to TBL approach. In other words, if hotels calculate their gains and losses in this way, they will more likely to take actions that benefit to both, their business and community. The reasoning behind this theory is that it focuses on sustainability and requires hotels to weigh their actions based on three independent scales (economic sustainability, social sustainability and environmental sustainability). Therefore, underpinned by TBL theory, it is important for the hotel decision to be composed of all these elements from the beginning.

Through a sustained investment, this model highlights the importance of the hotels to develop social relations and lasting social cohesion within the communities in which they operate. Thus, social capital theory demonstrates the ability of a hotel to give a long-term value to its social network, in a give-receive play. It emphasizes on the value for the hotel to be part of a community. This is typically an outcome of a

development of CSR that occurs outside of formal permitting that requires hotels to maintain social capital within the context of web of trust-based relationships. Therefore, in terms of the relevance of social capital theory, hotels may be the social actors operating within a social network which the presence and use of social capital may enhance the possibility of effectiveness of CSR strategies implemented as well as stimulating its adoption. This can be nevertheless achieved through a robust CSR strategy as according to Porter and Kramer (2006) the most strategic CSR occurs when business is able to include a social dimension to its value proposition, making social impact integral to the overall strategy.

Apart from that, stakeholder theory will guide the hotels to align the core business with the interests of stakeholders through sustainable intervention. This perspective on responsibilities as suggested by Porter and Kramer (2006) implies that every aspect of hotel's value chain comes in contact with the community either in positive or negative way, giving the hotels a choice to either perform an intermittent activity or pick a genuine CSR to maximize the social impact.

Underpinned by sustainable development theory, hotels should aim for sustainability of the development by moving forward in developing all aspects (both internal and external aspects of the hotels) dynamically. With this notion, sustainable development ensures that a hotel grow with its resources and at the same time contribute to the community development and environmental preservation. Based on this theory, the model, therefore, captures the outcomes and longer-term impacts of CSR programs on the community and the business itself.

Inspired by these four concepts, this conceptual model is proposed to deal with these factors and relationships to create sustainable outcomes for the hotel and its numerous stakeholders. The key to this type of development is the actual meaning of CSR concept which later can use to identify the social consequences of actions.

CSR PERCEPTION & UNDERSTANDING
(Triple Bottom Line Theory)

ORGANIZATIONAL STRUCTURE

PR Department

HR Department

Marketing Department

Communication Department

Stand-alone CSR Department

MOTIVES

Moral Obligation: Self-motivated

Sustainability: Sense of stewardship (community stewardship)

License to operate: Appease stakeholders, legitimacy factors

Reputation: Build reputation, brand awareness, brand identity

CHALLENGES

Lack of community participation

Lack of consensus

Inadequate trained personnel

Lack of CSR knowledge

Lack of budget

STRATEGIES *(Social Capital Theory)*

Partnership: Working with one/various non-profit organizations

Non-partnership: Working directly with beneficiaries in the community

Donation: Solely providing financial contributions

Employee engagement: Encourage staff to get involved in community volunteerism

Core/Non-Core Business: Choose an initiative that is relevant / not related to business area

OUTCOMES *(Stakeholder Theory)*

Beneficiaries: Individuals/groups/ associations in the community

Sporadic CSR: One-off food/cash donation, *Touch-and-go* approach

Strategic CSR: Combine corporate interest with the interest of the society

Genuine CSR: Performed for its own sake

CSR EVALUATION: Assessment of the effectiveness of hotels' CSR programs
(Sustainable Development Theory)

Figure 2.2. A Conceptual Model

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2.12 Summary

This chapter has presented a literature review on different studies and point of view related to the most important aspect of CSR to be examined in this research. The reviewed on previous studies on the development of CSR in Malaysia provided an insight into the CSR practices but most of the researches are prominently interested in business-driven CSR. Instead, greater attention should be given to emphasize the importance of genuine aspect and the potential benefits of CSR have on the local community. In this regard, the great focus on instrumental CSR must be balanced by a greater emphasis on a genuine CSR as well.

The next chapter of this dissertation will discuss about the research methodology used to determine the empirical study of CSR initiatives by the hoteliers in Penang as well as covering the key elements of a good research namely, (a) research procedures; (b) case selection criteria; (c) sources of data and collection of data; and (d) types of data analysis to be used in this research.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter commences briefly on the methodological choices and details of the study while provides justification for presenting the methodological chosen. Detailed of this chapter systematically progressed to provide a complete view as to how the research was conducted.

Therefore, this chapter begins with the descriptions of research procedures and further describes the sources and types of data used in this research. There is also an elaboration on the approach of selection of cases, how the analysis is performed and findings are presented.

3.2 Research Design

Due to the nature of the phenomenon that this research wanted to study, a qualitative case study is used as a research strategy. The case study method provides this research with significant amount of evidences for analytical generalization. As a matter of fact, the main focus is on the hotels' own thoughts and reflections on their CSR practices as well as on their policies and efforts. In this respect, what is needed for this study was verbal descriptions which also means that numbers and other quantitative data would be inadequate in this context. As pointed out by Yin (2004), case study research can be applied in multiple cases, as in this study, and not restricted to single-case studies only.

Guided by research questions, the fieldwork was performed for data collection purpose. Besides, criteria based selection was used in choosing respondents during the in-depth interviewing phase to attain fair overview on hotel's performance and their approaches towards CSR. Interviews were conducted in natural settings and all gleaned information was recorded with the consent of each respondent. Finally, the data from interviewing process were later transcribed. All these lines, the data were then analyzed to provide valid inferences and at this stage this study largely gained holistic insight to underlie hotelier's depiction of CSR. The research process and flow are portrayed in the Figure 3.1.

Phase 1
Preliminary
Study

Research Question (RQ)
- To guide focused search of Research Objectives

Phase 2
Literature Review
and Data
Collection
Process

Research Objectives (RO)
- To underpin Research Questions
- To lead Literature Review
- To guide the formation of Interview Questions
- To drive actual Fieldwork

Review of Literature
- Focused on historical background of CSR development
- Addressed on underlying arguments and rationales supporting for CSR
- Focused on active involvement of CSR practices and its contribution to social empowerment

Designing Interview Questions
- Open ended questions to be aimed on level of CSR involvement by respondents
- Open ended questions focused on evaluating motivation of CSR engagement
- Open ended questions determined to what extent respondents spreading their CSR efforts
- Open ended questions focused on how respondents communicate their proposed CSR
- Open ended questions focused on the challenges in implementing CSR

Actual Fieldwork
▪ In-depth interviewers performed based on the selection criteria of respondents ▪ Conducted in natural setting ▪ Number of respondents continued until researcher gained adequate information and reached saturation point ▪ The information obtained during interviews were conducted and transcribed

Phase 3
Analysis and Interpretation of Data

Data Analysis
▪ Deductive content analysis is used to analyze data ▪ After deductive content analysis is chosen, next step is to develop a categorization matrix based on earlier work such theories, conceptual model and literature reviews. ▪ All data were then reviewed for content and coded for correspondence with or exemplification of the identified categories. ▪ Only aspects that fit the categorization frame are chosen from the data. ▪ Whenever necessary, direct quotations from respondents were used to support the findings.

Phase 4
Presentation of Results

Results
▪ Clarification on development of CSR ▪ Illumination of the motivation behind CSR adoption as well as the challenges ▪ Elucidation on the persistence and seriousness of CSR

Figure 3.1. Workflow Steps

3.3 Respondents and Case Selection Criteria

First and foremost, all the criteria applied were relevant to research objectives and

targeted audiences. Therefore, as been mentioned earlier, this research focused on

hotel industry. In the searching of eligible cases for the research, only hotel which has

a long tradition of socially responsible practices were chosen. Hotels were chosen in a

way that they had embarked with CSR programs for more than five years and

persistently engaged in socially responsible behavior at the time when the fieldwork

was performed. By doing so, this study eventually gained critical in-depth

understanding of the presenting issues. Therefore, this research involved real-life

cases of hotels' participation and performance on their socially responsible commitment. Some other elements were also taken into consideration while deciding on the hotels such as historical background and their long rich tradition of social contributions.

Considering the heterogeneity nature in the realm of CSR, the scope of investigation was narrowed down from global level to a more specific local setting. And for the second parameter, Penang being an urban state is determined as the main research site representing a study of genuine CSR in Malaysian context. Besides, properties which are centrally placed in urban and resort settings will make more contributions to CSR matters (McGehee, Wattanakamolchai, Perdue, & Calvert, 2009). According to the Secretary of National Union of Hotel, Bar & Restaurant Workers, Mr. Baidah as he witnessed some interesting similarities and patterns of ongoing CSR issues in Penang which reflects fundamental misconceptions of what CSR entails (personal communication, November 25, 2013). Indeed, as mentioned in previous chapter, Penang becomes the biggest tourist attractions with few big and small-medium sized hotels for perfect getaway. However, hotels in Penang should acknowledge the inverse impacts they have created on ecological and social perspective which in turn need to be confronted critically to ensure sustainable tourism development. In fact, hotels should adopt more genuine approach of social commitments since some disclosures reveal superficial CSR practices in the sense that CSR is used as "polishing agent" or window-dressing and as a means to uphold their self-interest.

Despite the geographical coverage and accessibility, the third parameter was that the cases were chosen based on hotel classifications and ratings from four to five star

hotels in Penang. More importantly, four and five star hotel were targeted for some reasons as according to McGehee et al. (2009) affirmed that larger and more luxurious hotels are likely to contribute more with regards to CSR. Meanwhile, survey undertaken by Zoweil and Montasser (2012) in Porto Marina resort, Egypt discovered a concept of CSR is an absolute necessity for luxurious hotels in terms of competitive advantage and long-term survival. Small and medium sized hotels covered from one to three star hotels were excluded from the sample due to their preliminary stage of CSR and normally confronted with resource limitations. As such, only big hotels ranked from four to five stars were qualified for the purpose of this research.

A forth parameter pertained to respondents' openness to sharing information with the researcher. In other words, the researcher must significantly at ease to offer honest and informative answers without unencumbered by fear or judgment on their CSR efforts and thoughts. This could be the toughest part to deal with since some hoteliers wished not to participate in the study coupled with the common sentiment that evaluation on CSR performance is basically regarded as sensitive issues to discourse especially this study put genuine CSR as the centerpiece. Thus, respondents can turned out to be deliberate bias and did not reflect true opinions regarding the topic. At some point, the respondents were feeling hesitant and reticent. To this end, researcher clarified the questions, stimulated the respondents towards greater information sharing and allowed them to response at their comfort level. As every respondent was tactfully made to comprehend the issues, the information gleaned from them was highly enough for this study to find out what views hoteliers hold with regards to CSR. Therefore, for this study purpose, the CSR spokespersons have to be the key personnel of the hotel such as CSR expert or any person assigned to handle

with CSR-related courses on which data is sought, with at least ten years of tenure in the industry and at least five years experiences in the aforementioned position.

With that notion, the selection of cases and respondents were determined according to following criteria: (a) hotel has a long tradition of CSR activities; (b) that the hotel is located in Penang; (c) based upon hotel classifications and ratings whereby only four to five star hotels were selected and (d) the respondent's openness and willingness in providing truthful responses.

Subsequently in order to make the study more inclusive, eight prominent hotels in the Penang area were chosen based on the criterion and it is interesting to consider that CSR is more common among large hotel corporations (Kasim, 2004). Guided by the case selection criteria, eight selected hotels were specified as follows: (1) Rasa Sayang Resort & Spa, (2) Hard Rock Hotel Penang, (3) Golden Sands Resort, (4) Hotel Jen Penang, (5) Eastern and Oriental Hotel (6) Georgetown City Hotel Penang, (7) Hotel Royal Penang, and (8) Sunway Hotel Georgetown. The list of hotels were obtained from Malaysian Association of Hotels (MAH) websites as at December 2014 from which local or budget hotels (usually described as 'others') were removed from the list. Referring to the MAH websites was for several reasons. Firstly, it provides a very comprehensive detail of hotel's contact number, location, postal address and email address. Secondly, it provides viewer with accurate star rating for reference. By and large, the selection of the hotels were referred to the definition of "four" to "five" star hotel as given by the Ministry of Culture, Arts and Tourism Malaysia and based on number of rooms and types of facilities provided. To that, this study was conveniently selected those hotels.

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3.3.1 Profile of Respondents

In order to compliment the qualitative inquiry, in-depth interviews were performed on a sample selected from four-five star hotels in Penang, Malaysia. Therefore, in describing the socio-economic status of respondents, some common measures have been used, such as sex, background and experience. (*see* Table 3.1 for the profile of the respondents).

Table 3.1

Profile of Respondents

Hotel	Job Position	Gender	Age	Background	Experience (Years)
A	HR Director	Male	40-50	Hospitality	Over 25
B	Director of Sales & Marketing	Male	50-60	Sales and marketing	Over 25
C	HR Manager	Female	40-50	Communication	20-25
D	CSR & Sustainability Manager	Female	40-50	Hospitality	15-20
E	CSR Manager	Female	40-50	Hospitality	15-20
F	CSR Manager	Female	40-50	Hospitality	15-20
G	Training & Development Executive	Female	30-40	Public administration	5-10
H	Assistant Marcom Manager	Female	30-40	Sales and marketing	10-15

3.4 Sources of Data

Data collection techniques are vital part of research design. Selecting several proper methods for research and problem solving will enhance the value of the study. Due to the nature of the CSR trend, this study will base on primary and secondary data to focus on hotel's own ideas regarding CSR contributions, efforts, policies and principles. Semi-structured in-depth interviews and recording process are most common approaches of primary data collection were used to elicit data on the topic under discussion. Besides, direct observation on people and phenomenon were applied to study the current CSR practices by the hoteliers. And focus group discussions (FGD) were employed in this research since they are now gaining momentum and serve as important function particularly in providing insight of particular social context (Sekaran & Bougie, 2010). Focus groups are used to make generalization based on the obtained data generated by them.

On the other hand, secondary data and information are sourced to supplement and compliment this study. The secondary data collection is mainly based on existing documents such as annual reports, published information, articles and all relevant documents related to the CSR initiatives. Some of the data collection will be from the hotel's confidential documentations which are expected to assist this study to delineate and evaluate on their CSR programs. Therefore, the types of data for the study purpose are summarized as follows:

1. Direct observations of the hotel's daily operations are used to examine and study the proposed CSR and a part of attestation of presence CSR programs in the surveyed hotels.

2. In-depth interviewing as conservation with purpose to attain general overview on hotel's CSR efforts. Guided by the selection criteria of respondents, the spokespersons from eight hotels were agreed to take part in the research.

3. Documentation review process by analyzing annual reports of hotels, report on CSR-related activities, publications, magazines, websites, and CSR development plans to support the information derived from interview and direct observation.

4. Focus group discussions (FGD) were performed to gain meaningful information with regards to the hotels' CSR performance as well as to determine the impact of CSR initiatives on the beneficiaries and society. Purposive sampling was employed since the study tried to engage with stakeholders who could provide feedback to research questions. The candid responses, serendipitous flow of new thoughts and free-flowing format were assumed to gain insight of the pressing issue and reflect the true sentiment about the discussion topic. The FGD involved two groups of stakeholders and were performed in two separate sessions. FGD-1 involved stakeholders to represent the hotels as the CSR provider consisted of employees of the surveyed hotels who were also directly involved with CSR activities (excluded those being interviewed). A total of eight respondents were agreed to partake in the discussion. On the other hand, FGD-2 relatively involved the beneficiaries who have been receiving help from the hotels (CSR recipients) to understand how these groups have been affected by CSR activities of the hotels, yielded a total of eight respondents agreed to fully participate in the study. The equal number of respondents between the two groups was unintentional. However, it was observed during the course of focus groups that

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the amount of data and responses were adequate to present research findings from the study. Based on their responses, this study wanted to test how much knowledge the stakeholders had about CSR issues and their perceptions towards CSR policies and practices. Findings from FGD were used to determine the stakeholders' perception of the hotels and applied to compare the final discussions drawn from the study whether other stakeholders especially the beneficiaries perceived these hotels as genuine as their approach. Table 3.1 further explained the respondents and the scope of interview questions used to guide the FGD sessions.

Table 3.2

Scope of Interview Questions and Respondents Involved in FGD Process

Session	Scope Questions	Respondents
1	CSR management and implementation (knowledge and understanding of CSR, organization of CSR function, and perceived benefits of CSR). Problem occurred during the process Program/activities taken	CSR provider
2	Effectiveness of CSR in enhancing the livelihood of the beneficiaries (social impact of CSR). The perception of community on CSR activities of the surveyed hotels	CSR recipient

It is arguable that the use of these sources of information gave this study a fair view of CSR performance of the hotels as it provides unbiased insights into their attitudes

towards CSR. There is probably a risk that the information obtained from the hotels will be biased that only information that put them in a favorable light will be presented. In attempt to reduce this potential bias, this study therefore combined several other sources.

3.5 Data Collection Procedures

This study involved more than a single case and due to the sensitive nature of the research, a purposive sampling method was enacted. Purposive sampling was imposed on eight hotels in Penang ranked on a scale from four to five star hotels.

The fieldwork was conducted from 30th July 2015 to 16th December 2016. Each of the interviews lasted between one hour and to one and half hours with all sessions were tape-recorded before being subject to analysis. The fieldwork ended with the richness information gleaned during the interviewing process. Initially, personal visits and phone calls were made to look for hotels' cooperation. The interviews were performed just once and all respondents were contacted through email and phone calls in case that this study requires further clarification on the information shared. With mutual time agreed by both parties, the interview sessions with the respective respondents were successfully undertaken. The preferred venues for in-depth interviews inherently ensured privacy, accessible and comfortable to all respondents. This study assured that the respondents were at ease enough to utter openly about their point of view.

Consent forms were submitted to key personnel who were in charge of providing necessary permissions for the data collection. Furthermore, the research developed

trust by protecting the rights of the respondents whereby consent forms were given to ensure absolute confidentiality and anonymity regarding the obtained responses as their information is used only for the topic under study. To that, in-depth interview questions followed by semi-structured format were developed to permit as much free response and richness of detail. Some important elements were taken into account when constructing the interview questions. The interview composition is partially structured face-to-face interview based on research questions and objectives of this study. Besides, the interview questions were drawn up based on information obtained from the literature reviews in which the research objectives of the study were also reflected accordingly.

Thus, few questions were posed to see whether or not the hoteliers in Penang are practicing the so-called proper CSR. Since this study wanted to use the tools proposed by Dahle (2010), some of the interview questions were centered on the four dimensions suggested by Dahle but have flexibility concerning other follow up questions as well. The dimensions were claimed to be useful in analyzing CSR practices and can be seen as bipolar or dichotomous concepts, representing two opposite components that are mutually exclusive. The suggested dimensions by Dahle (2010) are: (1*) Weak versus Strong*; (2*) Narrow versus Broad*; (3) *Public Relation-Profile versus No Public Relation-Profile;* and (4) *Strategic versus Genuine*.

Dichotomous concept was used as Dahle (2010) wanted to have just two categories in terms of binary opposition which is very useful for quick understanding and decision making. In fact, in reality, some CSR practices can be categorized as purely weak, strong, genuine or strategic. In every dimension, all the hotels were ranked as it is

difficult to place the hotel straightly in either of these categories. In order to evaluate the CSR performance of the hotel, several indicators were applied as suggested by Dahle (2010). Based on the indicators, CSR practice of each hotel was successfully ranked. It is also important to note that the main purpose is not to provide exact measurements. Since the indicators are not quantified, evaluation of the hotels' CSR performance were based on practical reasonableness, in which the judgments and choices were in accordance with what was reasonable rather than on accurate estimations. These four dimensions together with description of the proposed indicators were further elaborated as follows:

Weak versus Strong CSR

There is a difference between donating money to a good cause and actively pursuing CSR projects for social reasons. Passive involvement in CSR is one example where the hotel has less or no control over its projects. On the other hand, active involvement implies a higher degree of control over the CSR programs. This is somehow represents an implicit relation in the weak – strong dimension as well as distinction between active and passive CSR. Weak CSR can therefore be determined as a passive approach to CSR in which the hotel's social contributions are limited to monetary donations whereas strong CSR indicates active involvement in CSR with a higher degree of control in the CSR projects. Also, the number of resources assigned to CSR projects in terms of personnel and financial support help to determine the level of commitment towards CSR.

As such, the distinction between weak and strong CSR represents the level of commitment to social responsibility, depicted by the degree of control a hotel has over

its CSR projects and the amount of resources devoted to CSR activities in the hotel. In truth, the level of commitment varies between hotels. Some hotels have strong involvement and are actively involved in their projects while some others have a weaker commitment and limit their support to donations or sponsorships. In terms of funding, some have specific budget dedicated to CSR and spend large amount on the activities while some do not allocate specific amount in their budget and spent much less for their activities. Furthermore, some hotels have a well-organized CSR function with many people employed, while others leave CSR in the hands of one person.

Hence, based on the perspective of Dahle (2010), some indicators were applied to evaluate the level of commitment CSR along the weak-strong dimension. The degree of control a hotel has over its CSR project was among the indication used to evaluate this dimension. For instance, monetary donation is an indication of weak CSR as it indicates the lowest level of control while partnering and participation in the projects initiated by others signify medium control. In contrast, projects that are fully initiated by the hotels represent a high degree of control, thus show a strong commitment to CSR. Besides, the level of commitment to CSR was measured by the size of the budget and the number of people engaged in the work of CSR. With a top management support, adequate CSR funding and the more people involved in the CSR function, the more hotel is believed to take CSR seriously. Thus, based on the perspective of Dahle (2010) the indicators for weak-strong dimension are: (1) organization of CSR function; (2) degree of control over CSR activities; and (3) CSR budget.

As explained earlier, this dimension is relevant to evaluate all hotels that practice CSR regardless of the size of their organization and type of involvement whether they make monetary donations (little/ no control), initiate and organize their own CSR projects (full control) or involve in programs initiated by others (medium control). However, this study did not go into details on all of their activities, but used some of their activities as illustrative examples. Therefore in relation to RQ2, this weak-strong dimension is fruitful in seeking a deeper understanding and analyzing the way CSR is organized on various levels and means to benefit the society. Based on the proposed indicators, approximately four questions were developed to answer RQ2 pertaining to weak-strong CSR in order to indicate the level of CSR involvement and the questions are identified below:

1. Can you explain your hotel CSR activities?

2. Are those activities partly or fully controlled by the hotel?

3. How about the budget or CSR fund dedicated to CSR activities?

4. How many people in charge of CSR?

Narrow or Broad CSR

It is well understood that not a single hotel can solve all social problems. In order to benefit society, hotels therefore need to limit their CSR efforts to a certain range of activities in addressing community concerns. In many cases, most of the CSR activities encompass more than a single issue. This range can be classified in a broad or in a narrow sense. For instance, some hotels with a broader focus in CSR will support a range of activities within different issues while others choose to limit their commitment to only few beneficiaries. More specifically, the scope of CSR often varies because some might choose to emphasize on single particular type of project

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such as waste management or project aimed at providing help to underprivileged community. Besides, it is also applicable to measure based on geographical coverage since some hotels are just supporting local projects while other hotels support local, regional and international projects. Hotels that choose to focus only one organization or project as well as limiting their recipients and geographical coverage signify narrow scope of CSR.

In this context, narrow-broad dimension seeks to provide additional insights into RQ2, determining the extent (in terms of scope and geographical areas) to which hotel's CSR practice has contributed to improve well being and livelihood of the beneficiaries. As such, in order to evaluate this dimension, it is necessary to focus on two indicators. First, the researcher identified the extent to which the hotel spreads its CSR practices over wide range of different activities. In the strictest sense, the more widespread and diverse the activities are, the wider the scope. Besides, geographical scope of a CSR activity can range from the local community level up to a global scope. As for another indication, the researcher considered the extent to which hotel locates its activities outside its local context, whereby the more limited the geographical boundaries of the hotel's CSR involvement, the narrower the scope of CSR. To sum up, the proposed indicators by Dahle (2010) are: (1) the spreading of CSR activities; and (2) geographical areas. Based on these indicators, two questions were performed in relation to narrow – broad dimension:

1. Does the hotel limits CSR involvement to a certain range of activities?

2. Where do your CSR projects normally take place?

PR Profile versus No PR Profile

The purpose of this dimension is to analyze who is responsible for CSR or what medium (department/unit) the hotel used to communicate their CSR efforts. The idea is also to elucidate the significance of reputational enhancing effect postulated by CSR activities as well as distinguish between CSR practices that have strong PR effect with those that have weak PR profile. Hotels that engage in CSR to heavily emphasize on their reputation indicate strong PR profile. In this sense, the PR effect of the CSR activities is considered more important than the impact on society. This is the reason some hotels have choose to involve with high profile CSR projects that only provide few benefits to society. Although reputational effect often arises from CSR practices, some hotels probably attach more weigh to it rather than to other drivers for some reasons.

It is important to note that in certain circumstances, hotels with a strong PR profile use CSR as marketing tool and tend to communicate their CSR efforts through sponsorship and promotion. Hotels with a weaker PR profile, on the other hand limit their communication to website and CSR reporting. Some activities can be more apparent in PR profile than others such as sponsorship and promotion. This is another example to illustrate how CSR is used merely as a marketing instrument. Despite the nature of the hotel's CSR activities, organization of CSR function is another indication used along this dimension. If managing CSR is an area isolated to communication, public relations or marketing department, this implies that CSR is mainly seen as a reputation enhancing strategy. This also highlights the importance of identifying which departments that have the most impact on CSR-related decision making. Another important point to evaluate the PR effect is on the hotels' own views

on CSR whether they emphasize the PR effect and integrate CSR with marketing strategy. Therefore, in responding to RQ3, Dahle (2010) has placed great emphasis on how the hotels communicate their CSR efforts and how it can influence brand reputation. As such, this dimension is useful to answer RO3 in which specific roles or departments assigned to handle with CSR issue could be addressed.

To measure a hotel according to PR profile-no PR profile as well as to analyze RQ3, Dahle (2010) yields three indicators: (1) CSR activities with strong PR profile; (2) allocation of responsibility; and (3) views on the PR effect of CSR. A total of three questions were formed pertaining to measure how hotels communicate their proposed CSR and the questions were drafted below.

1. In what ways does Human Resources (HR), marketing and communication department help to promote CSR within your hotel?
2. Can you please explain the functions and location of CSR in hotel's organization chart?
3. What do you think that the positive effect of CSR projects may puts on hotel's image?

Strategic versus Genuine CSR

Guided by RQ4, this strategic-genuine CSR is used to determine the reasons for engaging in CSR between the surveyed hotels. Most of the time, CSR has been taken as promotion tool by corporate while others indulging in CSR with the genuine intention to give something back to society, performing good deeds for their own sake. To this end, the dimension will provide clarity by making a distinction between instrumental and genuine CSR. Since instrumental CSR itself is a broad concept, this

study used strategic CSR for a more narrow outlook which also can be considered under instrumental CSR dimension.

The main idea behind this strategic concept is to combine corporate interests with the interest of the society. Strategic CSR also implies that hotels tend to choose the issues that fall within the area of their businesses and from which they can get the greatest competitive advantages. Similarly, CSR can become self-serving while at the same time is used as a means for enlightened self-interest. Regard for one's own interest by performing CSR for personal gain also represents instrumental use of CSR. Therefore, to be categorized as strategic CSR, activities and performance must lie within the business area of the hotel where it can utilizes its resources and capabilities to provide considerable benefits and shared value for both the hotel and society. In contrast to strategic CSR, genuine approach views CSR as end in itself in which corporation engages in CSR to promote the common good. Moreover, unlike strategic CSR there is no strong link between CSR activities and the business area and its vision in fact genuine CSR is performed for its own sake. The dimension is deemed relevant in this research to shed light on these differences as well as to divulge approaches taken by the selected cases whether their CSR practices are genuinely motivated or driven by self-interest.

Some indicators are identified by Dahle (2010) to measure the strategic-genuine dimension. The first indicator is the link between CSR performance of a hotel and its business area. Apart from that, having a vision statement to represent overall declaration of corporation's goals can also be associated with self-interest. Another means to measure this dimension is to look to what extent the vision of the

corporations has reflected in their CSR programs. In fact, the stronger the link between the CSR activities of a corporation and its business area, the more the corporate vision is reflected and benefit the corporation, the more the CSR practice tends to be seen as strategic CSR.

As been mentioned earlier, CSR that is likely to provide little benefits to the corporation as well as the CSR performance is not conclusively linked to the business area and corporate vision signifies a genuine way to CSR. From Dahle's (2010) perspective, the determination of genuine aspect of CSR in this study was based on three identified factors. First, the researcher considered the extent to which a hotel engaged in projects with little or no benefits to the hotel but has the potential to be of great benefit to society and environment. Second, the hotel's perception on CSR may be considered salient to reflect genuine commitment to CSR. Besides, the hotels long historical background of CSR also geared towards indication of genuine CSR. Hence, the indicators suggested by Dahle (2010) to measure this dimension can be identified as follows: (1) business area; (2) vision; (3) potential benefits; (4) projects with no potential benefit; and (5) views on CSR and their reasons for engaging in CSR. In this context, a total of five questions were developed to evaluate the reason for CSR engagement pertaining to strategic or genuine CSR practices by the hoteliers as well as to provide valuable insight with regards to RQ4. The questions are presented as below.

1. Is there any project that is closely linked to the hotel's business area?

2. What is your hotel's vision?

3. What are the reasons that may move your hotel to adopt CSR practices?

4. What benefits do the hotel has from engaging in CSR, if any?

5. Are the hotels engaged in CSR that do not have the potential benefit to themselves?

As the purposed tools only respond comprehensively to RQ2, RQ3 and RQ4, one question was developed to support RQ1 and RQ5, respectively as well as some probing questions were formed to provide insightful recommendations on the phenomenon being studied. Hence, at the end of the interview, four questions were rounded up to seek overall views of CSR held by the respondents regarding the definition of CSR, skills needed, and challenges in CSR. These questions are presented below.

1. How do you define CSR?

2. What are the problems related to development of initiatives in the field of social responsibility by your hotel?

3. What characteristic will you look for when appoint a CSR manager and the teams?

4. Can you explain what type of skills, knowledge and values that the workers who are involved with CSR should have?

Hence, a total of eighteen questions were formed for in-depth interviews purpose and sample is appended in Appendix C. Besides, the steps of interview process for each respondent are depicted in Figure 3.2. The figure outlines key activities that were taken before, during and after the interview. Besides, the flow was built up to demonstrate how the interview process unfolds. The interviews were administered in English Language.

All obtained information from interviewing process were recorded via digital audio recorder while at the same time field notes were taken manually whenever needed,

whether during the interview or once the interview process was terminated. As Sekaran and Bougie (2010) assert any information should be transcribed right away because later call from memory is seen vague. Initially, the interview will start with broad questions and then to specific areas of the issues of interest.

The files of digitally recorded interviews were transferred to the computer with the specific folders. Window media player were used to play the voice data and later transcribing process were done. Besides, a data quality assurance was done by the help of assistant transcribing the recorded interviews and later was compared to earlier versions of manually recorded data. Finally, all the relevant data and ideas were documented in text format using Microsoft Word software.

Similarly with FGD, since the nature of data obtained is fairly reliable data, written notes and tape analysis were performed to record the discussions for further use of analysis. As for secondary data collection process, this study continued to gather relevant sources from various materials during the fieldwork.

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│      Developed questions based on research questions and objectives │
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          ┌────────────────────────────────────────────┐
          │        Acknowledged and contacted respondents │
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      ┌──────────────────────────────────────────────────────┐
      │   Met respondents and arrange venue, time and date as required │
      └──────────────────────────────────────────────────────┘
                                │
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            ┌──────────────────────────────────────────┐
            │        Building professional trust and rapport │
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            ┌──────────────────────────────────────────┐
            │        Issuance of a consent form to respondent │
            └──────────────────────────────────────────┘
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        ┌──────────────────────────────────────────────────┐
        │      Consent form was signed by respondent and researcher │
        └──────────────────────────────────────────────────┘
                                │
                                ▼
          ┌──────────────────────────────────────────────┐
          │        Copy of consent form was granted to respondent │
          └──────────────────────────────────────────────┘
                                │
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      ┌──────────────────────────────────────────────────────┐
      │      Interview conducted and notes were taken whenever necessary │
      └──────────────────────────────────────────────────────┘
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      ┌──────────────────────────────────────────────────────┐
      │      Interview terminated and thanked respondent for participating │
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                                ▼
        ┌──────────────────────────────────────────────────┐
        │       Left the research site, analyze and refine interview │
        └──────────────────────────────────────────────────┘
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Figure 3.2. Steps of the Interview Process

3.6 Ensuring Rigor in Qualitative Inquiry

Researcher devotes considerable effort to ensure that this research is reliable, rigorous and feasible. To this end, researcher analyzes the reliability and validity of the study to confirm the robustness of the results shown in this research.

Some strategies were adopted and performed during the research process to maintain trustworthiness of the qualitative research. In order for the case study to reflect and explain the real situation being analyzed, researcher tests the validity through the convergence of information from different sources using triangulation (Patton, 1999). As been mentioned earlier, this study involved different types of method to collect data on the same topic as well as different types of samples. This strategy not simply aimed at validation but also at deepening and widening the understanding of the same phenomenon.

Alternatively, Hancock (1998) asserts that "careful selection of quotations will demonstrate the reliability and validity of the data analysis" (p.23). Responding to Hancock's approach to assure reliability in qualitative inquiry, original data such as recordings and archival data have been utilized systematically during data analysis and presentation to ensure that the interpretations based on data gathered were authentic. For this purpose, extensive quotations producing from responses were considered to illustrate key features such as the strength of opinions and beliefs, similarities and differences between respondents, and the breath of idea expressed in data collection process. To increase the validity of evaluation and research findings, multiple listening of audio tapes as well as multiple reviews of transcriptions of audio tapes were performed. The use of these alternative strategies for achieving reliability

and validity are essential to show that qualitative inquiry is just as rigorous and valuable as any quantitative study.

3.7 Issues and Challenges in Data Collection

This study encountered several challenges during the data collection such as rapport building and issue on protecting respondent confidentiality and privacy. The challenges and issues are presented below as separate sub-sections.

3.7.1 Relationship with Respondents

After the respondents agreed to be interviewed, building rapport with the respondent became a bit challenge since the respondents were alert with the sensitivity of nature which the research entails. However, the awareness will keep the respondents to be friendly and made them comfortable and open with their information sharing throughout the interview process. In fact, each respondent was welcomed with a warm smile and good handshake.

During the fieldwork stage, a rapport between respondents and researcher were expected to form and such connection happened in collaborative efforts. The relationship was maintained throughout the study phases without demeaning the reliability of the research findings. In some cases the respondents seemed to reserve certain information but still were more open to share compared when during the initial introduction.

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3.7.2 Protecting Respondent Confidentiality

Certain procedures for protecting the rights of the respondents were performed whereby consent forms of each respondent were given before the interview phases. As a general rule to understand the phenomenon, every respondent was tactfully made to understand the issues and was given a complete and detail description of the purpose of study. Correspondingly, the reason of having the interviews and the importance of their participation in collecting needed information was further explained. Since the interviews process was recorded, the respondents were requested to give and confirm their consent upon their participation and for recording purposes particularly. Lastly, the researcher assured absolute confidentiality and anonymity regarding the obtained responses as their information was used only for the topic under study.

3.8 Data Analysis and Presentation

Based on the nature and purpose of the study conditions, a case study method was employed as it lends well to answer the "how" and "why" research questions (Eisenhardt, 1989) and as mentioned this type of analysis is mainly qualitative. Thus, in attempt to maintain the freshness of the data and nuances of each interview, the recording of each case was transcribed within 24 hours after the interview took place. Between one and a half to three hours were taken for the transcription process. In total, approximately 18 hours were spent transcribing the interviews. The total amount of time spent included the time took for correcting typing and listening errors made during the transcription procedure. During the analytic process, the point is to become immersed in the data and to obtain a sense of the whole data, which is why the

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transcript was read through few times. In other words, no theories or insights can emerge from the data unless the researcher becomes completely familiar with them.

To enhance the understanding of the data, content analysis was employed as a data analysis method which the outcome of the analysis is the categories or concepts explaining the study phenomenon. In fact, according to Bryman (2004) qualitative content analysis is the most prevalent approach for the qualitative data analysis in a away it helps to search out the underlying themes in the data being analyzed. However, content analysis may be used in an inductive or deductive way depending on the purpose of the study (Elo & Kyngàs, 2007). Thus, guided by the aim and research question of the study, deductive content analysis was employed.

Accordingly, Hsieh and Shannon (2005) suggest that deductive content analysis is used when the structure of analysis is operationalized on the basis of prior knowledge such as theories, models and literature reviews. With a deductive approach, content analysis begins with theories or relevant findings as guidance for initial codes. The categories were established prior to the analysis, and once the categories were agreed on, a categorization matrix was developed as shown in Figure 3.3 in order to create initial coding scheme.

At this stage, all data were reviewed for content and coded according to the categories. A coding scheme is a translation devises that classify the data into categories which also guides the coders to make decision in the content analysis. Besides, direct quotations from respondents have been used whenever necessary to support the findings of the study and presented in the chapter four.

Section: Strategic or Genuine CSR			
Question: What is your hotel's vision?			
Respondents	Data	Analysis	Overall
1.			
↓			
N			

Figure 3.3. Categorization Matrix

3.9 Ethical Considerations

This research received approval of the Committee of Universiti Utara Malaysia on the 25th of June 2015. A copy of the approval letter is attached in Appendix A. Since this research dealt with sensitive topic particularly on hotel information, ethical issues such as confidentiality, non-coercion, privacy and anonymity were given paramount consideration. It is been the responsibility of researcher to ensure the privacy and confidentiality of respondent's identity and therefore pseudonyms were used during data analysis and discussions. A pseudonym was applied for any discovery regarding hotel's weakness performance on CSR or any other issue pertaining to genuine CSR. In fact, it is a part of the researcher responsibility to assure the confidentiality of the identity of each individual respondent.

As such, each respondent was assured of the data security, protection and secrecy and each of these considerations were handled respectfully. In the context of non-

coercion, each respondent was approached but was not forced to partake in this research. No further contact was made if the potential respondent did not wish to be a part of the research. Each of the respondents gave consent through signed and dated consent form and sample is appended in Appendix B.

3.10 Summary

This chapter furnished with discussion of the choice methodology that was used to explore and evaluate the perception of social responsibility of hoteliers in Penang in relation to the adoption of CSR practices and to identify the degree of support for the social commitment as well as to assess how the hoteliers are aware of the social initiatives and approach in their organizations.

In this context, it has been detailed that, the appropriateness of the use of research design and method, respondents and case selection criteria, data collection method as well as the types of analysis used. The case study approach is acceptable research choice for studying the research problem of this nature, given that there are many interrelated and interdependent factors that could not be studied in isolation as far as the context of CSR in Penang particularly among the hoteliers is concerned. Therefore, the selection of case study has been justified.

CHAPTER FOUR

FINDINGS OF THE STUDY

4.1 Introduction

This chapter presents a description of the cases performed during the research. The case study is organized and presented based on the data gathered during each case study. As a result of the rich data collected during interviews, the findings presented in this chapter successfully address the five research questions set for the study as well as providing additional insights related to CSR performance among the surveyed hotels. To restate, this study aims to identify to what extent hotels in Penang are prepared for their genuine commitments to CSR. In attempt to fulfill the study objective, the findings of the study were engaged and linked from the specific research questions as follows:

1. How do the hoteliers define CSR?

2. Have their CSR activities have an impact on the lives of the beneficiaries?

3. Do these hotels have specific functions responsible for managing CSR?

4. What are their underlying motives in relation to CSR?

5. What are their challenges in implementing the CSR practice?

Therefore, an outline of reporting the findings in this study is based on these five sub-headings:

1. Hotelier's Perspective of CSR

2. The Impact of CSR on Social Wellbeing of Beneficiaries.

3. The CSR function and its place in the hotel.

4. Motives for CSR.

5. Challenges in implementing CSR.

A qualitative method was conducted to achieve the main objective which involved in-depth interviews with the respondents from eight hotels identified from methodology and two separate focus groups were performed to determine the stakeholders' perceptions of the CSR initiatives. Their views were eventually used to compare the conclusions drawn in this study.

4.2 Presentation of Cases

This research mainly consisted of eight cases in which the studied phenomenons are explained. Eight prominent hotels in Penang partook in the study. However, as an attempt to preserve the secrecy and anonymity of the hotel's identity and reputation, a pseudonym was applied whereby all the information obtained were given special consideration and handled respectfully. In fact, reason for using pseudonyms was explained to the parties concerned.

Without compromising the identities of the hotels and possibility of pseudonyms being read as real subjects, the researcher referred the respondents as *Hotel A, Hotel B, Hotel C,* and so on. The interviewees from eight hotels were interviewed. All of them held position ranging from Human Resources Director to Sales and Marketing Director, Assistant Marcom Manager, Human Resources Manager, CSR & Sustainability Manager and Training & Development Executive. The presentation of case study evidences as follows:

4.2.1 Hotel A

4.2.1.1 Hotelier's Perspective of CSR

Hotel A was opened in Penang on September 2009 which was 38 years after it was first established in London and the approach to CSR has started ever since. The brand has always stood for excellence in offering America cuisine and has been in existence since 1971. Currently, the brand is ramping up its global expansion with venues in 70 countries including 166 cafes, 23 hotels and 11 casinos.

Being an iconic brand of four-star luxury resort, Hotel A was the first musically themed resort in Malaysia that offered 250 well-designed rooms for a memorable stay in Penang and employed more than 250 employees in the organization. It is in parallel with the Hotel A's vision: *To be the leading entertainment hotel in Penang, serving each guest with authentic experiences that rock along with ongoing commitment to tackle the humanitarian cases* (Human Resources Director, personal communication, July 30, 2015).

CSR in Hotel A goes back to 1971 when the founders started the soup kitchen to feed the homeless. It was how the heart of philanthropy came in and to date CSR is a cultural thing in the hotel under the name "philanthropy". According to Human Resources Director (personal communication, July 30, 2015) the philanthropic activities were directly tied to their ethos of "Love All - Serve All" which had been ingrained since day one. It complements their philanthropic mottos of "Take Time to be Kind" (humanitarian), "Save the Planet" (environmental) and "All is One" (entertainment industry).

Hotel A perceived CSR as the act of giving back to the community since business is not just purely making money but also responsible towards society and environment. More precisely, CSR is defined by Hotel A as:

> …a concept that we do to build strong stakeholders relationship, work closely with our employees and improve the quality of life of our communities through financial and non-financial donations such as time, food and expertise. CSR is a part of our endeavor to giving back to them and to safeguard the interests of the poor and marginalized groups. (Human Resources Director, personal communication, July 30, 2015).

Hotel A believes that CSR helps them to focus on creating a culture that inspired more employees to reach their full potential. Presumably, when each employee is passionate about making a change in the lives of the people the hotel touches, everyone will succeed. To ensure the CSR program is not just an afterthought, Hotel A emphasizes the importance of making a difference equally in the lives of its employees, customers and the communities it serves.

4.2.1.2 The Impact of CSR on Social Wellbeing of Beneficiaries

Armed with the corporate mottos and vision, social commitment is always an abiding passion for Hotel A to achieve a truly sustainable community and economic growth. As such, Hotel A has their CSR causes and activities divided into four scopes and have been outlined as follows:

    I.   Environment

        The hotel feels a close attachment to its surroundings and some efforts were made to save the planet through a long tradition of cooperation with Penang State Government. For instance, tree planting and Penang

Beach Makeover were among the well-organized green practices performed by the hotel every year.

II. Employee's Welfare

Hotel A has organized a healthy work-life program, provided employees with training, medical benefits and educational assistance while at the same time encouraged employee volunteerism and professional development at all levels. The hotel promotes equal opportunities and does not discriminate on the basis of gender, religion, age, disability or color. Other initiatives taken include providing stress management workshops and fire life safety seminars. Besides, Hotel A also has a keen awareness in training employees on skills based volunteer programs.

III. Sponsorships and Donations

Hotel A always holds true to their mission "do well by doing good" particularly towards the local community. The most common CSR activities that hotel engaged were donations to charity, distribute food to hundred of needy families and through organizing fundraising activities.

IV. Collaborative Initiative

Hotel A is a member of DISTED School of Hospitality Management Industry Advisory Panel (IAP) together with few other hotels in Penang. The IAP plays important part in helping hospitality students with labor market trends while keeping them abreast with the industry's best practices and needs. The program was a win-win

collaboration that benefited the education provider and the hospitality sector by providing training and mentorship to the students, helping them to excel in their area of expertise. In return, Hotel A has got few new employees from this program.

These corporate commitments by the hotel were evidenced across a wide range of social, environmental and economic purposes. As far as the hotel's social involvement was concerned, many local communities have benefited from the process. In fact, idea of selecting their beneficiaries came from the CSR team. "We have few beneficiaries that we're very proud to work closely with. We can easily monitor, evaluate and further help throughout their livelihood improvement" (Human Resources Director, personal communication, July 30, 2015). The beneficiaries are Seri Cahaya Welfare Home, Rohingya Refugee Community, Life Bridge Learning Centre, Asia Community Service, Crystal Family Home, SJK (C) Permatang Tinggi School, SMK Pendidikan Khas Persekutuan Pulau Pinang and Association of The Rehabilitation of The Disabled. All the past years, the hotel has helped to build the kitchen and maintain some operation costs for Seri Cahaya Welfare Home, build roof for SJK (C) Permatang Tinggi, support the needy and operation costs as well as make some renovation for Association of the Rehabilitation of the Disabled.

In addressing social issues, myriad programs have been conducted annually. Among the annual CSR projects were Rock to Rock Run, Imagine There's No Hunger, Pinktober, Rocket Meal Program, Can-lah Food, and Founders Day. Rock to Rock Run is one of a kind charity fun run aims at raising funds to help reach the poor and needy. Since the hotel has a long tradition of cooperating with Penang State

Government, the state provides continued support to this event. This charity fun event has gained traction over the years and becoming one of the Penang's most popular running events with thousand of participations across Malaysia. Last year, the hotel managed to raise RM70,000 in the charity run. In 2010, the hotel adopted Seri Cahaya Welfare Home and currently Hotel A continues to supply basic food for them. Also, the hotel distributed canned food to Rohingya Refugee Community in Butterworth as part of their Imagine There's No Hunger CSR project. Hotel A organized another food drive and charity event dubbed as Can-lah Food and Rocket Meal Program and as part of their life-changing solutions dedicated to benefit the Rohingya Refugee and children with disabilities.

In 2015, about 50 families of Rohingya community were benefited from this CSR program. Besides providing food, there was a community development program developed by the hotel that enabled entrepreneurship activity among the beneficiaries. These programs were performed for few times a year. Pinktober is a campaign dedicated to raise funds to support breast cancer awareness and research. From the program Pinktober, Hotel A has helped to raise funds and has been supporting breast cancer awareness campaign by donating 25% of package rate benefits to Mount Miriam Cancer Hospital every year. In 2015, this campaign has raised RM7,150 for the Mount Miriam Hospital which the final amount exceeded their target of RM 6,000. Running throughout October, this annual philanthropic initiative featured fund raising promotions like the Pink Rooms, Pink Button Badges as well as Pinktober Charity Cocktail Party.

Despite the above mentioned facts, there was no specific allocation for CSR funds in the hotel but according to Human Resources Director (personal communication, July 30, 2015):

> We've found unique ways to raise our CSR funds. We make our own charity events such as Rock to Rock Run to raise funds and help the needy out there. So the full funding is from the runners. We always receive spectacular support with lightning-fast response from runners. Most of them were youngsters. So what we do, we create our CSR funds by selling tickets, t-shirt and they seem to love our brand so much. Company never gives us budget so we have no specific funding. All the while, the company only provides us a platform by using the brand name. I tell you, last year in Rock to Rock Run we pledged for RM50,000 but we managed to give RM70,000. This is how we make our own funding, otherwise no money, no charity, no CSR.

4.2.1.3 The CSR Function and Its Place in the Hotel

CSR position in Hotel A was not formally specified in the organizational chart. Instead, the CSR function was left to three departments namely HR department, marketing and communication department, and entertainment and recreation department. Overall guidelines come from the corporate level leaving a certain level of flexibility for CSR actions in the local context. As part of the CSR team, the directors from each department can propose diverse activities to meet the needs of local stakeholders as well as maintain the global positioning of the hotel.

Even though CSR was housed in these departments, their functions were very much to focus and facilitate the development of a consistent CSR approach. One such example was their Rock to Rock Run and Rockers Meal Program handled by the Human Resources Department every year. About nine volunteers participated in the Rockers Meal Program and the hotel has recently made it compulsory for each department heads to join the event while the volunteers for the Rock to Rock Run have reached

50 people so far. Despite these advancements, part of their CSR's professional time was devoted to HR functions and another average of 50% percent was spent on managing and administering CSR programs (Human Resources Director, personal communication, July 30, 2015). Since they are also heads of other departments and required to carry out two tasks at once, at least four to five CSR programs will be organized by every department each year. Each department consisted of ten staff members were headed by department heads. Whereas a total of three people from each department were appointed to specifically managing and administering CSR programs especially Rock to Rock Run, Imagine There's No Hunger, Pinktober, Rocket Meal Program, Can-lah Food, and Founders Day, resulted in a total of 59 people involved with CSR (including number of volunteers).

4.2.1.4 Motives for CSR

Hotel A spelled out few reasons for applying CSR. Being socially responsible seems to be affecting employee engagement by making employees feel valued, spark their passions as well as instilling a true sense of inclusion, pride and loyalty to the hotel. Human Resources Director earnestly explained:

> This is also our efforts to make our team happy. I encourage them to take ownership in organizing CSR. One of my staff once told me that he and his team feel so honored to be able to organize Imagine There's No Hunger by their own which they have packed nutritious meals and distributed to the underprivileged children in Seri Cahaya Welfare Home and helped feed the Rohingya community as well. He told me that they feel proud to being able to give back to the needy. So this makes our team feel a profound connection to the hotel with a deeper sense of satisfaction. (personal communication, July 30, 2015).

In line with this notion, Hotel A decided that supporting local communities would increase employee engagement across the board. Inspired employees to work hard to

create wider reaching impact that extends into the local community and influences social causes will provide a better sense of job fulfillment that the hotel craves. Implementing a CSR strategy and focusing on social responsibility projects will assist the hotel to boost employee morale and social awareness. Ergo, by executing and implementing social responsibility, the employees could see the impact of core values behind this notion and their own social contributions. Hence, Human Resources Director viewed CSR as a move to raise awareness and educate their employees:

> CSR helps us to bring our people together, tag them along in every CSR programs and make them believe in our social commitments. CSR makes our staffs believe in philanthropy. Our hotel has the highest response rate for blood donation. Our previous blood donation drive program has successfully done with hundreds of our staffs volunteered to donate blood in a day. It means that they are well-aware with the kindness intention to help those in need. (Human Resources Director, personal communication, July 30, 2015).

Hotel A stated that CSR helps to build strong brand identity. For instance, Rock to Rock Run program used the hotel's brand name, attempting to get and grab youths' attention to join this charity fun run. The program became one of Penang's most popular running events each year with thousands of tickets sold out within a week. As Human Resources Director put:

> Most people know us, know our brand and they really respect us. So we're more interested in helping the society than splashing our name everywhere. Perhaps we look at the positive side of CSR itself because we already have pretty good place in community. So I think CSR may have something to do with our brand and reputation. To us, all the good deeds make a positive impact and I believe all hotels would feel the same anyway. (personal communication, July 30, 2015).

Lastly, the Human Resources Director (personal communication, July 30, 2015) also mentioned about personal intrinsic value to engage in community-focused CSR initiatives. It is part of their social response to the business trend as he claimed:

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All we need is a good heart to love and two hands to serve. We did it from our heart. No publicity. We want to understand the issues that matter to our people who live locally to our sites to put community at the heart of our business.

4.2.1.5 Challenges in Implementing CSR

The main problem lies in the lack of strategic integration since a robust CSR strategy should be mainstreamed in every business aspect and agenda. However, CSR professionals in the hotel were parked in three departments in a way that they were unable to permeate CSR into every department and infused within the organization. As Human Resources Director (personal communication, July 30, 2015) claimed:

Currently at best we are constantly striving and call for greater integration in CSR rather than a feel-good-add-on business approach. We try to include other departments as well in our CSR implementation but I think it will take some time.

The hotel seemed to have lack of capability around CSR with a serious dearth of professional knowledge in CSR domain. Having someone with the knowledge of hotel's impact on society allows better reaction on social illness by improving initiatives as a whole, supporting CSR advancements as well as promoting sustainability. As Director of Sales and Marketing pointed out that:

CSR is about focused on commitment and about keep on doing good things. But to have a person with knowledge regarding CSR-someone with problem-solving skill who also can communicate and raise awareness about the importance of CSR will effectively contribute to these ongoing social commitment. (Human Resources Director, personal communication, July 30, 2015).

Further, he claimed that implementing CSR caused a great deal of burnout, extra work and time spent.

You know, we never force our employees to get involved because we don't want them to feel stressed. I also sometimes find very difficult to

manage and prioritize between my job and CSR. For me, to some extent CSR can cause a burnout, not only me but even to my staffs. They are struggling with their jobs as well as getting involved in CSR at the same time. (Human Resources Director, personal communication, July 30, 2015).

4.2.1.6 Summary Analysis

The findings of this section show that manager interviewed considered a wide range of social activities. They defined CSR as mainly about making a contribution to society especially "giving back" to the local community. Besides, it seems like donations of their money as well as organizing charity events were performed which relate to CSR category of philanthropic. The function of CSR is not well-defined in the organization structure of the hotel. The CSR function appeared to be placed specifically in particular departments instead of distributed through the organizational structure. Other theme that emerged out as the underlying motivation to engage in CSR practices was strategic motive such as to build strong identity. Besides, it is also a move of their hotel for both educating and raising awareness of their staff. Furthermore, managers' personal intrinsic value was another theme that emerged during interview. The findings also highlight that lack of strategic integration and lack of resources (lack of capability, time and extra work) were the main challenge in implementing successful CSR in their hotel.

4.2.2 Hotel B

4.2.2.1 Hotelier's Perspective of CSR

Hotel B is a member and subsidiary of Berjaya Corporation Berhad, also known as Berjaya Group Berhad. The group, established by its founder and chairman Tan Sri Dato' Seri Vincent Tan Chee Yioun, is the largest conglomerates in Malaysia and

encased with diversified entities across various core businesses including hotels and resorts development. Since its humble beginning in 1984, the group has grown exponentially with staff strength of 18,000 across the region. As part of their attempt to maintain their prominence in the hospitality industry, this group further enhanced few international hotels and resorts in Singapore, Vietnam, Sri Lanka, Seychelles, London, and Philippines.

Centrally located in the middle of a tourist hotspot, Hotel B has put CSR on agenda as a result of growing trend in the market. CSR commitments are clearly documented and brought into action since the inception of the hotel. Being one of the socially responsible four-star hotels in Penang, supporting and helping deprived people have become a major part of its social initiatives. CSR is defined as a contribution to give something back to local community for the betterment of the poor and needy as well as preserving the ecosystem. The Director of Sales and Marketing of the hotel also delineates CSR as:

> To us CSR is the concept that company must give back to community. We make a ton of money, right? So we think that we have to certain way give back to them to show that we really care. What we take we must give back to them. It is the easiest commitment to assist the public who really need our help, especially the poor. CSR is something like the community service and charitable event that actually bring benefit to those people. And yes, we're trying to position ourselves as a hotel that takes this responsibility. (Director of Sales and Marketing, personal communication, August 08, 2015).

With approximately 118 employees, Hotel B strives to provide many endless shopping and entertainment opportunities for its clientele be it families, socialites or businessmen. Thus, Hotel B's vision is: *We want to be the leading mid-market city hotel* (Director of Sales and Marketing, personal communication, August 08, 2015).

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4.2.2.2 The Impact of CSR on Social Wellbeing of Beneficiaries

Since Hotel B has long been embracing CSR concept into their operating policy, the hotel continues to seek out ways to enrich the lives of society by doing its part for the community. In order to bring in the best of this opportunity, Hotel B fleshed out three key areas in which hotel should be working.

I. Environment

    From 2009 to 2015, Hotel B has involved in several one-time activities to restore the pristine beauty of nature on-site clean ups of beaches, parks and coral reefs. With the efforts in preserving marine life and ecosystems through Life & Care project, the hotel has stopped serving shark's fin soup to their guests. Further, the hotel has put in place a constant focus on reducing the electricity and water usage as well as recycling program. In attempt to achieve environmental gains, the hotel worked continuously to improve green procedures with a specific focus on energy saving and recycling program. The hotel has been recycling thousand of soap bars and papers every year in conjunction with their efforts on going paperless and promoting recycling. Some of the green initiatives adopted in this area were recycling competition between departments (about 80% of waste was recycled in 2012, 2013 and 2014) as well as employee training and education on reducing water consumption and energy saving.

II. Wider Community

    On the social front, the hotel strives to improve the livelihoods and build resilience in communities through various events such as visiting

old folks' homes, providing essential food as well as financial support to disadvantaged children. Seri Cahaya Welfare Home, Shan Children Home Association, Maahad Tahfiz Darul Tahzib, Crystal Family Home and Pusat Jagaan Agape Shalom were among the associations to receive help from the hotel during festive seasons in 2014. Hotel B also committed in helping orphanages through charity events, organizing blood donation drive to Mount Miriam Cancer Hospital and Penang General Hospital, and other charitable programs that involved financial aids, food and time spent.

III.   Providing Socially and Economically Community

Employee welfare has always been a top priority for the Hotel B. In an endeavor to enhance the quality of life in the workplace, hotel has performed various trainings and career development programs for their employees related to their respective areas of work. Amongst the trainings provided were waste management and recycling as well as health and safety training course for all employees across all departments.

The support to local communities is given in the form of financial support and food products. Director of Sales and Marketing (personal communication, August 08, 2015) pointed out that "From 2009, there were approximately five projects were performed each year depending on the budget and our occupancy level." Most of the beneficiaries are chosen on a random basis, with no particular relevance to the hotel's business strategy. Among the works of benevolence to which the hotel's name is associated with are The Chefs and Ramadan Giveback project. However, these CSR

projects helped out the poor and less fortunate during festive seasons only, for instance , in 2013 and 2014, Ramadan Giveback treated orphanages in the month of Ramadan which the project has benefited three orphan homes namely Rumah Anak Kesayangan, Rumah Anak-Anak Yatim Balik Pulau and Maahad Tahfiz Darul Tahzib. The supports to these beneficiaries were given through food provision. Since the beneficiaries varied from one year to the next, they were not receiving regular support from the hotel. In terms of funding, Hotel B had no specific allocation to support CSR projects.

4.2.2.3 The CSR Function and Its Place in the Hotel

The CSR function in the Hotel B was not well defined but made up of many different departments. Hotel B has a few personnel holding different titles that were collectively responsible as CSR representative to manage related activities. Ten departments are established in Hotel B namely sales and marketing, front office, finance, security, housekeeping, engineering, kitchen, human resources, executive office and purchasing. Additionally, one manager from each department was dedicated to work on CSR issue, resulted in a total of ten people involved thus far. These representatives were important element in the process to ensure the successful implementation of CSR initiatives in the Hotel B. This CSR committee with representatives from each of department briefed their respective departments on CSR practices. Although CSR was under the control of the owner and General Manager (GM), they just gave advice and maintain the CSR approach with low level of detailed instructions and guidelines. Director of Sales and Marketing (personal communication, August 08, 2015) added "We have the pilot and the leader - it is our

GM. So, if we have anything to do with CSR we definitely need to propose to him. He

is the one who will approve the project and budget and the rest we did it ourselves."

Unlike other departments, Department of Sale and Marketing often hosting a major

CSR events and eventually such events will engage with media to provide them

favorable press coverage. But, irrespective of this, being socially responsible and

going green have simply become a common part of the hotel's routines and the only

missing is a dedicated team and formal CSR position to maximize the potential of

their CSR strategies as the manager pointed out:

> Like I told you we don't have CSR Manager. But we really hope that
> in future we have a CSR Manager and a team that really understand
> what we're doing and really committed to CSR because you can't
> really do CSR without a dedicated CSR team. (Director of Sales and
> Marketing, personal communication, August 08, 2015).

4.2.2.4 Motives for CSR

To some extent, the CSR activities that the hotel engaged in were the move towards

raising awareness and educating their employees to inculcate the spirit of sharing and

caring within the organization. Hotel B is generally believed that CSR would bring

the employees to see the importance of giving back to people especially when the

nature of their business come into contact with the lives of many communities on a

day-to-day basis. The hotel continues to seek out ways to enrich the lives of society

by doing its part for the community. Director of Sales and Marketing commented:

> CSR helps us to stay in contact with our local communities. And as
> long as there is poverty in the world, CSR practices will always be a
> wakeup call for us to reach out the needy since most of us still not
> aware with their misery. (Director of Sales and Marketing, personal
> communication, August 08, 2015).

Moreover, despite the fact that reputation concern was among the factors to influence the adoption of CSR in Hotel B, many of CSR activities such as The Chefs and Ramadan Giveback were held in hotel along with the presence of corporate clients and media in rewarding them good publicity. Hotel B agreed that media has important role in championing their CSR efforts and oftentimes it usually shown up during charitable events. The Director of Sales and Marketing also contends that:

> We recognize the power and effectiveness of media has in improving our reputation, helping to promote our status as a great place to stay and to earn respect. Definitely if we're doing well, the more reputation we will earn, the more privileges we gain. And of course, when you do good things, media will highlight good cases and to us it reflects our successful practices. And to us, it looks like CSR is more needed for a business to survive in the long run. (Director of Sales and Marketing, personal communication, August 08, 2015).

4.2.2.5 Challenges in Implementing CSR

Having lack of clear vision and goal formulation of CSR agenda was the main problem in the Hotel B. The hotel assumed that strong commitment and involvement from key people be it owners or the directors play a crucial role in institutionalizing CSR in its everyday operational practice. According to Director of Sales and Marketing in order for a CSR strategy to be successful, it is necessary for a top management to place a right corporate tone and have a clear CSR vision for the entire hotel to perform vigorously. He further explained:

> Our philosophy of having CSR in place is straightforward. CSR should be incorporated into organization. But somehow it is just an idea. I think we need a very concise CSR vision to guide us in this journey- a support and guidance from the top management to ensure that the values and vision of CSR are rooted internally into our culture and management. I think that will help a lot in our CSR approach. (Director of Sales and Marketing, personal communication, August 08, 2015).

Since implementing CSR, some managers have experienced excessive workloads than before. According to Director of Sales and Marketing (personal communication, August 08, 2015):

> These managers find it somewhat difficult to balance their responsibilities and to split their time between CSR and core business functions. Given that there was no fixed strategy for CSR with the critical issues related to high workload, it was a bit of a challenge for them to devote more time engaging in a broad CSR programs. Well I think this is common for the most of all hotels.

4.2.2.6 Summary Analysis

From the manager's point of view, CSR is a right avenue to give back what was utilized from the local resources (giving back to the community). However, most of the CSR activities performed were philanthropic in nature. Moving to the CSR function, there was no formal organizational structure for CSR in the hotel. Yet, CSR was applied in daily work, which was controlled by the general manager. CSR activities seemed to assist the hotel in terms of strengthen the sense of employee and enhance corporate reputation. Again, lack of resources (lack of clear vision, excessive workloads) was the main limitation to conducting CSR in the hotel.

4.2.3 Hotel C

4.2.3.1 Hotelier's Perspective of CSR

To begin with, Hotel C is a wholly owned subsidiary by Hotel Royal Limited, Singapore which was incorporated in 1968 to conduct business as an hotelier. Since its establishment, the hotel has charmed the guests with their warm hospitality and amenities. Ideally located in the heart of Georgetown and overlooking the coastline, Hotel C is the four-star city hotel encased with great diversity of culture and well-preserved heritage buildings which make Penang as a world heritage site. Only took

five minutes drive from the ferry terminal this hotel offers 281 rooms and is adjacent to the city center as well as shopping complex, Penang Plaza. Lead with its vision "*To make every room a home*", the hotel strives to improve their services and aims to meet customer requirements through effective implementation of ISO 9000 Quality Management System. And at its height, about 132 workers were employed. This hotel has begun conducting CSR practices into their corporate fiber for the past six years. Being a novice CSR practitioner at that time, Hotel C perceived CSR as:

> …an effort and action to further some social good such as giving back to community as well as creating an overall positive impact on community especially in considering the plight of the less fortunate. If we don't give back, our business in this industry is not going to be sustainable. (Human Resources Manager, personal communication, October 20, 2015).

As for the Hotel C, CSR is regarded as a platform to connect the less fortunate with the assistance they need to make a living and at the same time CSR is perceived as a precondition for the business survival, keeping the business afloat.

4.2.3.2 The Impact of CSR on Social Wellbeing of Beneficiaries

As an initiative to reach out to the local communities, the hotel has divided its responsibilities for CSR into two main areas in which this policy serves as a guideline for management and employees.

I.   Social and Economic Development

The hotel's social contribution initiatives aimed at helping and improving the livelihoods of vulnerable local communities but the support was largely limited to sponsorship programs and charity events. Since 2009, Hotel C has provided a much needed donations to where the need is greatest. The support was separated into two main

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categories; support to less fortunate and support to local sports and cultural events. Accordingly, the projects were chosen without specific link to the hotel's business strategy and received generous support from the hotel.

Support to less fortunate: Since 2009, the charity drives focused in raising money, visiting, providing food to welfare homes and having meals with the residents. Alas, these activities were mostly done during the four main festivals namely Deepavali, Chinese New Year, Eid-al Fitr and Christmas Celebration. The idea is to spread the festive cheer to the neglected children and old folks in conjunction with the meaningful festival. The projects dedicated to reach out the community during festive seasons are Ramadhan Feast, Luncheon Treat Chinese New Year Cheer, Deepavali Royal Treat and Christmas Feast. Besides heaving meals together, the hotel contributed some financial support as well as bringing gifts, delectable stuff and household items for their daily lives. Maahad Tahfiz Darul Furqan Balik Pulau, Ma'had Tahfiz Al-Quran Kasyfu Al-Ulum, Bethel Home and Shan Children Home were those who benefited from these projects.

Support to local sports and cultural events: Hotel C sponsored Penang Starwalk in 2011 as part of their CSR efforts. The hotel sponsored RM 10,000 worth of hotel stays, lunch and dinner vouchers for lucky winners. For the first time, the hotel also sponsored some goodies worth RM 5,000 for Ipoh Starwalk on the same year. Again in 2012,

more goodies poured in for the lucky participants in Penang Starwalk as the hotel gave away 10 accommodation vouchers and 18 meal vouchers worth a total of RM 10, 371.

I.   Human Resource Management

Hotel C emphasized on sustainability by applying the family concept in managing their staffs to enhance employee's loyalty and enable them to be more willing to do their jobs. There were some activities aimed to support healthy lifestyle of the employees such as Bowling Fun in 2013, Volleyball Game in 2014 and recently Futsal in 2015. The hotel also respects the creativity of their staffs by providing them in-house and outside training to fully develop their knowledge and capabilities. For instance, the Penang Chefs Networking Night is a program to gather all the chefs in Penang to share their professional expertise and knowledge.

However, the Human Resources Manager (personal communication, October 20, 2015) claimed that "Since our inception, CSR activities are mostly done during the four main festivals- Chinese New Year, Hari Raya, Deepavali and Christmas. This initiative is to spread the festive cheer during that time."

In the context of CSR funding to support the continuity of CSR projects, the Human Resources Manager pointed out:

> We have no fixed budget for our CSR programs. The GM will normally control all the cash flows. So let say if we want to conduct a CSR program, we need to send her our proposal. If she approved then we can perform that activity. So in terms of budget, I couldn't give you the exact amount. (Human Resources Manager, personal communication, October 20, 2015).

4.2.3.3 The CSR Function and Its Place in the Hotel

There was no formal CSR position in the organizational structure of Hotel C. In fact, the overall CSR responsibility was directly tied to HR department and communication department. The responsibility for overall CSR planning and strategy emerged as an area of interest in these departments, who were responsible in driving the CSR initiatives. In total, two directors were involved with the CSR work. In fact, any CSR planning, activities and CSR-related decisions, however, must have the consent of the General Manager.

On the other hand, as according to Human Resources Manager *"being a part of the CSR team for both departments, the main responsibility is more related to focusing on business functions rather than CSR matter due to heavy workloads"* (Human Resources Manager, personal communication, October 20, 2015).

4.2.3.4 Motives for CSR

Hotel C had few reasons for being attentive to CSR. The hotel considered reputational building as an important element when making a foray into CSR. CSR is seen as a platform for them to gain legitimacy, manage social risks and easy access to markets. The hotel always followed the notion that CSR provides the opportunity to share positive undertakings through media in a way that it generates free publicity and having public recognition for the good deeds. Human Resources Manager subsequently stated that:

> Press has been our best friend since the day we took the first steps to
> embrace CSR. The press helps us to maintain our presence and how it
> reflects our social values is remarkably impressive. By using the media
> to spotlighting our social responsibility, the positive public feedback
> and recognition will have significant impact on our bottom line. The
> more we are doing well for others and community, the better extensive

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media exposure we will probably get…and you know this of course will give us good name and motivate us to keep on doing the good things. (Human Resources Manager, personal communication, October 20, 2015).

Whilst profit might be the end target for Hotel C and how the hotel has been reputable through CSR practices, CSR also helped to boost employee morale and instilled a culture of giving in the organization. Putting efforts in charitable activities will bring people together to share their voice and work in a team. The giving organizational culture gave employees a sense of equality where status quo titles were no longer a concern. *"Employees who felt proud about what we been doing were less likely to look for other jobs elsewhere"* (Human Resources Manager, personal communication, October 20, 2015).

Furthermore, the hotel claimed that CSR indirectly encouraged closer ties between the hotel and community because it helped to instill the belief that the hotel is not restricted to mere maximization of profits but also proactively reaching out to the poor and needy.

> CSR helps to create an environment in which our communities are much more open to collaborate with us, to work with us for a closer bond between our staff and the local communities. By doing so, the society will know that we are not obsessed in making profit. We also address our community member. Therefore, I think with CSR we can reach out to our communities even better. (Human Resources Manager, personal communication, October 20, 2015).

4.2.3.5 Challenges in Implementing CSR

The biggest challenge faced by the Hotel C was to choose the right kind of CSR project and further expanding activities in a wide range of areas. According to Human Resources Manager:

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> Most of the time, our CSR ended up in duplication. I could say it is a bit tiresome repetition of activities because we keep on doing the same activities. The areas of CSR intervention are mainly oriented around sponsorship rather than other range of community-based activities. We have many ideas but again, anything will be approved by the GM. You know, it's her decisions. You see, we are doing great with these activities, so far. But I think we can do even better when we address variety of issues with more exciting CSR activities. And today on average we have like five programs every year and mostly the same activities like I mentioned earlier on. (Human Resources Manager, personal communication, October 20, 2015).

This is due to the fact that there is a lack of consensus among the managers in charge regarding specific needs and priorities in implementing CSR. Besides, every CSR decision making required the consent of the top management concerned and unclear directions of strategic sense of which activities may be prioritized inhibit wider CSR application. Despite the fact that successful CSR required fully integration of the concept into corporate strategy, the hotel noticed some of their employees refused to volunteer due to time constraints. Human Resources Manager addressed constraints of time as the most significant barrier as she continued to mention:

> I think this is the main challenge. I feel that CSR is too time consuming. Quite a few times our staffs are complaining that they are unable to spend more of their management time to address the CSR issues. They're not 'full time' doing this because they also have their own jobs. And at some point CSR actually increased their workloads even though we had set up our volunteer rotation systems and schedule… (Human Resources Manager, personal communication, October 20, 2015).

Given that some employees and managers were experiencing additional workloads, Human Resources Manager stressed on the importance of having someone who is responsible for social contributionsto endorse the CSR vision and mission and have it pervades to all the stakeholders as well as possesses a strategic vision and deep knowledge of the hotel's activity and operations. Meanwhile, she claimed that they

seemed to have lack of expertise in management to support the continuity of CSR as she expressed:

> Maybe because we do not have the relevant expertise to seriously doing and implement this. But if to talk about hiring or placing someone expert like CSR Manager, I don't think our hotel have enough budgets, yet. But of course it is important to have someone that could drive the CSR performance and we are still falling behind in that. (Human Resources Manager, personal communication, October 20, 2015).

4.2.3.6 Summary Analysis

In the case of Hotel C, they believed that CSR means by being able to give back to the community. Again, philanthropy (extensive donations and sponsorships) confers the majority of benefits on society. The CSR function appeared to be placed mainly in HR and communication department indicates that no uniform understanding of the CSR function. Furthermore, improving the quality of life of the wider community was also mentioned as the reason of their CSR involvement. Another theme that emerged was strategic motive in providing legitimacy for the hotel. Next, CSR activities have the effect on the employees' morale which could bring higher profitability and work productivity. Lack of resources (extra works, time spent, and lack of consensus in prioritizing activities) was found to be the challenge for successful CSR.

4.2.4 Hotel D

4.2.4.1 Hotelier's Perspective of CSR

Hotel D is one of the luxury hotels group by in Penang. Although the concept of CSR has been advocated for more than a decade, the CSR policy just came into effect in 2007. The very essence of the philosophy by this hotel has always been "*Hospitality*

from a caring family" throughout the years and encapsulating the tranquility and service in which it is globally renowned.

"Beneath a verdant canopy waits a secluded paradise" depicts Hotel D as a piece of heaven in the midst of Penang Island. Located on the scenic island that fronts the sandy beaches of Batu Ferringhi, this five-star hotel is surrounded by substantial 30 acres of lush greenery offering their guests a genuine experience with a fantabulous rooms and suites for comfortable stay. Since starting, the hotel has grown significantly with a total workforce of 200 people as per 2016. Hotel D was also bestowed a coveted honor, the ASEAN Green Hotel Award 2010, for the second consecutive year at the ASEAN Tourism Forum in Brunei. The honor is given with respect to environmentally-friendly practices and adoption of energy conservation based on 11 criteria and 25 requirements of the ASEAN Green Hotel Standard. And as for now, only 10 hotels in Malaysia including the Hotel D have succeeded to meet these standards. Among other global recognition of excellence awards are Shangri-La Asia-index component Dow Jones Sustainability Indices (DJSI), Favorite Hotel Brand Asia Tatler, Top Ten of the World's Most Popular Luxury Hotel Brands from Luxury Branding (United Kingdom) and Best Business Hotel Brand in Asia Pacific by Business Traveller (Asia Pacific).

The awards speak of their determination in providing guests with distinctive blend of authentic Asian standards of hospitality service, aiming to delight customers with constant quality and value in the services provided. It is also in line with its vision: *"To be a leading hotel in corporate citizenship and sustainable development, caring for our colleagues, business partners and guests, seeking to enrich the quality of life*

for the communities in which we do business, and serving as good stewards of society and the environment (CSR & Sustainability Manager, personal communication, November 10, 2015). It follows with the preference used of "sustainability" as a term to provide a comprehensive picture of overall CSR. Hotel D viewed CSR as:

> CSR is a broader responsibility that goes beyond purely monetary aim and legal requirements and of course it is a voluntary option, to be accountable for the consequences we have created on environment and our local people. Actually the main point is simple. If we don't give back, we are not going to be sustainable. And basically we understand CSR as a prerequisite for our long-term survival, be it to our business or humanity, and commitment to preserving all the resources. (CSR & Sustainability Manager, personal communication, November 10, 2015).

4.2.4.2 The Impact of CSR on Social Wellbeing of Beneficiaries

As far as Hotel D is concerned, bearing their social responsibility has long been at the heart of their corporate culture. In 2007, for instance, saw the first establishment of CSR policy came into effect to cover a wide range of social responsibility issues. Accordingly, the hotel unified all their CSR initiatives under the umbrella of sustainability within five focus areas namely environment, employees and community, health and safety, supply chain, stakeholder relations (*see* Figure 4.1).
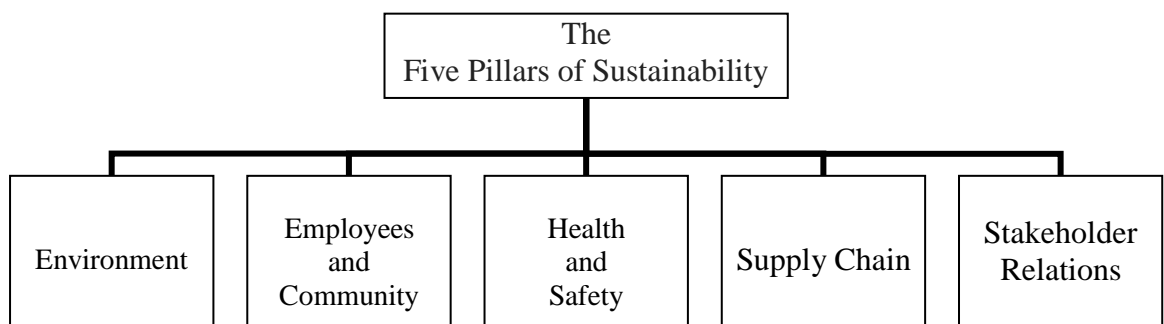
Figure 4.1. The Five Pillars of Sustainability by Hotel D

The proposed key areas are presented as follows:

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I. Environment

On 2011, the Hotel D participated in Carbon Disclosure Project with annually submissions and many of its hotels and resorts including the Hotel D are certified under ISO 14001 Environmental Management Systems. Hotel D supports environmental sustainability by implementing various biodiversity conservation activities to serve as a good steward of the environment. Among some of the initiatives undertaken by the hotel are:

Support marine conservation and ecosystem protection: Hotel D participated in Annual International Penang Coastal Cleanup program in conjunction to promote a cleaner beach as well as environmental rehabilitation program together with its sister properties to utilize Effective Management (EM) mud balls for beach and riverside cleanups. Hotel D celebrated World Ocean Day and Coral Triangle Day designated by the United Nations on June 8 and 9 every year, respectively, as part of their support to sustainable fishing among stakeholders. In order for kids to understand the ocean better, many fun activities were organized for them such as arts and crafts with the strong messages concerning marine life protection. Examples of events on this day are beach clean-ups, sustainable seafood dinners, and exhibitions.

Support energy efficiency practices and reduce waste: The hotel was given certification by SIRIM (an independent well-established quality certification body in Malaysia) as part of their efforts to replace the

usage of diesel-burning boilers to heat pumps installation. This reduces the demand for energy needed to heat water. Hotel D was among the few hotels in Penang to receive in-house bottling plant license. The fruits of this approach can be seen from the reduction of more than 3,000 kg of plastic drinking bottles been recycled every year.

II. Employees and Community

Hotel D has provided equal employment opportunities in most of their hotels and against all forms of discrimination. The hotel perceived their employees as partners in delivering high-quality services and will never tolerate any unlawful practice at workplace. Yet, hiring people with disabilities makes a sound business sense for the group. Through the People with Disabilities (PWD) Opportunities Program, the hotel eventually had set up a target of 2% of their employees must be personnel with PWD. It was a quantum leap for the hotel when in year 2014, Hotel D managed to employ 1.4% of PWD, proving their seriousness in achieving the goal.

At the community level, Hotel D remains committed to the Lighthouse, a community center for the poor and homeless initiated by Penang Office for Human Development, a social arm of the Catholic Church's Penang based diocese to improve the quality of life of community members. The hotel has always known for their unique relationship with surrounding communities and via the Lighthouse, the hotel would takes turns every year to host a healthy dinner for 120

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people at the center while at the same used items such as clothes and slippers were donated.

Hotel D had conducted management training through "Finding Your Shangri-La" at DISTED College, providing the students with a broader understanding of the hotel industry, career opportunities and demands in current hospitality sector. The participants probably have the chance to be acquainted by the hotels through vetting process. For decades, the hotels have been providing emergency relief when disaster strikes and helping communities prepare for disasters. Besides in last few years when the typhoon ripped through Philippines and Japan, the hotels had successfully provided funds and humanitarian responses to communities in need. The hotels also shipped and distributed some food and other essentials to survivors.

III.   Health and Safety

Hotel D commenced certification under the Occupational Health & Safety Management Systems (OHSAS: 18001) emphasizing on the importance of safety working environments for all staffs. Fire Life Safety (FLS) marked the top priority at the hotel through regular audits and inspections to ensure their practices are adhered with "zero tolerance" policy for non-compliance. Hotel D has recently conducted a Fire Life Safety program to educate children on safety escape procedures. Food hygiene program is performed to educate children about the safe steps in food handling.

IV.   Supply Chain

Hotel D has always been committed in working with suppliers who shared common sentiments and values of corporate stewardship, respect the Mother Nature and inherent worth of all society. In fact, in January 2012 Hotel D had announced its Sustainable Seafood Policy including the decision to stop serving shark's fin soup and other endangered species such as Chilean sea bass and blue fin tuna at all their operated restaurants with immediate effect. In order to enhance their journey towards environmental stewardship while keeping the habitudes alive, the hotel involved in working with various local seafood suppliers such as fisheries department and fisherman. Additionally, the hotel has been collaborating with suppliers on various projects including reducing waste. The hotel collaborated with its long-term supplier Sealed Air Diversey Care for the "Soap For Hope" program where the used discarded soaps from guests rooms were collected, sanitized and processed into new bars of soap before the Sealed Air Diversey Care distributed the ready soaps to communities in need. Furthermore, Hotel D embarked on Rooted in Nature campaign by working with local partners to promote sustainable menu. The local suppliers involved were GST Group for seafood supply and AyamPlus for chicken. In line with the campaign, all guests were offered with sustainably sourced ingredients such as free-range chicken and locally sourced seafood as the main ingredients.

V. Stakeholder Relations

Being real, transparent and open are always essential for the hotel culture. Thus, in 2012 the hotel has embarked on its first stakeholder engagement to feedback on the proposed CSR practices and sustainability performance. Mixed methods approach were applied from interviewing to surveys with NGOs, investors, key suppliers, and employees aimed to create shared value and integrated CSR into daily operations.

In attempt to make a better world tomorrow, Hotel D has enhanced their CSR strategy through establishment of core sustainability projects. In this regard, under the five pillars of sustainability, Hotel D's CSR programs consists another two main elements namely Embrace and Sanctuary. According to the CSR & Sustainability Manager (personal communication, November 10, 2015):

> The other thing you should know and probably you already know this since you have done your research is that we also have Embrace and Sanctuary project for this resort. For city hotel, they only have the Embrace. They don't have Sanctuary project because they are not a resort, no beach or something like that. This is why we have like 20 projects every year for this hotel.

Embrace Project by Hotel D

In September 2009, the hotel launched Embrace Project, concerning on health and education programs through a 10 to15 years of partnership with a chosen beneficiary. Each of the Embrace project works to promote health support and improve children's well-being and opportunities in its surrounding community by providing them with sufficient and valuable hands-on experience. These also include infrastructure support, life skills training, fundraising and hotel apprenticeships. With the annual targets are set out for a period of 10 to 15 years, the children will remain in the

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monitoring system until they finished their tertiary education and capable of taking care of themselves independently as well as finding employment based on their own merits. Whenever possible, hotel is encouraged to perform hotel skills training with the goal of offering students a sustainable career, whether in the hotel or other places.

Embrace Project was one of the exemplary CSR projects by the hotel that typified the fundamental beliefs of the hotel's social commitment as part of social stimulus and opportunities for local communities. The basic idea of CSR in this hotel is to have long- term sustainable CSR projects which bring an ongoing impact to social development of the local community. For Hotel D, the implementation of CSR programs indicates their obedience to adopt social responsibility behavior that constantly materializes sustainable development. This was perhaps attributable to the constant approach of CSR implementation with continuous monitoring of their social and environmental conditions.

There are two key focus areas for Embrace project in Hotel D which gained a great deal of collaboration from their beneficiaries and other stakeholders. The proposed projects were Adoption of Penang Shan Children's Home Association and Embrace Giving of Life. The projects came as a response to a prevailing social illness in the area. Thus, the projects focused on bringing them as the key players to build more resilient communities through an ongoing series of addressing community development needs.

Hotel D has adopted Penang Shan Children's Home Association as its Embrace beneficiary. The home is a welfare organization catering to the needs of orphans,

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vulnerable children and dysfunctional families. Apparently, majority of them were one-parent families with physical and financial challenges. Many activities were performed for the past few years to restructure their home, providing them with new cabinets and storage space while some plans were made to switch home's fluorescent lights with energy efficient bulbs in line with the hotel's energy conservation measures. Collaborated with Uplands International School, the children of the home attended swimming lessons, 12-week Arts and Crafts Course, the Outward Bound School Camp and the Recycling Program. Internet Safety Course and Building Champions were the latest activities covering important areas of life such as cybercrime prevention, communication skills, financial literacy and education. The ultimate goals were to empower the home's children with capabilities to mix into broader societies and help them breaking the vicious cycle of poverty.

More interestingly, beneficiaries of the Embrace Giving of Life are carefully selected every year across Malaysia after went through a list of patients with severe health conditions. Most of the cases involved life-changing surgery for young children and recently the hotel sponsored two hearts corrective surgeries totaling RM 35,000 which eventually gave them a new lease of life. Many children from Penang, Kedah, Perak and Perlis were benefited from this program. To date, the hotel managed to contribute a total of RM 372, 384 to twelve babies and toddlers over the years.

Sanctuary Project by Hotel D

Unlike Embrace project, the Sanctuary was launched in 2010 with the aim to ensure a high quality standard in a variety of environmental conservation, terrestrials and marine restoration. For this reason, Hotel D was summoned to work on individualized

projects aimed to provide a natural habitat to rehabilitate the endangered species through continuous monitoring, tracking and biodiversity assessment.

Hotel D has initiated its Turtle Conservation Program with the support of Malaysian Fisheries Department and the Penang Nature Tourist Guides. Simultaneously, a turtle Eco Centre was launched by the resort as an information centre about turtle conservation. The program simultaneously encouraged collaborative initiatives especially for joint educational activities with schoolchildren and NGOs. In order to help raise some funds for the Turtle Conservation Centre, a fund raising program was launched to support the centre for purchasing satellite tracking devices for mature turtles. In collaboration with the children from The Association of Resource and Education for Autistic Children (REACH), proceeds from the sales of merchandise were channeled to the funds. Over a year, many inaugural interactive sanctuary programs were designed to educate children and empower them to take action to protect sea turtles. Getting to know *Pen Yu* and Turtle Telematch were among the activities organized by the hotel to educate the primary school children from SRK Teluk Bahang, SJK(C) Eok Hua and SJK(C) Pai Chai about turtle conservation. According to CSR & Sustainability Manager:

> We are pleased to give back to the local community of Batu Ferringhi and Teluk Bahang where many of our staffs are from. And we are so proud of having a very supportive team to volunteer for this particular program the entire time and many more staffs are waiting to join us for the upcoming program next year (personal communication, November 10, 2015).

In relation to the funding, the hotel has set a specific allocation of funding to support CSR activities. In year 2007 to 2013, Hotel D has earmarked 0.1% of the gross revenues spending for social development project. It was 2014 after the advent of

various programs the hotel took bigger leap to spent 0.2% of the gross revenues which the mandated amount on CSR can only be utilized for activities that benefit the local community or environment. CSR & Sustainability Manager affirmed that:

> A major chunk of CSR was utilized in Embrace and Sanctuary programs which are under constant monitoring and based on our continuous improvement approach for a sustainable society, measuring by KPIs for each project. (CSR & Sustainability Manager, personal communication, November 10, 2015).

In the light of growing awareness of social issues among the hotels, the findings indicates that Hotel D is taking a variety approaches to imbued CSR into their business strategy and support broad spectrum of activities which foster social development, education, health support, environmental conservation and marine restoration. Overall, she concluded that:

> Be it Embrace or Sanctuary Project, we definitely are looking at making contributions that can be sustained in the future and have longer lasting impact rather than ad hoc approach. (CSR & Sustainability Manager, personal communication, November 10, 2015).

4.2.4.3 The CSR Function and Its Place in the Hotel

Hotel D had a clear organizational chart and specific person responsible for developing and implementing CSR actions plan (Figure 4.2). Since 2007, this hotel in Penang has successfully established the role of CSR & Sustainability Manager as a full time position and the appointed manager must be in permanent contact with the hotel's stakeholders. Besides, a corporate-level CSR committee comprised of the staff members and the heads of the departments of the hotel was successfully formed to help embed CSR into business strategies.

The CSR function in the hotel is best served by being integrated into various departments and anchored in the top management. Having the top management supervising the integration and implementation of CSR immediately put CSR as the business's core values and principles. While one person was assigned as a CSR Manager to focus on the Embrace and Sanctuary projects (work with external stakeholders on sustainability initiatives), a corporate-level CSR committee involving a total of five people in every department, steered the hotel's initiatives in the strategic focus areas of environment, employees and community, health and safety, supply chains, and stakeholder relations (in charge of internal relations and strategy).

The CSR champions consisting of two people namely General Manager (GM) and Resident Manager (RM), who were not only have views on the bottom line but also on CSR strategic plan and performance. Besides, CSR committee team and CSR & Sustainability Manager must produce a report to CSR champion each time the CSR project has been completed. Above all, CSR initiatives and strategic plan also formed a part of performance management or key performance indicators (KPIs) of GM and RM and it is an important portion of hotel's responsibility to remain being responsible corporate citizens. According to CSR & Sustainability Manager (personal communication, November 10, 2015),

> We have like six people altogether, exclude our GM and RM as we need to report to them but we actually also have few assistant managers from every department who volunteer to handle and support our CSR programs. So far, our staffs have been very much supportive.
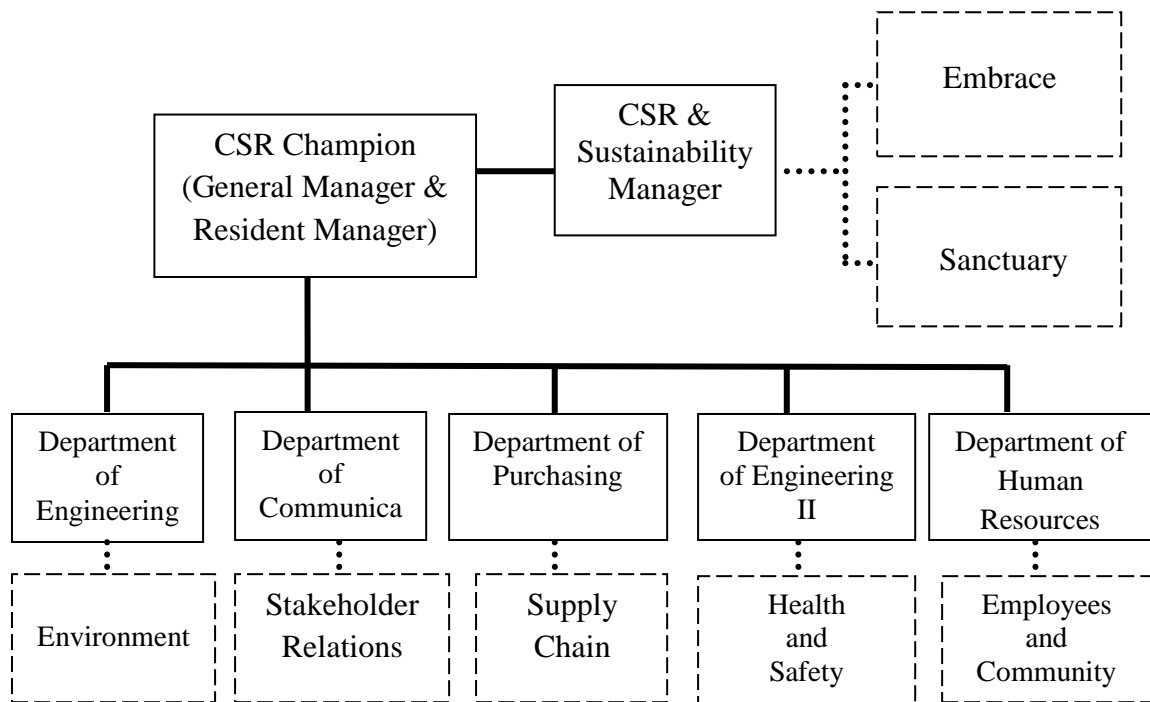
Figure 4.2. The Organizational Structure for Hotel D

4.2.4.4 Motives for CSR

In the case of Hotel D, CSR is deemed to improve and boost engagement with hotel guests. CSR emerged as a strategic motive to encourage the guests to keenly interact and share in their experiences involving various CSR activities. A strong guest relationship if executed well will cultivate brand intimacy and growth nonetheless. As stated by CSR & Sustainability Manager:

> It is surprising how CSR has become one of the key platforms that enable our hotel to develop our guest engagement strategies. Creating values for the guests always come first. So far we had done a lot of things…from planting trees and releasing turtles…all we did without media or press intervention. It would be great if we got the recognition. But it we don't, we just keep going. We will do anything to keep our guests happy. CSR helps us to create an exceptional guest experiences more than what the traditional could sell. A happy guest always will come back to stay. This could benefit us in some ways but we believe CSR and direct business benefits are not necessarily linked. (CSR & Sustainability Manager, personal communication, November 10, 2015).

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In the case of Hotel D, there was often the case where CSR was embraced due to the intensified pressures from the growing number of external parties, be they are suppliers, investors or powerful watchdogs. She then explained:

> CSR is very much a part of our DNA for the past 40 years… We are so proud of our achievements and how CSR has raised us to the next level of success is phenomenal. Even majority of our guests are concerned with CSR practices and our status for being green. There were times when we received surveys or questionnaires issued by our suppliers and guests for us to fill in just to ensure our hotels and resorts are practicing ethical business practices. In this case, stakeholders are increasingly interested in more responsible hotel and rejected any organizations who act irresponsibly. This is the thing that keeps us striving to become better. (CSR & Sustainability Manager, personal communication, November 10, 2015).

4.2.4.5 Challenges in Implementing CSR

Hotel D faced some challenges that impede the widespread adoption of best CSR practices. This often the case where many local non-governmental organizations (NGOs) who supposedly pursue societal interest were not adequately trained and equipped to operate efficiently in influencing hotel's practices with many of them were not stressing on constant approach to CSR and systematic solution for sustainability issues. According to CSR & Sustainability Manager, this might have resulted in serious dearth of trained and efficient organization in devising and integrating into ongoing CSR programs. She then asserts that:

> Not just hotel, but you can look at other sectors as well. The pressures aren't too strong to push us, isn't it? And this will undermine and inhibit our activities to measure the CSR undertakings from time to time as well as limit the hotel's abilities to involve in a wide range of activities. That is also the reason why you can see so many hotels perform one-time donations, one-time beach cleanup and so many more. Nowadays, our need for change is becoming more important than before and the solutions needed are even greater. But some of our NGOs actually are asking for less and less change. (CSR & Sustainability Manager, personal communication, November 10, 2015).

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Given these circumstances, the CSR & Sustainability Manager claimed that there is a need to build the capacities of local NGOs who are playing vital role in formulating the social and environmental endeavors which also appear to be exerting significant influence on corporate' decisions. She further affirmed that someone with problem-solving strategy and change efforts are important elements to sustainable practices in hotel sector (personal communication, November 10, 2015).

4.2.4.6 Summary Analysis

Hotel D defined CSR as sustainability in a way that CSR provides resolutions to the underlying issue and provides guidance on how best to deal with the problem. Most of the CSR activities were performed towards promoting sustainable communities and provide long-term sustainable solutions to address the needs of communities, locally and internationally. Besides, they had a clear organizational structure and a person responsible for managing CSR together with the support of CSR committee member. In terms of motive for CSR, CSR seemed to improve guest engagement. Another theme that emerged from the interview was pressures from the external parties. Lastly, the only main challenge they faced towards implementing successful CSR was inadequate trained of local NGOs.

4.2.5 Hotel E

4.2.5.1 Hotelier's Perspective of CSR

Hotel E is the best place for families brimming with super fun activities and facilities for a perfect getaway. Located adjacent to the beautiful Batu Ferringhi Beach, this four-star family-friendly hotel features the Adventure Zone, a family attraction boasts nearly a 10,300 square-foot featuring drop slides, game arena and modular

playground equipment for the kids to explore. Despite on how the hotel brings luxury to its guests, the hotel was bestowed a recognition of exceptional hospitality and has been crowned as the Best Restaurant 2013 Award by Malaysia Tatler in January 2014, and Best Hotel Partners 2014 by Gullivers Travel (GTA) in February 2014. Serving million of guests every year, Hotel E have approximately 261 employees in the organization. Hotel E delivered hospitality from the heart as it was the same brainchild to connect their surrounding societies with the same hospitality culture. With this strategy in place, its vision serves as the framework and guides every aspect of its CSR in order to continue achieving sustainable development and quality growth. Therefore, its vision is: *To be a sustainable hotel* (CSR Manager, personal communication, November 15, 2015).

Being more than 20 years in the industry, Hotel E believes that CSR should not just about donating money to charity and compliance but it should also offer a more holistic approach towards economic, social and environmental impacts as a whole. More precisely, the hotel is committed to the development of the projects that accord optimum regard to environmental and societal concerns as well as being highly sensitive towards the conservation of threatened areas and species. Hence, Hotel E defined CSR as follows:

> The purpose of CSR in our hotel is to drive change towards sustainability. It is about hotel's initiatives to take responsibility for the hotel's adverse impact on social and environment and take initiatives to preserve biodiversity as well as providing the well-being of our community. So far the wider aim is to ensure sustainable rehabilitation of marine and shoreline resources around Penang Island and provinces. We must conserve rather than exploit the nature, helps the society and that is what CSR about. (CSR Manager, November 15, 2015).

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4.2.5.2 The Impact of CSR on Social Wellbeing of Beneficiaries

The CSR policy of Hotel E has the following five strategic focus areas that drive their

sustainability management:

I. Environment

Besides Earth Day and Earth Hour, Hotel E has participated in Carbon

Disclosure Project in 2011 and obtained certification under ISO 14001 in the

same year. Some annual activities undertaken by the hotel are:

Resource Conservation and Recovery: It was in 2009 when Hotel E set up a

unit called Effective Microorganism Mud Balls Research and Development

Centre to create special mud balls made of organic matter which is used

effectively to break down harmful components in waters. Hotel E was the first

hotel to implement such method and Sungai Emas, which has been adopted by

the resort, was the first river to undergo rehabilitation process. In addition to

the bleach and riverside cleanups, Hotel E holds two other activities each year

that include celebrating World Ocean Day and Coral Triangle Day. All

activities are carrying the same message to raise awareness of the ocean

conservation and protection. Many fun learning activities were designed for

the kids to learn as well as empower them to take specific actions to help

protect natural treasure. CSR Manager once mentioned that:

> We have a lot going on for our annual projects. On average I
> can say that we have more than 20 projects every year so what
> we do we have a CSR Calendar Day. As a resort we have to
> celebrate certain days like World Ocean Day and because as a
> resort we have so much rooms that we can do. Earth Day and
> Earth Hour always a bit fun because we have many interesting
> activities. We also have Coral Triangle Day where we have
> massive beach cleanup. I focus a lot on World Ocean Day
> because it is quite a big thing in our hotel and I try to make it

educational and fun. So basically I would say these all are our annual events. (personal communication, November 15, 2015).

Support waste management strategies

Hotel E was also accorded in-house bottling plant license and the resort was among the few hotels in Penang to obtain the license. The resorts replaced the ordinary plastic mineral water bottles with 1.0 liter glass packaged drinking water. After all, both resorts used about 1.65 million of plastic drinking bottler every year which bought to the reduction of 4,708kg of plastic drinking bottles been recycled a year. Despite reducing the number of plastic bottles for recycling process, the resorts by the same token managed to reduce the energy required for turning recycled material into a new product.

II.   Employees and Community

Hotel E has hired people with disabilities for employment through competitive hiring process. The program, known as PWD Opportunities Program, had set up a target of 2% of employees should include individuals with disabilities. It was the greatest achievement for the hotel where in year 2011 they managed to hire 1.5% of disabled person, showing their earnestness in this area. At the community level, Hotel E has committed in meal sponsorship program and took turns to sponsor daily dinner for about 120 guests at the Lighthouse every month for the duration of one year. The lighthouse is a community center dependent upon the generosity of the public's contributions and sponsorship. Despite these projects, Hotel E provides management training at DISTED College, offering the students with competitive job opportunities in the hotel sector. While at the international level, Hotel E has helped to provide the

children and families with emergency and disaster relief support over the years. The hotel has helped to locate charities to the earthquake victims in Japan and the typhoon victims in Philippines.

III.   Health and Safety

Hotel E is required to commence a certification under the Occupational Health & Safety Management Systems (OHSAS: 18001) in attempt to creating a safe working environment for its employees. FLS program was designed to teach the children on basic food safety practices and to educate them on emergency evacuation procedures. The hotel has recently been awarded the Health, Safety & Environment Award at the 2015 National Occupational Safety and Health Award Night organized by the Ministry of Human Resources Malaysia.

IV.   Supply Chain

In conjunction with its prevailing sentiment to respect the nature, Sustainable Seafood Awareness Campaign is held to raise the awareness about the sustainable seafood amongst the chefs and seafood suppliers. Hotel E is committed to promoting sustainable food system from food production, processing, packaging, labeling, marketing and disposal. As such, the hotel has joined in Rooted in Nature campaign with other local suppliers such as GST Group and AyamPlus to place high importance on meeting food and nutrition needs for all members of the hotel. Hotel E further involved in variety of projects including reducing waste through a partnership with long-term supplier, Sealed Air Diversey Care for its Soap For Home Project. Aside from that, Hotel E had launched its Sustainable Seafood Awareness Day in

collaboration with World Wide Fund for Nature Malaysia (WWF-Malaysia), the Penang Aquaculture Association and GST Group to promote sustainable seafood consumption.

V. Stakeholder Relations

Hotel E believes that stakeholder relations management is a key skill that keeps them to succeed. Mixed method approach was performed to help shape and improve the quality of current CSR projects through surveys and interviews with NGOs, investors, suppliers and employees.

Social Care Project by Hotel E

Social Care Project in Hotel E was separated into two scopes namely Crystal Family Home (CFH) and the Giving of Limb Program. In conjunction with the hotel's goals to assist children in need, Hotel E has adopted CFH, a non-profit voluntary welfare home as its most relevant stakeholder for this project. In spite of providing them with consumables stuff, education, medical support and living skills, the resort took paramount initiatives to ensure all served food is prepared hygienically through its Typhoid Vaccination and Talks program. Besides, in 2012 the home's children had registered as participants in the annual sporting event known as Starwalk. The CSR Manager (personal communication, November 15, 2015) then added:

> This is a 15 years of partnerships so our goals are very specific and targeted. We try not to duplicate our efforts. So since I'm around, I try to do more development programs to this home. You know, they are fine when it comes to rice, Milo, and food. But what they don't have is mentoring, leadership, budgeting, skills and 'common sense things'. So we focus on things that would enhance them because at some point if they are taken off from home, they have to be on their own. So we try to break this cycle. A lot of their parents are teenage mum, very young parents and got pregnant. If we don't break this cycle, we are forever going to have this problem. I always tell my staffs that for us

to be able to break the society problem we have to start from the scratch.

The Giving of Limb is a program to aid those who with physical impairment and mobility by providing them wheelchairs, canes or crutches to help enhance their functional independence and make everyday tasks easier. In 2015, the hotel funded braces to 50 patients with physical disabilities and currently, according to CSR Manager (personal communication, November 15, 2015) the hotel has also sponsored robotic legs and hands to a man who could not walk by his own.

Care for Nature Project by Hotel E

Hotel E had launched its Turtle Care Project aimed at creating awareness on turtle conservation as well as increasing the nesting success. The Turtle Eco Centre, a spacious edutainment place, was established by the resort to provide visitors with the opportunity to learn about environmental and turtles conservation via informative displays. In line with its commitment to raise awareness and restore the natural habitat of turtles, the resort has worked closely with Department of Fisheries Malaysia and various environmental NGOs including Reef Check Malaysia and the Malaysian Nature Society. On the other hand, Turtle Information and Conservation Center (TICC) was launched to focus on marine rehabilitation as well as conducting a research about reduction of sea turtles mortality. Many staffs and schoolchildren were actively engaged with the educational turtle conservation program whereby activities such as sand replacement in the hatchery and group spring cleaning session were done with the supports from these groups.

For achieving its CSR objectives, Hotel E has set a fixed CSR funding and allocation to support the activities. It has earmarked 0.2% of the gross income for expenditure to be incurred on various CSR programs that benefit the local communities and environment. Any unspent budget of a particular year will be carried forward to the following year. The hotel needs to report the reasons for not fully utilizing the budget allocated for CSR projects for each year in its shareholders' report. According to the CSR Manager (personal communication, November 15, 2015):

> Since 2014 it has been 0.2%. But before 2013 it was only 0.1%. So whatever money that the company makes, we will take 0.2% from the gross operating revenues. I have so much respect for the owner. They are very dedicated…you know this is their own money and it is also owned hotel…It is like their own '*kedai*' so they increased and doubled it to 0.2% which you don't actually and usually get that in other hotels. The thing about this guy (GM and RM), they don't like publicity. That is why other people would say to me that they never know that we are doing this and that because we don't like to sing our appraisals.

4.2.5.3 The CSR Function and Its Place in the Hotel

In the case of Hotel E, it had a clear organizational structure and a person in charge of the CSR to specifically develop and implement CSR actions plan. To prepare for the exciting period of change, the hotel had appointed CSR manager as a full time position to manage all of the strategic and operational costs of CSR and sustainability within the organization.

Meanwhile, a corporate-level CSR Committee is made up of five departments comprised of department heads of the hotel. This CSR committee helps the hotel to steer social initiatives in the strategic key areas of environment, employees and community, health and safety, supply chains, and stakeholder relation. On the other hand, CSR manager is responsible for developing projects, coordinating as well as

supervises and inspects on the hotel's Social and Care for Nature Project. At the end of every CSR projects, both CSR committee team and CSR Manager must submit the completed report to CSR champion, a position of CSR team consisting of GM and RM who are in charge of developing and managing the hotel's strategic plan. Taken together, eight people were involved in CSR planning in the Hotel E (see Figure 4.3). Moreover, CSR strategy and initiatives in the Hotel E also formed a part of key performance indicators (KPI) of GM and RM and thus it should be the vital navigation instruments used by them to evaluate the success of their CSR.

Figure 4.3. The Organizational Structure for Hotel E
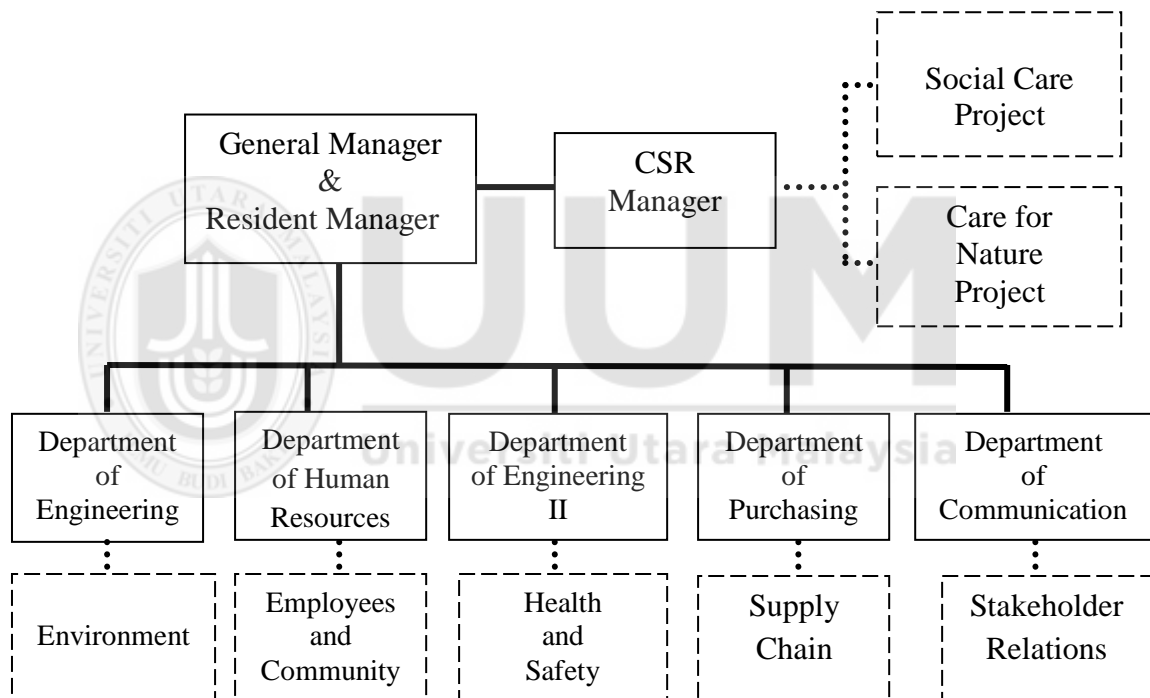
4.2.5.4 Motives for CSR

Hotel E is investing in CSR because it acts as a path for getting towards a more sustainable future, which eventually helps them to reduce costs and enhances their bottom line. As explained by CSR Manager:

> CSR do not have to be a cost for any business. To this hotel it can act as a platform for us to reduce costs and leads us towards a more

sustainable hotel. You see, through the energy efficiency practices, for example, we have had a positive impact on our business in a number of ways. We have definitely reduced our costs across the board on a number of different parts of the business from fuel to waste. We achieved our operational efficiencies target through energy saving and recycling. We managed to help many poor people as well as making big dereference in the lives of needy kids. Not just drive us towards a more sustainable way of life but such practices will also affect our bottom line even though this is not our highest priority when indulging in CSR. So it may sound like we do it for financial reasons but for us profit is only a secondary concern. Our wider aim and motive is always "sustainability".(personal communication, November 15, 2015).

Similarly, the hotel also embraces sustainability to lure guests who are likely to make the choice to stay at the hotel because of its environment and sustainability policies.

Apparently, hotel guests are more concerned about environmental issues such as energy consumption and recycling. In other words, they essentially expect to find sustainable practices in the hotel. Even some of them want to see an accreditation system in place to rank our sustainability performance before they stepped in. It is surprisingly to find that more guests are willing to participate in the environmental programs. We have more fun activities from recycling to tree planting with more awesome guests joining us. (CSR Manager, personal communication, November 15, 2015).

Hotel E believes the ability of CSR to attract, retain, engage and empower its employees. Hotel needs employees who will do their best to help the hotel achieve its goals. While on the other hand the hotel wants a job that is challenging and meaningful. CSR can describe this win-win situation in the Hotel E. This is to say, a culture of empowerment and engagement makes Hotel E one of the most admired hotels in Penang and one of the best places to work. CSR Manager affirmed that:

We have a very family oriented kind of market for this hotel. This year we got the staff to develop his idea, Badri. He is very creative. He develops craft from recycled materials. All of these are his own ideas. So it is also empowerment for the staff. For example if they want to contribute, they just need to bring their ideas and let me know what

resources they need. You see, I'm the boss. I can design and develop and that's not a problem at all. But it is also a chance for them to come up and be leaders of their own. Our staffs also need to be part of every decision and action but we typically don't train our staffs to think like that. So I think it is niche thing that no other hotels here have done. This is also a good chance for them to come up with idea and lead the session. So we did that in our hotel and CSR made it easier. So whenever we used recycled stuff, it is always from everything and whatever the hotel junk such as discarded board, egg trails, discarded boxes, whisky bottles, plastic bottles, toilet rolls, and CD cases. Engaged staffs always enjoy what they are doing and look happy too. Actually, our staffs are part of a community that values inclusion and respect in a highly connected workplace. Their contributions have helped us to succeed. (personal communication, November 15, 2015).

4.2.5.5 Challenges in Implementing CSR

The hotel has long known that it needs strategies to achieve its mainline business goals and it also know that it needs to develop strategies for CSR goals as well. While it is good to see that CSR is becoming ubiquitous, Hotel E somehow feels uncertain of what goals to set for CSR efforts or what strategies to pursue to ensure that all beneficiaries will be supported from the final outcomes and to some extent have a profound impact on their lives. CSR Manager further expressed that:

> I guess the problem is about developing activities and programs that need few difference objectives. We need to have a very clear objective about what we are going to do and develop a program that we can actually meet the target. For example, our Turtle Care Project is about creating awareness on turtle conservation. We have to engage with the school and get the kids coming in…we do fun learning activities so the kids will understand and go home with the take off message like "Don't eat turtle eggs" or "Don't use plastic bags." So you need to set a target and you know that it hasn't always been easy because we still have turtle poaching and people still steal turtle eggs. (personal communication, November 15, 2015).

4.2.5.6 Summary Analysis

When it comes to CSR, Hotel E defined CSR as a sustainability which focused on creating and maximizing long-term economic, social and environmental value.

Following its CSR policy and scope which encompasses the idea of contributing to the wellbeing of the world and the happiness of humankind, this hotel have worked to find solutions to various issues facing international and local communities. Besides, the CSR function in the hotel was staffed by specific person responsible for managing CSR, together with the CSR committee member. In terms of underlying motive, CSR helps in achieving sustainability was also mentioned. Another theme that emerged out was better guest expectations and relationship which consequently improved employee attachment and performance. Next, the main challenge to successful CSR was mentioned such as developing activities that need different objectives and goals.

4.2.6 Hotel F

4.2.6.1 Hotelier's Perspective of CSR

Hotel F is the city hotel in which the same brand was launched in Singapore on September 15, 2014. The total number of staff employed by the Hotel F, at 10 November 2015, was 230. The name of the brand was the idea of virtual personal, a professional hotelier and all-time lover of life, travel and discovery. In accordance with the hotel's motto "*The important things done well",* this four-star hotel is striving to deliver comfort, convenience and quality stay for all the travelers. As for the Hotel F, they had the concept of sustainability as a basis for planning and designing the CSR projects. This stance is important to emphasize on their endurance over time and respect for the future generations. Hence, Hotel F defined CSR as follows:

> We define CSR as a concept that demonstrates good faith and social commitment that goes beyond the bottom line, particularly in preserving the precious nature and helping the poor and disadvantaged communities. It is the continuing commitment that creating higher standards of living for communities both within a hotel and outside. (CSR Manager, personal communication, November 20, 2015).

Their social values and principles are reflected in their vision as an attempt for them to creating a livable community. Hotel F's vision is *"to be recognized as a leading brand that creates sustainable values for our shareholders and stakeholders"* (CSR Manager, personal communication, November 20, 2015).

4.2.6.2 The Impact of CSR on Social Wellbeing of Beneficiaries

Hotel F has aligned its CSR strategy with its vision and goals. Further, in alignment with the hotel's policy, Hotel F has earmarked for CSR budget, at least 0.2% of the gross profit to be spending for social development project. From the total amount available for CSR budget, a provision is made towards the following thrust areas:

I.   Environment

Hotel F efforts include aggressive targets to reduce waste and support ecosystem protection. It was on 2011 when the hotel started to participate in Carbon Disclosure Project and certified under ISO 14001 Environmental Management Systems.

Protection and preservation of ecosystems: Hotel F participated in Annual International Penang Coastal Cleanup program to keep the beaches clean. The hotel also has adopted and utilized the Effective Microorganism (EM) mud balls as part of its environmental initiatives to help create a clean water environment from concentrated deposits of sludge and slime. Sungai Emas, Sungai Kelian and Sungai Pinang were among the rivers in Penang to receive this mud ball treatment.

Energy Conservation & Efficiency, Waste Reduction Resources: Hotel F was given a certification by SIRIM (an independent well-established

quality certification body in Malaysia) as part of their efforts to use heat pump for efficient cooling and heating. Besides, Hotel F also managed to reduce and recycle more than 3,000 kg of plastic drinking bottles each year. Hotel F also will set up its own in-house plants soon because at this juncture, the hotel is more concerning in reducing the consumption of natural resources through diverse recycling activities. From going less-frequent laundering to promoting paperless consumption of over 2,500 newspapers and magazines, Hotel F always has a strong stance when it came to sustainability issues. In spite of the aforementioned activities, the hotels and resorts were also incorporated compost with herb gardens as their food waste composting programs.

II. Employees and Community

Hotel F had set up a target of 2% of their employees must be individuals with physical challenges through its PWD Opportunities Program. It was in year 2014 when the hotel has successfully exceeded the target with 2.25% of people with disabilities employed in the hotel.

At the community level, Hotel F remains committed to the Lighthouse Project. Lighthouse is a place of hope, catering for the homeless and poor communities. This hotel took turn to host a dinner for 120 people at the center. Besides, Hotel F have also developed it talent development roadmap and two years management training program through Corporate Management Training, providing the graduates with hotel orientation, on-the-job-training and institutional learning.

In times of disaster, Hotel F teamed up with other hotels to donate some food and other essential needs to the victims. Following the Hurricane Haiyan in Philippines and earthquake in Japan, Hotel F responded to those countries and its surrounding communities. According to CSR Manager (personal communication, November 20, 2015):

> We are trying to respond to other helps such as tsunami in Japan and Assam Flood victims in India…because our aim is to provide humanitarian response and relief throughout the world…because our sister properties worldwide have been doing that too.

III.   Health and Safety

Hotel F have produced its Occupational Health & Safety Management Systems (OHSAS: 18001) as part of their responsibilities to implement safe workplace practices. Among other things, Fire Life Safety program is performed to teach the children about safety procedures. Besides, the hotel performed a food hygiene program to educate the children the basic requirement to handle food safety.

IV.   Supply Chain

Since the establishment of its Sustainable Seafood Policy, Hotel F involved in working with various local seafood suppliers. And when it comes to reducing waste, the hotel formed a partnership with its long-term suppliers Sealed Air Diversey Care for its Soap for Hope program. The program recycled used soaps and distributed the soaps to local communities. Rooted in Nature campaign is designed to promote

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sustainable menu in the hotel. To that, the local suppliers involved

were GST Group as the seafood supplier and AyamPlus for chicken.

V.   Stakeholder Relations

Hotel F believes effective management of relationships with its

stakeholders is absolutely imperative to build the support which

ultimately helps them to succeed. By using a mixed method approach,

Hotel F is committed to create shared value and improve its CSR

activities by interviewing the suppliers, investors, NGOs as well as its

employees.

Additionally, Hotel F has also launched its Care for People Project as part of their

CSR commitment to benefit the communities at large and creates significant social

impact as explained by the CSR Manager:

> Our hotel is considered a "city hotel" because it is located in the very
> heart of Penang city center. So currently in our day-to-day operations,
> we are heavily putting our focus on recycling and reducing our waste
> as much as possible. And of course with Care Project in place, our
> focus is also about to help communities in needs. We already like ten
> years in this industry and overall, we have about 10 to 15 projects
> conducted every year. (CSR Manager, personal communication,
> November 20, 2015).

Care for People Project is a critical approach to community development in a way that

it enhances integrity, knowledge and skills for all beneficiaries involved, enabling

them to learn at their own pace and develop their full potential.

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Care for People Project by Hotel F

Hotel F specified this project into two scopes namely Adoption of Handicapped Children's Center (HCC) and the Gift of Hope. Hotel F has recently committed to its beneficiary, Handicapped Children's Center (HCC), a welfare home that helps to educate and raise funds for children with special needs and disabilities. The outreach activities held by the hotel aimed to help them improve their cognitive, listening, and leadership skills.

The Gift of Hope devoted to help lifesaving treatment to children with cancer. Despite the fact that the Gift of Hope was relatively new project for Hotel F, the hotel have compiled comprehensive lists of beneficiaries to providing financial assistances and help families dealing with pediatric cancer. In 2015, six children were diagnosed with leukemia, bone cancer, lung cancer, and liver cancers were chosen as relevant stakeholders to undergo further treatments.

4.2.6.3 The CSR Function and Its Place in the Hotel

In the case of the Hotel F, there was a clear position for CSR (*see* Figure 4.4.). The group mandates the hotel to form a board-level CSR committee team comprising five directors who are responsible for formulating CSR policy and implementation plan. This CSR committee team also responsible for regular monitoring of hotel's CSR activities. Whereas CSR Manager was appointed to work on Care for People Project which also to include coordinating and monitoring of programs under the five key areas of CSR. Any information and planning is continually managed by the committee team and CSR Manager in order to achieve CSR strategic plan. The CSR in the Hotel F is under the control of CSR champion, a head position made up of GM

and RM. The CSR champion is responsible in approving and disclosing CSR policy in the annual Director's Report and on the hotel's website. They also responsible for ensuring implementation of CSR activities are according to the policy. The Director's Report has to specify the reasons in case the specific allocation of CSR budget (2% of gross revenues) has not been fully utilized.

Instead of having CSR function in its own distinct department or as an area isolated to communication department, Hotel F perceived the employed structure was very effective in a way that it empowered CSR function with significant level of authority.
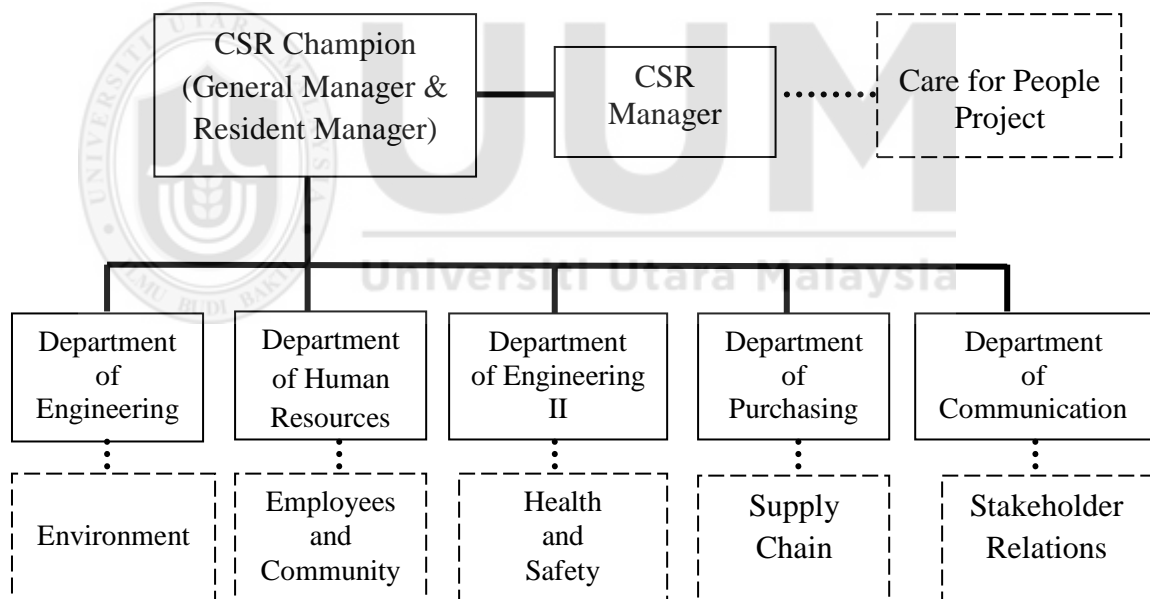

Figure 4.4. The Organizational Structure for Hotel F

4.2.6.4 Motives for CSR

CSR could be associated with the changing personal values of individual managers. Hotel F therefore believes that the managers' intrinsic personal values have also been an important determinant in the choice of CSR. Besides, Hotel F perceived cultural

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values and CSR capability significantly affect individuals' social interactions and moral judgment. According to CSR Manager (personal communication, November 20, 2015):

> As for this hotel, I would say that our CSR is born from the desire to understand the values that we share with our communities and because that kind of thinking is in line with the existing culture in our headquarters. I also believe that this good culture already inherent in our staffs. At the end of the day you feel very happy because when you helping others, it will actually make you feel great. So far we do a lot of things and there is nothing for us to show off because we do the right things We're quite sensitive. We don't like to shout out loud saying that we are the best, we done so many great things and so on. No! We won't do that. We want the people to see and evaluate themselves. So, I personally think CSR has to be championed, whatever it takes.

Hotel F believes that CSR can improve employee morale which in some way lead to efficiencies and cost savings. It is well understood that a more motivated, engaged and inspired working environment will generate better performance and higher long-term productivity. The CSR Manager mentioned:

> I think our staffs are very committed to the values we bring and their performance had increased since then. Through CSR, we can improve their morale, boost their satisfactions…Happy employee always have a more positive, optimistic outlook. They're enjoying work a lot more. You see when we have increased in the staff productivity from an improved workplace, for instance, we can also indirectly generate significant economic values and reduce some related cost. But of course that's not our main concern. (personal communication, November 20, 2015).

4.2.6.5 Challenges in Implementing CSR

It is seemed that timing also can be a problem for a successful CSR in the Hotel F. Since CSR approach also involves donating employee expertise and time to worthy cause, having a lack of consensus in terms of timing between the hotel and its

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beneficiaries regarding CSR programs is unsurprisingly disappointing. On being

further asked about their challenges, CSR Manager then continued to explain that:

> CSR in our hotel always sound very easy but we have our own
> restriction that certain thing people won't think about. You see why I
> said this thing out. For instance, one of our CSR activities involves
> school children and my staffs asked me why we don't do the program
> on weekdays. I said the kids are in school during weekdays. We don't
> go with your schedule but we go with their schedule. In fact our
> beneficiaries also have other donors coming in…have functions and
> events. So I think it depends on hotel occupancy. If we are not that
> busy and I have staffs to volunteer, this is quite a challenge because it
> doesn't mean that our beneficiaries are also free on that day. (CSR
> Manager, personal communication, November 20, 2015).

4.2.6.6 Summary Analysis

CSR is defined as a continuous efforts corporate strategy in Hotel F. They

demonstrate their sense of inclusiveness through their CSR activities and encompass

to respond to their local community long-term needs as well as through their

extensive recycling project. In the case if this hotel, there was a formal CSR post to

drive the CSR performance. Hence, they had a clear organizational structure for CSR

purpose. Furthermore, CSR activities in the hotel have positive effect on the employee

morale which could bring higher profitability and work productivity. Managers'

personal intrinsic value was another theme that emerged out as the underlying

motivation to engage in CSR practices. Next, Hotel F claimed that lack of resources

such as lack of consensus in terms of timing was their main challenge towards

implementing successful CSR in the hotel.

4.2.7 Hotel G

4.2.7.1 Hotelier's Perspective of CSR

Hotel G is a five-star hotel by E & O Group with a total of 370 employees. It was founded in 1855 by four American brothers, the Sarkies. Few years after refurbishment, the hotel reopened in 2000. The Sarkies had also established some of the greatest hotel in the East including The Raffles in Singapore and The Strand in Rangoon. Tucked away in an idyllic spot in Georgetown, Hotel G was once pronounced as "The Premier Hotel East of Suez" offering more than 100 rooms with 902-foot seafront which is renowned for its longest seafront promenades of any hotel in the world. In its golden age of long and vibrant history, Hotel G experienced two World Wars, the fall of the British Empire as well as the birth of Malaysia. As a matter of fact, this hotel became one of the Penang's greatest heritage sites and legendary hotel as it stretched far back into the British colonial era.

Hotel G has a long tradition of CSR involvement. Besides, Hotel G viewed CSR as a way in using resource wisely, acting responsibly and respectfully as well as a means of giving back to the local community. Tying its CSR efforts to its vision, Hotel G expressed its citizenship through several community-related programs and training course to enhance the quality of lives of community. More specifically, the notion of CSR through the eyes of the Hotel G can be defined as:

> CSR is defined as something that we do and give back to community and being responsible for our environment and employees. It is also suggests us to build up relationship with our stakeholders…our shareholders, our owner, our community members and our employees. (Training & Development Executive, personal communication, November 20, 2015).

Grounded by mélange of cultures and colonial grandeur, the hotel continues to maintain its classiness and charm for all guests to return and enjoyed having the fond memories of yesteryear. In tune with its vision "*To be recognized as a grand and*

world-class hotel providing guests with unforgettable experiences in getting back into colonial time as well as offering our guest a refined ambience and return to timeless elegance" (Training & Development Executive, personal communication, November 20, 2015).

4.2.7.2 The Impact of CSR on Social Wellbeing of Beneficiaries

E & O Group's CSR approaches are anchored upon the value of being sincere in doing good cause to serve local communities. Guided by its vision, the group's CSR policy is focused on three main areas. Being one of the members of this group, Hotel G followed the same established policy when applying its CSR commitment which is briefly explained below. As identified by Training & Development Executive the concept was ostensibly embedded in the corporate DNA and has expanded its CSR policy from general to more specific focus areas.

    I.   Support community giving and contributions

        Hotel G always looks for opportunities in which it can support in various community initiatives. Some of the one-time community relations program such as beach clean-up, group spring cleaning session, and free aerobic classes were held to encourage greater community involvement of people who live near the Tanjong Tokong and Street Quay. Some of its social initiatives performed in 2014 were blood donation drive, sponsored few colleges in Penang area as well as supporting charitable activities for children in the pediatric and surgical ward at Penang General Hospital. However, most of the charitable activities by hotel were held during the festive seasons and only in times of need. "It was pleasant…fun for the children who were

thrilled with the party thrown for them. We channeled some gifts and hampers and it was an unforgettable outing for them" (Training & Development Executive, personal communication, November 20, 2015). Additionally, the hotel has also provided practical training to student colleges who wanted to gain experience in hospitality sector and eventually to arm these students as its future workers based on their performance. On being further asked about its beneficiaries and CSR budget, she explained that:

> We do not fix our CSR to specific organizations. It also means that we are not focusing on certain beneficiaries. Normally we will look into the requests that we got…Sometimes we received from colleagues so we will look into this and decide whether to sponsor or not. You see, we need to disclose the cash flows to the Director of Hospitality, Mr Saxon. Well I think when it comes to cash flows it will be directly handled by him. So we did not allocate any specific budget for CSR planning and activities. The allocation of resources for CSR programs depends on the decisions of Mr Saxon. (Training & Development Executive, personal communication, November 20, 2015).

II. Support for local arts and culture

Hotel G always has an affinity for arts and culture sense. Reinforced by the position of Georgetown as a UNESCO World Heritage Site, Hotel G promotes various cultural activities and programs, aiming mainly to educate and enrich societies. For instance, a traditional games by-the-sea is one of the activities powered by the employees of the hotel every year. Congkak, gasing, hopscotch, sepak takraw, Chinese chess and batu seremban were among the popular games

organized by the hotel every year in order to relieve past cherished childhood memories.

III. Transparency in the marketplace

Despite delivering quality services with sheer professionalism, the hotel continually provides reliable, timely and transparent information to its shareholder through regular news update, meetings, and interviews with the media.

> We are gearing up to strengthen our position as one of the leading hotel in Malaysia. We are propelled by the belief that transparent will make good business sense to us and we are really positive of being accountable. (Training & Development Executive, personal communication, November 20, 2015).

4.2.7.3 The CSR Function and Its Place in the Hotel

In the case of Hotel G, the function of CSR was not very well defined with no formal organizational structure for strategic application of CSR. Rather, all CSR-related initiatives and strategies were overseen by the Director of Hospitality, who was appointed by the E & O Group. With oversight of this director, HR department and PR department were assigned to handle and promote hotel-wide diversity initiatives and corporate value enhancements by weaving CSR into the corporate strategy.

As explained by Training & Development Executive (personal communication, November 20, 2015), two person from PR department was devoted to in charge with the charity giving and fundraising activities while two person from HR unit focused on providing training for its employees and local community. CSR wave continued to thrive with little support from other departments such as from sales and finance

department but not from the lower rank position who was deemed to focus exclusively on their operational goals as she pointed out:

> We have nine departments and only two departments are seriously involved with CSR. The other departments are more to operations side and usually not involve with management except for their high rank managers. For the lower ranking staffs, I can say they don't care. They are more into their operations like how to run the restaurant, how to take care the guests… (Training & Development Executive, personal communication, November 20, 2015).

These pertinent departments developed and implemented the CSR programs as well as reported the progress to the Director of Hospitality every time a project has been completed. Any CSR-related information was continually managed by this director in which the incorporated values were then conveyed to the E & O Group. However, according to Training & Development Executive (personal communication, November 20, 2015) CSR programs of the hotel were limited to only three to four programs every year because most of the time spent was on the business processes and functions.

4.2.7.4 Motives for CSR

Hotel G has deep concern in improving the quality of wider community. It was a moral imperative for Hotel G to give something back to local community in which it operates and based. Contribution to the society is the hotel's responsibility and they have accepted this unlimited liability to sustain on this planet. Everything naturally acts in accordance to the moral obligation and make them feel obligated to improve the condition and living standards of their patrons who have helped them succeed.

> We started by providing training to students in college…get to know them. Even if we find some of them are potential, we employed them. We had few of them now because they have helped us as well. It's a win-win situation. Then we make a charity to pediatric ward in Penang

General Hospital…We provides the kids with gifts, food and even celebrate the patient's birthday. It is how we reach our community because we feel responsible for them. (Training & Development Executive, personal communication, November 20, 2015).

In the similar veins, the reason CSR makes a good business sense is because it creates a win-win relationship with the community. As for Hotel G, this approach has two folds benefits in a way that it improved hotel's reputation and standing within the community as well as enhancing relationships with them. Training & Development Executive also added:

> CSR enable us to keep in step in community and I think CSR was essential for our reputation. I think we get some goodwill from the people out there because of the good things we had done. And I think if we didn't do CSR, it will definitely tarnish our reputation. Well you know it's not easy to build an image- it takes years to build but five minutes to ruin it. (Training & Development Executive, personal communication, November 20, 2015).

As been mentioned earlier, Hotel G has offered training for hospitality students who want to gain experience in the industry, empowering them to put academic learning into practice. Training & Development Executive further explained:

> Special events need a lot of workers. By having the students who are interested in coming in, we actually think it is somehow a good chance for them to learn about the industry's needs and challenges. In return for the commitment in providing us trainees, we got the college events sponsored. (Training & Development Executive, personal communication, November 20, 2015).

4.2.7.5 Challenges in Implementing CSR

Like other cases, the hotel was at risk contended with inadequate budget since there was no specific allocation of funds to run CSR in the hotel. As the Training &

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Development Executive put, "Nearly 90% of our CSR plans and 100% of the budget are controlled by the Director of Hospitality…so we just follow his orders" (personal communication, November 20, 2015).

Besides, the Training & Development Executive admitted that very little efforts have been made by the hotel to cascade down the CSR information across their employees. She pointed out that "What we have done so far to spread out our CSR programs is by putting information on bulletin boards" (Training & Development Executive, personal communication, November 20, 2015).

Also, substantially fewer efforts have been made to instill confidence in these people which result to these participatory deficiencies. She was certain about the importance of communication and educating employees to support change as well as make them aware of the message, believe and commit in a transparent and meaningful way. She then added, "Some of the managers or staffs do not understand why they should be engaged in such practice. So it is hard for us to get their commitment on CSR matter." (Training & Development Executive, personal communication, November 20, 2015). She also mentioned that there was often lack of communication within and between different departments and lack of communication between management and staff in this area which might contribute to these inefficiencies (Training & development Executive, personal communication, November, 20, 2015). However, the situation aggravated even more with the internal issue pertaining to transparency in which some companies in the same group were unwilling to share adequate information and make less effort to disclose their CSR information. As for the Hotel G, there was an

issue of inadequate communication and information between the hotel and its group as the Training & Development Executive further explained:

> Our Property Development Group is a great example with the best CSR reputations in the group so far. They are doing excellent in CSR and yet refused to disclose their social information. Being a member of a same group, I believe if they are more open in communicating their CSR victories and plans, we at the hospitality group will be equally stunning and improve our ability to develop a high-impact CSR approach. (personal communication, November 20, 2015).

In this sense, communication skill was undoubtedly an essential element of social responsibility. Yet, one of the main elements of good corporate responsibility involved communicating CSR as shared value. By sharing and communicating CSR achievements wisely, a business can inspire others to build a better society. Besides, having someone with open relationship channels with beneficiaries is crucial for both parties in which shared value is formed (Training & Development Executive, personal communication, November 20, 2015).

4.2.7.6 Summary Analysis

The manager interviewed perceived CSR as mainly about acting responsibly and making contribution to society, especially "giving back" to the local community. It seemed like donations to charity as well as sponsoring local arts and cultural events were preferred initiatives in this hotel. There was no formal organizational structure for CSR in the hotel. Instead CSR had been sub-cultured and not well-defined with the responsibility of CSR emerged as the interest of HR and PR department. Managers' personal intrinsic value was one of the themes that emerged out as the underlying motivation to engage in CSR. Besides, another theme that emerged was strategic motive such as win-win strategy to improve their image as well as providing

legitimacy to them. And finally, still, lack of resources (inadequate budget, lack of communication) was anther theme emerged pertaining to challenges for successful CSR implementation.

4.2.8 Hotel H

4.2.8.1 Hotelier's Perspective of CSR

Nestled closely at the heart of commercial district and historic bustling Georgetown, Hotel H, a four-star hotel by Sunway Group offers contemporary setting with 250 newly renovated and well-appointed guestrooms, each holds something fascinating for impeccable guest experience. From heritage sites to food paradise, Hotel H has a myriad of attractions and landmarks to appease visitors and all imbued in a culture of its hospitality. Currently, the hotel generally has about 105 employees. Corporate responsibility is an unflagging commitment that is well-entrenched in its culture for more than ten years. While recognizing profit as the end target, Hotel H utilized CSR as a platform and an opportunity to reach underprivileged community as well as to contribute to a better society. Meanwhile, the hotel understands CSR as follows:

> We see CSR as a way for us to giving back to our community members, to reach out, interact with them and contribute to a better living condition. Our hotel has responsibility to care for them. If every hotel sees the good thing of having CSR in place, then it is a good investment and guiding philosophy for every decision made in every area of the business. Besides, this is also our group's direction. (Assistant Marketing & Communications (Marcom) Manager, personal communication, December 07, 2015).

It is the hotel's vision "*To be the leading four-class hotel in northern region of Malaysia, offering unique experiences where people are bound to remember*" (Asistant Marketing & Communication (Marcom) Manager, personal communication, December 07, 2015). And as a responsible corporate citizen, the hotel continues to

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remain steadfast in providing excellent services to its guests as well as reaching out for the poor and the needy. To this end, the hotel must stand out and be different from others. CSR has helped them on their way to excellence.

4.2.8.2 The Impact of CSR on Social Wellbeing of Beneficiaries

CSR approach is based on four major themes imbued along in the hotel's culture and core values to help guide their actions which are explained below:

I.   Community

Besides making money, the hotel's commitment to community is aiming to augment and bring positive impact to its local communities which focused on four areas comprising of Community Aid, Reach-out & Enrichment (CARE) Project, CSR at Bodhi Heart Homestay Project, festive celebration, and charity drives. The projects are described as follows:

Community Aid, Reach-out & Enrichment (CARE) project: The CARE Project has been positioned to focus on the poor and caring for the underprivileged as it is in line with its core values to supporting community. Among the CARE Project was The Stop Hunger Now Meal Packaging Program dedicated to benefit the underprivileged communities. Hotel H has committed its brand to relieve and ultimately end the brokenness of hunger in society, and in the past few years have been integrating the media into its hunger relief efforts. In 2014, the program saw the employees formed assembly lines to pack 40,000 of highly nutritious meals for needy community in Penang. Sekolah Sinar Harapan, House of Hope and Koperasi Bodhi Bhd were

benefitted from the program. In efforts to continue the fight against hunger, in 2015 a total of 100 of volunteers packed and distributed 100,000 meals to the homeless communities.

CSR at Bodhi Heart Homestay Project: Despite the fact that relying exclusively on donations from public may not reward a more sustainable future, one of the charity organizations in Penang has set up a Bodhi Heart Homestay Project to raise revenues to support projects and development of poor communities. The project garnered overwhelming and continuous support from the hotel and it was heartening to see many social contributions were made by the hotel to support these communities. In 2014, the Hotel H have donated some blankets, pillows, curtains and coffee mugs as well as tactfully giving free advice on the setup and sharing their hospitality expertise and experiences to these communities.

Festive celebration: The spirit of helping others was certainly a moral impulse for Hotel H. In order to uphold the spirit of sharing, the hotel has made an initiative to celebrate major festive seasons with underprivileged communities. For example, Diwali Cheer, Eve Dinner, Ramadhan Break Fast, Ramadhan Souq, Chinese New Year Luncheon, and Christmas Celebration were among the practices performed every year by the hotel reflecting their spirit of giving and spreading the cheers to the needy. Among the beneficiaries for these programs in 2015 were Pertubuhan Pembangunan Orang Buta Malaysia (PPOBM), and Penang Buddhist Association Senior Citizens' Home. Besides

providing the vulnerable locals with financial assistance, entertainment and scrumptious food, hampers including household items were handed out for daily use.

Charity drives: Hotel H has initiated this program dedicated to collect used items and food for the needy. The program has benefited their beneficiaries including Rumah Anak Kesayangan, and Salvation Army Penang in 2015.

II. Marketplace

Hotel H aims to earn hotel guest satisfaction and loyalty by providing decent services to satisfy their changing needs. Moreover, Code of Conduct and Ethics is a comprehensive guide, designed to steer on hotel's action and will ultimately be used in decision making process.
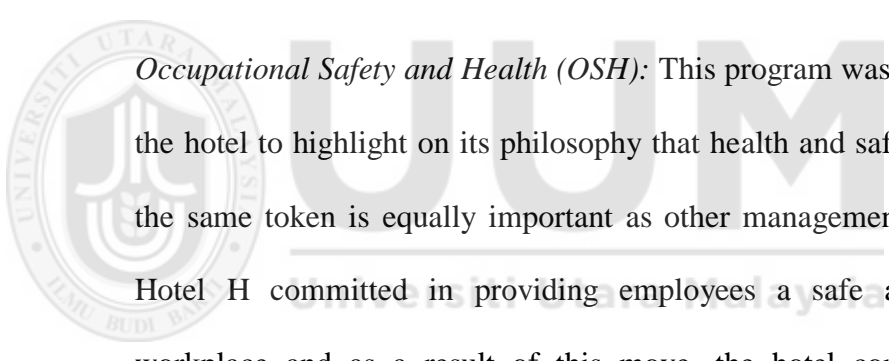
III. Workplace

A culture of excellence and ethics requires Hotel H to remain committed to fostering its human resources through the Group's corporate slogan, "Our People, Our Strength". Hotel H promotes diversity in the workplace and stands firm against any form of discrimination and intolerance. Hotel H also promotes decent wages and working conditions internally. Some of the initiatives taken at the workplace include:

Employee involvement and satisfaction: The most valuable asset for Hotel H is its employees. In order to preserve this asset, Hotel H has prevailing employee involvement strategy to reinforce the importance

of building a culture of engagement in the workforce that ultimately will drive more success to the hotel. Some of the efforts taken in getting employees engaged and motivated are bowling tournament, birthday celebrations, teambuilding activities, annual dinners and movie outings.

Training and career development: Hotel H believes that harnessing knowledge and expertise of its employees will nurture future leaders through various types of training program including leadership skills and managerial skills. Training is required for all employees albeit the level and type of training varied depending on their job role.

Occupational Safety and Health (OSH): This program was designed in the hotel to highlight on its philosophy that health and safety issue by the same token is equally important as other management functions. Hotel H committed in providing employees a safe and healthy workplace and as a result of this move, the hotel complied with provisions of the Occupational Safety & Health Act 1994 and striving towards zero accidents.

IV. Environment

In line with its notion and philosophy "Lifestyles of Health & Sustainability (LOHAS)", Hotel H has a constant focus on reducing the electricity and water as well as promoting recycling.

Earth Hour: Stemming from the overwhelming success of previous Earth, Hotel H has made this program as a yearly event and will continue to thrive on a large-scale exhibit and event.

Energy: The hotel aimed at reducing energy consumption by replacing the conventional T8 and halogen lamps with more energy efficient T5 and LED lights.

Recycling and environmental initiatives: Hotel H has pledged its commitment in preserving and protecting a healthy environment through 3Rs efforts (reduce, reuse and recycle). In 2011, the hotel has joined the Penang Green Council (PGC) as part of green initiatives whereby more than 50 of their employees have signed up as Penang Green Citizens. The program was set up by the PGC to engage all Penang citizens as well as encouraging them to perform at least one green initiative for a cleaner and greener Penang.

Hotel H has been practicing CSR for many years. However, according to Assistant Marcom Manager the allocation of resources for CSR activities has depended heavily on the decisions of the Board and management (personal communication, December 07, 2015). She then added:

> I would say that we don't have any specific budget for our CSR activities but normally the GM will allot some amount during the festive seasons. In case we have extra budget, then we will perform other activities. So, within the agreed budget, we will perform our CSR during the festive seasons whether we invite the charitable organizations to have dinner at our hotel or we go to their places. Normally we have not more than 10 activities throughout the year.

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4.2.8.3 The CSR Function and Its Place in the Hotel

With regard to CSR function and location in the Hotel H, it was an area isolated to the Marketing and Communication (Marcom) department, motivated by the need to create a strong reputation as a socially responsible hotel as explained by the Assistant Marcom Manager (personal communication, December 07, 2015). The responsibilities for the overall planning and CSR-related decision making hinged upon the management of Marcom Director who was also responsible for taking various CSR initiatives and instigating social change. Even though CSR is initially emerged as an interest of Marcom department, the focal point of this department was very much to enact and focus on CSR initiatives.

According to Assistant Marcom Manager, CSR approach was centralized to a single department to facilitate the development of consistency CSR initiatives and messaging (personal communication, December 07, 2015). While the Marcom Director has overall responsibility for CSR strategy, from communication to execution, other departments on the other hand have little input in the process and typically associated with volunteer program. She further remarked:

> It is the responsibility of the Marcom department to come up with CSR planning. They were two of us who handle the CSR issue. Let say we want to have dinner party with orphans, I'm the one who will circulate the tasks to related departments. For instance, kitchen department will deal with food handling and preparation. Other departments normally involve as a volunteer. But most of the time we only have few who turn out to volunteer. Basically me and the director who will manage everything (Assistant Marcom Manager, personal communication, December 07, 2015).

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4.2.8.4 Motives for CSR

There were few reasons that drive the CSR in Hotel H. Earning public trust and mimicking the Group's best practices drive the need for making a CSR as vital part of its strategy.

When it comes to CSR implementation, mimicking or absorbing others good deeds is not the best thing a hotel can do. As for Hotel H, the trend towards socially responsible businesses from mirroring the CSR movement to unwittingly mimicking its group's successful business practices was the most important decision the hotel had made. This mimetic decision taken by the hotel represents another source of pressure or passing fad due to changing social expectations where societal and environmental issues have taken central stage in policy discussions. Hotel H believed it was their privilege and honor to elevate the lives of the community in which they engaged in. As a matter of fact, jumping on the CSR bandwagon and follows the lead of its group could generate more positive social outcomes. CSR is viewed as enlightened self interest as Assistant Marcom Manager further added:

> The rationale behind our CSR policy is because we followed our group's direction. Since the group has started their CARE project, we were already thinking about joining them. Actually it was a good sign because we finally invest in this. We take it as an investment- either it has to be something important for our staffs, to our stakeholders, but more importantly it has to be an investment that would be good for us. It's very clear now as you can see in our activities. CSR is a good business opportunity and it actually worked. (Assistant Marcom Manager, personal communication, December 07, 2015).

Even though they have their own branding, Hotel H perceived CSR as a tool to gain the public's trust, set up good public image and won the markets. As Assistant Marcom Manager (personal communication, December 07, 2015) further expressed:

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We cannot deny the advantage of CSR have on our reputation and profit. I believe the strong sense of CSR is easier to have positive public opinion, increase brand value, and to establish good image for the hotel. It is also our inner motivation to shoulder this commitment and of course for good deeds. I'm sure it's more important to market the hotel sector ethically.

Other greatest benefit of fulfilling social responsibility into the hotel was derived from positive media attention in a way it strengthened hotel's CSR identity and credentials. In fact, media was not only creating and highlighting positive news, but also helped to cultivate a positive reputation (Assistant Marcom Manager, personal communication, December 07, 2015). All in all, Hotel H can reap substantial benefits by responding to the CSR movement.

4.2.8.5 Challenges in Implementing CSR

Funding was one of the key challenges for achieving successful CSR in Hotel H. Since they were at risk contended with dwindling funds, it was tough for them to fulfill the needs of all stakeholders. It seemed that budget was the limitation towards successful CSR implementation in Hotel H.

We cannot fulfill all needs since we do not have enough budgets to support all the needy out there. And with the budget we have, we sometimes felt very difficult to meet the needs of these people. And yes I know it is impossible to satisfy and fulfill all those needs. (Assistant Marcom Manager, personal communication, December 07, 2015).

Accordingly, Hotel H believed that employee participation can play a vital role to ensure its social engagement practices are truly meaningful and effectual enough to benefit the society. The manager explained:

We think that we have a lack of employee engagement that can be very costly disadvantage for our hotel. It will weaken our bottom line

and if this is the case, it is certainly a futile attempt to incorporate CSR into the DNA of the hotel. Without having them committed to this, I don't think we can have a successful CSR.

The employees recognized CSR as another one more thing to do. They claimed that they need to spend a lot of time engaging in CSR-related activities with many of them turn out to face certain degree of burnout. Correspondingly, Assistant Marcom Manager affirmed that:

> Since the hotel is operated 24 hours a day, we need to respect others' time. So in terms of CSR we do it by batches. But somehow it seemed impossible for the staffs to do even more than what they had did. It is obviously that our staffs felt that CSR had increased their workloads and due to limited time frame, they are not likely to voluntarily involve with such practices. They are better off when they are involved with common activities in the hotels such as team buildings but in some ways as I mentioned earlier due to time constraints and other commitments, they are less motivated to do so. Then I know that we need someone expert in this field to educate and raise social awareness of these groups, guiding them through the process. (Assistant Marcom Manager, personal communication, December 07, 2015).

4.2.8.6 Summary Analysis

In the case of Hotel H, CSR is seen as a right avenue to give back what was utilized from the local resources for a better society. The most popular and extensive practice was to help local communities with cash or benefit in kinds (donation, charity drives, CARE project). They had no formal organizational structure for CSR. Rather CSR emerged as the responsibility of marketing and communication department. Hotel H involved with CSR by mimicking their headquarters. Furthermore, gaining public's trust and good image (strategic motive) was also another theme emerged out as the underlying motivation to engage in CSR practices. Again, lack of resources (lack of budget, lack of employee engagement, excessive workloads) was mentioned as the

challenges towards practicing good CSR and this was the only theme that emerged out.

4.3 Summary of Findings Table

Based on the findings presented previously, summary table was added to summarize all the data for a more comprehensive overview. This table gives the attributes of each hotel that linked from specific research questions. Therefore, for a quick overview of the general pattern of findings, Table 4.1 was added as a reference as well as to guide the writing of the discussion section.

Table 4.1

Summary of Findings Table

Attributes	Hotel A	Hotel B	Hotel C	Hotel D	Hotel E	Hotel F	Hotel G	Hotel H
Hotelier's perspective	Giving back to communities, to safeguard the interests of the poor	Giving back to local communities	Giving back to community , create overall positive impact on community	Sustainability	Sustainability (conserve rather than exploit)	Continuous commitment towards sustainability	Give back to community, acting responsibly	Giving back to community members, contribute to a better society
Impact on beneficiaries	Donations and sponsorships Fundraising (Pinktober, Rock to Rock Run)	Extensive use of donations and sponsorships	Donations to charity Sponsorship of local sports	Promoting sustainable communities (Embrace project) Sanctuary Project	Social Care Project Care for Nature Project	Care for People Project Recycling	Donations to charity Sponsorship local arts and cultural events	CARE, CSR at Bodhi Heart Homestay, charity drives, festive celebration
CSR function	HR, Marketing & Communication and Entertainment &Recreation Department	Not specified in the structure, CSR concept is incorporated in every department	HR Department and Communication Department	CSR & Sustainability Manager	CSR Manager	CSR Manager	HR Department and PR Department	Marketing and Communication (Marcom) Department

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Attributes	Hotel A	Hotel B	Hotel C	Hotel D	Hotel E	Hotel F	Hotel G	Hotel H
Motives for applying	To boost social awareness Managers' personal intrinsic value To build strong brand identity	Enhancing corporate reputation To strengthen the sense of employee	To gain legitimacy To boost employee morale To enhance the quality of life of community	Improve guest engagement Pressures from the external parties	Sustainability Meeting guest expectations Employee engagement	Boost employee morale Managers' personal intrinsic value	Managers' personal intrinsic value Win-win strategy	Mimetic isomorphism To gain public's trust, good image
Challenges	Lack of strategic integration Lack of capability Extra work and time spent	Lack of clear vision Excessive workloads	Extra workloads, time spent Lack of consensus in prioritizing activities	Inadequate trained of local NGOs	Developing activities and programs that need few difference objectives	Lack of consensus in terms of timing	Inadequate budget Lack of communication	Inadequate budget Lack of employee engagement Excessive workloads

4.4 CSR from a Stakeholder Perspective

In this session, focus groups were developed as the main source to elicit the views of stakeholders about CSR performance by the surveyed hotels. The -1 was held on 19th September 2016 while the FGD-2 was held on the 16th December 2016. Overall, the interview questions revolved around the respondents' knowledge and perception about CSR, on facts that have been going on in the surveyed hotels pertaining to CSR issues. The respondents were presented a set of open questions inviting them to share as much as they know about the topic of discussion. The same interview questions used for in-depth-interviews were applied in the FGD-1. Whereas, ten questions were developed in FGD-2 to scrutinize their knowledge perspectives and expectations about CSR activities at the surveyed hotels (*see* Appendix C for the questionnaires).

The interviews obtained rich recurrent data, perceptions and patterns from all participants. As a result, the findings in this section successfully addressed the research questions set for this study as well as providing additional insights into CSR practices among the hotels in Penang.

4.4.1 Profile of Interview Respondents in FGD

The first group of FGD was made up by eight employees to represent the surveyed hotels as the CSR provider. The researcher considers employees as a stakeholder group which perceives, evaluates and reacts to CSR programs and actions. All of them were from various working backgrounds. There were seven males and one female and all of them were directly involved with CSR activities. Six interviewees had more than ten years' working experience while two interviewees had five to ten years' working experience. In the course of writing the research findings the

interviewees are referred to as R1 to R16, for both FGD-1 and FGD-2, which "R"
referring to a respondent. Table 4.2 presents the background of the respondents for
FGD-1.

Table 4.2

Background of Respondents

Code	Job Position of Respondent	Gender	Years of Experience
R1	Assistant HR Manager	Female	10-15
R2	Restaurant Manager	Male	15-20
R3	Assistant HR Manager	Female	15-20
R4	Captain of Restaurant	Male	15-20
R5	Food & Beverage Manager	Male	Over 25
R6	Captain of Restaurant	Male	15-20
R7	Safety Manager	Male	20-25
R8	Chef	Male	10-15

The second group of FGD comprised of eight representatives of CSR recipients who
have been receiving help from the surveyed hotels. Table 4.3 illustrates the list of
associations to which the beneficiaries were affiliated. Since they were supposed to
represent the hotels' beneficiaries, their personal backgrounds were considered
irrelevant.

Table 4.3

List of Beneficiaries

Code	Association
R9	Shan Children Home Association
R10	Bodhi Heart
R11	SRK Teluk Bahang
R12	SMK Pendidikan Khas Persekutuan P.Pinang
R13	Mount Miriam Cancer Hospital
R14	Ma'had Tahfiz Al-Quran Kasyfu Al-Ulum
R15	Bethel Home
R16	Penang General Hospital

4.4.1.1 FGD-1 on Employees' Perceptions of CSR

As previously mentioned, FGD-1 was developed to determine the level of awareness
and the perceptions of CSR among employees of the surveyed hotels. With some
efforts, researcher have pulled some meaningful responses from employees and
learned a great deal in the process.

The discussion demonstrates a number of reactions that would be a barometer for
their level of awareness towards CSR. Based on the RQ1, employees of the hotels
were asked about their perspective on CSR. And for the most part of the discussion,
CSR is defined as a power of giving back to society. The following extracts reflect the
tone:

> For what I know CSR is a good thing for society because we're not
> only making money but we also do the right thing by channeling back
> the money to them (R3).

Yes, I also think that CSR is nothing but a duty of the hotel to give back some of the profits to the public (R1).

CSR is like an open door for the society. So in other words, it's a way of giving back to them (R7).

Surprisingly, other remarkable fact was gathered from the discussion revealed that some of them were relatively unaware of the CSR concept. Although they were involved with such practices, R4, R8, and R6 claimed that they had minimal understanding about CSR. Here are their general responses:

To tell you the truth, I don't know what CSR actually means. The only thing I understand is that it benefits the management a lot. And I don't think all of our staffs are fully exposed to this concept as well (R4).

I've been in this industry for almost 12 years by now and I'm still not pretty sure about the true meaning of CSR. But I see it as an important tool for the business to survive (R8).

I've been thinking about CSR for years. I know it is very complicated jargon and I'm not really familiar with it. I think it's a new, complex issues and I'm not very much exposed to this term, not in-depth (R6).

Based on RQ2, employees interviewed were asked to describe to what extent CSR practice and management of hotels affect social wellbeing of the local communities. Further evidence in this discussion has shown that the practices of CSR have not moved any further beyond philanthropic. In addition, on being asked about CSR policies, procedures and programs, respondents have reached a consensus and likened the charity giving and CSR as one. Here are their common responses:

Yes, like others here we have charity event for the needy. We've been donating money and goods to several charitable organizations in Penang, providing food to the poor and sponsoring local sports events (R3).

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Hampers filled with food and gifts have been sent to elderly people in the area of Georgetown. Normally we did it during the festive seasons. Last event, we have spent overnight making hampers for them during Chinese New Year. We're going to the same thing during Christmas time (R1).

Armed with RQ3, all employees were then asked about the specific person responsible in managing CSR. Nevertheless, all respondents were on the same page that CSR are normally handled by communication, marketing or public relations departments. Therefore, the question of having someone with full knowledge of hotel's impacts on society was also uppermost in the minds of several interviewed employees. With this notion, all respondents emphasized the urgent need to hire someone with appropriate level of CSR knowledge and skills such as CSR Manager or Officer in driving the execution of CSR strategy. However, responses are quite divided between those who believed it is important to set up a dedicated functional department exclusively for CSR and those who feel it an additional cost that would divert corporate resources. Here are their comments:

I think there's a need to have a person like CSR Manager that will keep this effort focused, probably someone with problem-solving skill and people skill who can also communicate and raise awareness about CSR. And they should be placed in their own unit to spearhead their expertise and monitor the big picture. So the HR department can just focus on their works (R1).

Hotel needs to have a CSR central unit that can help formulating CSR strategy. The appointment of the CSR Manager will reflect an underlying need for hotel to make decisions, give advice and execute CSR plans more seriously. Now, our society investment was championed by HR department, environmental management was championed by Marcom department and fundraising ideas was led by our entertainment and recreation department. It seems so clear to me that this type of inefficiency suggests the hotel to have a specific unit that will connect all the dots (R8).

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I seem to really understand the HR person who handles CSR works because they need to do both works at the same time. I don't want to say that they are totally ineffective but the truth is they can't do much. Basically I agree that we really need someone that can put their finger on the pulse of the hotel culture, understanding what motivate us as an employee as well as implementing CSR. But to place this person in a separate department is not a good idea. You have to accept that some of these things will involve additional cost. It can be insidious to all the medium-sized or four star hotels and that's the real risk (R3).

Normally PR department will handle everything but actually it's very important to have a CSR Manager to drive the achievement of CSR. But I definitely think it's especially true for the big chain hotels only. As for my hotel, because there's going to be additional cost involved, it's something we hadn't really thought about having specific unit for this. I certainly think that diverting hotel resources to such matter is inefficient (R7).

Similar to the reflections captured from the above remarks, R3 expressed the view that this manager should be placed within the top management team since the presence at the C-suite table will help the hotels keep pace with the CSR agenda. R3 commented:

I would say it is important to establish a CSR department by giving them a clear authority to monitor these efforts. In fact, these initiatives need similar C-level leadership. So I think placing them in the executive team to which they can exert influence over management is a good idea. In this way, they can maintain and effectively project the image of being socially responsible hotel. That's how I see it.

Apart from employees' relative ignorance of CSR concepts, much insight was gathered and expressed by the respondents into the subject of business case or rationale behind CSR practice in which the findings provide a significant answer to the RQ4. All respondents consistently agreed that no matter what are the underlying reasons, all motives will eventually lead to better corporate reputation. In fact, according to many, the primary concern of implementing CSR is to promote and

enhance brand awareness. Many respondents generally held the belief that CSR works as a promotional opportunity for the charity as well as offering. Some of them commented:

> We've been engaging in these social behaviors so long. All I can say that they've been doing this mostly for the sake of their brand. And there were times, quite few times actually that we had reporters in our house to cover our charity events. To management, it's worth organizing a CSR event with the presence of media. It's how they saturating the media with positive images of their CSR credentials (R4).

> I've been involved with CSR for the past few years and apparently I noticed that some hotels have spent more on promoting and splashing their brand names instead of focusing on the action itself. So I believe that the main reason in promoting their brands was to protect against potential reputational harm (R2).

> When you're talking about CSR it means kudos and to bolster overall reputation. So, I personally think that it has a lot to do with corporate branding and reputation. Like our hotel, I considered that we have to certain extent overtly promoting our good deeds but our management seemed quite happy with that. There's nothing to worry because that was their main reason for this. And they know that this is what they can actually sell in Malaysia (R1).

All respondents shared similar sense of frustration and dissatisfaction while describing the current CSR practice by the surveyed hotels. Other points raised by the interviewees include the main challenge when implementing CSR activities. Concerns were expressed by the interviewees since they are required to put in extra efforts for CSR. In fact, many respondents viewed the cost of time and training as too extreme to make CSR initiatives worthwhile. Three of them admitted that CSR did cause the employees to work extra hours for no extra pay. More interestingly, there were similar opinions that spending too much time on work and getting involved in CSR at the

same time can result in extremely high levels of stress. The following responses from discussion with employees support this statement as well as answering the RQ5.

> My job right now is seriously stressing me out. I'm struggling with my jobs and at the same time organizing two CSR programs. Management has to be out of their head if they wanted me to really putting extra efforts into such matters (R5).

> I need to wake up early at 4 a.m. just to prepare everything for the CSR program and I can be a bit tiring at times. Besides, I'm not getting paid for the extra hours I worked. That's why I think CSR is a way for the hotels to benefit themselves. Of course, they don't know that we're actually struggling (R8).

> CSR makes me to attend few trainings and work additional hours of unpaid overtime each year. I don't know whether this is how CSR works but for me it's more than being tired. I understand that hoteliers are taking CSR to the next level. But for me, I'm not ready to go the extra mile unless we will also benefit from it (R7).

> Who wants to work extra hours for no extra pay? There's too much work for us and I feel like I'm wasting my time. Perhaps I'm not the only one affected by this and it means that my colleagues are putting their extra time too. Everyone is so stressed because of the work volume. You see, it's clearly that CSR is a waste of time and money (R6).

In trying to extricate additional and precise information from the respondents' perspective for a more fair view of the CSR performance, the development of CSR and how its effects on employee were specifically queried. Out of eight, only two respondents believed CSR has benefited them but on being asked further about the impact of CSR, none of them could clearly identify the influence of various CSR programs. Here are their comments:

> I'm not sure what we've gotten from all the charities we involved with. Other than feeling good at that time, I just couldn't tell you where CSR has paid back for us. But as one of their staffs, I'm pretty sure it has benefited us along the way (R1).

We were pleased to work in a hotel that cares for others. We feel good at helping others and sometimes we feel motivated too but I'm not sure whether it works so well in other hotels. If you asked me specifically, I can't tell you exactly how we've benefited from it but I'm so sure it has (R3).

In a nutshell, it appears that, from employees' point of view, there was a lack of acceptance that CSR could yield sufficient rewards and hence, it has been classified as flawed concept and unnecessary cost to the hotels. Convinced of CSR failure, they reasoned that it is a "bad idea" with too much unfair advantage for the employees. In the few instances that CSR issues were touched on, two of the respondents attributed the CSR initiatives to the high costs associated with such unfair treatment. In fact both of them raised interesting point about being treated unfairly by their employers as illustrated by the following comments:

I'm not surprised the idea has won over so many hoteliers. To me, it's just a "lame idea" which I absolutely think it was a contradictory thought and totally unfair to the staff. There was a time when we were asked to serve a welfare home during Ramadan, what the management did was to only provide them with the main course. So, we were the one who collected money and bought some "*kuih*" and held the dinner. The program was a success beyond our expectations. It was as smooth as it could have been. What I'm trying to say is that there is a cost to all of these things. Actually management already has their own budget but having us to pay for CSR would be so onerous. We weren't expecting this. Nobody likes to give away money especially during this economic crisis (R5).

We understand that all of these things do come at a cost and to many hotels it is a very big challenge. While the management needed to save money, curbing allowances for workers may affect our motivation in future. I'm really disappointed by the hotel's fairness on allowances and employee's personal development. Our hotel is a very good at helping others but for their staff, I don't think so! To tell you the truth, we would like management to pay for all the expenses involved in CSR, not us. It seems hideously unfair to us (R8).

On the whole, it is quite clear that CSR was viewed by majority of the respondents as a power of giving back to society. Furthermore, it would seem on the surface that there was low level of awareness among them and it probably just mean that their lack of knowledge of CSR has led them to disregard the corporate social initiatives that have carried out by the hotels. In fact, according to many, CSR activities have not moved any further beyond philanthropic which they claimed CSR and sustainability as one. Again, all of them were on the same page when describing the function of CSR in the hotel. The responsibility of CSR was normally driven by communication, marketing and PR department. Another theme that emerged out was regarding having a person with good CSR knowledge to drive the CSR performance in the hotel. Next, according to all of them, the type of social initiatives that the hotels took was a move of the hotels to enhance their reputation and image (strategic motive). The main challenge was also mentioned. It was noticed that among the hotel staff, a common challenge was lack of resources (time spent, extra work, high costs, and lack of expertise).

4.4.1.2 FGD-2 on Reactions of Beneficiaries to CSR Initiatives

The discussion among beneficiaries suggests a number of interesting findings. Unlike FGD-1, FGD-2 offered insightful findings pertaining to RQ1, RQ2 and RQ4. Guided by RQ1 and for the purpose of comparison, respondents were asked to define CSR. Astonishingly, all respondents were adhered to a traditional philanthropic view of CSR, which claimed that CSR is about business giving back to community. One of them commented:

> CSR can be equated with companies' responsibilities to give back to
> the community through donations and support to local charities. These

activities are good for their souls, attitudes and for their businesses too
(R9).

In relation to RQ2, the respondents were asked to describe the current CSR practice as well as to express their concerns about CSR performance. Despite offers some compelling insights for RQ2, this insightful finding revealed a general dissatisfaction among the respondents, with the fact that CSR practices in the hotels have been very sporadic in nature and unorganized basis especially when the hotels are likely to express their benevolence during festive seasons. Some of them commented:

> They are not consistent with their practices. Most of them are periodic acts of charity and donations. They provide us with funds or goods for a specified period of time only especially during main festive seasons like *Hari Raya,* Deepavali, Chinese New Year and Christmas. It appears that they don't know their core purpose about what to preserve and what to solve (R15).

> CSR is for the life and not just for Deepavali or Christmas. We always find that the hotels will extensively reach out for the needy and less fortunate during festive seasons. We've experienced it all the times. The status is periodic and there seem to have no plan for their CSR (R9).

> We certainly understand the spirit of sharing the joy and happiness with those less fortunate and we are very grateful for all the helps they given to us. But I personally think they should be doing it consistently. Or maybe they think that contributions should only be done in respectful times of giving such as *Hari Raya*, Christmas and so forth. And that the only way they can show their kindness and generosity. (R14).

One of the aspects of current CSR practice that bothered respondents the most is the fact that the hotels are more broadly engaged in passive philanthropy. It was upsetting for all the respondents to receive such philanthropy in a way that money is given by the hotels without keeping track on how the money is spent for community development. To that, all respondents have reached a consensus that passive

philanthropy is no longer considered sufficient in the realm of CSR. Instead, they emphasize the importance of the hotels to actively involve particularly in community development and education as well as with active involvement in the distribution of funds (active philanthropy). Here are some of their valuable responses and recommendations which also provide relevant insights on RQ2.

> Most of the time we just received small portion of donations and that's it. We are like the end user. They make no follow up in the work they fund except leaving the cause to us. Clearly it should be an ongoing practice and active form of philanthropy so that we can really benefit from the programs. Providing us goods or writing to us a one-time cheque is not impactful enough. All we need is for them to actively involved especially in community development and education to empower our children to make a significant change in their life. Personal and learning skills, for example, can make our children future ready. For me, their helplessness made me realized that this is the valuable thing the hotels must invest for (R9).

> Donation is good but it is too small to make any difference to us. We hope for a long-term initiative and a more hands-on role such as supporting our students with employability skills especially for disabled person that takes more than just financial assistance. Promoting inclusive education and support education plans that take vulnerable kids into account are badly needed. We are lucky because our school got regular support and monitored by the government but how about other welfare organizations? So this is why hotels need to engage less in charity work and invest more in community development. (R12).

> It is good to give us money and goods but the giving will stop at that level. Will it bring ongoing positive change to us? No! Because they don't care what happens with the money they have invested. They just leave it like that. And next year they'll repeat the same thing. You see, it is an endless thing. You give us food and continue to do so for the rest of our lives, and we will be like this forever, waiting to be fed by them. For me, this concept is wrong. And agreed with others, the hotels need to invest in long-term causes such as in the area of education enrichment so that we can become self-sustainable. Like been mentioned, education is a lifelong process where our members can learn about interesting topics and skills…the skills which can bring ongoing positive change into their lives and the lives of others (R11).

> Absolutely agree that we need an active commitment and contribution by these hotels. I believe majority of kids in these homes come from extreme poverty but surprisingly they are as bright as we are. They just

lack the opportunities we have. So, the most important thing is to provide them opportunities that they may not otherwise have like giving them the chance to learn different language especially English. Because the ability to speak and understand English will open the doors for their future, especially in Penang, where many jobs opportunities in tourism and hospitality sectors. So that in future they are becoming more independent (R10).

In trying to elicit more valuable information from the respondents, their feelings about the impact of CSR were queried. The main intention of doing this was to measure happiness of all beneficiaries to see whether true impact has been achieved. The findings gave a fair view of the CSR performance of the hotels, providing a meaningful answer to RQ2. All beneficiaries were asked to rate it on scale on 1 to 10, with one being negative affect (completely not happy), 5 being pleasurable feelings and 10 being the life satisfaction. None of them rated their feelings as 10 out of 10. Seven-tenths of the beneficiaries are quite happy with the way they have benefited in CSR projects with score at 6. Only one of them, on the other hand, rated at 7. Here are their general responses:

> I will rate it at 6. We are very proud to be a part of their contributions. So far we all are pretty happy and very thankful for their bounty. And believe me, it is way better to receive something, even small things than to receive nothing at all (R13).
> Some of the surveyed hotels are doing very well and we are happy with that so far. It came as a boon to us. I believe there is still room for improvement so I rated my feelings at 7. But in future we definitely hope for a very satisfactory outcome from these hotels. So we can say that we are "very satisfied" with the impact (R9).

On being asked further about the rationale behind CSR among the hotels or business case (underpinned by RQ4), surprisingly there was no discussion on sustainability, or reputational concern. Instead, respondents offered a completely different rationale for CSR practice than the one argued in the literature. The respondents agreed that CSR

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was branded differently and practiced by the hoteliers since time immemorial mainly for religious purpose. Here are their responses:

> Before the emergence of CSR, I believe the hotels are doing it from a religious reason. Every human being, despite his or her belief, is taught to do good things. Like Muslim or Chinese, we also have our own guidelines like *Vedas, Smrti…* Well, I can name you a few. All these scriptures endorsed the value of helping the poor. The only thing is there was no such term as CSR during that time but CSR was already practiced by these hotels a long time ago (R9).

> Yes, I seem to agree because giving money to poor people is also an emblem of Islam. They do well so that God will bless their works. Based on Islamic doctrine, it's like *zakat.* The money is donated for the sake of the God. So they tend to do CSR from this reason. People are doing this for a long time ago. Only the term is quite new these days. These hotels probably have given, donated or sponsored many charities but they do not call it as CSR (R14).

A surprising thing captured during the discussion, especially in the recommendation suggests by the respondents, is the importance of having someone with a higher level of empathy who truly understands their feelings and perspectives. The criteria mentioned illustrates precisely on the social work profession which is believed to have played a pivotal role in helping or solving CSR issues in the hotels.

Therefore, to better understand the rationale behind that, researcher decided to ask some probing questions. The respondents were asked about their opinions on the potential role of social workers in CSR. And on their thoughts about the role of social work profession to promote social change as well as empower them to achieve the wellbeing of the community are worth considering. Here are excerpt of some highlights of the discussion:

> I think all professionals will do better in their jobs if they have emotional empathy. Like been said, I also definitely think social work profession is a good fit to this position as long they can understand our needs and the most important thing is able to step into our shoes…who

really can understand us. They can use this feeling to guide their actions and develop us. I believe they will because what I have known so far that they are good at working closely with communities and they work towards achieving their targets too (R10).

Yes. Someone that can really understand the daily problem we faced, someone who knows how to fulfill our needs, how to develop our strengths and most importantly, knows what to solve. We need someone that really wants to help us to change because we ourselves who want to make a difference in our lives. Of course, having a social worker in CSR is a good start for the hotels. At least they have someone who is enlightened and well informed about CSR and community development (R9).

Because communities are very often served as social work's clients so this profession is ideally placed to help those of the bottom line to claim their rights. Well I think it is all about their efforts to understand those people and to imagine the experiences of other people. By doing so, they can respond from their hearts out of a genuine desire to help lessen the pain or suffering of others. So to me this profession is needed particularly when you are dealing with community (R12).

It was noticed that among the beneficiaries interviewed, a common understanding was that CSR is related to responsibility of a business to give back to community. Unsurprisingly, it seemed like the hotels performed sporadic CSR since the practices, according to many, were very much ad hoc basis and sporadic in nature such as passive philanthropy. Other theme that emerged out was the importance for the hotels to actively involve in community development and education with active philanthropy. Next, they agreed that CSR was practiced by the hotels mainly for religious purpose. Apart from that, the importance of having someone with a higher level of empathy was also mentioned. Therefore, they highlighted on the significant role of social worker in CSR in promoting the social change and the overall wellbeing of the community.

4.5 An Analysis from Dahle's Perspective

As mentioned in chapter three, this study employed the tools proposed by Dahle (2010). The analysis offered insightful findings regarding CSR practices by eight selected cases with respect to the following dichotomous concepts: *Weak – Strong; Narrow – Broad; PR profile – No PR profile; and Strategic – Genuine*.

The four concepts were evaluated and ranked on the basis of their CSR performance and in relation to certain defined indicators. The details about the dimensions were shown in Table 4.4. The dimensions presented in the framework also reflect the heterogeneity of the CSR domain which may be useful to gain deeper understanding on CSR performance.

Table 4.4

Proposed Indicators along Four Dimensions

Dimension	Purpose	Research Question	Indicators
Weak – Strong	To analyze how CSR is organized on various levels and means to benefit the beneficiaries	RQ2	Organization of CSR function Degree of control over CSR activities CSR budget
Narrow – Broad	To determine the extent (scope and geographical areas) to which CSR practice has contributed to improve social wellbeing	RQ2	The spreading of CSR activities Geographical areas

| PR profile – No PR profile | To analyze who is responsible for CSR or what medium (department/unit) the hotel used to communicate their CSR efforts | RQ3 | CSR with strong PR profile Allocation of responsibility Views on PR effect of CSR |
| Strategic – Genuine | To determine the reasons for engaging in CSR | RQ4 | Business area Vision Potential benefits Project with no potential benefit Views on CSR and their reasons for engaging in CSR |

4.5.1 Weak versus Strong CSR

4.5.1.1 Organization of CSR Function

In Hotel A, the main responsibility in dealing with CSR work was assigned to three departments (HR department, marketing and communication department and entertainment and recreation department) whose responsibilities were also to include a range of other issues. Three people from each department were employed to run the CSR performance, yielded a total of nine people to handle the CSR management in the hotel. It is kind of impressive for a hotel with 250 employees to have a large number of people being committed to CSR. Besides, there was a constant volunteer on hand for every Rocker Meal Program and Rock to Rock Run Program resulting in a total of 50 volunteers. Looking at the findings, the number of people involved with CSR in the Hotel A and the anchoring in top management signify a strong commitment to CSR.

Similarly, Hotel B's CSR function is relatively large involving a total of ten directors from each department. To elaborate, the Director of Kitchen and the Director of Security, for instance, were also involved with CSR in the organization with issues pertaining to suppliers and working environment. Considering the size of the Hotel B with more than 100 people, the number of person involved in CSR on a daily basis indicates a strong commitment to CSR.

As for the Hotel C, the CSR function was left to the two directors from HR department and communication department, who were also responsible for other business functions. For a hotel with almost 132 persons employed, the number of people working with CSR could have been even higher. In such matters, it appears that Hotel C is having a weak CSR commitment.

Hotel D had a well-defined CSR function and specific person responsible to drive the achievement of CSR. Based on the findings, five directors in total were dedicated to work with CSR with the issues related to environment, employees, health and safety, supply chain and stakeholder relations. They also received support from assistant managers from each department who are willing to volunteer and handle CSR programs. Even though their responsibilities also included a number of other issues, their functions were very much to focus on CSR matter. In fact, a manager was assigned to fully focus on CSR activities especially on the Embrace and Sanctuary Project. The CSR champion is the head of the CSR team consisting of two people who were responsible to lead the CSR committee and help drive the CSR strategic plan. With a total of workforce around 200 people, about eight people were assigned to work with CSR in Hotel D.

Hotel E's CSR function is relatively large, involving a total of eight people. CSR is not assigned to separate department but divided between a CSR champion, consisting of two people and CSR team consisting of five people. Besides, some of the responsibility for managing CSR work is assigned to one person, the appointed CSR Manager, whose responsibility includes a number of other issues. The amount of people working CSR and the anchoring in top management indicate a strong commitment to CSR.

In Hotel F, the CSR Manager was appointed to work on social project. Five directors are also involved in CSR work in the organization, with issues related to environment, employee, health and safety, supply chain and stakeholder relations. Besides, CSR is to some degree anchored in top management, involving two managers. The number of people involved with CSR indicates a strong commitment to CSR in Hotel F.

On the other hand, Hotel G's CSR function was pretty small, involving two people from HR department and PR department. To sum up, a total of four people were committed to drive the CSR performance in Hotel G. Considering the size of the hotel that hired nearly 370 employees, the number of people participated in CSR on daily basis could have been even better. Seen in this way, Hotel G is considered to have a shallow commitment to CSR.

In Hotel H, CSR approach was assigned to two people, the Director from Marcom department and Assistant Marcom Manager of who were also bound with other administrative jobs. Based on the total number of person responsible for CSR, Hotel H seems to have a weak commitment to CSR.

4.5.1.2 Degree of Control over CSR Activities

Hotel A has helped local communities mainly through charity donations and partnership. In this way, a strategic collaboration with DISTED College and among few hotels in Penang was signed up to empower hospitality students with essential industry perspectives. The support provided to the DISTED College is followed by extensive on-the-job-training and career opportunities for the students. In fact, the hotel managed to get few employees from this project. The hotel also took a number of partnerships with the Penang State Government that have common objective to promote CSR activities. These were among the example of projects that took the form of successful collaboration effort by the hotel which also involved more than just financial incentives. Such collaboration initiatives together with financial support and active involvement by the hotel in CSR domain will leave the Hotel A to have significant influence and control over its social responsibility programs. Instead of supporting project initiated by others, Hotel A carried out CSR activities on its own initiative. Rock to Run, Imagine There's No Hunger, Pinktober, Rocket Meal Program, Can-lah Food and Founders Day were among the annual programs that are fully controlled by Hotel A. These programs generate greater employee involvement from different part of departments as well as top management participation. On the whole, the findings demonstrate that the level of control the hotel has on its CSR projects is still high.

With regards to CSR activities in the Hotel B, there were two kinds of approaches to the initiatives. Environmental conservation-related activities were the first activities in the hotel. In the environmental area, Hotel B has organized Life & Care Project and several other green projects which are partly under its control. The recycling program,

for instance, has been organized and carried out by the hotel every year. It was a very successful project that gained a great deal of cooperation from employees, guests and suppliers. Nevertheless, the project was the only activity that partly under the hotel's control because some of the control was left to other suppliers to complete the recycling process. Besides, other social projects were typically supported by one-off donations and usually the beneficiaries varied from one year to the next. Regardless of how the hotel decides which causes or beneficiaries to support, it still had no control over the activities. Furthermore, monetary donations and food provision represent the lowest level of control a hotel has over its own CSR initiatives. In fact, when it comes to implementing CSR, hotel managers in the Hotel B have certain level of flexibility. In this sense, managers in the Hotel B should have proposed various activities to fulfill the needs of local communities and stakeholders instead of relying solely on cash or benefits in kind. On the whole, all the activities illustrate that Hotel B have combination of low – medium control over its chosen projects.

Since 2009 to 2015, Hotel C has pledged its commitment to social cause mainly through extensive use of donations and sponsorship. Sports activities such as Penang Starwalk and Ipoh Starwalk were generally supported through sponsorship. Other social programs involved charity drive with several beneficiaries that often vary every year. In this context, Hotel C has no control over the projects even though it decides which causes or beneficiaries to support. As been explained before, monetary donation indicates the lowest level of control and it is therefore an indication of weak CSR. To sum up, the extensive use of sponsorship and donations leave the Hotel C with the lowest level of control on its social initiatives.

Hotel D, on the other hand, has an active involvement in CSR through various kinds of activities. The hotel also took the form of partnership with its long-term supplier, Sealed Air Diversey Care for the Soap for Hope program. The new soaps were sent to Sealed Air Deversey Care before they distributed the ready soaps to communities in need. As such, this is one example of project that the hotel actually has medium control over its CSR program. Nevertheless, there were also projects where the hotel performed its own efforts such as Annual International Penang Coastal Cleanup program, World Ocean Day, Coral Triangle Day, PWD Opportunities Program and Finding Your Shangri-La. Besides, Hotel D has launched a turtle Eco Centre to raise funds, educate and protect sea turtles. In this regard, these projects that the hotel has ownership are totally controlled by the hotel. Hotel D has also initiated several other CSR projects. The Adoption of Penang Shan Children's Home Association and Embrace Giving of Life program were examples of projects that had been carried out and initiated by the hotel. Looking at the findings, Embrace Giving of Life program involved extensive use of sponsorship which represents the lowest level of control a hotel has on its CSR initiatives. Hotel D has pledged to support Penang Shan Children's Home during the 10 to 15 years of collaboration, leave the hotel with significant control. This also implies that, the beneficiaries will be under the monitoring of the hotel until they are capable of living on their own. This is an obvious indication for the projects which Hotel D has a high degree of control and ownership. Despite the extensive use of sponsorship in its Embrace Giving of Life, Hotel D also carried out many others projects that are wholly owned by the hotel as have been previously mentioned. The fully-owned CSR initiatives, therefore, signify that the Hotel D has a high degree of control over its projects.

Hotel E has put efforts into increasingly environmental consciousness by setting up its Development Centre and Turtle Information and Conservation Centre (TICC) concerning on a marine rehabilitation and research. In fact various methods and initiatives have been applied to stimulate the adoption of CSR such as World Ocean Day, Coral Triangle Day, and Effective Microorganism Mud Balls Research. In social arena, Hotel E has adopted Crystal Family Home (CFH) to enhance their quality of life by generating many activities under the projects each year. These are among the various projects that have been started and wholly owned by the hotel which also embody a high level of control. Additionally, there was a Giving of Limb Project in the Hotel E where the hotel has little or no control over its chosen activities. This project had supported many beneficiaries across Malaysia through sponsorship activities. This is often the case where the cash donations are given to charity organizations. Since the effort is limited to financial support for a good cause, Hotel E still has no control over the project. Nevertheless, there were also initiatives that were partly controlled by Hotel E. The Sustainable Seafood Awareness Day, for instance, is collaboration between World Wide Fund for Nature Malaysia (WWF-Malaysia), Penang Aquaculture Association and GST Group to promote sustainable seafood consumption. Whereas, Rooted in Nature took the form of partnership and involved local suppliers such as GST Group and AyamPlus as an attempt by the hotel to promote sustainable menu. However, due to the large number of suppliers in the supply chain, Hotel E did not have the capacity to control each individual. Hence, some of the control was left to other suppliers and associations. The use of partnership and fully-owned several CSR activities, however, signify that Hotel E has a high degree of control over its chosen projects.

In the environment area, Hotel F has initiated in-house plants as part of its professed commitment to reduce the consumption of natural resources. This is the significant part of the hotel's CSR effort. Besides, Hotel F has adopted Handicapped Children's Center (HCC) as its beneficiary aiming to help them improve their cognitive, listening and leadership skills. Besides, there were also some projects that have been carried out by the hotel itself. Management training program and PWD Opportunities program were examples that showed how the hotel had full control over its projects. In other instances, The Gift of Hope was relatively a new project in Hotel F where the program is limited to financial support. Compared to other projects, this was the only initiative where the hotel had the lowest level of control. Similarly, this was often the case where cash contributions were given to a charitable organization indicating that the hotel has no control over the project. All in all, these examples imply that Hotel F has a high degree of control over its CSR projects.

Hotel G's CSR approach was specifically committed to supporting charitable and sponsorship activities. For example, the hotel has supported practical training for few colleges' students and organized charitable activities for the children in pediatric and surgical ward in Penang General Hospital. However due to extensive use of donations and sponsorship, Hotel G is deemed to have a weak CSR in practice with no control over the CSR projects. Since 2009, a traditional game by-the-sea was the only activity powered by the employees of the hotel every year and was fully controlled by the hotel. In general, all these examples imply a low degree of control over its CSR activities.

The Hotel H's CSR projects usually involved in the provision of food as well as providing financial assistance to the eligible needy. The CARE Project, CSR at Bodhi Heart, festive celebrations and charity drives were the activities that took the form of donations and charity food provision. Indeed, Hotel H has flexibility to choose which causes or beneficiaries to support but beyond that, it had no control over the projects. Besides, Bodhi Heart and recycling program are amongst the project initiated by others and being the initiatives that are partly controlled by the hotel. In terms of environmental aspect, the hotel launched its Earth Hour and it was the only initiative that the hotel had full control over the project. Combined all the examples, Hotel H is considered to have a medium – strong commitment to CSR.

4.5.1.3 CSR Budget

In term of funding, Hotel A generates its own CSR budget through constant fundraising events. Last year they managed to collect RM 70, 000 from Rock to Rock Run and it seems that Hotel A has adequate budget to support its CSR projects every year.

Looking at the findings, Hotel D, Hotel E and Hotel F had set up a specific allocation of funding to support CSR activities. As such, there are adequate budget available for Hotel D, Hotel E and Hotel F to conduct CSR effectively.

As for Hotel B, Hotel C, Hotel G and Hotel H, there is insufficient information about their CSR funding. The findings have shown that CSR programs are not a budget priority for few of the surveyed hotels. Four of these hotels could not clearly provide and identify the amount spent on CSR per year. On being asked further about the

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average percentage of annual CSR budget in the last three years, none of these four hotels provide specific information on the issue.

4.5.1.4 Results of Weak – Strong Dimension

Overall, Hotel D is ranked high for its CSR performance as its fixed budget and monitoring mechanism for CSR projects indicate a strong commitment. Higher percentage of corporate budget was allocated to CSR, signifying a stronger focus in social development projects. In fact, high degree of control over its activities and the number of people assigned to the CSR function with total of workforce around 200 people reflect a serious commitment of hotel resources.

Hotel E appeared to have strong commitment to CSR with a defined CSR budget and a high degree of control over CSR activities. Due to the number of people involved in CSR and the anchoring in top management, this study signifies that Hotel E is having a strong commitment to CSR. However, as the findings revealed that, based on the size of the hotel with 261 employees, the number of people assigned to work with CSR on daily basis could have been even higher. However, compared to Hotel F with the total number of employees around 230, Hotel F is ranked number two followed by Hotel E as number three.

Because of the high degree of control and the number of people employed in the CSR function, Hotel A seemed to have an active involvement in their socially beneficial programs. This implies that, as far as Hotel A is concerned, bearing an active involvement in social responsibility practices also represent a strong commitment to

CSR. However, based on the indicators, from strong to weak CSR, Hotel A is ranked number four after Hotel D, Hotel F and Hotel E.

Even though Hotel B was associated with an impressive number of people employed for CSR, Hotel B's performance is a combination of low and medium control activities. From the findings, no specific budget was fixed for CSR activities in the Hotel B. Taking all these factors into consideration, Hotel B is assumed to have a weaker commitment to CSR than those hotels mentioned earlier and ranked at fifth.

Looking at the findings, this study ranked Hotel H at number six followed by Hotel C at number seven. Hotel H is considered to have better commitment than Hotel C. The findings indicate that the Hotel H's CSR performance is a combination of low and high control. In spite of the fact that the hotels engaged in several projects that are partly and fully under its control, donations and sponsorships seemed to be the most dominant part of the program, thus implying the lowest level of control it has over the activities. Financial assistance or goods is granted one-time only for every beneficiaries, indicates that those charitable giving requires no follow up or accountability. However, it also appeared that the hotel is having a low number person involved with CSR issue. On the other hand, Hotel C did not allocate any specific funding for CSR projects. Due to the small number of people working with CSR and the low level of control the hotel has over its projects, commitment to CSR by Hotel C is considerably weaker than Hotel H.

Evidently, Hotel G appeared to have passive involvement in CSR since its initiatives are limited to one-off financial support and benefits in kind (low degree of control).

The number of personnel assigned to work with CSR is considered weak for a five-star hotel that hired around 370 people. During its long tradition of involvement in the community, hotel's CSR activities and commitments could have addressed myriad issues but Hotel G involved in a very limited number of activities with low degree of control. Compared to Hotel C, Hotel G is deemed to have the weakest commitment to CSR. Combined all factors, Hotel G is placed at number eight as shown in Table 4.5.

Table 4.5

Ranking from Strong to Weak CSR

Rank	Hotel
1	D
2	F
3	E
4	A
5	B
6	H
7	C
8	G

4.5.2 Narrow versus Broad CSR

4.5.2.1 The Spreading of CSR Activities

Hotel A appeared to engage in a great number of CSR activities within different categories ranging from beach makeover, tree planting to collaborating with DISTED College, sponsoring minority communities as well as donating money to charity

organizations. Hotel A has also organized a community development program to spur entrepreneurship activity among local communities However, there are some activities such as Pinktober and Rock to Rock Run that share common purpose and linked to Hotel A's business area. But in the area of sponsorships and donations, Hotel A has chosen to support many beneficiaries from Rohingya community to disabled and underprivileged local communities. This indicates that Hotel A will support any kind of charity organization especially on the projects that are relevant to the hotel and its business. This signifies a broader scope of CSR.

Hotel B on the other hand has limited its CSR scope to include a few defined areas (*see* section 4.2.2.1). Even though it has worked continuously to reduce energy, water usage as well as promoting recycle programs, several social projects demonstrate that Hotel B has a wide span of CSR activities. In the area of donations, Hotel B has not limited the support to specific beneficiaries or charitable organization. At this point, it is evident that Hotel B has indulged in CSR practices in a relatively broader scope.

In the case of Hotel C, the support to local communities is primarily limited to charity organizations, sports associations and cultural events. In terms of social contribution initiatives, the hotel has chosen to provide support to disadvantaged children and adults including elderly, and sports activities as well as cultural events in the local communities. This indicates that the Hotel C has a well-defined scope for its CSR involvement. However, a general interest in supporting charities is merely limited to cash contributions and household item donations within its defined scope which represent a narrow scope for its CSR activities.

As for Hotel D, a corporate- level CSR Committee drives the company's social endeavors in the strategic areas of stakeholder relations, environment, health and safety, supply chain and employees. As been mentioned earlier, Hotel D's social responsibility involve two elements of embrace and sanctuary which aim to promote the highest level of education and health support in underprivileged communities as well as promoting restoration of biodiversity. Hotel D, for instance, involved in the total spectrum of CSR including turtle protection, reducing waste, energy conservation, working in partnership with local suppliers and local partners, supports orphanages, vulnerable children and dysfunctional families and helps toddlers with severe health conditions. These examples depict a wide span for its CSR activities. Although Hotel D has limited its focus to include few beneficiaries for its Embrace project, the hotel has been keenly involved in helping the poor and homeless people through its Lighthouse program as well as providing training and career opportunities to college students through Finding Your Shangri-La, indicates that Hotel D has a broader scope for it CSR practices.

Hotel E covers a wide array of CSR programs in various fields. The hotel has made concerted efforts to support CSR initiatives by setting up its own Effective Microorganism Mud Ball Research and Development Centre, creating awareness on turtle conservation, helping children in need as well as collaboration with diverse local suppliers and partners. The hotel also worked diligently on their individual projects such as Giving of Limb Project and Turtle Information & Conservation Centre. This further highlights that the hotel has a well-defined scope of CSR involvement along with the predominant focus on a few beneficiaries of the project. Apart from providing benefits in kind or financial support, hotel also supports the

children through various living skills, inaugural interactive and educational conservation program. Besides the children in need, Hotel E has been helping the poor as well as chronically homeless people. Hence it can be construed that the hotel has a broader scope which it covers a wide gamut of CSR activities.

Hotel F's CSR initiatives cover every aspect of daily life. Many of their CSR projects provide education, healthcare, environmental conservation, economic employment and disaster relief to areas in need. Their social good projects extend across societal issues. Examples of these projects include Carbon Disclosure Project, PWD Opportunities Program, management training and Gift of Hope. On the whole, Hotel F seems to have a broad range of CSR issues.

Hotel G limits its CSR involvement into three focus areas (*see* section 4.2.7.2). Some examples of the projects are supporting local communities, organizing traditional games by-the-sea, sponsoring few colleges in Penang and providing practical training to college's students. Despite supporting a number of different charitable organizations, Hotel G prefers to limit its support by paying considerable attention to children in pediatric and surgical ward at Penang General Hospital. These examples, however, illustrate that the hotel is quite selective with its choice of support, which ultimately narrowed its scope for CSR.

CSR activities in the Hotel H demonstrate a wide span, from recycling to reducing energy consumption and supporting underprivileged, disabled communities as well as promoting decent wages and harnessing knowledge among its employees through training and career development. The CSR programs exhibit great diversity since the

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social efforts are not limited to support any kind of beneficiaries or charitable organizations. The upshot is that Hotel H appears to have a broader sense of community. For that reason, their general concerns in charity have made them to support various different minority groups, indicates that they have a broader scope with respect to CSR involvement.

4.5.2.2 Geographical Areas

Based on the findings, most of the surveyed hotels were found to be undertaking CSR activities in their vicinity of their hotels while few of them have expanded their activities to other areas.

Hotel A explicitly states that it wants to boost CSR focus around its local communities. The main focus of interest is on supporting projects or organizations in the local communities. Examples of these activities are Imagine There's No Hunger, Rocket Meal Program, Can-lah Food and entrepreneurship activity. The findings also hint that majority of activities are carried out at the local level, signifying that Hotel A has a somewhat narrow geographical scope. Similar to Hotel A, Hotel B and Hotel H are under the same circumstances. They have clearly emphasized on supporting local projects and organizations in their local communities. By looking at the findings, there are no activities performed beyond their local context, in spite of their success. These, therefore, indicate that Hotel B and Hotel H have a narrow geographical focus for CSR since they undertake CSR activities near their area of operation.

On the other hand, Hotel C and Hotel G strive to contribute to its local community with many of their CSR activities are performed locally. Hotel C, for instance, clearly

emphasizes that they want to focus on supporting local projects and organizations. However, in 2011 Hotel C has sponsored Ipoh Starwalk in Perak, indicating that they engage in CSR outside its local context at the same time. It shows that the hotel is willing to work with other communities by expanding their focus beyond its local context. Besides sponsoring Ipoh Starwalk, there is no other activity performed at other states. In fact, the upshot of the initiatives is on the local context in which majority of projects are performed, thus also signifying a narrower geographical scope for CSR.

In contrast, Hotel D performs CSR at local, regional and international level. Embrace Giving of Life is an example of a commitment that takes place locally, concerning on health and education programs through a 10 to 15 years of partnership with local beneficiaries. The effort has also been devoted to support beneficiaries at the regional context. PWD is also a project with a local context. Looking at the findings, Hotel D clearly combines local and regional scope, indicates a broad geographical coverage for CSR.

Based on the findings, Hotel E also performs CSR on a local, national and international level. However, they emphasize more on the local level where the majority of activities are carried out. Referring to the number of all activities, Hotel E is perceived to have a broad geographical coverage.

Hotel F performs CSR at local, national and international level as well. Care for People Project through its Gift of Hope is the area in which the hotel clearly combines a local and regional context since the initiative has been devoted to supporting

beneficiaries throughout Malaysia. Having some of the projects implemented locally, such as more energy efficiency heating systems as well as environmental improvement, these hotels also provide assistance to victims of disasters in Japan, India and Philippines. This indicates a broader geographical scope.

4.5.2.3 Results of Narrow – Broad Dimension

Based on the findings, Hotel D seems to lead the pack followed by Hotel E and Hotel F for the broad CSR scope. Hotel E and Hotel F have demonstrated their commitments through supporting causes that matter to communities through a wide range of CSR activities at home and abroad. This implies that, social initiatives by these hotels encompass a broad scope of responsibilities. Referring to the number and diversification of all activities (*see* 4.2.5.2), Hotel E edged out Hotel F for the number two ranking. Although Hotel F also performs CSR at local, national and international level, as for the city hotel, they emphasize more on the local level where the majority of activities are carried out (10 to 15 projects every year compared to 20 projects performed by Hotel E). For this reason, Hotel F named third most to have broad CSR scope.

Even though the priority in general indicates a broader scope for Hotel A, the support to local communities is mostly limited to donations. Compared to the top three hotels, Hotel A is somehow considered to have a limited scope for its CSR activities and due to the narrow geographical coverage, Hotel A is ranked fourth followed by Hotel H and Hotel B. Looking at the findings, Hotel B and Hotel H were also under the same circumstances with geographical scope remains relatively narrow, thus implying a narrow dimension with regard to the dissemination of CSR initiatives. However, due

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to diversification of activities taken, this study ranks Hotel H at number five and Hotel B at number six as shown in the Table 4.6.

Also, the aforementioned scenarios have some relevance to the CSR context in Hotel C and Hotel G as these hotels have limited their support to few beneficiaries and choose to only support on local projects. On the whole, it is quite clear that these hotels have a narrow focus of CSR. However, in term of geographical scope, Hotel C is slightly better than the Hotel G. Hotel C shows that the hotel is willing to at least expand their social contributions beyond its local context through Ipoh Starwalk Program which ultimately put it at number seven followed by Hotel G.

Table 4.6

Ranking from Broad to Narrow CSR

Rank	Hotel
1	D
2	E
3	F
4	A
5	H
6	B
7	C
8	G

4.5.3 PR Profile versus No PR Profile

4.5.3.1 CSR Activities with Strong PR Profile

Interestingly, building corporate reputation and brand is one way hotels can profit from sustainability. In most cases, all CSR activities have the potential to put the hotel and its name in a positive light as well as improving its reputation accordingly. However, there is a thin line between activities that can be considered as CSR and those that are simply pure marketing. Apparently, the main purpose of sponsorship agreement is to increase brand awareness and therefore it must be classified as a marketing ploy. However, some sponsorship agreement may also fall within CSR depending on the sponsorship target. Sponsoring charity organizations may be considered as CSR while sponsoring the local sports events signifies a marketing activity. After all, this is also the case for these surveyed hotels because there are some examples of activities that have stronger association to PR profile than others.

For Hotel A, Rock to Rock Run is one clear example that largely used the hotel's brand name, trying to get the attention of teenagers to join this charity fun run. By making its brand name and logo visible throughout the community, Rock to Rock Run is seemed to have increased the brand awareness in general public. The program has risen in popularity past few years to become one of the Penang's most popular running events with participation of over thousands of running enthusiasts from all over Malaysia. The same thing can be said about the collaboration program with DISTED College and other hotels whereby the hotel has helped them to excel in hospitality industry through various training and mentorship. These are activities explicitly intended to promote its brand name. Besides, involving employees in several CSR activities such as Imagine There's No Hunger and blood donation

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program may improve its internal reputation as an employer who makes the employees feel valued, pride and loyal to the hotel. Indeed, even a number of hours of doing volunteer work are likely to be instrumental in helping their brand. In fact, it may as well increase employee engagement across the board since they are becoming more engaged and motivated to perform better. Although it is evident that these approaches have significant reputational effects, all activities have clear social purpose that go beyond financial gains. Looking at the other factors such as money spent for social responsibility programs as well as time, people and expertise, Hotel A appears to have a weak PR profile. While it is a fact that in practice Hotel A trumpets their CSR efforts via website and financial reports, thus the use of marketing instruments in the hotel's CSR communication strategy is considered minimal.

In the case of Hotel B, the most extensive practice by the hotel was through supporting local communities with cash or benefits in kind. This is the clearest example of a CSR activity with a potential of generating considerable PR effect. Donating money or feeding the orphans through The Chefs and Ramadan Giveback, for instance, requires no follow up or accountability of the hotel. After all, it is a way too easy for the hotel to shape its reputation as a good corporate citizen. Also, by treating orphans mostly during festive seasons and providing financial support to disadvantaged children, Hotel B actually makes its social commitments visible to its own employees, its guests and ultimately improves its reputation internally. The fact that the extensive use of CSR as an influencing tool through charity for good causes and donations is clearly indicates a strong PR profile in the Hotel B.

Hotel B and Hotel C are on the same boat. Sponsorships and donations are the important parts of the hotel's CSR program since the incurred expenses are just about another public relations and attractive reports. Sponsoring different local sports events such as Penang Starwalk and Ipoh Starwalk demonstrates that the hotel is using CSR as a business opportunity to improve its brand value and reputation. Same goes to the donations made to Bethel Home and Shan Children Home. As mentioned in the previous analysis, linking the hotel to a good cause by donating money or household items to charity will generate a significant PR effect. Giving money, providing food or donating household items to worthy causes is good but the true sense of CSR is an approach to community engagement that utilizes the assets (people, resources, and expertise) to enhance the community as well as driving business growth. The widespread use of sponsorships by the hotel is therefore seen as marketing strategies, signifies a strong PR profile.

Hotel D undertakes a wide range of CSR activities and administers a large number of projects that relate to some aspect of community sustainability. However, Embrace Giving of Life is one clear example with a potential for considerable impact of its reputation. By sponsoring life-changing surgeries for young children, Hotel D are actually increases its brand awareness and value to the general public. Despite the fact that the project has potential reputational or marketing effects, its main purpose to build more resilient communities through ongoing series of addressing community needs indicates a clear social reason. The same can be said about Embrace project for Penang Shan Children's Home Association where the ultimate goal is to empower the children to participate in meaningful ways in society and help them break the vicious cycle of poverty. Active involvement in this project is beyond financial support and

much more than just building and maintaining its reputation. Besides its fixed budget for CSR projects, concerning the other amount of resources spent in terms of people, time and expertise suggests a weak PR profile.

As for Hotel E, the clearest example of a CSR project with potential of having a PR effect is through the use of sponsorships in Giving of Limb. However, donating money or sponsorship does not make up an important part of hotel's CSR programs. In fact in this aspect, Hotel E appears to involve in a great number of CSR activities ranging from ecosystem restoration to providing slum-dwelling and destitute children in Crystal Family Home with education and life skill training implies that their active involvement in these projects is going beyond financial support. Given the amount of budget spent as well as time, people and expertise, the use of CSR as marketing or PR-apparatus in the hotel seemed minimal, suggest a weak PR profile.

Gift of Hope is the clearest example of project in Hotel F that is likely to have significant PR effect through sponsoring lifesaving treatments to children with cancer. This project is a way of increasing awareness of the hotel and its brand to the general public. As has been noted, supporting a good cause such as donating money to charity can have a PR effect. However, the hotel's active involvement in this project with adequate funding, people, expertise and time spent is more than just an easy way of promoting its brand. This project is, therefore, seemed to have a weak PR profile, far away from promoting their brand.

Having the same situation with Hotel B and Hotel C, sponsorships and charitable donations also form an important part of Hotel G's CSR program. For example,

sponsoring the local arts and culture is the clearest example of activity that represents their desired image as one of the Penang's greatest legendary hotel. It has also been reinforced with the position of Georgetown as a UNESCO World Heritage Site. Supporting charitable activities also an easy way of crafting the hotel's brand image and reputation among its employees and guests as well as presenting themselves as a good citizen. As for Hotel G, the widespread use of marketing instruments such as sponsorships and donations indicate a strong PR profile.

In the case of Hotel H, limiting its CSR initiative to charitable donations and sponsorships suggests a strong PR profile. The CARE Project, CSR at Bodhi Heart Homestay Project, festive celebration, and charity drives are the examples of projects with significant potential of generating PR effect since the intention of these projects is to donate or give charity for good causes. The hotel also perceives CSR as an influencing tool to set up good public image and has potential for generating profit. Among other things, donating money or extensive use of sponsorship does not require the hotel to utilize its assets, be its people, resources or expertise, indicates an easy way of promoting itself as a good citizen. Although these projects have a social purpose, the extensive use of marketing instruments such as media is seen as an opportunity to promote the hotel and its brand in public.

4.5.3.2 Allocation of Responsibility

Looking at the findings, Hotel A has assigned its CSR function to three departments such as entertainment and recreation department, HR department, and marketing and communication department. In fact, their responsibilities are very much to focus in the development and execution of CSR activities. This organizational choice suggests that

the main purpose of doing CSR is not merely to build hotel's reputation, indicates that Hotel A's CSR organization has a weak PR profile.

In the case of Hotel B, the overall CSR responsibility is assigned to ten departments, where the manager from each of the departments is responsible for managing CSR in the hotel. However, based on the findings, sales and marketing department normally dominates the major CSR events with an intention of getting immense media attention and favorable press coverage. The findings depict that CSR function in Hotel B seemed to have a clear PR profile.

Similarly, a feature of a CSR organizational structure in Hotel C suggests that the hotel focuses predominantly on enhancing reputation and image. Moreover, the way that the hotel allocates its responsibility for CSR as mentioned in section 4.2.3.3 signifies a strong PR profile.

Having a specific person to drive the achievement of CSR in the Hotel D reflects that this hotel has somehow managed their CSR activities efficiently and operates with a defined organizational structure for CSR. In fact, the hotel also received support from few assistant managers from every department and this way of organizing CSR activities demonstrates that the main concerns of Hotel D is not on improving hotel's reputation and hence indicates a weak PR profile.

As mentioned in section 4.2.5.3, Hotel E has assigned the overall strategy to a CSR champion, consisting of top management and assisted by a CSR Manager and CSR

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committee team. This way of organizing CSR suggests that the focus is not mainly on improving the hotel's reputation.

As have seen in 4.2.6.3, the responsibility of CSR in Hotel F is assigned to the CSR Manager and assisted by five directors, with the GM and RM as a coordinator for overall responsibility for the hotel's CSR initiatives. This organizational choice explains that Hotel F is not attempted to combine CSR with reputational building.

On the other hand, the CSR function in Hotel G is an area isolated to HR department and PR department. As been mentioned in section 4.2.7.3, these pertinent departments work in relative seclusion with little interaction with other departments, imply that they have potentially significant impacts on the hotel reputation and image. In the same veins, Hotel G also recognizes that CSR would bring benefits to improve its reputation. Taken together, Hotel G's organizational structure for CSR has a robust PR profile.

With regard to Hotel H, the responsibilities for overall CSR strategy and decision making emerged as an area of interest in the Marcom department. Since the Marcom Director oversees and handles CSR issues, from communication to execution, Hotel H's CSR function seemed to have a very clear PR profile.

4.5.3.3 Views on the PR Effect of CSR

Hotel A believes that business with good CSR stand will gain great value in reputation in the sense that CSR helps to build strong brand personality. Rock to Rock Run, for instance, used extensively the hotel's brand name, trying to attract as many

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runners as possible for its charity fun run event. However, looking at the other social projects, it can be said that Hotel A engaged in any social responsibility program not simply because these projects have a significant potential to enhance corporate reputation or induce social change at the first place. Even though the hotel seemed to recognize the benefits of positive publicity, the PR effect, however, is not an option in their decision-making process. In fact, based on the findings, the analysis finds Hotel A is markedly more likely to place little importance to the PR dimension of CSR. The comments from interview with manager support this statement: "We did it from our heart. No publicity", "So we're more interested in helping the society than splashing our name everywhere" and "It's not our priority actually." (Human Resources Director, personal communication, July 30, 2015).

By contrast, Hotel B recognized the role of marketing and public relations as an essential part in promoting its CSR program. The hotel particularly focuses on the ability of CSR to increase the hotel's status and reputation. Oftentimes, it views sponsorships as a way of combining a marketing strategy with CSR. Hotel B further recognizes the power of media has in championing their social initiatives which simultaneously helps them to enhance corporate reputation. Indeed, this fact also strengthens their views on CSR as a PR-apparatus. In this regard, the insights and reactions of interviewee seem to indicate that the prime reason for the hotel to embrace CSR is due to its reputation and brand management. The extract made by the Director of Sales and Marketing reflects the tone as he claimed that "We're trying to position ourselves as a hotel that takes this responsibility." (personal communication, August 08, 2015). Taking these factors together, the way this hotel views on PR effect of CSR indicates a strong PR profile.

Hotel C recognized CSR as a means to gain legitimacy and provide them opportunity to share positive undertakings through media as well as having public recognition for their good deeds. In this sense, the hotel focuses on CSR practices and its ability to advance and elevate its reputation by using sponsorships as a way of merging together CSR with marketing. By viewing PR as CSR influencers, Hotel C at least convey a message on how the media has helped to spotlighting its social values and maintain its presence in this industry. In general, these factors indicate that the hotel possesses a strong PR profile.

Looking at the findings, Hotel D does not engage in CSR mainly because of its potential to enhance the hotel's reputation. The hotel seems to recognize the PR effect as a positive side-effect instead. This is because CSR is seen to increase their guest engagement whereby a strong guest relationship if executed well will cultivate brand intimacy and growth along the way. Although the CSR is considered to improve hotel's credibility and raise its standing in the eyes of potential guests, Hotel D seems to place little importance of PR dimension of CSR which weakens its perceptions on CSR as a PR instrument. In other words, PR effect did not figure high on its list of priorities. Extract from an interview reflects the tone as the manager claimed that "…but we believe CSR and direct business benefits are not necessarily linked" and "It would be great if we got the recognition. But it we don't, we just keep going." (CSR & Sustainability Manager, personal communication, November 10, 2015).

Hotel E does not show a clear link between its CSR commitment and reputational concern. Instead, based on the findings, "…they don't like publicity" and "We don't like to sing our appraisals." (CSR Manager, personal communication, November 15,

2015) imply that the hotel devotes less attention to its PR dimension of CSR. Therefore, Hotel E also put little importance on reputation building, indicates a weak PR profile.

Likewise, Hotel F does not have a greater focus on PR dimension of CSR. In aid to this fact, it is evident from the findings that "So far we do a lot of things and there is nothing for us to show off because we do what the right things to do. We're quite sensitive. We don't like to shout out loud saying that we are the best…" (CSR Manager, personal communication November 20, 2015) indicates that the hotel is not putting heavy stress on practicing publicity and press agentry functions of PR which also undermines their views on CSR as a PR instrument.

By contrast, Hotel G recognizes the effect that CSR may have on its reputation. As for Hotel G, the reason CSR makes a good business sense is because it creates a win-win relationship with local communities. This approach has two folds benefits in a way that it improved hotel's reputation and standing within the community as well as enhancing relationships with them. It shows that the hotel particularly aware of the effect on its local communities. Besides, Hotel G seems to have engaged in several CSR activities which it could probably enhanced its reputation. It can be seen from the comments made during interview such as "And I think if we didn't do CSR, it will definitely tarnish our reputation…it's not easy to build an image- it takes years to build but five minutes to ruin it." (Training & Development Executive, personal communication, November 20, 2015). These factors, therefore, indicate a strong PR profile.

Hotel H recognizes few substantial benefits for being attentive to CSR. Besides, many greatest benefits of fulfilling social responsibility into the hotel were derived from positive media attention in a way it strengthened hotel's CSR identity and credentials. According to the findings, media plays an important role in highlighting positive news. In fact, media was not only creating and highlighting positive news, but also helped them to cultivate a positive reputation. Since the hotel perceived CSR as a tool to gain public's trust and creating a positive public image, these factors indicates a strong PR profile.

4.5.3.4 Results of PR Profile – No PR Profile Dimension

Overall, CSR programs in the Hotel B signify a stronger PR profile. The widespread use of sponsorships, the organizational structure and how it place such a great importance on the reputation building effect of CSR indicate a strong PR profile. Most of the major CSR events were handled by Department of Sales and Marketing with the existence of media to provide coverage implies how the hotel recognizes the role, power and effectiveness of media in improving their reputation. Hotel B is therefore ranked first in PR profile – No PR profile dimension.

Hotel C also emphasizes a greater focus to the PR dimension of CSR. Looking at the feature of its organizational structure for CSR and the extensive use of sponsorships, the hotel's involvement in CSR is perceived to also have a robust PR profile but somehow lesser than Hotel B. Thus, Hotel C is at number two.

Like few others as mentioned earlier, Hotel G and Hotel H also recognize that CSR would bring benefits to improve their reputation. Taking together other factors such as

CSR function and the character of their chosen projects such as widespread use of sponsorships and donations, these hotels are considered to have strong PR profile. However, compared to Hotel H, Hotel G has put little emphasis on the PR dimension Looking at the findings, Hotel H clearly recognizes the advantage of CSR on reputation. It is also their reason to shoulder social commitment. As Assistant Marcom Manager (personal communication, December 07, 2015) stated, "I'm sure it's more important to market the hotel sector ethically". Therefore, this study ranks Hotel H at number three followed by Hotel G at number four.

On the other hand, Hotel A is ranked fifth. Although Hotel A recognizes the PR effect on its positive image, the organizational structure and the chosen of its CSR activities indicate that the hotel places little emphasis on the potential of CSR as a reputation booster for the hotel. By taking all these factors into consideration, Hotel A seemed to have a weak PR profile and this study, therefore, puts Hotel A at number five.

This study ranks Hotel F at number six followed by Hotel E at number seven. Similar to Hotel E, Hotel F is also seemed to have a well-defined organizational structure and the character of its CSR projects suggest that the hotel has a weak PR profile. However, looking on how they viewed on the PR effect of CSR, Hotel E is considered to have slightly weak PR profile than Hotel F, considering the comments made during interview such as, " The thing about this guy (GM and RM), they don't like publicity. That is why other people would say to me that they never know that we are doing this and that because we don't like to sing our appraisals" (CSR Manager, personal communication, November 15, 2015).

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As shown in Table 4.7, the study puts Hotel D at number eight. Like Hotel E and Hotel F, the organizational structure in Hotel D and the character of its CSR projects also signify a weak PR profile. However, in terms of allocation of responsibility, Hotel D also has received support from few others managers from every department indicate that they have a very weak PR profile which this study eventually ranked them at number eight.

Table 4.7

Ranking from PR Profile to No PR Profile

Rank	Hotel
1	B
2	C
3	H
4	G
5	A
6	F
7	E
8	D

4.5.4 Strategic versus Genuine CSR

4.5.4.1 Business Area

All the surveyed hotels operate within the hospitality industry. The hospitality industry is a broad category of fields within service industry and made up of

thousands of organizations including hotels. Despite offering accommodation for every taste and need, provision of food reigns supreme in the hotel sector as well.

As for Hotel A, the study shows a clear link between the hotel's CSR activities and its business area. Several examples illustrate how Hotel A chooses its projects that are relevant to the hotel as well as falling within its competence. The cooperation with DISTED School of Hospitality Management is one example. This project is closely linked to the hotel's business area as it offers training and mentorship to students and thereby providing them the opportunity to move into employment in the hotel. Pinktober, an annual philanthropic initiative featured fundraising promotions of Pink Room, Pink Button Badges and Pinktober Charity Cocktail Party, is another example of the project that have clear connection to the hotel's business area. From this event, 25% of package rate has benefited Mount Miriam Cancer Hospital every year. Apart from that, Rock to Rock Run is another charity event by the hotel through their hot selling t-shirt, key chains and other merchandise to attract the runners across Malaysia. It is indeed true that anything with Hotel A name or brand is selling fast. The overall picture shows that Hotel A combines their business expertise with a desire to help those in need.

CSR projects in the Hotel B helped out the poor during festive seasons through The Chefs and Ramadan Giveback. Although the provision of food may fall within the hotel's business area and a way of using its competence to benefit a good cause, the recipients of charity, however, are chosen randomly with no obvious link to its business area. Taken together, Hotel B is depicted to have a weak link between its CSR activities and business area.

Likewise, the findings indicate that there is no clear connection between Hotel C's CSR activities with its business area. Be it sponsorships to local sports or donations made to charitable organizations, their recipients are chosen on a random basis without a clear link to its business area.

In the case of Hotel D, several examples show how the hotel emphasizes on business relevance where it can make use of its competencies. The projects are Lighthouse, Finding Your Shangri-La, and cooperation with local partners such as GST Group and AyamPlus. These projects represent a huge effort by the hotel that is closely linked to its business area. Also, these projects provide the hotel with relevant expertise to combine social good with business opportunity, thereby improving and maintaining guest satisfactions levels. However, the main concern of the hotel is not purely on establishing its business relevance. Instead, Hotel D runs many major projects in addressing issues of education, health, environment and livelihoods through their CSR interventions. For instance, Sanctuary, Embrace Giving of Life and partnership project with Penang Shan Children's Home Association are the activities with no clear connection to the hotel's business area. Within this perspective, the overall picture that emerged from the analysis implies a weak link between Hotel D's CSR activities and its business area.

Similar to Hotel E, Lighthouse project in Hotel E also shows significant link to its business area. By the same token, working in close cooperation with its local business partners such as GST Group, AyamPlus, WWF-Malaysia, and Penang Aquaculture Association illustrates how Hotel E is using its competencies to integrate social purpose with business opportunity. However, it appears that the hotel also initiated

many projects such Care for Nature, Giving of Limb and Crystal Family Home Partnership Project. All of these projects are explicitly intended to bring positive change that goes beyond ordinary CSR activities. It can therefore be considered that there is no probable link between the hotel's CSR activities and its business area.

However, looking at the findings, many of Hotel F's projects provide education, healthcare, economic empowerment, and disaster relief to areas in need without significant link to its business area (see section 4.2.6.2). As for Hotel F, Corporate Management Training, for instance, may seem that the hotel emphasizes great focus on the area that is relevant to their business, providing them mutual benefits to both society and the hotel. But based on the other activities, the hotel is placing more emphasis on the projects that are far more likely to benefit the society, thus implying a weak link to its business area.

On the social front, Hotel G supports its local communities through donations and sponsorships. However, their beneficiaries range from students to children and local communities in the area of Tanjong Tokong and Street Quay with no clear connection to the hotel's business area. Their beneficiaries are chosen on a random basis and most importantly they are not particularly relevant to the Hotel G's business area. Providing practical training to hospitality students as well as hiring them as future workers clearly signify that Hotel G is using its expertise to benefit a good cause. Nevertheless, compared to others several CSR activities, the link between the hotel's CSR practices and its business area is somehow weak.

Looking at the findings, Hotel H involved in four major CSR projects such as The CARE Project, CSR at Bodhi Heart Homestay, festive celebration, and charity drives. These projects are not clearly linked to Hotel H's business area even though providing food to the needy may seem that the hotel is using its proficiency to combine social purpose with a business opportunity. Since these projects are also positioned to focus on various beneficiaries, who are randomly chosen without any particular relevant to its business, the link between the Hotel H's business area and its CSR activities is considered weak.

4.5.4.2 Vision

To be the leading entertainment hotel in Penang with ongoing commitment to respond to humanitarian crisis is at the core of Hotel A's vision (*see* section 4.2.1.1). The initiatives that clearly reflect its vision of being the leading brand to support humanitarian response are those with primary emphasize on providing food to the needy such as Can-lah Food, Imagine There's No Hunger and Rocket Meal Program. As argued, food and beverage is originally associated with hotel where it can normally use its competencies. Providing and supplying food to local communities are examples that show the hotel's strong commitment in addressing social issues and reflect its vision accordingly. Moreover, Rock to Rock Run also has a potential reputation effect by using its powerful position as a trusted, widely used brand to attract many participants as possible. This can be inferred that the link between the hotel's CSR activities and its vision is relatively strong.

Hotel B's vision is to be the leading mid-market city hotel. Looking at the findings, the extensive use of donations is usually linked to marketing activity and can

therefore be seen as a part of its brand-building strategy. Meanwhile, most of its charity donations such as The Chefs and Ramadan Giveback are usually made public by the media, portrays a clear link to its vision. In these circumstances, it seems that the hotel recognizes the power of media has in championing CSR efforts, highlighting good cases and ultimately to reflect their successful CSR. Based from the above facts, there is a quite strong link between the hotel's vision and its CSR activities.

The vision of Hotel C is *"To make every room a home"*, indicates that the hotel heavily emphasizes the significance of the services supplied as an attempt to meet or surpass their guest expectation. However, a major part of its CSR program consists of one-off charity donations and sports sponsorship whit no obvious link to its vision. This is arguably the clearest example to show a weak correlation between the hotel's vision and its CSR activities.

Hotel D's vision contains two elements: to be a leader in corporate citizenship and sustainable development and caring for their employees, guests, communities and environment. CDP, coastal cleanup, EM Microorganism mud balls project, World Ocean Day, Coral Triangle Day as well as Sanctuary are projects initiated by Hotel D that aims to support and preserve the environment. Concerning on health and education program through 10-15 years of partnership with its chosen beneficiary also suggests a significant link to the Hotel D's vision. Indeed, the hotel shows a strong commitment to its long-term sustainable projects with an ongoing impact to social development of the local communities. Several examples of these projects are Embrace, PWD Opportunities Program and Embrace Giving of Life which portray a strong link between Hotel D's vision and its CSR activities.

The vision of Hotel E is "*to be a sustainable hotel'*. This hotel manipulates CSR according to the concept of sustainability of hotel that depends on the environment and communities. Looking at the findings, Hotel E stated that the sustainability of the hotel relies heavily on communities. This implies that, everything they have done is concerned with sustaining the hotel and their local communities, which clearly reflects the hotel's vision. To achieve its goal to be a sustainable hotel, Hotel E has set up a unit called Effective Microorganism Mud Balls Research and Development Centre as part of their support to conserve marine resources. In addition, Turtle Care Project was established to raise awareness on turtle rehabilitation in order to increase their reproductive success and which clearly reflect the hotel's vision in valuing the earth's resources and demonstrate environmental sensitivity. Developing along with communities through various programs such as Giving of Limb, PWD Opportunities Program, emergency relief support, and the adoption of Crystal Family Home clearly indicate the importance of social sustainability in the hotel. They seemed to embrace a wide range of environmental, social and economic issues which can weld a strong link between its vision and CSR practices.

Hotel F aims to be recognized as the leading brand that creates sustainable value for their shareholders and stakeholders. Accordingly, they have focused on the core values of business to satisfy stakeholders while continues to be an agent of social and economic development. Hotel F has integrated all stakeholders and emphasized durable communities through the adoption of Handicapped Children's Center, Gift of Hope long as well as long-term partnerships with its business partners, indicating that these projects are deemed to have significant link to the hotel's vision.

Hotel G's vision comprises two elements: *building a strong reputation as a world-class hotel and providing unforgettable experiences to its guests in getting back into colonial time* (*see* section 4.2.7.1). This is understandable, given that investments in social responsibility practices can have a direct positive impact on guest experiences. However, several of its one-off community relations program such as beach cleanup, group spring cleaning session as well as free aerobic classes do not reflect any interpretation of its vision. On the other hand, donations and sponsorships form a major part of the hotel's social endeavors and the clearest examples where it can promote the brand awareness in general public. Apart from that, sponsoring local arts and culture is an easy way for the hotel to elevate its image among employees and guests, thus demonstrating themselves as a good citizen. All in all, the link between CSR practices and its vision can be considered quite strong.

Hotel H's vision is "*to be the leading four-class hotel in northern region of Malaysia, offering unique experiences where people are bound to remember*". Most of its social initiatives are to support and help local communities with cash and benefits in kind, suggests a strong link to its vision because the extensive use of donations or sponsorships can be seen as an opportunity to enhance its brand awareness. For example, donating money or providing food for good causes such as CARE Project, CSR at Bodhi Heart Homestay, festive celebration and charity drives program are those activities that have potential of creating good public image and as part of its brand-building strategy. Where the rubber meets the road, however, by integrating social elements Hotel H actually can enhance their guest experiences because that is what they thinks and feels about their hotel experiences. Therefore, all these examples

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illustrate that there is quite a strong link between the hotel vision and its CSR practices.

4.5.4.3 Potential Benefits

Conceptually, there are many tangible and intangible benefits that can be derived from CSR practices by the surveyed hotels. Some of these potential advantages of their CSR activities were defined in detail as explained below.

Hotel A benefits from CSR efforts in a number of ways. The obvious benefit is that the hotel gained greats value in reputation which probably comes from its Rock to Rock Run program. Over years, this charity fun run event always has been a famous lure especially for the youngsters inasmuch as the brand name is used extensively to magnetize them. Important to realize that aligning or linking business objectives with CSR also has a potential effect on the reputation. Other potential benefits from the successful collaboration between the hotel and DISTED School of Hospitality Management Industry probably in terms of reduced costs, greater efficiency and improved performance. Engaging in CSR also seems to be affecting employee engagement, boost their morale and social awareness which in turn leads to higher productivity, employee satisfaction and retention.

As explained earlier, Hotel B has pledged its commitment to CSR mainly through environmental conservation-related activities and through widespread use of donations. The Chefs and Ramadan Giveback Project in particular are expected to have significant effect on reputation since most of the time these functions are made public by the media. Another noticeable benefit is cost reduction due to energy saving

and water consumption in their dwellings illustrate some of the benefits in the environmental area.

Engaging in CSR also has clear benefits for Hotel C. The initiatives taken to support the needy and its local sports clearly seemed to have positive marketing effects in increasing its brand awareness in the general public. Furthermore, Hotel C emphasized the family concept in managing their employees which in turn can enhance employees loyalty, leading them to be more willing to do their jobs, thus this method can increase employee satisfaction and retention.

As for Hotel D, there are several potential benefits that could be generated by CSR. In the case of Hotel D, CSR seems to have a positive effect on employee satisfaction and retention. Respecting employees and providing them equal employment opportunities can have a positive effect on employee satisfaction and retention. This also can stem from better working environments, increased motivation from their participation in CSR programs which might increase their reputation at the same time. Further, CSR also probably has been shown to improve legitimacy in the eyes of employees, stakeholders and its guests in particular. Other obvious benefit is perhaps the cost reduction that comes from implementing climate-friendly solutions such as heat pumps installation.

As well as Hotel E, the hotel experiences a positive domino effect by engaging in CSR. The clearest benefit is reputational effect that derived from its wide array of CSR activities in various fields. With an improved reputation and image, more guests will choose their services over its competitors. Accordingly, employees will be more

satisfied within their jobs, leading to improved efficiency and quality at work. Finally, cost reduction from energy saving illustrate some of the benefits gained in the environmental area. As for Hotel E, many benefits that resulted from CSR are mostly inter-connected.

In Hotel F, CSR has been credited to encourage both professional and personal development to attract and retain high caliber staff, offering them work life balance, positive working conditions and workplace flexibility. Engaging the employees outside of their usual work responsibilities might encourage growth and support for employees. The hotel is more concerning in reducing the consumption of natural resources through diverse recycling activities which ultimately has the potential of reducing its overhead and operating cost. Apart from that, energy consumption and business cost could be considerably reduced since the employees being more effective and in their bid to use scarce resources more efficiently.

Hotel G also benefits from CSR. Donating money, providing food to charitable organizations as well as providing college students with practical training have reasonable benefits for Hotel G. Consequently, it is apparent that this approach has two folds benefits in a way that it improves hotel reputation and reduces recruitment costs.

Hotel H generates significant potential benefits from CSR as well. The most obvious benefit is from CARE Project, CSR at Bodhi Heart Homestay, festive celebration and charity drives which are likely to have significant reputation effect. Promoting diversity and ensuring decent working conditions are now becoming important in

order for the hotel to be seen as a serious player. Hotel that violates this norm risk being rejected by the stakeholders. Besides, highly engaged employees tend to be satisfied with their jobs which lead to increased dedication and subsequently overall productivity. Replacing the conventional T8 and halogen lamps with more energy efficient T5 and LED light, the hotel not only manages to reduce carbon dioxide, but also benefits financially by reducing utility expenses.

4.5.4.4 Projects with No Potential Benefit

As has been discussed, there are many potential benefits that the hotel can derive by engaging in CSR. At its most sophisticated, engaging in CSR always has a potential of promoting the hotel as a good corporate citizen and improve its reputation accordingly even though naturally that was an unintended benefit for some hotels. Regardless of how CSR has benefited the hotels, there are also several projects that are far more likely to benefit the society which indicate a genuine approach to CSR.

CSR projects initialed by Hotel A clearly benefits the society through various activities and the intention to promote its economic interest is seemingly less evident. Hotel A also provides training and mentorships to students as well as hiring few of them after their hospitality internships in the hotel. It seems like these projects have benefited more on society than the hotel itself. Presumably, all CSR activities have potential reputational effects. Besides, one may argue that by recruiting new employees from hospitality internships, Hotel A is actually promoting and serving its own interest first while conforming to the basic rules of society. Keeping in mind that there are other recruitment strategies that require little involvement and resources from the hotel. However, by looking at the findings, the amount of resources spent

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into its social responsibility projects such as Can-lah Food and Rocket Meal Program imply that the hotel is probably pursuing CSR for a genuine reason, and not primarily motivated by its economic interests.

Donating money to charity such as rewards or gifts is often purely philanthropic as the hotel does not require anything in return. The Chefs and Ramadan Giveback, for instance, are among the activities in which Hotel B displays their generosity by giving out donations to the poor people and disadvantaged youths as well as orphans. Since these functions are usually made public by the media, it can be inferred that the hotel is actually promoting their own interests, which weakens the genuine aspect. In this respect, it can therefore be assumed that they have little to offer.

Hotel C has limited its CSR activities to a few defined scopes such as donating money and household items to charitable organizations as well as sponsoring local sports and cultural events. The contributions made can therefore be considered as genuine CSR in which social benefit is greater than the benefit to the hotel. Again, donating money for good causes also have reputational enhancing effect which impedes the genuine aspect of CSR.

In the case of Hotel D, adoption of the Penang Shan Children's Home Association as its Embrace beneficiary is one example of project where the hotel is far more likely to benefit the society. In this sense, their commitments are purely driven by a desire to help its beneficiary through 10 to 15 years of partnership, providing them sufficient educations and trainings as well as valuable hands-on experience. Apart from that, Hotel D also hired a handful of people with disabilities from its PWD Opportunities

Program, proving that they have genuine intention of being socially responsible and their CSR programs are mainly designed to bring wide-ranging benefits to the society. Considering the amount of resources spent in terms of people, time and money for its social projects without any economic returns such as Turtle Conservation Program indicates a genuine interest in doing social good.

Hotel E is pursuing CSR for genuine reasons since the benefits to society are far more obvious than the benefits to the hotel. Turtle Care Project, EM mud balls and Crystal Family Home are examples of projects initiated by the hotel that explicitly intended to benefit the society and go beyond its immediate financial interests. In addition to Turtle Care Project, one center was launched by the hotel, known as TICC, aimed to conduct a research and development on possible measures to reduce sea turtle mortality. As for Hotel E, CSR is giving with the responsibility of monitoring the progress of where the funds were invested as well as the outcomes. This implies that, Hotel E has more of genuine interest in CSR.

Besides PWD Opportunities Program, Corporate Management Training, adoption of Handicapped Children's Center (HCC) is another example of a project initiated by Hotel F that clearly benefits society. Moreover, Hotel F is responsible to monitor these special children for a certain period until they become financially and technically self-sustain. Besides time, people and expertise spent for social projects, Hotel F also allots huge amounts of budget as yearly expenses for its CSR undertakings. Taken all these factors together, Hotel F is considered to have genuine interest in CSR.

Donations and sponsorships make up an important part of Hotel G's CSR program. For example, sponsoring local arts and culture is the clearest example of a CSR activity with a significant potential of marketing benefits where the hotel has an opportunity to promote its brand in public. In spite of its inspiring social purpose, the extensive use of donations or sponsorships are considered as genuine initiatives by the hotel with no potential of generating profit. However, donating money to a good cause, as has been mentioned earlier, has a reputation enhancing effect and entails only minimal benefits to society which finally undermine the genuine aspects of CSR. CARE project and CSR at Bodhi Heart Homestay are examples of programs initiated by Hotel H that are driven with a goal of benefitting the society. Similar to Hotel G, the widespread use of donations is probably driven by a desire to promote its own interests. Although Hotel H considered this to be an initiative with no potential of generating profit to the hotel, donating money or goods seemed to have reputation enhancing effect which ultimately weakens the genuine aspect of CSR. In this regard, they engage in CSR activities where the benefits to the hotel itself are far more obvious than the benefits to the society.

4.5.4.5 Views on CSR and their Reasons for Engaging in CSR

CSR has a long history in Hotel A and it is an integral part of their daily routines. This is illustrated by their annual CSR projects such as Rock to Rock Run, Can-Lah Food, Rocket Meal Program, and Pinktober. Besides, CSR has become part of their ethos of "Love All-Serve All" along with their philanthropic mottos "Take Time to be Kind, "Save the Planet" and "All is One". Hotel A sees CSR as the act of giving back to society. Hotel A recognizes economic benefits of CSR particularly the strong impact that CSR have on employee engagement and its brand identity. Besides, it emphasizes

the importance of making positive change for the betterment of others by choosing activities that are relevant to its business area where it can use its competencies. By viewing CSR as a good business sense and opportunity, Hotel A is seemed to have less genuine interest for CSR.

Like Hotel A, Hotel B has a long tradition of CSR involvement in the community, endeavoring its expertise for the benefit of those in need. Hotel B sees CSR as a special obligation to give something back to community for the betterment of the poor people, which somehow indicates a genuine approach to CSR. However, Hotel B also heavily emphasizes on the power of media in promoting their reputation and rewarding them good publicity. The extract aptly reflects the identified claim: "Definitely if we are doing well, the more reputation we will earn, the more privileges we gain." (Director of Sales and Marketing, personal communication, August 08, 2015). Still, such remarks weakened the genuine aspect.

CSR has become an important part of the Hotel C's culture for the past six years. Hotel C views CSR as a precondition for its business survival and as a strategic tool for gaining legitimacy. Moreover, activities pertaining to CSR are seasonal. Eid al-Fitr, Chinese New Year, Deepavali and Christmas are among the active seasons where the hotel displays their generosity through donations to the needy. Another noticeable fact is that Hotel C understands CSR as a good business investment especially in boosting a positive reputation. Without allocating adequate resources in this area, it can be inferred that Hotel C tends to have less genuine interest in CSR.

As evidenced by the findings, Hotel D has a long history of giving back to the community. This hotel demonstrates its social responsibility not only in its core business practices (investing in energy saving solutions, recycling program, environmentally friendly plants) but also through its contributions to society (Embrace, Lighthouse and PWD Opportunities Program). Hotel D has made CSR a high priority, ensuring the hotel to deliver quality services in the most sustainable way. In addition, Hotel D has received significant recognition in the areas of environment and workplace. In fact, Hotel D equates CSR with sustainability that goes beyond purely economic reasons and legal requirements. Since CSR is very much part of their ethos for the past 40 years, this hotel recognizes the benefits of engaging in CSR particularly in guest engagement which subsequently leads to cost savings and growth opportunities. Looking at their social responsibility projects and motives, Hotel D continuously strives to become even better at addressing social challenges. The focus on providing real benefit to society demonstrates a genuine intention to promote social welfare as illustrated in the statement "…making contributions that can be sustained in the future and have longer lasting impact rather than ad hoc approach." (CSR & Sustainability Manager, personal communication, November 10, 2015).

As for Hotel E, bearing their social responsibility has long been at their heart of culture for the past 40 years. Hotel E views CSR as a platform to drive change towards sustainability. Most of the CSR activities associated with its sustainability concept and holistic approach are part of the hotel's day-to-day work. Hotel E also recognizes the financial benefits of CSR in a way of improving long-term value, attracting and retaining guests and their employees. The response from interview

supports this statement: "…but for us profit is only a secondary concern. Our wider aim and motive is always sustainability." (CSR Manager, personal communication, November 15, 2015). However, while responding to CSR challenges, the hotel emphasizes on the importance of ensuring the full, equitable opportunities to all members of society. Such signs put Hotel E to have a pure feeling with good intentions for good cause.

Hotel F feels special obligation towards society that goes beyond the bottom line to survive and thrive. The hotel sees CSR as a continuous commitment that creates higher standards of living for their communities. However, CSR is also seen as a necessity for the hotel to prosper in a way it leads to efficiencies and cost savings through improved employee morale and productivity. When deciding to enact CSR initiatives, the manager's personal value is a crucial determinant of CSR adoption further indicates a genuine interest in CSR cause. Based on their commitments, underlying motives as well as their long-term standing tradition of CSR, Hotel F is seemed to have genuine intention in pursuing their social endeavors.

Like many others, Hotel G has a long tradition of CSR involvement. However, based form the findings, the hotel does not regularly make donations to assist various charities as well as its local communities. Instead, most of the activities were held during the active seasons and only in times of need. Hotel G mentioned their deep concern in the society but Hotel G also viewed CSR as a good business sense primarily on building hotel's reputation which seen to have little real benefit to society. This fact nevertheless weakened sensibly the genuine aspect of hotel's CSR approach.

Hotel H has been involved in CSR for more than ten years. As for Hotel H, the ability to meet social needs is achieved by mimicking others whose motive is probably to gain legitimacy or competitiveness. While recognizing profit as the end target, Hotel H sees CSR as an opportunity to reach those in needs as well as to cultivate positive reputations which simultaneously enhance business success. Besides, the statement made by Hotel H explains how the hotel recognizes CSR as a good business sense. The comment made such as "We take it as an investment- either it has to be something important for our staffs, to our stakeholders, but more importantly it has to be an investment that would be good for us" (Assistant Marcom Manager, personal communication, December 07, 2015) denotes that Hotel H is having less genuine interest in helping.

4.5.4.6 Results of Strategic – Genuine Dimension

The preceding analysis has shown that there is a clear link between the CSR activities of Hotel A and its business area and vision. Hotel A recognizes the significant benefits that it can reap from CSR. Hotel A, however, conveys deep and genuine concern for actual welfare and social needs. But since its social policy strand of CSR is a long-standing tradition in the hotel and how it makes its business relevance clear, the overall CSR approach by the Hotel A can be characterized as a strong strategic CSR. Therefore, Hotel A is at number one for strategic – genuine dimension.

In the case of Hotel H, the preceding analysis found no link between its CSR activities and business area. However, there is a strong link between the activities and its vision which signifies a strategic aspect. Hotel H claims the donations are purely philanthropic and thus can be considered as genuine CSR. They also seem to enjoy

good benefits from CSR particularly the reputation effect particularly in terms of improving hotel's reputation and standing. The statement made by Hotel H that they viewed CSR as a good investment and business opportunity, such as (Assistant Marcom Manager, personal communication, December 07, 2015), … but more importantly it has to be an investment that would be good for us" and "CSR is a good business opportunity and it actually worked", signify how the hotel views CSR as good business. Because of the great focus on business relevance, it is therefore significant to place Hotel H at number two followed by Hotel B and Hotel G.

Unlike Hotel H, there is a clear link between CSR activities in Hotel B and the hotel's vision but Hotel B is having a weak link in its business area. As the hotel also enjoys clear benefits from CSR involvement, it is therefore difficult to categorize Hotel B's social initiatives as a truly genuine CSR (with little to offer to the society). For this reason, Hotel B's CSR practice cannot be classified as genuine CSR nor strong strategic CSR and ranks at number three.

There is a clear link between Hotel G's CSR activities and its vision but a much weaker link between the activities and business area. It is therefore difficult to classify its social endeavors as a strong strategic CSR. Even though Hotel G involved in few activities that benefit society, recognizing the good business sense of a CSR strategy will hamper genuine development and based on these indicators, Hotel G is ranked fourth.

As for Hotel C, there is a much weaker link between its CSR activities, business area and vision. Nevertheless, Hotel C seems to have a clear philanthropic character due to

their extensive use of donations and sponsorships, demonstrates a genuine concern and positive regard for others. The hotel also generates significant benefits from CSR as well as viewing CSR as a good business investment mainly to enhance its brand awareness which subsequently impedes the genuine aspect of CSR. In the case of Hotel C, the most common corporate response to CSR does not neatly fall into one of these two buckets (neither strategic nor genuine CSR). This study, therefore, ranks the hotel at number five.

There is a significant link between Hotel F's CSR projects and its vision while a weak link between its CSR projects and business area. Even though some projects may seems that the hotel is having a vested interest in such beneficial relationships, most of their CSR activities are carried out for its own sake that largely provide benefits to society and environment. Based on the preceding analysis, the hotel's long-standing tradition of CSR and their efforts for sparing fixed budget for social purpose reflects the genuine concern over the welfare of society and environment. However, compared to others, this hotel is quite new in industry (10 years). Therefore, this study ranks Hotel F at number six.

Hotel E has a clear link between their CSR activities and its vision. However, there is a much weaker link between its activities and business area, which often difficult to characterize its social commitment as strategic CSR. Hotel E also conveys a genuine wish for sustainability and devotes significant CSR resources to tackling major social issues. Based on the analysis, this situation also represents their enthusiasm, motivation and long-term commitment to substantive CSR practices. However, due to historical background of CSR (20 years), this study ranks Hotel E at number seven.

As for Hotel D, the analysis implies a weak link between the CSR activities and its business area but on the other side the hotel is having a strong link between its vision and CSR activities. Despite the positivity and optimism that CSR brings to the corporate table, its long history of giving back to local community and the resources invested in various projects with little obvious return imply that their CSR efforts are purely driven by a desire to help. Thus, these practices tend to be seen as genuine approach as bearing their social responsibility has long been at their heart of the culture for the past 40 years. This study ranks Hotel D at number eight for strategic-genuine dimension.

Table 4.8

Ranking from Strategic CSR to Genuine CSR

Rank	Hotel
1	A
2	H
3	B
4	G
5	C
6	F
7	E
8	D

4.6 CSR Status of the Hotels

As the presentation and analysis of the cases have included eight cases, the general findings of this analysis have been presented as follows:

4.6.1 Hotel A

It appears that Hotel A has a strong commitment to CSR. The number of people participated in CSR on daily basis and high level of control that the hotel has on its social initiatives demonstrate a symbol of a strong commitment to stay committed in the future. Besides, the CSR performance of the hotel seems to have a clear strategic aspect as being closely linked to the business area and vision. Hotel A involved in variety of projects with many of them are performed locally, thus implying that the hotel has a narrow scope of CSR. Looking at its organizational structure and the nature of its activities, Hotel A's involvement is perceived to have a weak PR profile. The preceding analysis also has shown that Hotel A demonstrates a genuine concern in giving something back to the local communities through their various CSR programs. However, this sign is to some extent overshadowed by the strategic aspects. Hotel A limits its involvement to certain areas and much depended upon the business relevance and opportunities to provide mutual benefits to society and the hotel itself. The overall approach is therefore can be classified towards *a strong, with a strategic CSR, a limited scope and a weak PR profile.*

4.6.2 Hotel B

Based on the preceding analysis, Hotel B has a medium–strong but a narrow scope of CSR as the hotel limits the CSR involvement to donations which it has no or little control over such practices. Philanthropic nature that makes up a substantial part of Hotel B's CSR practices gives it several genuine elements. Even though donating

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money to charity might seem very closely allied with genuine uptake, their approach to CSR can be characterized as neither strategic nor truly genuine due to several factors as mentioned earlier. This is to say that there is a clear link to the vision but not on their business area which actually hinder the development of strategic aspects. While at the same time, there are some factors which impede legitimacy of the hotel's CSR approach. However, the donations made either monetary or otherwise, were sporadic activities of charity or philanthropy. With approximately five projects performed each year, overall CSR approach by the Hotel B can be considered as a sporadic CSR.

Hotel B has a strong PR profile which is signaled by the widespread use of donations and the fact that they recognized the role of public relations and marketing as an important tool in promoting their commitments to social action. Besides, the prime reason for hotel indulging in CSR initiatives is to improve corporate reputation. To sum up, the CSR performance of Hotel B can be classified *as medium - strong with a limited scope and a strong PR profile and neither strategic nor genuine aspects but more to sporadic CSR.*

4.6.3 Hotel C

Hotel C has shown a weak commitment to CSR. This is mainly due to its extensive use of donations and sponsorships, leaving the hotel with narrow scope and little control over its CSR projects. At the same time, there is no clear link to the business area and its vision. This implies that, its approach to CSR can be classified as neither strategic nor genuine. Although their CSR initiative does involve philanthropy, most of the activities are occasional sponsorships and donations. Accordingly, Hotel C has

a strong PR profile since it recognizes CSR as an important element for corporate reputation, which also signaled by the fact that its CSR function is left to the HR department and communication department.

Although most of these cases are sporadic, the philanthropic nature of charity donations and sponsorships demonstrates several genuine aspects pertaining to its CSR approach. Interestingly, Hotel C relied heavily on the power of media coverage, believing that free publicity will give them public recognition which primarily linked to a desire for a prestige. Unfortunately, these factors impede the hotel from taking a genuine interest in CSR. Based on these approaches, it appears that the hotel tend to produce weak programs and open to accusations of PR-spin. Hence, Hotel C can be classified as *weak, sporadic CSR with a narrow scope and a strong PR profile.*

4.6.4 Hotel D

Hotel D has a strong commitment to CSR indicated by the total of people involved in CSR and the high degree it has over the projects. Being strongly linked to its vision, Hotel D's CSR performance is somehow closest to be classified as a strategic CSR. However, it is difficult to place Hotel D within the category of strategic CSR since the hotel possesses a weak link between its activities and business area. It does, instead, Hotel D conveys a genuine wish that they are pursuing CSR for genuine reason. Hotel D has further emphasized the importance of giving back to society at the local, regional and international level. Finally, Hotel D has a weak PR profile, indicated by its well-defined organizational structure and the nature of its CSR projects.

The hotel considers itself to have special responsibility in doing things that are good for the planet and each other. Its global recognition of excellence awards is one good example of a hotel with altruistic orientation. This is also can be seen when Hotel D centered their program on the recipient through its long-term sustainable initiatives such as Embrace Project. Its determination, motivation and long-term commitment in CSR projects bring wide-ranging benefits to the society. To sum up, Hotel D has the expertise, money and manpower to facilitate social change. The overall CSR performance of Hotel D can be categorized as *strong, with clear genuine aspects, a broad scope of CSR and a weak PR profile.*

4.6.5 Hotel E

Based on the preceding analysis, Hotel E has a strong commitment to CSR. Its activities are not limited to financial support. Instead, the hotel is actively involved with various CSR activities. Hotel E has served employees, suppliers, the environment, local communities and greater society. Other contributing factors that show its strong commitment are the number of people working with CSR and the high degree of control the hotel has over its projects. Moreover, the hotel has a broader scope as it engages in variety of projects within few chosen focus areas at local, regional and international level. Finally, Hotel E's CSR practice has a weak PR profile, as indicated by the nature of its activities and the organization of CSR function.

Considering the degree of genuineness of CSR, Hotel E conveys a sense of genuine interest in promoting the common good. The hotel feels responsible to engage in changes towards more sustainable practices. In fact, the importance of CSR is also

emphasized in the interview as well as` on its website. Admittedly, Hotel E takes their social responsibilities seriously. This can be seen from the findings that the key to Hotel E's sustainability culture is through their experience with regular monitoring of sustainability plans. Such remarks put Hotel E at genuine state for CSR. On the whole, it is quite clear for the hotel's CSR performance to be classified as *strong, with clear genuine aspects, a broad scope and a weak PR profile.*

4.6.6 Hotel F

Hotel F takes a very structured approach to CSR, expressing it as a sustainability concept that goes beyond the bottom line. Hotel F's involvement in education, for instance, is one of example of it strong commitment to address local needs. The latter can take many forms, as evidenced by the range of progress the hotel has undertaken so far. Another contributing factor is the number of people working with CSR and the high degree of control it has over the projects. As with any corporate activity, a defined budget also demonstrates a strong commitment to CSR. Moreover, Hotel F works with clients on local, regional and international scale to integrate sustainability into its programs, thus implying that its social initiatives encompass a broad scope of responsibilities. More importantly, Hotel F devotes less interest on the PR effect, indicates a weak PR profile.

The preceding analysis reveals the genuine motives and substantive outcomes of CSR in the Hotel F. This can be seen from their related efforts in striving to create a long-term sustainable project such as Embrace Project where the benefit for society is seen as end in itself, not simply a means to an end. These indications signify its CSR approach as truly genuine. And taken together, the CSR performance of Hotel F can

be categorized to have *a strong with some obvious genuine attributes, a broad scope and a weak PR profile.*

4.6.7 Hotel G

Despite its long tradition of involvement in the community, Hotel G appears to have weak involvement in CSR with most of the cases are occasional in nature. Its efforts are mainly limited to one-off financial support with only two or three programs throughout the year. Apparently CSR has not been seriously implemented which put Hotel G to have a narrow scope of CSR involvement. Besides, Hotel G has a strong PR profile since CSR function is solely organized by HR and PR Department and the fact that the hotel sees CSR as a tool to gain public's trust and to set up good public image.

Besides, it is difficult to classify Hotel G's CSR performance as strategic approach since there is a weaker link between its CSR activities and business area. It is somehow obvious that Hotel G adopts strong sense of CSR mainly due to reputational concerns. This implies that, even though it appears sensitive to CSR in some ways, Hotel G have not truly and genuinely internalized CSR concerns yet. And even though enlightened self-interest provides a sound business reasons for CSR, the total activities performed by Hotel G are seen to have little real benefit to beneficiaries, which eventually weakened the genuine aspect of its CSR approach. To sum up, the CSR performance of Hotel G can be considered as *weak commitment, both neither genuine nor strategic CSR approach but more to sporadic CSR with limited scope and a strong PR profile.*

4.6.8 Hotel H

Hotel H, as mentioned previously, has a weak commitment to CSR. Besides having a low number of people involved with CSR, most of its donations and supports to the beneficiaries are granted one-time only without having regular follow-up. Hotel H has limited its support to only few recipients which is obvious that it possess a narrow scope of CSR. Despite the fact that Hotel H conveys genuine desire to promote the good in community, recognizing CSR as a good investment for the hotel has hampered the genuine aspect. To that, the approach to CSR is classified as neither strategic nor genuine since the analysis also found a much weaker link between the activities and its business area. Besides, it is noted from the findings that most of the observed cases in the Hotel H are on an intermittent basis. CSR in Hotel H is therefore, can be classified as a sporadic CSR.

Hotel H has a strong PR profile. The preceding analysis has found that CSR efforts in Hotel H are primarily driven by a need to keep up appearances rather than a genuine intention to help the community. This is to say that Hotel H places such great importance on reputational effect which can be derived from CSR. Another indication is the fact that CSR is organized under Marcom Department as the manager recognizes the effectiveness of media to provide positive images of the hotel's CSR credentials. These factors reduce the genuineness of the hotel's CSR approach. Hence, the CSR performance of Hotel H can be categorized to have weaker, *sporadic CSR, a narrow focus of CSR and with a strong PR profile.*

4.7 Summary

The cases have illustrated how CSR practices were carried out by the hotels which subsequently addressed the five research questions set for this study. Moreover, it has also described how those initiatives were viewed from the stakeholders' lenses and to what extent they were familiar with the concept. The findings revealed that even though the hotels are generally concerned about their communities and know that it is their responsibility to care for them, implementation of CSR initiatives were still minimal. It was found that the most popular and extensive practice was to support and help the local communities with cash or benefits in kind. Clearly, hotel management that focused on environmentally and socially friendly culture often had more knowledge and CSR initiatives in place. Hence, the findings of this analysis have been presented and summarized in the Table 4.9.

It can be also revealed that, broadening the scope to look at the perceptions of stakeholders who are expected to shape the growth and future development of CSR is equally important. Besides, this study demonstrates practical relevance of the tools developed by Dahle (2010) where all the hotels were evaluated and ranked in relation to certain identified indicators.

Table 4.9

Summary of Findings Table for All Research Objectives

Research Objectives	Research Questions	Findings
1) To critically evaluate hoteliers' perspective on CSR	How the hoteliers define CSR?	Due to lack of knowledge and standard definition, majority remained confused, mistaken CSR with philanthropy. Only three hotels equated CSR with sustainability.
2) To ascertain to what extent does CSR practices and management of hotels affect social wellbeing of their beneficiaries	Have their CSR activities have an impact on the lives of the beneficiaries?	Three hotels portray genuine CSR, one hotel with strategic CSR, other hotels practiced sporadic CSR. CSR is very much ad hoc, intermittent basis and *touch-and-go* involvement
3) To specify the functions of CSR in the hotels' organization structure	Do these hotels have specific functions responsible for managing CSR?	Only three hotels have CSR manager. Most of the cases, CSR emerges as interest of PR, HR, marketing, communication
4) To explore the underlying motives that influencing	What are their underlying motives in relation to CSR?	Intrinsic motives (altruistic, competitiveness, legitimacy) provide stronger stimulus than extrinsic motive (stakeholder pressure)
5) To identify challenges of organizing and implementing CSR in the hotel	What are their challenges in implementing the CSR practices?	Lack of resources (time, budget, manpower, expertise) is the main challenge.

CHAPTER FIVE

DISCUSSION, RECOMMENDATION AND CONCLUSION

5.1 Introduction

Based on the analysis and the findings presented previously, this chapter is mainly organized for presenting respective discussions and conclusions drawn on this study. The discussion takes a critical reflection on meeting the study objectives by answering the corresponding research questions. This chapter also discussed the implications of the findings, and possible directions for future research.

5.2 Discussions

It would appear from this study that there is a chasm between perceptions and realities. While current CSR activities are admittedly commendable, they are not consistent with the general level of awareness amongst the hoteliers and perceptions of the employees on the concepts of CSR. This could probably be a consequence of CSR not being ingrained in their job description.

In the case of beneficiaries that this study examined, much insight was gathered even after considerable efforts is taken to lighten their load. As far as they are concerned, this can be recognized as an important assessment in developing successful and a more genuine approach to CSR. The following section is a discussion about those responses and reasons, and it is also an attempt to answer research questions in order to meet the corresponding research objectives set for this study.

5.2.1 Hoteliers' Perspectives of CSR

Whilst accepting that there is a lengthy history of CSR and successful stories available to business, there is also the fact that there is no universally accepted definition for CSR. Therefore, in absence of a universal definition of CSR, this study examines the broad development of ideas behind CSR and some of the current attempt to define the concept amongst the hoteliers in Penang. The review gives particular attention to shortcomings in the present guidance standard for social responsibility.

In most hotel investigated, the managers show varied understanding of CSR practices. Hotel D, Hotel E, and Hotel F, for instance, equated CSR with sustainability, considering CSR as an end in itself that goes beyond the bottom line. The concepts of CSR as defined by these hotels are in line with sustainable development theory which stated that the world's natural resources and human development are interlinked and finite and business, therefore, requires a clear strategic planning, not just for today and tomorrow but also into the unforeseeable future. These hotels understand how complex systems work, grasping the idea of interconnectedness as well as emphasize on the holistic approach and temporal process, which lead them to the end point of sustainability.

In contrast, the remaining five hotels are adhered to a traditional philanthropic view of CSR, arguing that CSR primarily defined as giving back to society. Their perspective, however, are underpinned by TBL theory as the notion requires business to take into account not just economic value but to also consider environmental stewardship and

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social inclusion as well. In spite of how TBL is intended on putting social and environmental aspect into the equation, the understanding of CSR among these hoteliers are somehow limited since they have mistakenly assumed corporate philanthropy as CSR. The findings, therefore, reconfirm the previous study of Lu and Castka (2009) as they stated that CSR is an evolving term that has added to current confusion about its precise meaning.

The study findings highlighted on common misconception about CSR as some hoteliers were confused between philanthropy and CSR. For some investigated hotels, the two are the same. This is probably due to the fact that the outcome of both approaches is to help people in need. Under the label of philanthropy, Hotel A, for instance, is keen on showing the people that they care for them through their corporate giving culture and backing for social causes. Furthermore, on being asked about CSR definition, Director of Sales and Marketing from Hotel B explained, "CSR is something like the community service and charitable event that actually bring benefit to those people" (personal communication, August 08, 2015). Sponsoring different sport events, helping destitute children with basic necessities, giving scholarships to poor students or donations made to school renovation project cannot be tallied as CSR. Rather, CSR goes way beyond that.

There is nothing wrong in supporting those activities but hoteliers need to understand that there is a great myth about the buzzword associated with CSR. The remarkable fact that CSR is often mistaken with philanthropy is probably because it was the most common strategy that businesses utilized to do good to the society for many years. This was indeed the case that the basic activities and strategies, especially during the

early ones, were seemed more like acts of philanthropy. In addition, it is worth mentioning that the practices of giving were well established in community drives of the 1970s. Heald (1970) further added that businesses during his time were engrossed about corporate philanthropy and surprisingly, in this era of emerging CSR the traditional philanthropy is still dominant. At this juncture, one must be ensured that, philanthropy is no where equals to CSR, given the fact that the former is a subset of the latter.

The study findings also highlighted that majority of top management are quite aware and well-informed the benefits and concept of CSR. However, from the employees' point of view (FGD-1), the general feeling and understanding about the concept is pretty weak. Employees incline to consider CSR as a flawed concept which has failed to benefit them at the same time. In fact, employees are unaware and had minimal understanding about CSR probably due to the paucity in current CSR understanding with regard to the dissemination of CSR knowledge.

Gathering all the possible points, the inconsistencies and contradictions in CSR understanding begin to make some sense. This is probably a reason that the projected communications are not powerful enough to seize the employees' attention, especially among their frontline workers who are not well-informed or motivated to practice CSR. It seems like CSR in the hotels do not encompass a holistic approach and hence do not create a pervasive sense of CSR among their employees. Hoteliers are deemed to have internal issue since the messages promoting the notion of CSR are not clearly and efficiently promoted internally. Perhaps the reason for the employees' indifference to the hotel's CSR initiatives and their lack of interest in sustaining the

practices is due to poor communications of the messages. As for the case of the surveyed hotels, the CSR communication is not filtered down efficiently to the employees' corporate behavior.

Besides, the findings also highlighted that all hotels are deemed to have CSR policy in place but the way it is understood has understandably been varied. In this scenario, this study demonstrates that CSR is rather a blurry subject without overall agreed-upon definition and guidelines. With the understanding that businesses play a significant role on job opportunity and wealth creation, CSR is generally understood as the act of giving back to the community while few hotels equate CSR with sustainability. At the other end of the spectrum, it seems that the landscape of CSR will continue to evolve, given the chronically challenging economic conditions in Malaysia. Indeed, as noted by Janggu et al. (2007), the meaning of CSR in Malaysia remains murky and the current misunderstanding over the meaning is a serious consequence of this issue that warrants appropriate standard and guideline in future. This is due to the reason that many of hotels are still lacking knowledge and failed to fully understand the CSR ideology as been crystallized by Amran et al. (2013). Lack of a standard definition for CSR is responsible for this situation. This is a considerable fact in the field of CSR where consensus on the core concept is vital to remedy this situation.

5.2.2 The Effect of CSR on the Lives of Beneficiaries

CSR can encompass a wide range of tactics to serving the community from giving away a portion of a hotel's proceeds to charitable causes to implementing more responsible business operations. Needless to say, all these initiatives are a

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commitment to become a responsible corporate citizen, to work closely with community members and to help promote economic and social well being. For example, Table 5.1 shows the classification of hotels' activities into three types of CSR. What is clear from this table is that most cases of CSR are sporadic in nature, although some of these hotels have been doing it from ages.

Table 5.1

Types of CSR

Genuine CSR	Strategic CSR	Sporadic CSR
Hotel D	Hotel A	Hotel B
Hotel E		Hotel C
Hotel F		Hotel G
		Hotel H

None of the other surveyed hotels, however, has gone as far as Hotel A, Hotel D, Hotel E and Hotel F. Clearly, there was a significant approach taken by these hotels that vastly helped for continuing community-focused activities where all their beneficiaries were getting regular support. According to Human Resources Director from Hotel A, for instance as he reiterates that, "As you can see our CSR is an ongoing, continuous…It's a dynamic process. We also keep track of the progress of these activities on a regular basis…" (Human Resources Director, personal communication, July 30, 2015). How these hotels practice their CSR are closely in line with the notion of social capital theory which referred to the links, shared value, understandings in society as well as utilization of available resources in order to serve

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the society of like-minded members. Despite how this theory provides the glue that facilitates further collaboration between the hotels and community, it would be prudent at this juncture to highlight that the more the level of participation of the hotel in voluntary associations, the greater the social capital. Also, in the context of these hotels, the more the mutual support in a hotel, the greater the social capital.

In addition, Hotel A was the only hotel that found to practice strategic CSR. Looking at the analysis and findings, this hotel goes beyond the generic way of implementing CSR as they integrate social issues into overall strategy through a holistic, reciprocity and systemic approach. In this vein, Hotel A seemed to understand the different context of CSR activities in which they pursue those issues that bespeak a linkage between economic and social gains as highlighted by Porter and Kramer (2006). As Human Resources Director says, "We have few beneficiaries that we're very proud to work closely with. We can easily monitor, evaluate and further help throughout their livelihood improvement" (personal communication, July 30, 2015). In this regard, the most important aspect is to identify and define clearly the stakeholders and their interests as well as to have a better cooperation for a win- win situation that helps to surmount impediments towards implementing effective CSR approach. More importantly, the approach to CSR by this hotel does not only confirm the general theory of social capital but also supports and grounded on the stakeholder theory that stresses heavily on the interconnected relationship between the hotel and its stakeholders.

As well as Hotel D, Hotel E and Hotel F, the implementation of CSR programs portray their genuine obedience to adopt social responsibility behavior that constantly

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materialize sustainable development and eventually for community development. This is perhaps attributable to the constant approach of CSR implementation with continuous monitoring of their social and environmental conditions. Most of their CSR projects typify the fundamental beliefs of the hotel's social commitment as part of social stimulus and opportunities for local communities. In relation to sustainable development theory, the basic idea of CSR in these hotels is to facilitate long-term sustainable CSR projects and partnerships that have an ongoing impact to social development of the local community. As CSR & Sustainability Manager from Hotel D concedes that "A major chunk of CSR was utilized in Embrace and Sanctuary programs which are under constant monitoring and based on our continuous improvement approach for a sustainable society, measuring by KPIs for each project." (CSR & Sustainability Manager, personal communication, November 10, 2015). Apparently, systematic strategies have been put in place with consistent monitoring of performance that helped them in achieving successful results.

Besides, the study findings reveal that charity donations were by far the most popular CSR practices amongst the hotels. In the context of Hotel B, Hotel C, Hotel G and Hotel H, for instance, CSR approach is deemed to be mostly ad-hoc associated with random acts of sponsorship and donation made to charitable organizations. Even though these hotels are involved in CSR, most of their CSR commitments have been sporadic, localized and limited to their surrounding areas. The focus on charitable initiatives can make great contributions to local communities but the acts often fail to take a more integrated, holistic view to work through social complexity. Spreading the spirit in helping those in needs during festive seasons also explain that CSR activities in these hotels were randomly performed at certain occasions probably as a result of

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the traditional thinking that contributions should be provided during respectful times of giving to inculcate the spirit of belonging. Here, Amran et al. (2013) of the same opinion, see parallels in the development of CSR as occasional gestures since most of the practices are performed during the holiday season.

This can be recognized as a basic problem for CSR development among the hoteliers in Penang, as far as social inclusion is concerned. It can be argued that such CSR progress is seen as a western version of a long standing philanthropic tradition that rooted in religion and culture. Guiding assumption in this study was that CSR is largely a western phenomenon which quite successful in attracting a country like Malaysia as pointed out by Chapple and Moon (2005). Besides, it is also important to note that religion is a central to the cultural and social fabric in Malaysia. Consequently, a strong religious basic has somehow encouraged social responsibility practice among the business practitioners to help the less fortunate. This is probably the reason for sporadic acts of charity and donation to local communities.

This has also been confirmed by FGD-2, as many of them stated that CSR approach performed by majority of the surveyed hotels seems to be mostly *touch-and-go* with the fact that such practices have been randomly applied and unorganized basis especially, like been mentioned earlier, during festive seasons. In setting where there is no fund have been allocated for CSR purpose and lack of monitoring capacity of CSR progress, the contributions made are more on an ad-hoc involvement rather than reflecting some type of systematic intervention. As a result, they lack a holistic, more comprehensive approach. This also means that welfare mentality of community members has a significant impact on corporate decision making. Therefore, under this

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circumstance, development of successful CSR could be better explained through a theory of stakeholder salience which requires a hotel to have an integrated strategy that can identify, evaluate and fulfill the needs of community as suggested by Russo and Perrini (2009).

Based on the above facts, community perceptions and expectations are deemed essential for pushing the hoteliers forward. When communities started to experience the consequences of unsustainable practices, they began to realize and have the feeling that something fundamental has gone wrong and started to highlight their actual needs. To that, concerns were expressed by the beneficiaries on the importance of the hotels to involve in community development activities as well as to become active philanthropists since passive philanthropy is no longer relevant in the CSR domain. The finding reveals that in line with the stakeholder theory, the success of the hotel and its survival is highly dependent on meeting the needs of its communities (Figar & Figar, 2011). The review also gives particular attention to education where substantial effort in this area is badly needed. This is due to the fact that the education has largely been seen as the responsibility of the government and it is only in recent years where some private sectors are seen to start taking this responsibility. Thus, the finding reflects the broken channels of communication between the current CSR practices and community needs. This also shows the fallen expectation between the type of CSR activities performed by the hoteliers, and what is expected from their communities. In this situation, there is a clear gap between the corporate sense of social responsibility and community expectations.

Giving money, as understood from the beneficiaries investigated, does not let the hotel to take full benefits of available CSR outcomes. CSR should be genuine, not generous. A further and equally important consideration is the results of a hotel are judged not only by the input but also by the contributions they make for the world and sustainable development. In order to bring in the best of this opportunity, there is a need to turn efforts of hotels into successful partnerships and collaborations for community, strengthening the ties and relationships with shared resources as well as encouraging good CSR practices wherever possible. In this sense, CSR would not remain as sporadic corporate philanthropic, as has been the case for most of the hotels, but as an area where there would be a fixed portion or at least a regular funding for the betterment of the community. Even some of the hotels investigated were already contributing a fixed portion of their profits for CSR matter.

It has been found that this finding mirror Muthuri, Matten and Moon's (2009) dictum, even though philanthropy can be part of an effective CSR strategy, just giving money to worthy causes is not itself enough. Not only does this construct represent the community as only passive recipients of such generosity, it also precludes them from becoming more self-sufficient. The assumption underlying the construction of person as consumers is that they are dependent and passive objects of the paternalistic welfare. This further indicates the need for the local community to be transformed via a process of community development into self-reliant and independent citizen. This is more like "people were hungry in the past and people are still hungry at present but instead giving them bread for today, help or teach them to sewing out of poverty." Even as CSR has come a long way, it is quite clear that its integration within the hotels overall is sporadic even though some of the hotels utilize their assets (people,

resources and expertise) effectively to enhance their community members while driving business growth.

It has also been observed that somehow most of the hotels do not seem to focus on specific issues. In fact, they seem to assess and respond to changing needs that arise from current issues. This is why most of the CSR practices are superficial and do not directly meet the expectations of community members. In many cases, CSR initiatives are still at the corporate philanthropic stage, given that similar issue also arises in Prathaban and Rahim (2005) and Zulkifli and Amran (2006). Presumably, the act of giving is seemed to require less effort and commitment across the hotel organization. Besides, it is the easiest way for the hotel to do something good and get tax breaks. In this context, it may just mean that their lack of knowledge on CSR has led them to disregard the true sense of CSR. CSR is not just about making a contribution towards good causes but it is an all-year-round responsibility that requires the hotels to serve the community more consistently.

The findings also reflect the importance of having strategic planning to deliver real social impact. For every penny donated for CSR, hotel must monitor and execute a project effectively because shareholder's of the hotel have right to know where their money was invested. With this in mind and the wide range of influencing factors that drive CSR, there is a need for hotelier to keep up with developments by investing more projects on a regular basis to ensure acceptance and in the long run, its sustainability. More importantly, the overall effect will be an inclusive growth with happy citizens.

5.2.3 The Functions of CSR in the Hotel's Organization Structure

One of the primary concerns of any business to remain competitive in the markets they act is by deciding what management structures to employ to best drive their CSR strategies. Interestingly, the way in which hotels are integrating the corporate responsibility function into their organizational structure differs widely as Aldama et al. (2009) agree that the old adage "structure follows strategy" has not always been the rule.

It is obvious that CSR demonstrates a wide range of concerns and activities which the concept has very important implication for where it should be located in practice. This study affirms CSR's place within the surveyed hotels. Up to this point, there are different visions and realities in hotels regarding the functions of CSR. For some of the surveyed hotels, CSR initially emerges as interest of the HR department, communication department, marketing or PR department, motivated by the need to develop a socially responsible reputation. This has been supported by FGD-1 as all of them claimed that CSR was largely dominated by these functions. At this point, the actions usually emerge as a decision of respective departments and therefore, some subunits get more encouraged than others, causing an unbalanced situation which hampers the development of social and environmental culture in the whole organization. This implies that CSR cannot be a subculture inside the hotel but it should be ingrained in the business philosophy of the hotels.

Findings show that the input of other departments, especially the marketing department, signifies a linkage between CSR and corporate reputation. Understandably, situating or linking CSR to public relations, marketing, corporate communication or advertising could tarnish the underlying reasons behind CSR

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strategies while making a strong impression of blatant self-promotion. Blaming CSR as being a PR stunt, for instance, is unsurprising, knowing that most of the people responsible for CSR sit in the above-mentioned functions. Perhaps, these could be some of the reflection of a natural reaction among the hoteliers that engagements towards CSR initiatives are pivotal for their success which in turn, someone is needed to take care of it. As such, under various denominations, the role of CSR manager appears in the new organizational structure of the hotel.

Since it is not uncommon to place CSR function within the HR or PR or communications department, not all the surveyed hotels had CSR manager or officer probably due to the fact that it was on a voluntary basis. However, some of the surveyed hotels had set up a position for CSR manager and CSR committee team with representatives from each departments and organizational functions that briefed their respective departments on CSR programs. This type of organizational structure is considered efficient to give the CSR function significant authority and greater impact than a structure where CSR is left to certain department such as PR or communication department. Further, it is important for the hotel to have a CSR manager as an appoint person to work with external stakeholders but the best CSR department will need to have internal as well as external facing role to further achieve significant level of integration with other departments. Still, based on a clearly defined social philosophy, CSR application should become "everyone's responsibility". It is certainly true for CSR to become priority and should be infused throughout the corporate culture because in that way it is more likely to become part of who the organization is and what it does. Similarly, Sheldon and Park (2010) conceded that organizational structure is an important driver influencing the success of CSR implementation.

Therefore, to avoid the common pitfalls of likening CSR to much-derided HR or PR or marketing department, it is pivotal for the hotels to have a CSR manager or officer to drive the achievement of CSR together with the creation of a CSR team as a coordinated system for CSR planning and communication which also represent various units and organizational functions of the hotel.

The failure of hotel to establish an administrative or an implementing specific department for CSR had some significant bearing on the success of CSR initiatives. The findings reveal that dedicated CSR executives such as head of Human Resources have to split their time on managing and administering CSR activities while the remainder of CSR professionals' time was devoted mainly to supervise and managing business functions. This underscores the widespread lack of commitment to the strategic CSR. Along the same vein, one of the employees during FGD-1 commented that, "I seem to really understand the HR person who handles CSR works because they need to do both works at the same time. I don't want to say that they are totally ineffective but the truth is they can't do much."

In recognition of these considerations, there is a need for the hotels to form committees with explicit responsibility for CSR concerns or it can be argued that CSR should be housed in its own distinct unit. This seems to be consistent with the study by Khunon and Muangasame (2013) as they highlight the importance for big hotel chains to appoint CSR Manager to drive the performance of CSR. However, the feedbacks from employees are quite divided to place CSR in a separate department while few others believe CSR involved an additional cost to the hotels, diverting corporate resources. In fact, as found in this study, stand-alone CSR units are in

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steady decline. Furthermore, it is believed that all employees should feel that CSR is part of their jobs in some way. Indeed, there is nothing better than having a CSR culture that is infused throughout the organization. For this to occur, building a coordinated system for CSR strategy, execution and communication is vital. But, as has been illustrated in the findings chapter of this study, achieving this objective is not easy for some hotels.

Another salient dimension of analysis is regarding the question of who should be responsible for the hotel's CSR policies and strategies. The study indicates that it should probably be a person will full knowledge of hotel's impacts on society with significant level of CSR understanding. As revealed during the focus groups, there seems to be a consensus around the idea that it should be someone who has the ability to understand others' feelings, needs and concerns. For CSR to become a priority, strong commitment from the 'CSR expert' is required. The key is the appointed person needs to be committed to and focused on this priority as well as creating CSR initiatives that are attached from the lifeblood of the organization. In that way, CSR will becomes part of the hotel culture and not a separate add-on.

While the trends are not uniform and different hotels are taking a variety of approaches in the process of CSR implementation, findings show a strong visible support from the GM in the few hotels in setting CSR strategy. More than half of the times, GM are only involved in making decisions about the hotel's CSR efforts while for some hotels like Hotel D, their GM are directly involved in the decision making and evaluation process with regards to the hotel's CSR activities. The findings reveal

that CSR is deemed an increasingly important function for these hotels which also reaffirm the key influencers are their top management.

Regardless of the structure of choice, this study reveals that commitment from the top management must be followed by responsibility down the ladder. With this notion, having the top management responsible for governing and overseeing the integration and implementation of CSR in a hotel's organization is crucial to place CSR effectively at the core of business strategy. In addition, hotels that keen to drive successful social responsibility initiatives must either occupy the CSR function with broad-level authority which ultimately signifies high importance of the top management role in shaping and embedding CSR in organizations. Thus, in order to assign responsibilities and at the same time to get the rest of the organization 'on board', having a set of correct incentives is worth considering. Based on the findings, the CSR strategy and commitments in few hotels were formed as part of KPIs of their GM. This is one of the set of correct incentives that works best to balance profit maximization with CSR performance. Logically, as the findings touch about strategic aspect of a business, the performance of CSR is therefore needs to be assessed and evaluated, according to a defined formal strategy.

As advocated by the most prominent advocate of free markets, Friedman (1970) in his study has argued that the main purpose of business is to make profit for the benefit of shareholders. Therefore, doing anything outside of this purpose is against the fundamental business principle. This argument is notable against social responsibility and remains true until shareholders increasingly begin to expect a business to exercise greater oversight over social and environmental impacts of corporate activities. As

Altschuller (2013) puts that the shareholders begin to understand the viability of CSR and started to request structural governance reforms in terms of how businesses manage social and environmental issues, including specific requests for the boards to develop committee teams with relevant expertise to oversee this priority. Because of the possibility of some generic CSR activities based on the decision of managers can be done as part of marketing or PR campaign, it can be argued that the concerns raised by the shareholders are primarily to ensure that those activities are not unnecessarily spend of their funds or not negatively affect the bottom line. In other words, CSR could be considered stealing money from them instead of giving them back the dividends in order for them to purse good causes to their own liking. Essentially, hotels need to be careful not to be seen as a marketing ploy or just trying to drum up good PR. In line with the stakeholder theory, having management accountable for ensuring that the social and environmental impacts of hotel activities are addressed responsibly, the top management of the hotel can help ensure that the hotel operates consistently with its initiatives and meeting the expectations of key stakeholders.

In a nutshell, the variety of names for the CSR position indicates no uniform understanding of the CSR function but they can be broadly aggregated into four categories: "CSR", "HR", "PR" and a blend of "marketing" and "communications". At this instance, hotels are slowly putting their strategies into place and moving forward but in terms of structuring and governing the CSR function is still lagging behind. Be it the four star hotels or the five star hotels, they are slowly creating structures but have so far failed to bring coherence and downstream CSR practices into their organizations. In most cases, the main conclusions were that CSR

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structuring and strategies are still immature practice. This finding apparently does not

support the claim made by Aldama et al. (2009) that the larger the organizations, the

bigger the chance to find a well-defined structure in place to drive CSR performance.

In this context, it shows that CSR structuring and CSR strategies do not necessarily

associated with the size of the hotel.

The way the hotel practices CSR eventually reflects its values and its relationships to

the society in which it operates and depends. The study findings also call for the

hoteliers to place increasing importance on CSR and should find ways to inject CSR

DNA into all parts of their business. As arguably the CSR function is not an area

isolated to the PR, Communications, HR or marketing department. Rather, CSR

orientation needs to be permeated across many disciplines within the hotel given that

with such integration is the only way to realize the full potential of CSR engagement.

The key is to have a cohesive and integrated CSR strategy because CSR is here to

stay. In this way, every hotel can maximize the benefits to society, create social value

and meet the needs of its various stakeholders.

5.2.4 Motivations for Engaging in CSR

This study is attempted to identify relative importance of underlying motives of

hoteliers in Penang regarding the adoption of CSR. Corporations are composed of

people and therefore, corporate social commitment are nurtured, maintained and

advanced by the people behind the steering wheel. Such people, often called

managers, are the change agents and their social awareness to CSR is widely

recognized as a key success factor for implementing social and environmental

responsibility efforts (Jenkin, 2006). Being a driving force behind CSR event, it is

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best to put the steering wheel in the hands of the people that really need to drive, creating an important impact on the process as well as the outcomes of CSR activities.

Following Elkington (1997), contribution to the welfare of the society does not only in terms of economic value creation but also to include ecological and social sense. Since managers are traditionally focused on the economic aspect, the new challenge is to integrate social and ecological dimension in the strategy of the hotel as has been highlighted in the TBL theory. Thus, it is notable that all the surveyed hotels have involved with CSR and voluntarily decided to carry a greater responsibility for society and the environment. In fact, it is understood that special responsibility oftentimes comes with an extra cost to the hotel, thus there must be the reasons as to why hotels choose to engage.

According to the findings, CSR activities seem to help the hotels in terms of employee retention by keeping their employees motivated, fostering a sense of community, inclusiveness and loyalty to the organization. The ultimate aim of the process is probably to instill the sense of belonging of the project amongst employees as well as to ensure project sustainability. Managing attrition in the hospitality industry is vital because the cost associated with recruiting and training new employees is a huge expense for the management of the hotels. Such initiative is therefore acting as a strategic tool for organization long term profitability. Many hotels have now realized the importance of having profitable working environments with a motivated and highly engaged workforce. In this sense, they seem to believe the potential of CSR in transforming their workforce from highly turnover to increase retention and in the long run enhance profitability.

The empirical findings above are consistent with previous studies that claim CSR activities influence employees' job satisfaction, morale, commitment and retention (Azim, Diyab, & Al-Sabaan, 2014; Bhattacharya, Sen, & Korschun, 2008; Brammer, Millington, & Rayton, 2007; Lee et al., 2013). Raub and Blunschi (2014) argue that when employees are aware of corporation engagement in CSR, they assume that together with their organization they can make a true difference for the society and environment. In all of the aforementioned past research, organizations are required to embed social and environmental initiatives as part of their strategies to achieve sustainability. At this juncture, CSR will aid organizations to gain competitive advantage for a long-term benefits community and growth which consequently affect employee attachment and performance.

This study also revealed that CSR has become one of the most important drivers of corporate reputation. This is another strategic motive mentioned includes to enhance corporate reputation as well as to gain legitimacy for the hotel. As was the case in Hotel B, for instance, despite the focus on charitable giving with the absence of strategic philanthropy, social contributions were predominantly driven by media restless attention given to marginalized populations to gain better reputation. Similar to Hotel C, the approach to CSR was merely marketing gimmick to garnered significant media attention probably due to the fact that CSR issues are spearheaded by HR department together with corporate communication personnel. Findings from Amran et al. (2013) may shed some light on this motive. Unsurprisingly, they found that CSR practices are normally handled by corporate communications or PR department. They further assumed that most of corporations incorporated CSR only as

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a means of promoting and to elicit business publicity. The finding is consistent with previous studies conducted in local environments highlights that the purpose of CSR is to elevate the corporation's image and to gain public legitimacy form their stakeholders to exploit their market opportunities (Amran and Devi, 2008; Amran et al., 2013; Thompson & Zakaria, 2004; Ahamd & Sulaiman, 2004; McWilliams, Siegel, & Wright, 2006).

This insightful result revealed a similar dissatisfaction among their employees during FGD-1 with the fact that CSR is being implemented primarily as a marketing and PR tool. A potential justification for such practice is that hotels are aware of Malaysian's overall generous and pious social culture, and are appealing to that sense of goodness rooted in Malaysian community through marketing and publicity as a platform to reveal the hotels as generous and caring towards their society. This is why hotels are so keen to appeal with half of the messages are simply made up through publicity campaigns especially during festive seasons because it was the accepted things to do.

Also, managers' personal intrinsic value was emerged out as the influential reason to why hotel engage in community-related CSR activities. It demonstrates that managers play a significant role in acting as socially responsible change agents as they are able to exhibit their personal values through the exercise of managerial discretion. Indeed, brands that build on personal values are often deemed as genuine. This has been confirmed by Debeljak, Krkač and Banks (2011) as they point out that genuine brands invoked deep sense of reverence in the wider community. Accordingly, they will trust the brand name as the brand really provides the value it promises. Also known as a value-driven CSR by Maignan and Ralston (2002), this intrinsic motive implies that

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managers may engage in CSR because they enjoy helping others (private enjoyment) or want to contribute to the common good from a genuine concern and feel obligated to do something right for the wellbeing of others. As Bohdanowicz and Zientara (2008) put that CSR-driven initiatives undertaken by hotel sector might have significant effect on a host communities' socioeconomic condition with whom they share their resources.

In this context, a hotel is intrinsically affected when implementing CSR probably by its own philosophy such as corporate value and this is obviously the case of the hotels surveyed where the managers' interests highly influence CSR due to their greater authorities. Besides, many hotels have a business culture that uphold certain basic principles to which CSR is deemed as a moral imperative for the hotel to get involved in CSR. This decision, therefore, can flow from the hotel culture that values and cares about this, revealed that corporate existent culture to be the important decision-making factors. The fact is that moral reasons are more universalizable and reflect urgency and symmetry when applied to other circumstances. Perhaps because of this reason, managers are intrinsically motivated by the sense of personal satisfaction that they bring. As such it appears that the moral and ethical reason for such engagement is often associated with the concepts as ''doing good to do good'' (Vogel, 2006) and ''doing the right thing'' (Matten, 2006).

Based on the above-mentioned facts, the hotel is understandable, given that it has a moral duty to act responsibly towards community which can be justified by Kantian ethics (Evan & Freeman, 1988) and virtue ethics (Solomon, 1992). Referring to Kant's categorical imperative (Evan & Freeman, 1988), every stakeholder has a moral

right not just to be treated as a means to some ends but as end in itself. This is in line with the stakeholder theory as has been explained earlier that claim management to be accountable not only to owners and shareholders but to consider other stakeholders as well.

The study also revealed that some hotels perceived CSR as "business opportunities" to make profit, as postulated by Porter and Kramer (2006). Indeed as Graafland (2002b) note that business will be more actively doing CSR as long it will go back to them as profit. Looking at the findings, CSR is used by few hotels to meet their guest expectations and to build strong brand identity which are likely to elevate corporate image, build trust and guest loyalty, strengthen guest relationship and finally, for financial return and competitiveness. It is therefore, pursuing the performance-driven CSR as according to Maignan and Ralston (2002), CSR may lead to competitive positioning that match the hotel's competencies with the stakeholders' expectations. Significantly, the study affirms that important link somehow exists between a hotel's CSR strategy and its bottom line.

Indeed, majority of the hotels had long standing histories with some being in the industry for well over a century. As such, these hotels had acquired reputations at that time and were in the position of having generally positive images and effort to maintain their brand name are worth considering. It is observed that nowadays the loss of reputation is seen as a significant factor in encouraging the hotels to invest in CSR. This however, denotes that the hotels are far from perfect as the focus is not on social good but more as a promotion policy.

Overall, it can be concluded that hotels were significantly driven by intrinsic motives and extrinsic motives. Intrinsic motivations emerged from the findings were similar as proposed by Garay and Font (2012). They were altruistic that reflecting the value that responsible practices are the right things to do, competitiveness which relating to improve relationships with employees and legitimacy concerning on the reputation. Contrasting to internal motivations that can be found from value and performance-driven CSR, stakeholder pressure (Han, Hsu, & Sheu, 2010), also known as stakeholder-driven CSR, is considered to be an extrinsic motive in this study. This is especially true for a hotel that practice and take more reactive stance with regards to CSR since they afraid of negative reactions of stakeholders. This hotel is more likely to respond to external pressures rather than spontaneously embrace it. However, managers that are intrinsically motivated for CSR are expected to be more involved with CSR. This is consistent with Graafland et al. (2010) as they found intrinsic motive acts as ethical touchstones for the managers to achieve a social nobler ends and to make capitalism work for the benefit of their societies.

In line with sustainable development theory, the intrinsic motive makes an organization to do something for its own sake. Therefore, this study revealed that intrinsic motive is believed to provide stronger stimulus than extrinsic in terms of keeping the surveyed hotels motivated for the long run. Interestingly, the finding also revealed that policy makers should be aware in providing extrinsic incentives to stimulate CSR since external force can crowd out intrinsic motives as claimed by Bouckaert (2006). Intrinsic motives reflect CSR as an end in itself and the most importantly, independent from financial benefits.

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Consequently, this study shows that there is not one single reason as to why the hotels involved with CSR. Based on the findings, the reasons are several with extensive factors such as moral and the perception of reputational gains standing out as largely influential. The motives as to why hotels engage in CSR, however, seem to be almost as complex as the concept itself.

5.2.5 Challenges Facing the Implementation of CSR

Hotels often face several challenges when implementing CSR. Based on the findings, three main challenges to implementation of CSR in the hotels were identified. These challenges are further divided into hotel-specific and industry-specific challenges. Hotel-specific challenges are micro factors that are inherently heterogeneous where their impact on CSR could vary among individual hotels. To some extent, these challenges can be overcome or at least controlled and managed by a hotel through change management and transformation within organizational culture and leadership. On the other side, industry-specific challenges are more to macro and homogenous factors which experiences faced by all the hotels in the same industry, especially hospitality industry, were found to be invariant. Also, these challenges are largely shaped by external forces such as competitive and political landscape as noted by Yuen and Lim (2016).

The lack of resources, including budgets, time, human capital, knowledge, and expertise have been reported to be a common limitation to conducting CSR in these hotels. In fact, Sheldon and Park (2010) found that for successful CSR implementation in hotel, large amount of resources is required. Due to this fact, hoteliers find that investing in CSR cannot fit into their budgets, claiming that initial

investment cost of CSR is too high. They experience a lack of capability, consensus in providing activities, communication, employee engagement as well as issue of extra work, time spent and budget, which in this case, refer to lack of resources.

 As been previously discussed, most hotels do not have a dedicated department to manage CSR. While in many cases, CSR has typically been an objective assigned to other departments whose performance appraisals are often based upon their original scope of duties. This may also due to the shortage of qualified candidates with relevant knowledge and experience, which eventually creates a great disturb for CSR implementation in the hotel (Dixon et al., 2008). Due to lack of training and information, CSR practices are poorly understood and this lack of knowledge on CSR among hoteliers creates significant challenges. These findings presumably reflect the studies undertaken by Siti-Nabiha et al. (2011) and Chan (2008) as they found that lack of knowledge followed by lack of professional advice and experiences were main challenges to CSR development among the hoteliers.

Keeping in view with the broad results of the FGD-1, there is a lack of interest of the hotel employees in participating and contributing to CSR activities. The reason is basically attributable to the fact that there was an untrained staff with little or no knowledge about CSR since no serious efforts have been made to spread the CSR awareness among them. It is found that this situation is even aggravated by lack of communication between the hotel and their employees at grass-roots level. The truth is that communication carries the right sense and the right to act to the right people in order to motivate them to perform incessantly and optimally. These shortcomings, ineffectuality as they are, hinder the hotels to execute and incorporate social concerns

into their core strategies. Even from the lens of social capital theory, mutual recognition is supposedly not aimed solely on managers' advantage. Rather, it should be geared towards developing trustful relationship with employees, building bridges and connecting them with bonds in order to sustain their social networks.

Moreover, the findings of this study also revealed some factors relating to lack of strategic vision include lack of strategic integration, lack of clear vision and difficulties with implementation of programs that need few different goals. This lack of strategic of vision is often attributed to the lack of top management commitment. According to Husted (2003), effective way to incorporate CSR strategy is through vision, mission, objectives and goals. Another reason for the lack of strategic vision in the hotels is regarding their short-term oriented behavior toward immediate profit. Unfortunately, CSR entails short-term costs and would probably pay off in the long run. As a result, some of top level managers who are focusing merely on financial profit rather than societal benefit will outright reject and refute the notion of CSR. This is, however, akin to Friedman's view stated that the manager's sole motivation for such involvement is to meet shareholder expectations, which is to maximize their return in investment (Friedman, 1962). How the counterpoint to Friedman's view debunks the notion of CSR, there is somehow a weak empirical support (see Orlitzky et al., 2003; Vogel, 2006; Schreck, 2011; Garay & Font, 2012) about the relationship between CSR and financial performance where some of these managers considered CSR to have little relevance to business success.

It is also reported that there is a serious dearth of trained and experiences of NGOs that can effectively contribute towards ongoing CSR projects as well as help to

identify the real needs of the community and work along with the hotels to ensure the success implementation of CSR activities. This challenge is more towards industry-specific factors since all hotels will face and expecting similar issue. It is noted that NGOs can be categorized as activist groups while some can be grouped as research-driven policy organizations looking to engage with decision makers. Oftentimes, many see them as powerful watchdogs, casting a critical on current events. However not all NGOs are amendable to work with private sector since some others are willing to remain at a distance, keeping their eyes on, publicizing and criticizing in the cases where the hotels fail to take their appropriate impacts upon the wider community.

The findings show that lack of time, efforts and budget comprise the main challenge to the implementation of CSR in the hotel, which were further validated with the feedback from the hotel employees. In fact, most of the managers would love to give back but they are struggling to manage their workload as well. Due to the lack of financial support, many hoteliers think that they have too thin margins to give back to the community. Furthermore, they do not have large budgets to place CSR in its own house, nor are they able to allocate large amounts of money for social cause. Thus, from the interviews, it can be concluded that hotel-specific challenges are strong determinants of successful CSR implementation. These findings, on the other hand, do not support the study of Fu and Jia (2012) as they claim that larger organizations will possess more slack resources and having less issue relating to lack of resources. Being one of the five star hotels in Penang, Hotel G, for instance, was found to experience this issue which they considered to be the obstacle that limits hotel's abilities to undertake impact assessment of their CSR efforts from time to time. Thus, the findings do not seem to support the claim made by Fu and Jia (2012).

In this study, challenges to CSR implementation in the hotels have been identified and discussed. As shown in the Table 5.2, three challenges (lack of resources, lack of strategic vision and non-availability of well-organized NGOs) which can be further categorized into hotel-specific and industry-specific factors were successfully identified. Hotel-specific challenges consist of lack of resources and lack of strategic vision whereas industry-specific challenges consist of inadequate trained of NGOs. The study confirms that all challenges are significant barriers to CSR implementation in the hotel sector. It was also found that hotel-specific challenges are the key determinants that impede the implementation of CSR in the hotels. Without understanding and addressing these potential challenges, their chances of successfully implementing CSR in the hotels may prove daunting.

Table 5.2

Types of Challenges to CSR Implementation

Hotel – Specific Challenges	Industry – Specific Challenges
Lack of Resources (financial, time, manpower, expertise) • Lack of capability • Lack of consensus in prioritizing activities • Lack of communication • Lack of employee engagement • Workload, time spent, budget Lack of Strategic Vision • Lack of clear vision • Lack of strategic integration and vision • Developing activities that have few different objectives	Non-availability of well organized or trained NGOs

5.3 Implications of the Findings

5.3.1 Theoretical Implications

As has been stated earlier in chapter two, the study postulated on theoretical underpinnings based on sustainable development, triple bottom line, stakeholder theory and social capital. This study on the hotels primarily attempts to understand the current position of CSR development in Penang towards genuine practice especially for the hotel sector by reviewing at their policy, strategy and operations. The findings of the study mainly support and further strengthening the theoretical foundation set for this study. For example, findings clearly help to understand how hotels can better integrate CSR consistently into the core of their strategy and relevant decision making processes; and to understand that business alone is no longer work since the world is an interconnected whole that calls for hotels to also consider the importance of environmental and social factors as based on TBL theory. In fact, some important implications have been highlighted from the same analysis with regards to certain cases. For example, the art of systems thinking in driving sustainable transformation amongst the hoteliers could be recognized as a vital factor that determines sustainable development approach to take place with the intention of benefiting those involved. Besides, lack of expertise and knowledge about CSR (can also be considered as a shortcoming of successful CSR development among the hoteliers) is limiting this to considerable extent. In the era of economic uncertainty, no hotel will survive and thrive if they are not taking sustainability seriously.

The success of CSR development is determined by how relationships among different stakeholders are established and maintain. For the most part, it has to take place

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between primary and secondary stakeholders. The relationship among community members is not easy to maintain as experienced in certain cases in this study due to loss of social consciousness at a particular stage of CSR development and operations. As Post et al. (2002) assume, in order for the hotel industry to become successful, managing stakeholder interest across increasing boundaries and influence as well as blending social and economic factors is essential. Therefore, it is strategically beneficial to maintain good relationships with stakeholders since the loss of confidence by these groups will cause them to withdraw their support and loyalty or to the extreme, taking legal actions. The findings of the study show the important role played by hoteliers to better understand community needs and resources as well as the consequences of not having inconsistence responses to community concerns. As such, the concept of stakeholder theory personalizes community and CSR by identifying specific individuals or groups that hotels can systematically engage with.

The research findings indicate that CSR within the hotels is also aligned to the fundamentals of social capital theory, mainly owing to resource limitations and survival challenges that they encounter. Since businesses are not isolated, they operate on a global context where the question of trust is vital and the goodwill or the degree of support garnered from CSR is very fragile and easily tarnished. Nevertheless, the effort to garner this goodwill is now a matter of the utmost importance to such hotels that they have actually embraced CSR strategies to secure it. As Pavliková and Wacey (2013) state, "if a company has invested sincerely over the long term in CSR, then perhaps it may be able to weather better such storms than a company that has not" (271). Simply put, if the proposed CSR is a farce and a sham or nothing more than a PR stunt, then it is hard to see how their stakeholders are going to trust and

reciprocate a second time, a sentiment echoed by Putnam (1993). This sentiment, however, has significant relevance for these case studies to demonstrate a sign of importance for credibility and effectiveness of CSR efforts among the hotels.

5.3.2 Implications for Policy on CSR

In the year 2007, CSR became mandatory for all listed companies to disclose their CSR practices. The notion of CSR was propelled even further with the establishment of tax incentives to businesses that practice broad CSR programs. As it is well known, there is a strong involvement from the government to raise awareness and inspire the hotels to adopt CSR as part of their core values and strategy.

Despite so much efforts made by Malaysian government to increase the profile of CSR, the core value of CSR is often overlooked by hoteliers who caught up in the whirlwind of CSR and who embrace them for the sake of corporate reputation. But due to a lack of consensus on definition of CSR as well as lack standardization and detailed guidance, many hoteliers remain confused and most of the time having their own version of CSR. Without overarching guidance to address the confusion over the meaning, still, CSR continues to endure and grow. Furthermore, there are limited social and environmental indicators that are universally endorsed by business practitioners (Jenkins & Yakovleva, 2006). This was the case that even though ISO 26000 was introduced to provide directions for the voluntary CSR practice, it has not been well-received by hotel sector with no real measurement have been introduced. This is a fundamental policy challenge for Malaysian government as it requires both policy reorientation and strategic thinking to develop a consensus basis that will

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ensure that corporations and all stakeholders are fully understand the concept and implications of sustainable development.

The approach of Malaysian government needs to address the fundamental question of how to clarify the misconceptions behind CSR. The success of a policy depends on the significant considerations given to the social element of CSR together with a robust and balanced approach to sustainable development. This is a critical issue begging for government's intervention to help ensure the consistency among the corporation, especially the hotel sector, in delivering social aspects of CSR and changing their behaviors.

5.3.3 Implications to CSR Education

CSR in education is gaining considerable importance worldwide with the efforts towards introducing dedicated courses on business ethics and CSR in higher education curricula (Tormo-Carbó, Oltra, Seguí-Mas, & Klimkiewicz, 2016). While schools may have offered a mandatory business ethics course, it was not until the collapse of Enron in 2001 that attention was seriously given to the values being taught to students. It was six years later when financial scandals of Wall Street have further propelled the concept of CSR into account. Perhaps it is not surprisingly in the light of these fallouts, questions then arises whether those lessons will long endure even though their heydays have long ended?

Organizations and society generally agree that being socially responsible and ethically behavior plays an essential role for a successful business practices. Having this in mind, employers would expect and demand that business schools have a profound role to play in developing students' capacity to adaptively manage the changing

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world. This is the reason why the concept has to be woven systematically and deliberately into the entire fabric of the business school as part of initiative for mainstreaming CSR. The function of higher education schools are not just providing society with experts and intellectual capacity but to also promoting inclusion and fundamental values which they often forget about the risk that students might otherwise receive obsolete values and apply them later in practice as influential professionals.

Further analysis of data has revealed that lack of social consciousness and relatively low level of self-assessment in the CSR field among managers and low level of CSR understanding especially among employees also raised an important question of how to educate on these issues. If Malaysia is also following the increasing global trend to incorporate CSR into the framework of higher education, managers therefore should be able to respond to different moral dilemmas with the mindset to address the pressing CSR challenges of Malaysia, in particular, those of the bottom line. However, findings from this study pointed out the inadequacy of business schools in teaching and offering multi-faceted approach of social and ethical implications due to the fact that CSR is often relegated to the status of "an elective track of studies." In this respect, Tormo-Carbó et al. (2016) highlight that all curricula need to be transformed due to the need to also consider three types of educational outcomes: knowledge, skills, and social competence. This realization implied that universities have to include CSR not only explicitly as part of the university courses but also embed it in different fields of study including management and social work program.

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Indeed, these processes give new challenges on management of higher education institutions to adapt to changing educational environment and hence transmitting appropriate knowledge, skills and values to the students. Consequently, graduates from such institutions will leave thinking and acting like sustainability champions.

5.3.4 Implications to CSR Practice

Even though majority of these hotels are on their ways to mainstreaming CSR, evidence from this study has shown that the person in charge of managing CSR (whether PR, HR or MarCom department) were identified to have lack of adequate skills and knowledge. The absence of CSR due to lack of skills, knowledge and enthusiasm appears to be a plausible explanation, preventing hotels from making greater impacts on society and environment. It is therefore suggest that employability needs to have a number of qualities or "wish list" and since CSR is relatively new concept in Malaysia, a holistic, value-laden, critical thinking and systematic thinking are valued to generate positive societal transformation. The study provides an indication of employers' requirements that future person responsible for managing CSR may need to develop in order to carry out their jobs. Clearly, it shows that far more attributes are needed than just subject-specific knowledge and skills. Findings from this study can be integrated into existing hotel CSR values and adds a practical contribution concerning the development of CSR teams to further showcase their commitments.

Employees are not blindly involved in the issues of CSR but the importance of their values and beliefs into CSR need to be taken into consideration to increase the level of mutual trust between the employee and the organization. Failing to properly

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communicate a social campaign among the employees is the main reason why CSR programs do not receive enough attention and involvement from them. This was a strong indication that simple information about this concept will not make the employee to adhere to the policies and procedures of CSR. These shortcoming and ad hoc nature of CSR development have been widely recognized and those commitments have been ended up with significantly less impacts on society. In such cases, it was unable to push most of CSR programs forward.

5.4 Recommendations

Keeping in view of the findings of the study, the following are recommended for serious consideration in order to deepen CSR and facilitate such efforts in enabling respective hotels to capitalize on available opportunities.

5.4.1 Setting a Clear CSR Vision

It is found that even though the hotels have been performing CSR actions for many years and been involved in the lives of the community members in which they have been present, they need to develop a clearer vision for what CSR really stands for, what to preserve and what to solve.

Many hotels experience shortcomings in their CSR programs because they are insufficiently clear about their priorities. It is important for them to have deeper understanding of the reasons for getting involved in CSR, to really understand that CSR is more about bringing benefits than costs. Setting clear vision to elucidate the future of CSR can help hoteliers proceed on the right track, thereby utilizing existing resources efficiently. They need to have a clear focus, for example, whether to focus

in children, healthcare, education, disabled community, sustainable livelihood or poverty. In this way, hotel should looks at it as a serious endeavors to really be able to strategize as to what it is doing and what are the outcomes that will flow from that which can only happen if they start to prioritize their CSR.

5.4.2 Well-Designed CSR Guidelines and Evaluation Standards

Findings from the study also indicate that there is a clear need to address the confusion about the meaning of CSR. Well-designed CSR guidelines and evaluation standards should be introduced to align CSR understanding in Malaysia and to ensure genuine CSR development in hotel a success. It would help them to implement best CSR practices that will directly benefit the needy. In this regard, hotels need to establish a mechanism for close monitoring and constructive supervision to increase the impact of their initiatives of the lives of beneficiaries. They should start to have impact assessment to evaluate the effectiveness of their CSR activities.

The above remarks also suggest that an appropriate measurement basis should be put in place and that enforcement by government is required in realizing CSR. For example, all hotels can start measuring happiness by having happiness index of receivers in order to ensure that they are getting benefited and to understand what else the hotels could be doing to help them. This is indeed an excellent opportunity for the government to harness current enthusiasm for CSR.

5.4.3 Focusing More on Genuine CSR

The other recommendation would be to plan for a long-term CSR projects and provide necessary practical assistance and training to develop capacity, fundamental

skills and the awareness of community members in order to empower them to make significant change in their lives and to promote more sustainable livelihood opportunities. This approach will help the hotel which is closer to strategic CSR to focus further on genuine CSR by placing more emphasis on the benefits to society rather on their own advantage.

Based on the findings, it is noteworthy for the hotels which have strong PR profile to also place less emphasis on the reputation aspect to avoid being seen as empty PR and in order to give their CSR contributions a more genuine element.

5.4.4 Fund Allocation and Its Utilization

The findings also shed some light on the necessity that hoteliers should set aside a fixed percentage of amounts from their profit after tax or any other suitable parameter to facilitate development of CSR mandate and make a constructive contribution to the community members. They should actively pooling their resources and scaling up their projects to reach out for more beneficiaries. All the CSR projects need to be safeguarded at all costs with the purpose to improve their project effectiveness.

As far as CSR funding requirement is concerned, the process of fund allocation and spending reports should be freely available and in the public domain to ensure transparency, mutual trust and acceptance between the hotels and communities and other beneficiaries who are likely to be benefited by the CSR programs.

5.4.5 Improving CSR Function

It is noted that anchoring CSR in the organization is a concern for all the surveyed hotels. Therefore, including more people working with CSR will give it more authority and make CSR more visible within the organization. Besides, increasing the number of people in the CSR functions helps to facilitate internal supports of CSR projects.

Alternatively, proposed division or appointing at least one person as a CSR Officer who can work with CSR will give more strength to the CSR function and even essential as a vehicle for establishing the legitimacy of the hotels' CSR initiatives. But the best CSR department will realize that they need to combine both internal and external facing role focusing on supporting the rest of the business units. However it is only possible to achieve this level of integration if CSR department is given board-level authority and other units are obliged to cooperate. In most cases, failing to provide the department with significant authority over other executives would lead a hotel too far astray from genuine changes. Thus, it is important for the hotel to recognize this fact to ensure CSR is integrated into the business and people with commercial goals also have clear CSR functions.

Besides, it would be better for the hotels to appoint someone with CSR knowledge (person with a management/social work degree) who can fix the steps to be taken and bring the indicators to the track. In fact, industrial social work profession is an ideal match to fit the aforesaid position since they practice in variety settings and help to enhance the problem-solving abilities, in the long run will empower the community to achieve its most needed objective of development. A person responsible for CSR must be in permanent contact with stakeholders and have the strength to influence as

well as showing global vision and good leadership. For this reasons, it is undeniable fact that the industrial social worker who has basis knowledge of social dynamics and skills in working with individuals at different levels will be a great asset to the hotel.

5.4.6 The Roles of Government, Media and National Mirror Committee (NMC)

The findings of this research highlight on the importance of having the roles of Government, other stakeholders such as the NMC and the media working together for pushing, publicizing and educating the public in order to align the CSR understanding in Malaysia.

Based on the findings of this study, there is a clear need to address the confusion surrounding the meaning of CSR. Again, Government has role to play in supporting and ensuring that corporations behave according to rules and norms of society. Apart from this, media can acts as a conscience alarm to constantly reminding corporations about their responsibility to give back to community and to look beyond profits. And finally, NMC is seen as pivotal medium to increase the credibility and diffusion of CSR in Malaysia since the association is actively involved in the development of the international guidance standard of social responsibility (ISO 26000). The NMC could also address the confusion over the meaning of CSR and monitor whether a comprehensive picture of CSR has been communicated fairly in the media. Looking this way, NMC will represent the interest of various stakeholders in Malaysia.

5.4.7 The Key Role of Human Resource Management (HRM)

HR has a key role in making CSR work. Without involvement of HR, there is a risk of CSR losing attention especially by employees due to wrong interpretation of CSR being merely a branch of PR or shallow 'window dressing'. HR helps to emphasize

the social rationality into the operations by aligning all aspects of HR's infrastructure relating to equal opportunity, recruitment, retention, reward, training, motivation, internal communication, and diversity. A system of mutual influence that exist between CSR and HRM suggesting that HR functions could develop depending to CSR initiatives driven by the hotel (Dupont, Ferauge & Giuliano, 2013). This defines the role of HR as a powerful agent in influencing hotel wide-range progress in its CSR development. In this context, HR department needs to strengthen their strategic roles in formulating corporate values and sustainability strategy as well as revising its own mandate and transform the way they commonly perform core CSR responsibilities by developing a formal policy or sustainable practices involving employees.

Findings from this study have suggested that clear internal communication plays a vital role in ensuring a successful implementation of CSR by engaging employees to being visibly active in the CSR space. It is necessary to educate them on CSR, to ensure their understanding of the concept as well as to develop their perceptions. HR department can organize CSR related trainings, seminars or workshops as well as using conventional internal communication tools such as websites, emails, magazines, or handbooks to ensure that the employees are constantly informed about the CSR strategies and empowered to determine the future development of CSR together with the management. This will make employees to better understand that their support is badly needed. Also, getting them to personally visit to the specific community would help them see and understand why they need to be involved. This can be done through empowerment and recognition by hotel for their CSR initiatives. For example, each employee is given 16 hours each year to participate in any CSR activity.

Encourage employees to share and submit their ideas on how to improve the hotel's CSR strategy will make them feel more valued with an opportunity to have a say. By enabling two way communications for cooperation, HR department can use their feedbacks to shape and modify CSR strategy. This is where the job of the HR becomes very important to instill the sense of belonging among employees as well as to avoid the boredom factor.

Employees are the lifeblood of the organization. Thus, to ensure employee satisfaction and retention, HR department should effectively evaluate the CSR activities through employee-attitude surveys. Such assessment will provide direct means of assessing employee morale, views and most importantly has significant implications for business performance. Therefore, it is vital for any hotel to make employee-attitude surveys a priority. With a strong and effective HR functions, the socially responsible values can be inculcated and sustained in the organizational culture.

5.5 Model of CSR Management for Genuine Social Change

With these findings, this study wanted to show the effectiveness of the proposed tool in order to draw conclusions on CSR practices and help organizations improve their CSR actions plans through effective structure. The findings demonstrate interesting conclusions that would positively help to pinpoint the trends and define best practices which eventually led to creation of model.

Figure 5.1 illustrates the model of CSR management for genuine social change, which has been developed based on the findings and recommendations. This study used PDCA (Plan-do-check-act) cycle or also known as Deming cycle as guidance. It is a four main steps management method used in business for control and continual improvement of processes. Repeating this cycle can bring closer to the targeted goal, usually a perfect outcomes and actions.

The model represents ideal level of CSR management in five stages namely policy level, planning level, implementation level, checking and corrective action level and improvement level of CSR strategy. At policy level, the findings stress the importance of addressing the confusion over the meaning of CSR. Here, the roles of government, other institutions (such as NMC) and media is vital in realizing CSR as well as align the CSR understanding in Malaysia. Again, ISO 26000 would seem the most realistic platform to unravel this dilemma. While for an ideal approach at planning level, this study highlights that by having a high level of commitment and participation by every department, everyone in the hotel can contribute to the satisfactory of CSR.

At the implementation level, all hotels should have a high level of commitment and participation from everyone and apply CSR in a natural routine (daily life and work). In fact, to achieve CSR efficiently collaboration with related organizations to enhance CSR performance may be necessary. This is where strong managerial capabilities and efficient communication procedure are needed to create close connections with employees and other stakeholders to enhance CSR awareness, CSR activities, CSR movement and also the giving culture. In this way, hotels are able to

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hone entrepreneurial skills among community as well as having a more integrated sustainable livelihood.

At checking and corrective action level, hotels that are applying CSR by themselves, should evaluate CSR activities based on their objectives and KPIs for each project. It is also important to note that each CSR target should be evaluated. An internal monitoring team should monitor CSR progress regularly and this should be done cautiously to avoid disturbance to employees.

With regards to improvement level, various activities can be done to improve CSR. At this stage, it is important to evaluate cases and effects of all CSR activities leading to improved efficiency. What is needed the most is to learn, abstract best practice and taking a trial and error which literally leads to the crystallization of the best strategies being applied in the hotel.

Hence, it is important to understand what can be achieved under improved conditions for a coherent and serious CSR endeavors. As illustrated in the model, it is a continuous process with valuable feedback from each level to rectify failures in order to determine measures for further improvements of the CSR performance. However, this model has been developed with respect to CSR performance in the hotel sector but could also be transferable to and applicable in other similar contexts.
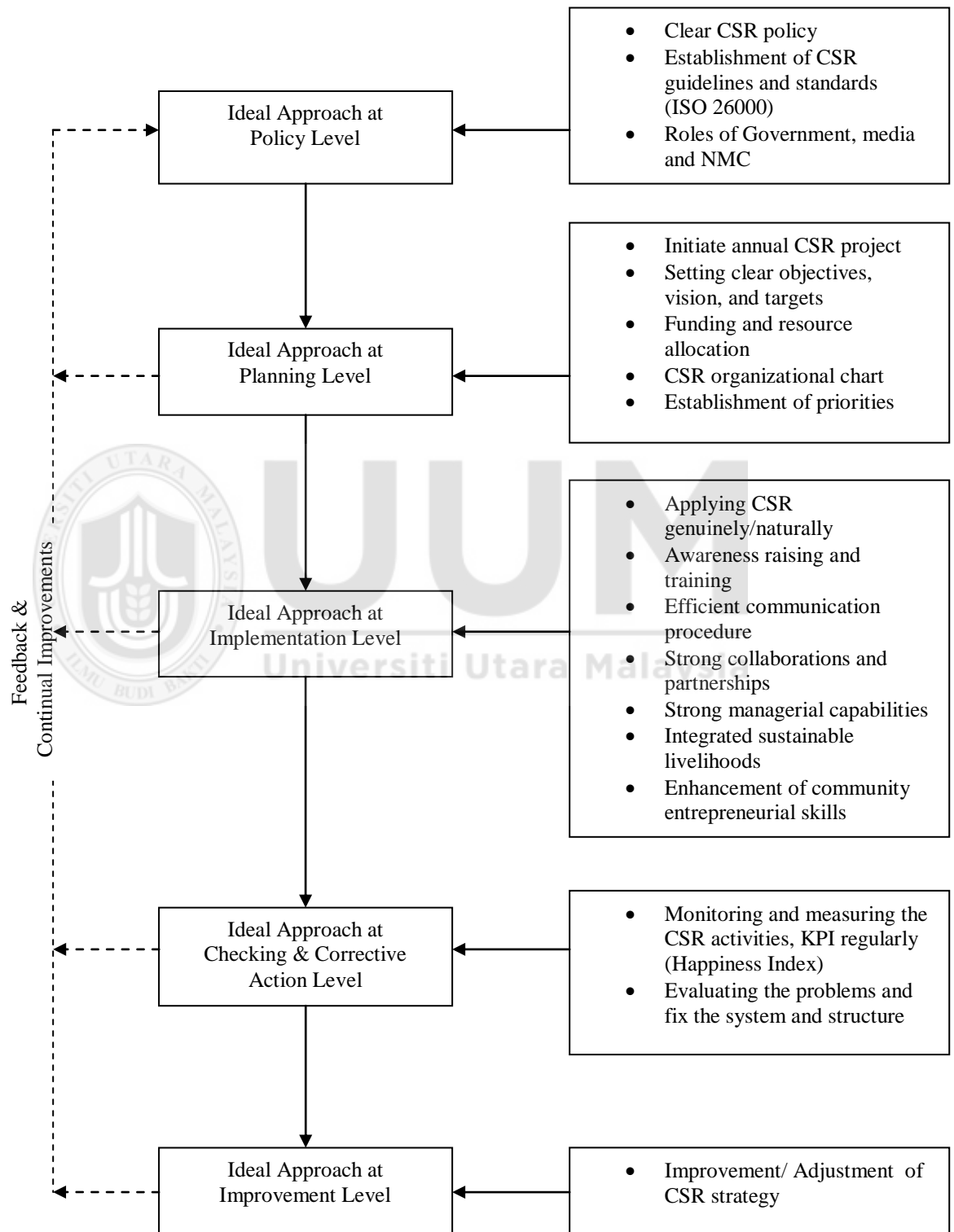
Figure 5.1. Model of CSR Management for Genuine Social Change

5.6 Suggestions for Future Research

The CSR agenda is relatively immature academic field since the term itself has not yet taken hold within hotel industry. This study has aimed to describe some of the aspects of CSR by using eight hotels in Penang as illustrative cases. Besides, the study has focused on the social impact of CSR, providing an overview of hotel industry in Penang through the lenses of employees and beneficiaries. As such, studying about those cases will further contribute and broaden academic knowledge within the fields of CSR and hotel industry. The preceding thoughts were the triggers for this study as a contribution to further much needed research.

This study provides two suggested directions for future research. First, since the data collection of this study has been confined to 2009-2015, in a future study, it is important to reconsider and re-examine the initiatives which are still in operation to understand the trends, existing status of their CSR's successful development and problem encountered. In fact, the tools and indicators developed by Dahle (2010) could be used as a diagnostic tool to gather experiences and trends in CSR throughout the corporate world.

Second, what is lacking is work on cognitive and motivational conditions that cause stakeholders to evaluate hotels' social initiatives differently. For instance, what underpins individual motivations and reactions behind any CSR activities? Does it is because of profit-driven or reflection based on managerial or hotel values of benevolence and integrity, or based on ongoing efforts to tackling social issue? What are the common cues that stakeholders normally look at to evaluate the effectiveness of CSR activities as well as the impact? In fact, this study has revealed that there is

self-doubt among employees about the potential benefits of CSR engagement since most of them grapple with the concept itself. Framed this way, examining these questions would contribute to a more nuanced and accurate theorizing about corporate-stakeholder relation, driving us a deeper understanding, at the individual level, of how CSR makes greater impact.

5.7 Conclusion

It has been an interesting journey to benchmark the genuine uptake of CSR from eight hotels in Penang. Taking as a sample, it is also appealing to know what the relationship between the hotels' CSR policies and strategies with stakeholders' knowledge, perspectives and expectations.

It has been observed that all surveyed hotels share the information about their corporate responsibility initiatives and values with a verifying degree of detail on their websites. Despite all the efforts and the raising awareness of the hoteliers about social responsibility, the development of CSR is still considered to be at its infancy stage. The findings highlight that hotels generally have more comprehensive policies but also greater gaps in implementation. As such, these findings mirror those of Rashid and Ibrahim (2002) almost ten years ago, and subsequent studies (Lu & Castka, 2009; Amrlan et al., 2013). Given the growing interest in CSR practice (Khairat & Maher, 2012) that such gaps exist is somewhat disappointing. One explanation for this discrepancy is a lack of maturity in embedding CSR within organizations. A lot of them seem to making similar festive gestures because it is the accepted thing to do. In fact, some hotels still have much catching up to make, moving forward for a more mature levels of CSR path if they wish to be on a par with the leading hotels.

As far as the performance of CSR is concerned, the most initiatives are still progressing at a slower rate while some hotels are already doing it well. Focusing on charitable donations is prevailing. It has been questioned whether this type of initiative is capable of generating enough revenue for the community to be fully sustainable in the long run. Basic fact is that this initiative is the most lucrative ways to generate passive income which is only beneficial in the short term. Such initiative was successful in building a culture of dependency amongst the community rather than empower them to bring on an ongoing positive change into their lives and the lives of others.

This is also the case in searching for genuine CSR since the study did not find it to be presented much among the hotels mentioned. Many of these hotels still fail to perceive the true overall values of social responsibility behavior while some of their employees are by and large unfamiliar with the notion itself. Low level of managerial capabilities and limitations in available opportunities hinder the development of genuine CSR. It is also important to realize that the potential for development of genuine CSR can be achieved in the fact that there are more eyes watching it.

Roughly speaking, in dynamic and shifting world, more responsible business practitioners, the hoteliers in particular, are needed to drive CSR performance in a more concrete and transparent manner. In this current economic turbulence requires CSR to become much more genuine and strategic in order to be effective in meeting the new and emerging needs which economic downturn will bring. Thus, as a response to these aforementioned limitations, a broader understanding on ground

realities of the communities is a badly needed treatment for a win-win situation which everyone benefits.

The concept of CSR has so far failed to take deep root in Penang since the concept is, that is to say, in a primitive (undefined) associated in an obscure manner. And not surprising, misconception about CSR, failure to understand and practice its core values could be the main reason explaining on how CSR efforts have been misused by some of the hoteliers in Penang. Though a good corporate image may result from a genuine CSR program, to make image building the goal of the program is gross misunderstanding of the nature of CSR itself. To remedy the situation, more work needs to be done includes developing robust indicators and standards to bring changes in attitude and awareness among the hoteliers. It is noted that findings of the study reveal the importance to recognize ways and means that not only the hoteliers can benefit from CSR but also how employees and beneficiaries could benefit from such initiatives. The practice of CSR could be greatly improved if the fundamentals of CSR are well understood and embraced by the hoteliers. In the long run, hotels will be solving Malaysia's issues not from a CSR perspective but as part of their core business.

It is, therefore, vital to increase and improve measures in order to practice CSR on the right track through a planned process to sustaining the well-being of people and community members before it is too late. There is a need to augment the scope of CSR concerning on stakeholder relationships as well as CSR practices (from sporadic CSR to more long lasting commitments). Sporadic CSR activity, for instance, was enough in a world where sustainable practices are seen as another PR-related

function. If appropriate measures are not taken into serious consideration to rectify the fundamental weaknesses, genuine development of CSR would be a missed opportunity particularly for the hotels business.

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APPENDIX A:

PERMISSION LETTER TO

CONDUCT STUDY

PUSAT PENGAJIAN PEMBANGUNAN SOSIAL
SCHOOL OF SOCIAL DEVELOPMENT
College of Arts and Sciences
Universiti Utara Malaysia
06010 UUM SINTOK
KEDAH DARUL AMAN
MALAYSIA

Tel. 604-928 5711/5717/5719/5720
Faks (Fax). 604-928 5757/5754
Laman Web (Web). http://asd.uum.edu.my

KEDAH AMAN MAKMUR • BERSAMA MEMACU TRANSFORMASI

Ruj. Kami : UUM/CAS/SSD/P-74/3
Tarikh   : 25 Jun 2015

KEPADA SESIAPA YANG BERKENAAN

Tuan

KEBENARAN MENJALANKAN KAJIAN BAGI PROJEK PENYELIDIKAN

Dengan hormatnya dimaklumkan bahawa pelajar berikut merupakan pelajar Program Ph.D (Social Studies), Pusat Pengajian Pembangunan Sosial, Universiti Utara Malaysia. Pelajar ini dikehendaki menyiapkan satu projek penyelidikan sebagai salah satu syarat untuk memperolehi Sarjana Kedokteran (PFD) dalam bidang Social Studies.

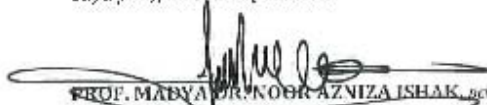|		
Nama	:	**Fazreena Binti Mansor**
No. Matrik	:	**94767**
Program	:	**P.hD (Social Studies)**
Tajuk Kajian	:	**Corporate Social Responsiblity (CSR) Initiatives Undertaken by Hoteliers in Penang, Malaysia.**

2. Sehubungan dengan itu, saya memohon jasa baik tuan untuk memberi kebenaran kepada pelajar ini menjalankan kajian penyelidikan di organisasi tuan.

3. Segala maklumat yang diberikan adalah untuk kegunaan akademik semata-mata dan tidak akan disebarkan kepada pihak yang lain.

Di atas kebenaran dan kelulusan tuan dalam hal ini amatlah dihargai dan didahului dengan ucapan ribuan terima kasih.
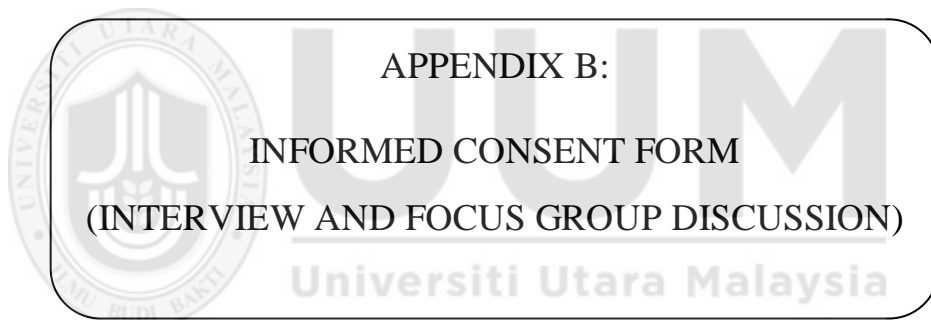
Sekian.

"ILMU BUDI BAKTI"

Saya yang menurut perintah

PROF. MADYA DR. NOOR AZNIZA ISHAK, BCK, PW
Dekan
Pusat Pengajian Pembangunan Sosial

APPENDIX B:

INFORMED CONSENT FORM

(INTERVIEW AND FOCUS GROUP DISCUSSION)

INTERVIEW CONSENT FORM

Beyond Profit: Corporate Social Responsibility Practices amongst Hoteliers in Pulau Pinang, Malaysia.

Researchers: Fazreena Mansor (PhD Candidate) & Prof. Dr. Najib Ahmad Marzuki

I am student from Universiti Utara Malaysia, and I am conducting interviews for my PhD program. My study largely looks into CSR initiatives whether the hotels in Penang are well-informed of to what CSR is and its connection with social contributions. The interview was designed to be approximately between 45 minutes and one hour in length.

Please initial all boxes that apply.

1. I confirm that I have read and understand the intent and purpose of this study ☐

2. I am aware that my participation as informant in this interview is voluntary and if, for any reason, at any time, I wish to withdraw, I may do so without having to give an explanation. ☐

3. I expect that any confidential disclosures I make to researcher will be preserved and respected. I understand that information obtained will only be used for study purpose and I will not be identified when my views are presented in other publications. ☐

4. I understand the interview process will be tape recorded. ☐

5. I have been offered a copy of this consent form that I may keep for my own reference. ☐

I have read and understand the consent form, and agree to take part in today's interview.

Name   :   _____   :

Location   :   _____

Date   :   _____

Signature :   _____   Signature: _____
                            (Informant)   (Researcher)

FOCUS GROUP CONSENT FORM (FGD-1)

Beyond Profit: Corporate Social Responsibility Practices amongst Hoteliers in Pulau Pinang, Malaysia.

Researchers: Fazreena Mansor (PhD Candidate) & Prof. Dr. Najib Ahmad Marzuki

You have been asked to partake in a research study due to your experiences in this field. The purpose of study is to examine to what extent hotels in Penang performed their CSR activities. Specifically, this study aims to understand to what extent the concept of CSR has been embraced within the hotels. The information learned in the focus group will be used to create significance CSR sensibility among the hotel sector in Malaysia.

Your participation is completely voluntary. You may withdraw from this study at any time without penalty. We would like to audio tape the discussion and we may wish to quote verbatim comments in the report.

There is no right or wrong answers to the focus group questions. We want to hear many different viewpoints from everyone and hope you can act honestly even your responses are not aligned with others. All the information supplied by participants in this focus group will be kept confidential and your name will not be disclosed.

By signing this consent form, you are indicating that you are fully understand the conditions stated above and agree to partake in this focus group.

If you have any further questions or concerns about this research, please contact: Fazreena Mansor at phone 013-4609034 or email at fazreena22@gmail.com

Participant's Signature : ……………………..   Date: ………………….......

Researcher's Signature : ………………………   Date: …………………………

<div align="center">**FOCUS GROUP CONSENT FORM (FGD-2)**</div>

<div align="center">**Beyond Profit: Corporate Social Responsibility Practices amongst Hoteliers in Pulau Pinang, Malaysia.**</div>

Researchers: Fazreena Mansor (PhD Candidate) & Prof. Dr. Najib Ahmad Marzuki

You have been asked to partake in a research study due to your experiences in this field. The purpose of study is to examine to what extent hotels in Penang performed their CSR activities. Specifically, this study aims to understand to what extent the concept of CSR has been embraced within the hotels. The information learned in the focus group will be used to create significance CSR sensibility among the hotel sector in Malaysia.

Your participation is completely voluntary. You may withdraw from this study at any time without penalty. We would like to audio tape the discussion and we may wish to quote verbatim comments in the report.

There is no right or wrong answers to the focus group questions. We want to hear many different viewpoints from everyone and hope you can act honestly even your responses are not aligned with others. All the information supplied by participants in this focus group will be kept confidential and your name will not be disclosed.

By signing this consent form, you are indicating that you are fully understand the conditions stated above and agree to partake in this focus group.

If you have any further questions or concerns about this research, please contact: Fazreena Mansor at phone 013-4609034 or email at fazreena22@gmail.com

Participant's Signature   : ……………………..   Date: …………………......

Researcher's Signature : ………………………   Date: …………………………

APPENDIX C:

INTERVIEW QUESTIONS

(IN-DEPTH INTERVIEWS, FGD-1 AND FGD-2)

INTERVIEW QUESTIONS (IN-DEPTH INTERVIEWS)

1. Can you explain your hotel CSR activities?

2. Are those activities partly or fully controlled by the hotel?

3. How about the budget or CSR fund dedicated to CSR activities?

4. How many people in charge of CSR?

5. Does the hotel limits CSR involvement to a certain range of activities?

6. Where do your CSR projects normally take place?

7. In what ways does Human Resources (HR), marketing and communication department   help to promote CSR within your hotel?

8. Please explain the functions and location of CSR in hotel's organization chart?

9. What do you think that the positive effect of CSR projects may puts on hotel's image?

10. Is there any project that is closely linked to the hotel's business area?

11. What is your hotel's vision?

12. What are the reasons that may move your hotel to adopt CSR practices?

13. What benefits do the hotel has from engaging in CSR, if any?

14. Are the hotels engaged in CSR that do not have the potential benefit to themselves?

15. How do you define CSR?

16. What are the problems related to development of initiatives in the field of social responsibility by your hotel?

17. What characteristic will you look for when appoint a CSR manager and the teams?

18. Can you explain what type of skills, knowledge and values that the workers who are involved with CSR should have?

INTERVIEW QUESTIONS (FGD-1)

1. Can you explain your hotel CSR activities?

2. Are those activities partly or fully controlled by the hotel?

3. How about the budget or CSR fund dedicated to CSR activities?

4. How many people in charge of CSR?

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18. Can you explain what type of skills, knowledge and values that the workers who are involved with CSR should have?

INTERVIEW QUESTIONS (FGD-2)

1. Do you know anything about CSR? or what do you know about CSR?

2. How do you perceived current CSR practices by the hoteliers have benefited local communities?

3. What do you think the rationale behind CSR?

4. What are normally you looking for when receiving such help from the hotel?

5. What are the main complaints regarding CSR contributions made by the hotel?

6. What should be done to improve CSR practice in future?

7. What else the hoteliers could be doing to help community?

8. Do you think that social workers are needed in hotels to help or solve CSR issues?

9. Are you really happy with the CSR performed by these hotels?

10. How would you rate your happiness on a scale of 1-10? 1 (not happy); 5 (pleasurable feelings); and 10 (life satisfaction).