Corporate Social Responsibility (CSR) in the hotel and lodge sector in KwaZulu-Natal, South Africa

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Abstract

Corporate Social Responsibility (CSR) has gained in prominence in the tourism and hospitality sector. Despite the increasing focus of CSR as promoting and enhancing sustainable and responsible environmental management practices, there is limited research that examines CSR in the hospitality sector and in relation to accommodation establishments in particular. The literature also highlights that where research exists, there tends to be a focus on developed contexts rather than developing countries such as South Africa. Thus, this study contributes to this growing and important area of research by focusing on in hotels and lodges in KwaZulu-Natal to address limited knowledge in this area, especially in the South African developing context, drawing on primary data collected using a case study approach. This article presents the results of an online survey conducted with 60 hotel and lodge managers targeting all 141 hotels and lodges located in KwaZulu-Natal. The structured questionnaire sought information on the profile of the accommodation issues and CSR aspects. The structured questionnaire was complemented with key informant interviews to solicit qualitative information and probe further results emanating from the quantitative data. The results indicate that hotels and lodges in KwaZulu-Natal support CSR activities. Hotels and lodges use local labour, bought goods and services from the local community, donated to local charities and purchased fair trade products. CSR is often done in partnership with other stakeholders. Despite widespread support of CSR, concerns were raised about quality issues.

Key words: Corporate Social Responsibility (CSR), accommodation establishments, hotels, lodges, KwaZulu-Natal

Introduction

Tourism is seen as an "extractive industry as it operates by appropriating environmental resources and transforming them for sale in consumer markets" (Garrod and Fyall, 1998: 199). Yasarata, Altinay, Burns and Okumus. (2010: 346) asserts that there exists a "natural contradiction between the danger of destroying the environment and the commercial imperatives". Although tourism has been identified as a potential economic saviour for many countries, "the economic repercussions for destinations with visibly exhausted or polluted natural environments, can be severe" (Williams and Ponsford, 2008: 2). In this context, unpacking the responsibility of the tourism sector has increased in prominence. Corporate Social Responsibility (CSR) is part of this focus but is an under-researched area. Bohdanowicz (2006) assert that literature on CSR is scarce. CSR is defined as "the management of a company's positive impact on society and the environment through its operations, products or services and through its interaction with key stakeholders such as employees, customers, investors and suppliers" (Holcomb, Upchurch and Okumus, 2007: 462). Furthermore, Kang, Chiang, Huangthanapan and Downing (2015: 125) state that "CSR is a complex term defined as the active and voluntary contribution of enterprise to environmental, social and economic improvement".

Calveras (2015) states that CSR is playing an increasingly prominent role in today's business environment, which includes the tourism sector. Accommodation establishments are now faced with the pressure to give attention to environmental and social considerations at every phase of their business venture, "from the preparation and application of site plans and business programmes and policies to daily routine practices" (Erdogan and Baris, 2007: 604). Recently, the hospitality sector has emerged as pioneers in sustainable tourism and is now focusing on environmentally sustainable good practice aimed at energy reduction, recycling, waste management, water management and social projects. Bostwick (2007:1) argues that "no matter what you call them, eco-hotel, eco-lodge or green hotel, they are all part of the 'greening' of the tourism industry, representing a conscience effort on the part of hotels to promote themselves as environmentally, and quite often socially, conscience entities". In the past few years, an increasing number of accommodation establishments have also initiated many CSR initiatives in an effort to conserve the environment and reduce social problems (Lee and Park, 2009). However, limited research exists. Kang *et al.* (2015), for example, assert that while there has been increasing interest in CSR within the hotel industry; empirical support and research in the area is scanty and tends to focus mostly on financial performance in Western contexts. This article examines CSR in hotels and lodges in KwaZulu-Natal to address limited knowledge in this area, especially in the South African developing context, drawing on primary data collected using a case study approach.

Literature review

CSR is also known as social responsibility, corporate citizenship, corporate sustainability (Grosbois, 2012; Holcomb *et al.*, 2007) and responsible tourism (Frey and George, 2010; van der Merwe and Wocke, 2006). Garay and Font (2012) further define CSR as the "active and (sometimes) voluntary contribution of enterprise to environmental, social and economic improvement". Information on a company's CSR activities is often used in decision making by investors, governments and consumers (Grosbois, 2012; Valiente, Ayerbe and Figueras, 2012). One of the most widely used definition of CSR is that put forward by the World Business Council for Sustainable Development which states that "CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workplace and their families as well as the local community and society at large" (Grosbois, 2012: 897). However, opposing views have been highlighted in terms of the benefits of CSR.

> On one hand, CSR can decrease shareholders' wealth because a commitment to environmental protection can crowd out other more productive investments, detract the firm from the earnings power of the physical assets of firm or putting companies in an economic disadvantage. However, CSR can also increase shareholders wealth because it allows firms to earn profit above the return on its tangible assets. Tackling CO_2 emissions allows firms to lower the cost of complying with future environmental regulations, drive down operating costs, improve their firm image, enhance the loyalty of key stakeholders and enhance the firm's performance.
>
> (Hsu and Wang, 2013: 195)

Studies also show that in some cases there is resistance to embrace CSR. For example, Kang *et al.* (2015) state that while the National Statistics Office that local privately-owned hotels account for 90% of the in hotels in Phuket, despite the devastating impacts of the 2004 Tsunami which brought attention to the importance of CSR in the region; there remains an indifference or unwillingness to incorporate CSR into their business strategies and operation.

According to Garay and Font (2012), competitiveness and competitive advantage is seen as the driving force behind CSR. Rodriguez and Cruz (2007: 826) assert that "improving the organisation's social performance means altering its behaviour to reduce the harm done and to generate beneficial outcomes for society". A study conducted by Holcomb *et al.* (2007) suggests that Marriott Hotels and Accor hotels have the highest reporting of CSR initiatives. Many hotels also report socially responsible activities in the form of charitable donations. Furthermore, a large number of hotels report having a clear policy relating to suppliers and business partners, employee volunteer programmes and many companies made some mention of social responsibilty in their vision and mission statements. Outbound tour operators have also shown a move towards sustainability practices as evidenced by their pilot project in the 1990s, and the International Federation of Tour Operators sought to engage its members in "proactive and social actions" (Weaver, 2006: 77).

CSR is linked to sustainable development. The Triple Bottom Line reporting is considered a comprehensive approach to achieving sustainable tourism. The Triple Bottom Line approach to sustainable tourism implies that sustainability incorporates social, economic and environmental responsibilities. Gimenez, Sierra and Rodon (2012) argue that environmental considerations must be incorporated in all aspects and levels of business planning and management. Environmental sustainability entails the responsible use of resources and a reduced environmental footprint of the company. The focus is generally on waste reduction and management, pollution control, efficient use of energy, a reduction in harmful emissions and the conservation of resources for future generations. Social equity indicates equitable opportunities, an enhancement in quality of life for local communities and respect for socio-cultural norms. Economic efficiency pertains to economic viability of the tourism product and its destination and satisfaction in consumer demand. Through socially and environmentally responsible actions, tourism businesses should produce sustainable economic benefits (Gimenez *et al.,* 2012). Fundamentally, Assaf, Josiassen and Cvelbar (2012: 596) deduce that the Triple Bottom Line approach to sustainable tourism "relates to a firms' need to generate economic welfare (that is, profit), while also caring for the society (that is, people) and the environment (that is, the planet)". The Bruntland Report marked a "watershed in thinking on environment, development and governance" (Sneddon, Howarth and Nogaard, 2006: 253) and indicated that "environmental protection should be accorded primary status in policy development" (Tzchentke, David and Lynch, 2008: 126). The Report also emphasised ethical considerations regarding human-environment relationships and placed the environment as a crucial factor of international governance (Sneddon et al., 2006). A 'triangle' of sustainable development emerged from this Report which highlighted economic responsibility, social inclusion and environmental stewardship as the "bedrock of 21st century politico-environmental thinking" (Yasarata *et al*., 2010: 346).

Lannelongue and Gonzalez-Benito (2012) claim that the CSR implies that a coorporation has a responsibility not only to its shareholders but also to all stakeholders who are affected by the firm. Corporations are accountable to society and Wood (1991) states that responsibilities go beyond the legal and economic to include ethical and discretionary responsibilities. According to Lee and Park (2009: 105), "companies execute CSR activities for various benefits: to improve corporate images, to enhance the morale of their employees, to improve employee retention rates, to build sound relationships with governments and communities, and to respond to the growing expectations of customers and social groups". Rodriguez and Cruz (2007) further maintain that a higher level of CSR improves the profit levels of hotel firms. Kim, Kim and Mattila (2016) state that creating a positive image is a key driver among hospitality firms and CSR assists in this regard.

The hotel industry is steadily showing signs of an uptake in social and environmental strategies and actions through social and environmental training programmes, monitoring of environmental costs and savings, green purchasing policies, recycling programmes and energy and water saving initiatives (Chung and Parker, 2010). Additionally, Bunleung, Butcher and Fredline (2014) state that CSR continues to attract interest from tourism businesses and many hotel companies are engaged in CSR activities. The hotel sector has, to date, engaged in a number of operational practices aimed at protecting the environment (Sucheran and Bob, 2015). Energy, water and waste management issues are the most common attribute of hotel environmental actions and programmes. Graci and Dodds (2008: 252) believe that hotels are not convinced to engage in sound environmental practices purely because it is "the right thing to do". Generally, the reasons why hotel managers engage in sound environmental actions is due to the perceived economic and other benefits derived from environmental management and being responsible. Some of the key reasons for hotels engaging in sound environmental practices are legislative controls, cost savings, gaining a competitive advantage, consumer demand, improving environmental quality, employee awareness, risk management and improving investor relations (Bunleung *et al.*, 2014; Graci and Dodds, 2008; Kang *et al.*, 2015; Rahman, Reynolds and Svaren, 2012). Improving a hotels' environmental and social performance can also help create an environmentally-friendly environment for staff and customers, helps the company gain a competitive advantage and raises the corporate image of the business (Hsieh, 2012; Mensah, 2006; Tortella and Tirado, 2011).

Tsai, Tsang and Cheng (2012: 1151) indicate that "assessing the hotel employees perceptions on the environmental activities of their hotel could provide hotel management with information from an insider point of view because they are the ones that transmit CSR statements to actions". They further stated that employee-related environmental practices can also enhance the employee's responsibility towards the business. Hotels with environmental commitments should "invest in human capital training, education and communication to support corporate environmental management practices" (Tang, Shi and Liu, 2012: 3). The importance of CSR in Africa is reinforced in that it is one of the four areas of operation that the Heritage Environmental Certification Programme evaluates businesses on (Heritage Environmental Management Company, n.d.):

- Management systems and procedures which entail the development of environmental policies and procedures.
- Resource management which focuses on the measurement of resource use.
- Management activities such as procurement, transport, design and construction, biodiversity management, training and emergency response procedures.
- CSR in terms of how the business impacts on the community.

Accommodation establishments and tour operators are also evaluated using this criteria. The Green Leaf Environmental Standard (GLES, n.d.) is another example of the promotion of CSR in promoting sustainable best practices in the tourism sector which is briefly summarised below. The GLES was initiated in 2007 by United Kingdom tour operators and the Wilderness Foundation and was piloted to South African accommodation establishments in 2008. It is an international standard which focuses on the consumption of natural resources and aims to educate and create awareness of environmental management issues. Developed and owned by the Wilderness Foundation, the GLES also focuses on CSR and sustainable best practices. The programme operates internationally through the Wilderness Network in the United States, United Kingdom and Germany. Their national office is situated in Port Elizabeth, South Africa. The intention of the GLES was to address the current environmental issues facing Africa and South Africa and

providing solutions to environmental problems. The programme measures and certifies responsible economic, environmental and social best practice in various industry sectors. Within the tourism sector, GLES offers accreditation in the accommodation, tour operator, hospitality related services and events and conferencing. A team of Green Leaf verifiers independently audit the on-site environmental and social operational and design indicators of these establishments. The National Accommodation Association in South Africa (NAA-SA) has partnered with Green Leaf to enable its members to have access to Green Leaf and make use of its toolkits and best practice methods (GLES, n.d.). GLES (n.d., 5) highlights three spheres of influence (core, responsible and restorative) which informs the standards developed. The core sphere of influence assesses issues such as policy, water, energy, waste, purchasing and communication within the built and operational environmental (GLES, n.d.). Elements of transportation, distribution, enterprise development, CSR and carbon reduction are measured in the responsible sphere of influence; and procurement neutrality, carbon neutrality and water neutrality are examined at the restorative sphere of influence. These are assessed within the built environment, operational environment, and the wider local and national community. In particular, GLES standards are based on water management, energy management, waste management, baseline management, green procurement, policy and effectiveness, distribution and transport, CSR, enterprise development and carbon emissions reduction (GLES, n.d.).

The Imvelo Responsible Tourism Awards is a South African example of best practice. The Federated Hospitality Association for South Africa initiated the Imvelo Responsible Tourism Awards Scheme which focuses on the awareness of environmental management across various sectors of the tourism industry. The award programme was introduced in 2002 to coincide with the World Summit on Sustainable Development held in South Africa in 2002. Imvelo means 'nature' in the Nguni language. The Imvelo Awards are aligned to the National Minimum Standard for Responsible Tourism, the Responsible Tourism Guidelines for South Africa and United Nations World Tourism Organisation's Global Code of Ethics. Award categories are based on excellence in social involvement, environmental management, business empowerment, human resource development, single resource management and economic impact on the business.

It is important to note that positive attitudes towards CSR does not necessarily translate to changes in behaviour and investments. Dodds and Joppe (2005) found that only up to 5% of the travel market would pay higher prices for sustainable products. In Portugal, Do Valle, Pintassilgo, Matias and Andre (2012) found that only 15% of tourists were willing to pay tourist accommodation tax. Twenty eight percent of Canadian travelers (Graci and Dodds, 2008) claimed that they would pay a premium price for ethical and sustainable hotels. In Delhi, only 15% of hotels guests were willing to pay more for an environmentally-friendly hotel and few were willing to absorb environmental and CSR costs (Manaktola and Jauhari, 2007). Tzschentke, Kirk and Lynch (2008) also found that passing the cost onto consumers was viewed as a constraint. It is also important to note, as indicated by Story and Neves (2016: 111), that there has been increasing scepticism and suspicion around CSR practices: "greenwashing, ethical scandals, and inconsistent practices (such as laying off employees but increasing CEO pay) are common examples of activities that alienate key stakeholders and often leave them cynical regarding an organisation's motivations".

The literature indicates that the concept of CSR is gaining ground in relation to tourism generally and the accommodation sector more generally. Additionally, sustainability and sustainable tourism has influenced how CSR is conceptualised and monitored which has also been receiving increasing attention in the last few decades. A number of environmental and CSR initiatives have emerged with accommodation-specific indicators and certification criteria. A number of

accommodation establishment have increased their CSR efforts which focus largely on environmental (energy, water and waste management) and social (education and training, livelihood and poverty reduction support and empowerment programmes) aspects. CSR, as well as the implementation of other management practice such as environmental auditing and certification schemes, indicate a voluntary attempt to embrace social and environmental responsibility. The literature indicates that accommodation establishments face a number of different incentives and obstacles in the implementation of CSR and environmental management.

Methods

The case study is accommodation establishments (specifically hotels and lodges) in KwaZulu-Natal. South African Tourism (2011) states that KwaZulu-Natal is also known as the Kingdom of the Zulus and is famous for its good weather, two United Nations Environmental Scientific and Cultural Organisation world heritage sites, majestic mountains, blue flag beaches, a mix of cultures and incredible scenery and wildlife. Statistics South Africa (2011) indicates in KwaZulu-Natal has a population of 10.8 million people of a diverse cultural mix. KwaZulu-Natal is the second largest contributor to South Africa's GDP and KwaZulu-Natal is a popular tourist destination for both domestic and international visitors due to its pleasant climate, spectacular mountain ranges, beaches, games reserves, battlefields and diverse cultures (Tourism KwaZulu-Natal, n.d.). The province comprises eight tourism regions: South Coast, Greater Durban, North Coast, Zululand, Elephant Coast, Pietermaritzburg, uKhahlamba Drakensberg and Battlefields; all of which have tourism facilities including accommodation establishments. Tourism KwaZulu-Natal (2011) indicates that KwaZulu-Natal has 8.3 million domestic and 956 550 foreign visitors to the province annually with the average domestic spend being R710 while the average foreign spend is R7 215 and total market values being R5.6 billion for domestic visitors and R8.75 billion for foreign visitors. Additionally, Tourism KwaZulu-Natal (2011) notes that the average length of stay was 4.6 nights for domestic visitors and 6.8 nights for foreign visitors with the main domestic source markets being KwaZulu-Natal and Gauteng and the main foreign source markets being the United Kingdom, United States, France, Germany and Australia. According to South African Tourism (2011), KwaZulu-Natal received 16.8% of all foreign tourist arrivals in 2011 which quantified to 1 551 525 bed nights.

The research specifically examines CSR in hotels and lodges in KwaZulu-Natal. The Tourism Grading Council of South Africa [TGCSA] (2011) defines hotels and lodges as formal accommodation establishments offering full or limited services, with lodges usually being located in natural areas. TGSCA (2011) further indicates that 387 lodges and 532 hotels in South Africa had been star graded with KwaZulu-Natal having 65 star graded lodges and 77 hotels. A structured questionnaire was conducted targeting all hotels and lodges in KwaZulu-Natal. In particular, self-administered questionnaires were targeted at hotel managers from a comprehensive list of star graded hotels and lodges in KwaZulu-Natal which was obtained from the TGCSA. The general managers of the selected hotels were contacted telephonically and informed about the purpose of the study and asked to participate in the study. An online survey link was thereafter sent to all managers who were willing to participate in the study. The questionnaire was compiled using the Google Documents internet survey software package and included questions on the profile of the accommodation establishments, environmental management practices and CSR. In total, 60 managers responded to the survey, giving a response rate of 42.6% (given that they were 141 hotels and lodges in KwaZulu-Natal). The quantitative data was analysed using the Statistical Package for Social Scientists (SPSS). Quantitative data was complemented with qualitative data in the form of key informant interviews

with purposively selected hotel and lodge managers, relevant industry associations, governments departments and non-governmental organisations.

Results

Mensah (2006) argues that it is imperative to identify and evaluate the characteristics of hotels as this affects environmental and social actions. The 60 hotels and lodges included in this study varied in size with a large proportion of hotels and lodges (68.3%) being between 1 to 50 rooms with the rest having 51 to 100 rooms (18.3%) and 101 to 200 rooms (11.7%). Only one accommodation establishment had more than 200 rooms. Accommodation in South Africa and KwaZulu-Natal is star graded from 1 to 5 stars by the TGCSA which is an independent quality assessment that confirms what facilities one can expect at an accommodation establishment where 1 star hotels indicate very basic facilities and 5 star hotels indicate the highest quality. In relation to star grading, 45% of the hotels and lodges were 3 star hotels and lodges and 33.3% were 4 star hotels and lodges. The rest consisted of 1 star hotels and lodges (8.3%), 2 star hotels and lodges (6.7%) and 5 star hotels and lodges (6.7%). Seventy percent (70%) of hotels and lodges in the study did not belong to a hotel chain while the rest did. Those who belonged to hotel chains belonged to Tsogo Sun and City Lodge groups, Protea Hotels, the Gooderson Leisure group, Signature Life hotels and Sun International.

Managers were asked about the benefits of environmental management for hotels and lodges since, as indicated in the literature review, CSR is closely linked and perceived as a responsible environmental management practice. In terms of the benefits of environmental management, Figure 1 indicates that improving the image of the hotels and lodges was the most cited benefit (91.6%) of environmental management for hotel managers. This was followed by improving public relations (86.7%), reducing operational costs (73.4%), helping a hotel gain competitive advantage (70%), increasing profitability (61.7%), improves relationships with the local community (58.3%) and improving customer loyalty (53.3%). Half of the hotels and lodges in the study viewed improving service quality as a benefit of environmental management. Additionally, 45% indicated that it enhances employee motivation satisfaction. The key informants also highlighted similar benefits to those identified in Figure 1.
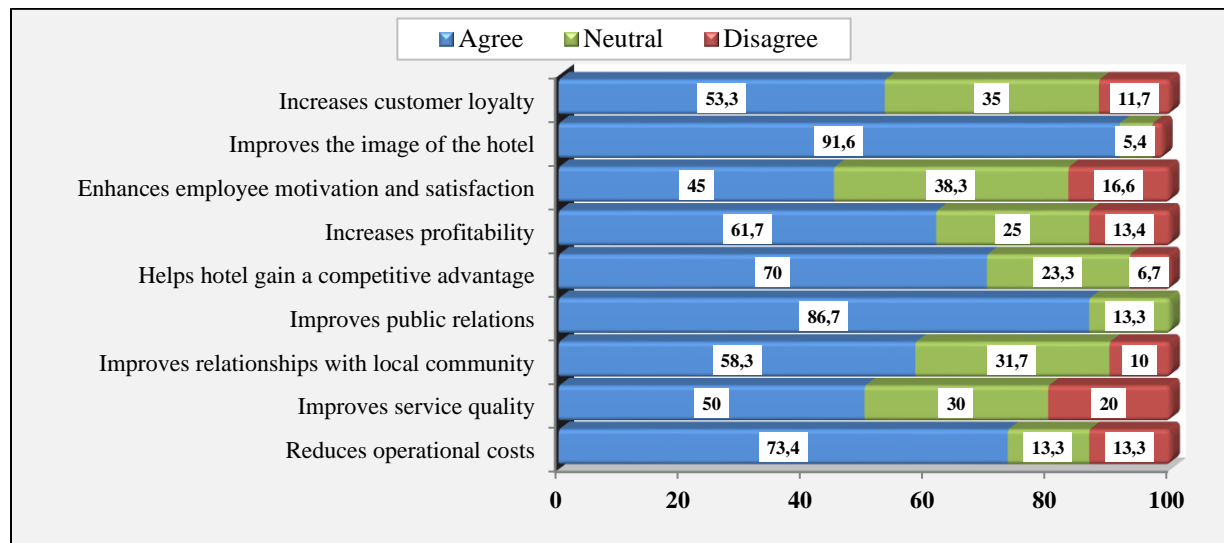

Figure 1: Perceived benefits of environmental management (*n*=60)

Similar studies showed contrary findings. Penny (2007), for example, found that hotel managers disagreed that environmental performance increased customer loyalty. According to Kasim (2009), more than half of hotel managers of Kuala Lumpur hotels indicated that energy and water savings would not be appreciated by customers. Tzschentke *et al.* (2008) claim that this may be attributed to the drop in standards that guests may usually associate with an environmentally-friendly establishment and the hotel's fear of falling short of guest's expectations.

Han and Kim (2010: 667) note that although green elements of a hotel may sometimes be offset for an inferior quality product or service, "green attributes in a hotel should not be seen as an alternative to quality of service". Empirical information demonstrates that environmentally-conscious customers are occasionally willing to do without a little convenience but are unwilling to continually sacrifice quality, luxury and conveniences (Manaktola and Jauhari, 2007; Rahman *et al.,* 2012). Therefore, environmentally-friendly hotels and lodges have to maintain high levels of service quality in order to retain its customers (Han and Kim, 2010). The findings differ from those of this study that showed that the majority of the respondents (92%) indicated that environmental management was an important issue for their establishments. This was reiterated by key informants who stated that there are political, social and economic pressures for the accommodation sector to be environmentally and socially responsible.

Customer loyalty is also linked to levels of environmental awareness and Graci and Dodds (2008) believe that consumer demand and loyalty only increases as their level of environmental awareness increases. A good company images creates a competitive advantage and environmental actions also lead to increased competitiveness in hotels (Rivera, 2002). Improving the image of hotels and lodges was cited by 92% of managers in the study as the key benefit of environmental management. Also, 70% of hotels and lodges believed that sustainable environmental management practices gave their hotel a competitive advantage. According to a study undertaken by Penny (2007) on environmental management in the Macao hotel sector, managers strongly believed that environmental management would bring about economic benefits and contribute to the hotel's brand image and competitiveness. Environmental performance of hotels is beneficial to the image of the company and its competitive advantage especially when faced with pressure from stakeholders (Wolfe and Shanklin, 2001). For example, in 1997 the Canadian government announced that it would only use the services of domestic hotels that had in place sound environmental management programmes, thereby compelling the industry to become environmentally conscious (Graci and Dodds, 2008). However, Jarvis, Weeden and Simcock (2010: 85) note that due to claims of green-washing and consumer skepticism, "most ecolabels in tourism and hospitality are run as public relations exercises for funding bodies to show that they are doing their bit". Often a mistake is made by describing a 'green' hotel as an environmentally-friendly establishment. Being green or sustainable denotes economic viability, social inclusion and conservation of the natural environment.

Only slightly more than half of the respondents indicated that environmental management improves relationships with local communities. This was substantially different from the key informants, all of whom identified improving relationships with local communities as a critically important business and socially responsive imperative for the accommodation industry. They also indicated that CSR needs to go beyond limited job creation and projects which tend to be a one-way relationship between accommodation establishments and local communities. What needs to be developed, key informants argued, is for meaningful partnerships to be developed. This entails engaging with local communities. This is an aspect that relates directly to CSR which is examined next.

CSR as indicated in the literature review is the voluntary contribution of businesses to social, economic and environmental improvement. Globally, companies are urged to look beyond maximising profits and to include environmental and social objectives in their management style (Frey and George, 2010; Grosbois, 2012). Figure 2 illustrates that hotels and lodges in KwaZulu-Natal have made significant progress in terms of their CSR actions. Specifically, all respondents stated that their establishments used local labour, 96.7% bought or procured local goods and services, 86.7% donated to local charities and 78.3% purchased fair trade products. The high levels of CSR activities among hotels and lodges in the study can be attributed to global pressure on companies to become socially responsible, consumer demand for responsible products and the increase in CSR awareness and application. The United Nations (UN) has set out the UN Guiding Principles on Business and Human Rights and appeals to the tourism industry to engage in business responsibility that respects human rights (Tourism Concern, 2012). 'Going green' was emphasised by the key informants as well which many indicated included supporting environmental projects as part of CSR programmes. This, one key informant stated, has benefits for people and the natural environment.
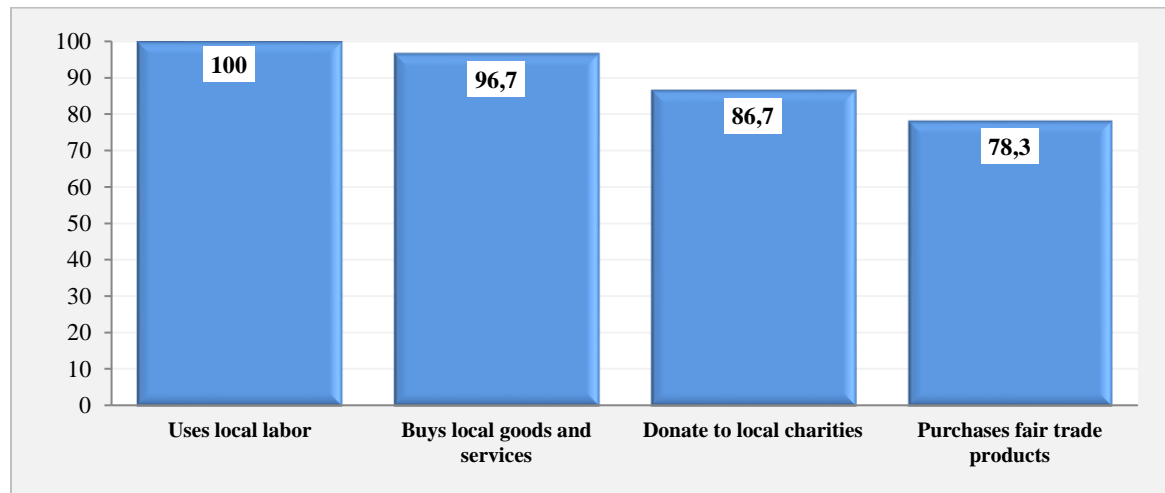

Figure 2: Social responsibility practices of hotels and lodges: Multiple response (*n*=60)

As indicated earlier, all hotel managers in the study claimed to use local labour. However, this research did not probe the extent and nature of local labour used which should be investigated further. Tourism's biggest cash injection into the local economy is from wages to local staff and therefore the importance of local employment should not be ignored. According to Rogerson and Visser (2004), the tourism sector has the greatest potential to reduce unemployment and hotels in South Africa have made significant progress in terms of local employment. The Western Cape's Mount Nelson Hotel, for example, offers a four year training programme to three chefs and four hotel management candidates from disadvantaged communities. The Sandal Montego Bay in Jamaica offers training to young local community members in all aspects of resort operations. On completion of the training programme, apprentices are either employed at Sandals or are given certificates and recommendations to work at other hotels (Ashley, Goodwin, Mcnab, Scott and Chaves, 2006). A few of the key informants indicated that several of the accommodation establishments that they work and interact with support a range of training programmes which include skills directly linked to the accommodation sector, adult-based education programme and business development capacity-building. Whilst the study reveals that all hotels and lodges in the study use local labour, Irandu (2006) cautions that jobs offered to locals are often low-skilled and low-paying. For example, it was found that in Kenyan hotels 36% of locals were hired as

maintenance officers, 36% as cooks and 12% as cleaners. In Spain, 59% of hotels employ locals from the surrounding community (Garay and Font, 2012).

Figure 1 reveals that 96.7% of hotels and lodges in the study claim to buy local goods and services. The hotel sector has significant linkages with a number of sectors in the local economy. Money spent by tourists on the local economy directly increases the household incomes in communities. A study of hotels on Kenya's coast revealed that tourist class hotels bought their food products and roofing material from the local community (Irandu, 2006). Leslie (2007) found that majority of accommodation establishments in Cumbria, England purchased their goods from the local community and Garay and Font (2012) found that 80% of hotels consumed local products in Catalonia, Spain. In the Dominican Republic, Outback Safaris offers local rural excursions and the rural people earn approximately US$1 300 per month from the sale of local products to tourists (Ashley et al., 2006). They found that in Barbados, beauty products made with locally grown herbs is supplied to the Sandy Lane Hotel and Spa. Furthermore, the Sandals Resort Farmers Programme in Jamaica initiated by the Sandals Group started in 1996 with only ten farmers supplying two hotels with fresh produce. The programme grew substantially and by 2004 more than 80 farmers were supplying hotels across Jamaica. Local farmer's sales increased more than 55 times in three years. However, one of the major challenges with the purchase of local goods and services is that often the quality, quantity and reliability of supply is inadequate. At the same time local producers cannot access finance to improve their production process. Furthermore, tourism businesses in Cape Town maintain that local suppliers are associated with insufficient quality standards and quality capacity and will only use local suppliers once these issues have been addressed (Frey and George, 2010). This concern was also supported by the key informants who stated that while there is a desire to use local products among the accommodation establishments, non-competitive pricing and the quality of services and products were deterring factors.

According to Figure 1, 86.7% of hotels and lodges in the study donate to local charities. A number of hotel chains in South Africa have contributed to local community projects and charities. The Three Cities group of hotels and lodges in South Africa has embarked on an educational project, *'Make a Difference'*, that assists disadvantaged learners from the Ifafa Junior Primary school on the KwaZulu-Natal south coast. Three Cities has purchased amenities for Grade R learners and have repaired the school's jungle gym (Three Cities, 2011). City Lodge hotels in association with Food and Trees for Africa have introduced the *"I'm Kind"* programme. The programme has set up a fully-fledged garden and a number of new trees at the Mother Touch Academy at Diepsloot. Guests making online bookings on the City Lodge website can select Food and Trees for Africa of Hospice and City Lodge makes a donation on their behalf (Reynard, 2012). Protea Hotels is proudly associated with the 'Reach for a Dream' project that helps children who have been diagnosed with life-threatening diseases. Protea hotels have helped raise awareness and funds for this cause. Additionally, the hotel group is associated with the "*Afrika Tikkun – Developing Communities in South Africa*" programme. Protea hotels has donated R155 000 to this organisation to be used for child and youth development and equipment and resources for a new classroom and principals office. In 2003, Protea Hotels also initiated a bursary fund to support previously disadvantaged students attending any national hotel school. To date, the fund has contributed R1 887 000 in the development of 142 students (Protea Hotels, n.d.). Tsogo Sun's flagship entrepreneurial development programme *"Book-A-Guesthouse"* offers training and development support to women in the tourism industry to successfully operate their own guesthouses and bed and breakfast establishments. Over the past seven years the programme has supported more than 62 such establishments. Tsogo Sun also provided R7 million in seed capital to a 100% black owned bookstore called SKOOBS which contains a coffee shop and over

6 000 book titles (Tsogo Sun, n.d.). Similar projects were identified in this study in relation to donating to local charities with the most prominent being support of education (including funding libraries, crèches and schools as well as providing bursaries and scholarships for post-matriculants), health facilities (especially primary health care clinics), feeding schemes and indigenous gardens (including food production projects). Supporting sport and environmental clean-up events and activities were also identified in this study as key projects. One key informant stated that hotels and lodges choose CSR projects that they are passionate about and align closely with their business strategy. This resonates with Calveras' (2015) assertion that hotels adopt CSR practices as part of its product differentiation strategy and those that increase their productivity and profile. Kim *et al.* (2016: 10) states that CSR choices made by the hospitality sector needs "to be congruent with the image of the company and its client base". Thus, hotels are motivated to participate in CSR activities to conform "to a larger extent to the view of strategic CSR, rather than that of altruistic CSR" (Calveras, 2015: 399). This indicates that hotels engage in CSR because it makes good business sense. It is not only the accommodation sector that supports CSR efforts. Spenceley (2007), for example, examined the extent to which tour operators in South Africa were engaging in responsible environmental practices and found that 66% of tour operators in South Africa stated that they had positive impacts on local communities through employment creation, purchasing local products and using local services. However, high crime rates, low skills, poor service quality and language barriers may act as challenges to CSR in South Africa (Frey and George, 2010).

Marcus and Goodman (1986) strongly opposed the integration of CSR into core business as they believed that CSR entailed businesses sacrificing their business and profits for citizenship and wasting the time of managers and company funds. However, a number of studies showed a positive relationship between CSR and business profitability (Lee and Park, 2009). Whilst Frey and George (2010) claim that only 2% of tourism establishments worldwide are participating in responsible tourism, Bohdanowicz, Zientara and Novotna (2011) claim that hotels have made substantial progress with CSR and were the pioneers amongst all businesses to apply comprehensive CSR activities as part of their business management. According to Grosbois (2012), 109 of the largest 150 hotel companies in the world reported some degree of CSR. This is similar to this study that shows high levels of CSR involvement. The majority of respondents (75%) in this study indicated that reducing social inequality is an important consideration for their establishments. Furthermore, almost equal proportions (73%) stated that CSR contributes to building positive relationships with local communities which is key to sustainable business operations and tourism more generally. Thus, there is an intention among most accommodation establishments to improve the quality of life of local communities and CSR is an avenue to achieve this. Similar findings were noted by Grosbois (2012) who found that popular CSR goals amongst hotels were improving the quality of life in local communities and involving employees in CSR activities. Similarly, according to Kasim (2004), Hilton Corporation, Accor Group and the Marriott Group provided comprehensive information on their CSR activities on their websites. Approximately 80% of these chains engaged in social responsibility linked to charitable donations with lesser attention given to green issues.

It is also important to note that CSR is often conducted in collaboration with other public sector and industry partners. Specifically, the main partners identified by both the key informants and the hotel managers who were interviewed were government departments, other accommodation establishments and other businesses, especially in the same local area. Furthermore, the majority of respondents supported programmes with in-kind contributions (85%) with slightly fewer respondents (76.7%) indicating cash donations. Most provided in-kind contributions and cash donations. It was noted by the key informants that while there was increasing pressure to promote

and implement sustainable and responsible environmental management practices (including CSR), the resources required (especially financial) were constraining efforts. The costs of hotels investing in CSR activities targeting local communities were also highlighted by Bunlueng *et al.* (2014) as a factor influencing ability and willingness to participate in CSR activities.

Conclusion

Hotels and lodges that engage in CSR activities aspire to enhance their positive image in the marketplace. CSR helps develop and strengthen a hotel's reputation and a bad reputation can lead to low occupancy rates and low repeat patronage (Tsai *et al.,* 2012). Hotels and lodges in the study showed a positive contribution to CSR actions. All hotels and lodges claimed to use local labour, bought goods and services from the local community, donated to local charities and purchased fair trade products. The hotel sector has important linkages with local businesses and the support of local businesses increases these linkages in the local economy. In spite of their strong support of local businesses, accommodation establishments were however concerned about quality standards of local products. In addition to contributing to local employment, a number of hotels and lodges in the study offered training programmes to candidates from disadvantaged communities. Donations to local charities included cash donations as well as the contribution to community development projects. A number of these projects were aimed at reducing social and economic inequality in communities.

Accreditations schemes have been considered as promising self-regulatory environmental measures and should be widely encouraged. An important contribution has been in the area of CSR. Hotels and lodges need to realise that CSR activities can present a powerful public relations strategy for hotels and lodges which in turn can lead to competitive advantage and financial rewards. It is imperative that the hospitality sector creates stronger linkages with other sectors to ensure utilisation of local products and services. Furthermore, quality standards for local products and services must be regulated to ensure guest satisfaction. Industry needs to also engage supply chains as suppliers are faced with sustainability challenges and collaboration between suppliers and hotels must be encouraged.

The hotel and lodge sector has clearly become part of the green and social revolution as many hotels have increased their environmental and social commitment largely in the form of energy management, water management, waste management and CSR programmes. Future research in relation to CSR in particular should focus on an examination of specific CSR programmes and the impacts thereof. This should include beneficiary surveys to enable feedback to be provided so that the accommodation sector, that clearly desires to participate in CSR programmes, can better identify projects and assess CSR efforts.

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