

## Chapter 49

# CSR in Hospitality Industry: A Comparative Study of Various Hotels

**Sumit Goklaney**  
GGSD College, India

### ABSTRACT

*There is no universally accepted definition of CSR, but most of the definitions have to do with business having a positive impact on the community. Society and business are dependent on each other. Business provides jobs, products, and taxes while society provides workers, consumers, and policies. Neither can survive without the other so it makes sense for business and society to work together for the benefit of both rather than to continue at odds. Business decisions and social policies must be aligned for this to happen. So the present paper will cover and compare the various types and aspects of CSR done by various hotels in hospitality industry. Corporate Social Responsibility involves “achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment” (Clark, 2006; Porter & Kramer, 2006). There is no universally accepted definition of CSR, but most of the definitions have to do with business having a positive impact on the community (Redford, 2005). Society and business are dependent on each other. Business provides jobs, products, and taxes while society provides workers, consumers, and policies. Neither can survive without the other so it makes sense for business and society to work together for the benefit of both rather than to continue at odds. Business decisions and social policies must be aligned for this to happen (Porter & Kramer, 2006). So the present paper will cover and compare the various types and aspects of CSR done by various hotels in hospitality industry.*

### INTRODUCTION

While there may be no single universally accepted definition of CSR, each definition that currently exists underpins the impact that businesses have on society at large and the societal expectations of them. Although the roots of CSR lie in philanthropic activities (such as donations, charity, relief work, etc.) of corporations, globally, the concept of CSR has evolved and now encompasses all related concepts such as triple bottom line, corporate citizenship, philanthropy, strategic philanthropy, shared value, corporate sustainability and business responsibility.

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## **CSR in Hospitality Industry**

The WBCSD defines CSR as “the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large.”

According to the UNIDO, “Corporate social responsibility is a management concept whereby companies integrate social and environmental concerns in their business operations and interactions with their stakeholders. CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives (Triple-Bottom-Line Approach), while at the same time addressing the expectations of shareholders and stakeholders. In this sense it is important to draw a distinction between CSR, which can be a strategic business management concept, and charity, sponsorships or philanthropy. Even though the latter can also make a valuable contribution to poverty reduction, will directly enhance the reputation of a company and strengthen its brand, the concept of CSR clearly goes beyond that.”

From the above definitions, it is clear that:

- The CSR approach is holistic and integrated with the core business strategy for addressing social and environmental impacts of businesses.
- CSR needs to address the well-being of all stakeholders and not just the company’s shareholders.
- Philanthropic activities are only a part of CSR, which otherwise constitutes a much larger set of activities entailing strategic business benefits.

## **CSR IN INDIA**

The Companies Act, 2013 has introduced the idea of CSR to the forefront and through its disclose-or-explain mandate, is promoting greater transparency and disclosure. Schedule VII of the Act, which lists out the CSR activities, suggests communities to be the focal point. On the other hand, by discussing a company’s relationship to its stakeholders and integrating CSR into its core operations, the draft rules suggest that CSR needs to go beyond communities and beyond the concept of philanthropy. It will be interesting to observe the ways in which this will translate into action at the ground level, and how the understanding of CSR is set to undergo a change.

*Hotel Industry:* Hotel industry is one of the fastest growing service industry throughout world which provides accommodation, food, and beverage and clean and hygiene environment to their guest. Hospitality means providing guest home away from home. There is an important relationship which is coming out on those places where tourism activities are increasing. Hotel industry adopts toughest environmental protection laws right from the construction of a hotel to the disposal of waste material in such a manner so that the minimum degradation of environment occurs. Moreover another factor which plays a vital role in the overall process is minimizing the operating cost by using latest technology. It has become a trend in hotel industry to adopt the latest upgraded technology like biometric, sensors, dustbin, dome cameras, security locks, theft alarms, fire detection technology etc. Corporate Social Responsibility in case of hotel industry is widely accepted because hotel has to provide memorable experience to their guests. To maintain this experience hotel have to change their policy to adopt sustainability principles on every aspect whether preparing food by less use of electricity or gas, providing clean and hygienic environment by less affected chemical. For this purposes hotels have to train the employees periodi-

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