

Chapter 3

The Impact of Corporate Digital Responsibility (CDR) on Internal Stakeholders' Satisfaction in Hungarian Upscale Hotels

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ABSTRACT

Digital transformation and artificial intelligence are considered among the most vital trending topics in the process of hospitality sector evolution. Many scholars found that digital transformation and artificial intelligence cause a massive shift in all aspects of the hospitality sector and digital technology application that impact the whole facet of internal and external stakeholders' lives. However, the adoption of digitalization and artificial intelligence is considered a strength. Corporate digital responsibility (CDR) is a strategy that enhances trust between the companies adopting digitalization and their primary stakeholders. Internal and external stakeholders' satisfaction develop contemporary social responsibility (CSR) challenges in the decision-making process in acquiring, analysing, implementing, and assessing for adopting digitalization in the hospitality sector. This chapter aims to give a literature review focusing on CDR and its relation analyses to hotel industry's internal stakeholders' satisfaction through a Hungarian case study.

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INTRODUCTION

Digitalization and artificial intelligence affect nearly all markets and enterprises in all sectors (Chaniias et al., 2019; Mattet et al., 2015). Digitalization and artificial intelligence and their consequences have become an extremely important competitive advantage. Many sectors, including tourism, admit the necessity of using digital technologies and artificial intelligence to make the work more efficient and effective (Buhalis et al., 2019; Camilleri, 2018). As a particular and energetic method of a successful hotel's daily activities, digitalization and artificial intelligence cannot be excluded (Lam, Law, 2019). Digitalization and artificial intelligence have become crucial for hotels in order to meet core market strategies. Such as enhancing service efficiency, cost saving, achieving a strategic advantage, information building, and profit maximalization (Camilleri; Xiang, 2018). However, the adoption of digitalization and artificial intelligence derives many necessary changes in hotels, such as value creation, financial aspects, identity, and corporate social responsibility (Matt et al., 2015). Based on Hinings et al. (2018), digitalization results from adopting various new technologies that create new roles, processes, procedures, and principles that would alter, replace, or supplement current laws. The impact of digitalization can be seen in hotels' operational procedures and their relationships with internal and external stakeholders and specially with their employees (Cobos et al., 2016; Reinartz et al., 2019). Moreover, adopting digitalization and artificial intelligence massively affect hotels' structure and function and also may eliminate some positions and roles (Hinings et al., 2018). The growing dependence on digitalization and artificial intelligence, in particular, has raised significant doubts about the future of many careers in the hospitality sector, especially in the hotel industry. Many scholars such as (Buhalis et al., 2019; Ivanov, 2019, Webster and Ivanon, 2020) anticipated that shifting to digitalization and the usage of artificial intelligence would result in a transition in employment from human to nonhuman workers. However, utilizing digitalization and artificial intelligence is a factor that increases employees' turnover, specifically in the hotel sector (Li et al., 2019). As a consequence, although some jobs may be impacted by digitalization, some will totally vanish (Makridakis, 2017; Navio-Marco et al., 2018), requiring workers to adapt to the evolving conditions, expertise, and career paths (Critten et al., 2017). With these massive changes in the hotels' operations, functions, systems, and activities. However, an effective CSR strategy should be implemented to enhance employees' satisfaction, as they are considered an essential component in the internal stakeholders' category.

Design/Methodology/Approach

We collect CDR-related research published in leading management and hospitality journals and applied content analysis method. These particular journals represent an appropriate overview of CDR research in academic hospitality literature, expressing digitalization and artificial intelligence usage. CDR is a relatively new line in hospitality literature regarding the adoption of digitalization and artificial intelligence. The paper apply a quantitative analyses of a questionnaire, measures the relationship between internal CDR and employee satisfaction, as well as the internal CDR activities of hotels.

Results

The literature review findings indicate that hospitality companies can be more efficient while adopting digitalization and artificial intelligence if they consider the economic, legal, ethical activities that would

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