Journal of Tourism Research & Hospitality

Research Article

Exploring the Drivers of Corporate Social Responsibility at Chinese Hotels

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Abstract

Corporations increasingly are expected to not only generate profits but to behave in ways that are socially responsible. Corporate Social Responsibility (CSR) is a global phenomenon impacting companies in both developed and developing countries. The current qualitative study used interviews from 17 hotel managers in China to explore the key drivers for hotel management there to undertake socially responsible activities. The research revealed that managers were motivated to implement CSR due to belief in its long-term value for the company and due to traditional cultural beliefs. The managers expected CSR activities to generate significant benefits including stronger corporate culture and greater engagement as well as enhancement of the reputation of the hotel over time. Immediate benefits, such as reduced labor costs and reduced operating costs, also were seen as important benefits of CSR, particularly among smaller hotel companies. One may note that hotel managers reported much of the CSR related activities were undertaken by primary stakeholders, particularly employees or local community members.

Keywords: Corporate social responsibility; Hotel management; China; Environmental management; Philanthropy

Introduction

Corporate Social Responsibility (CSR) is an important phenomenon in business today and has been embraced globally by large and small organizations. The lodging industry in particular has adopted CSR principles. Studies show that CSR is practiced by a broad scope of properties from the largest of hotel corporations to independent boutique hotels. Corporate Social Responsibility is defined as "a business's intention, beyond legal and economic obligations, to do the right things and act in ways that are good for society" [1]. Holme and Watts [2] noted the core elements of CSR, according to the World Business Council for Sustainable Development (WBCSD), include human rights, employee rights, environmental protection, community involvement, and supplier relations.

While CSR is a set of business principles that has been adopted globally, implementation of CSR differs by country, industry, and even by company. CSR in the hotel industry has been examined in a variety of cultural contexts, including the United States [3], Europe [4], Africa [5], the Middle East [6] and Asia [7]. To date, despite the increasing importance of the Chinese market, there has been limited examination of CSR in the Chinese hotel industry. Research objectives of the current study were to explore the drivers of CSR in the lodging industry in China. In particular, the study examined managers' views of the role of companies in society, the influence of culture (especially traditional Chinese culture) on CSR, and the activities that managers perceive to be CSR-related. The study also examined the managers' expected benefits from the CSR activities and the barriers and challenges they perceive in implementing CSR activities.

Literature Review

Changing expectations and the role of companies

Society's expectation of the role of companies has changed significantly since Milton Friedman declared "the social responsibility of business is to increase its profits" [8]. Many enterprises have learned that consumers expect companies to act not merely according to the law but in a socially responsible manner. It has been proposed that corporate response to social issues ranges from "social obligation", based on the classical economic views expressed by Friedman, to "social responsiveness" in which companies respond to issues as they see appropriate, to more proactive "social responsibility" [1]. There is a growing movement of social entrepreneurship in which a corporation is established to achieve specific social objectives. While such a continuum of engagement in social issues provides a simple lens through which to examine CSR, in reality there are several complicating factors in assessing the role of corporations. As a result, CSR is multi-dimensional. In today's world, there is a great variety of social issues a company may choose to address and given the voluntary, discretionary nature of CSR, companies may address specific issues to greater or lesser degrees. A company may be socially responsible, even an advocate of social action, on one social issue, while responsive or merely legally compliant in another. Additionally, even socially responsible companies concerned with the same social issue, may choose different activities with which to address the issue depending on their resources, business culture, and other factors. As a result, CSR is context -specific [9] and is practiced in a wide variety of ways [10].

One theory that provides insight into managers' approach to CSR is stakeholder theory. Stakeholder theory has been central to discussion about CSR since the theory was first presented [11,12]. Stakeholder theory, first modeled by Freeman [13], suggests that businesses have a complex relationship with their environment and that the success of companies could be affected by various stakeholders, internal and external, and not just their owners or shareholders. Freeman defined a stakeholder as "any group or individual who can affect or is affected by the achievement of an organization's objectives" [13]. Stakeholders essentially are divided into two groups, primary or market stakeholders and secondary or nonmarket stakeholders. Primary stakeholders engage in economic transactions with business and include customers, shareholders, employees, creditors, and suppliers. Secondary or non-market stakeholders are not engaged in the economic transaction but are affected or could affect business

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actions. Non-market stakeholders include the media, government, community, business support, general public, and activity groups. CSR activities can address the needs of internal and/or external stakeholders, depending on the priorities of the company.

Benefits of corporate social responsibility

While consumer and stakeholder influence is cited as a driver of CSR, other factors contribute to the increasing importance of the topic for managers. Generally, potential benefits that CSR can bring to business include providing favor to society and lowering the operation risk, improving the reputation of the corporation, stimulating innovation and creativity which could generate more profits, attracting external sources of sponsorship, generating more sales in the market, attracting positively motivated employees and retaining employees [14], and lowering expenditures but increasing production [15]. Porter and Kramer [16] suggested four prevailing justifications of CSR: moral obligation, sustainability as a form of enlightened self interest, license to operate, and reputation. CSR is increasingly a factor for creating competitive advantage for businesses. Also Carroll and Shabana [17] argued that CSR provides competitive advantage for businesses. They also proposed that the business case for CSR includes reducing costs and risks, strengthening legitimacy, and creating "win-win" situations through synergistic value creation. Building on these concepts, See [18] noted that CSR in China is supported by three drivers: personal, strategic and reactive.

Extant research about CSR in the hotel and lodging sector identifies several rationales for CSR that reflect the findings of more general studies concerning CSR. Two examples from different parts of the world illustrate this point. In Edinburgh, hotel managers perceived that environment management has six effects: increasing profitability, increasing customer satisfaction, improving employee satisfaction, improving relationship with the local community, helping with public relations, and marketing advantage [19]. Graci and Dodds [20] identified seven reasons to commit to environment issues in Canada's hotel industry: cost saving, company image, employee loyalty, customer retention, regulatory compliance, risk management, and social responsibility. According to them, profitability is the most important factor in considering CSR activities [20]. Indeed, cost savings created by CSR activities, whether lower human resource costs based on reduced staff turnover or lower energy costs as a result of energy conservation programs, is an important rationale for CSR in hospitality organizations.

Nevertheless, reasons not directly related to economics also are cited in extant research. Kasim [21], echoing a "moral obligation" argument, proposed that hotel activities can generate negative influences to both the physical and the social environment because tourism offerings rely on the environment. Demand of water, energy supply, solid waste removal, and water pollution during hotel development could result in damage to the local environment. Interaction between tourists and locals could lead to change in the traditional economy. Loss of authentic of arts and traditional values could be a disaster for the local community [7,21]. Therefore, it is proposed that hotels take responsibility for negative impacts and hoteliers should do the "right thing" and commit to socially responsible behaviors.

Culture and corporate social responsibility

There is a significant body of research examining the impact of culture on business practices. In the century since sociologist Max Weber's ground breaking work "The Protestant Work the Spirit of Capitalism" researchers have sought to understand the influence of culture on business. Culture can be described as the collection of behaviors, customs, attitudes, beliefs, and values that distinguish a society [22]. It is a complex construct and can be conceptualized in terms of both visible cultural attributes, such as dance, language, and the arts, and the deeper, less visible values of the culture [23]. Gudykunst et al. [24] noted that traditional culture values have direct influence on behavior, thinking, and motivations. For example, in examining the determinants of the managers' attitudes toward CSR, Gill & Leinbach [25] determined that family training and upbringing as well as traditional values are primary factors affecting the perception of managers in Hong Kong. Numerous scholars have studied CSR in different cultural settings [26-28]. Research indicates substantial differences with CSR practices between countries and that different cultures influence CSR activities [29-32]. Indeed, Welford [32] demonstrated that cultures and traditions of a country can influence CSR development. The examination of cultural impacts on CSR activities in hotels in China is in its early days although Huimin and Ryan [33] have examined the impact of Western and Chinese ethics constructs on CSR practices. Based on extant research, traditional Chinese culture likely will impact the attitudes to CSR in the hotel industry in China.

According to Fan [22], modern Chinese culture includes three parts: traditional culture, communist ideology, and Western value. The current study focused on the influence of traditional values on CSR. Traditional Chinese culture encompasses diverse and competing schools of thoughts, including Confucianism, Taoism, and Buddhism. The thoughts and values from these three schools are shaped by a culture with four thousand years of history and the same language. Confucianism emphasizes love and relationship between people; Taoism emphasizes love and relationship between human and nature; and Buddhism emphasizes universal love and doing goodness. The main three Chinese schools of thoughts include some similar concepts: to assume social responsibility, to worry and delight for the sake of other people, and to embrace love and harmony [34]. These characteristics are embodied in the archetype of 'Confucian traders', who pursue profits with integrity, help scholars, the poor, the aged, orphans, and the community and are humble, helpful, and low profiled [35,36]. Confucian Traders, the most famous of which were Fan Ni (Tao Zhugong), LvBuwei, and Zi Gong, have had a significant influence on Chinese business life and traditional Chinese values they represent have uniquely influenced the spirit of the nation [22]. Given these cultural foundations, one may reasonably expect traditional Chinese values to support CSR initiatives in China; the current research examined that relationship in detail.

Barriers to the implementation of corporate social responsibility at Chinese hotels

Despite the influences of stakeholders and traditional cultural values, a number of important factors remain that limit the adoption of CSR activities. These factors include concern for the costs of CSR and reservations about the return on investment from CSR activities. Norman and Alfonso [37] argued that hotel owners must focus on making a profit and suggested that every decision related to socially responsible behavior should be considered in the context of whether it generates benefits to the hotel or greater cost-effectiveness. One also notes the tension between short-term and strategic returns from

CSR activities. Connolly [38] noted that the hospitality and tourism industry tends to focus on short-term profits and the relatively high initial costs of CSR programs, such as green certification, can reflect a lack of incentive for hotel companies, even when long-term cost savings are expected. Another factor deterring adoption of CSR is the limited evidence of direct benefits accruing from such projects. A large number of small- and medium-sized hotels have not seen the benefits of doing corporate socially responsible activities due to the short-term costs [39]. Kasim [21] noted that customer demand for environmentally and socially responsible hotel is not strong; most tourists continue to prefer non-environmentally friendly hotels room amenities, such as fresh towels daily. Consumer skepticism of CSR activities and distrust of corporate public relations also are limiting factors. Bhattacharya and Sen [40] indicated in their study that any business behavior attempting to "sell" CSR would backfire on the business. Companies engaging in CSR activities are, therefore, challenged to provide meaningful ways to generate direct and indirect benefits from their CSR activities.

Methodology

The current exploratory study was designed to identify the drivers of CSR in hotels and applied qualitative methods in an attempt to find answers to the research questions based on data generated by a set of interview questions to hotel managers. Research addressing CSR has used a variety of methodologies including qualitative methods such as content analysis of websites and/or promotional materials [41-43] and interviews [44], to quantitative analysis using survey data. Recent quantitative research has examined various internal stakeholder groups including senior managers executives [33,45], marketing managers [6] and employees [46], to name a few. In the current study, the researchers determined that a qualitative approach would be useful to develop an in-depth understanding of phenomenon related to culture and meaning [47]. This approach is useful to explain and understand the reasons behind behaviors, decisions, and other phenomena [48]. Indeed, some scholars argue that qualitative research is useful to capture non-linear patterns of realities [49].

The interview questions were organized according to the goals of the study and questions were developed based on extant research. The interviews included questions relating to managers understanding of activities associated with corporate social responsibility, the benefits their hotel receives from these activities, and the managers concerns in implementing these programs and potential barriers to successful implementation. In addition, managers were asked about their beliefs concerning the importance of traditional Chinese culture on CSR in China. The interview questions were both semi-structured and open-ended based on the theory and concepts introduced in the literature review. The research questions were intended to investigate yet minimize any direction for the interviewees' answers. Respondents were encouraged to answer based on their own understanding of terms such as "corporate social responsibility"; the researchers did not provide definitions for these terms. These unprompted answers were important because they showed spontaneous answers to the questions and managers were encouraged to express their thoughts freely first. When they mentioned employee or environmental activities related to CSR practices, questions involving perceptions of those practices were followed up to explore more issues. Probing questions were used to supplement responses and assure the core research questions were answered. Interview questions were developed in English and then translated into Chinese by the native Chinese-speaking researchers.

To maintain the validity and rigor of the study, the interviewer paraphrased the answers for each interview question to assure clarification of meaning. For data analysis purposes, all interviews were recorded and transcribed to text following the interview.

A total of 17 in-depth interviews were conducted, a number generally considered sufficient for exploratory analysis [50]. Among the 17 managers, 11 were male and 6 were female; 10 were general managers and 7 were departmental managers; 4 managers were employed by private hotels. Seven managers were from state-owned hotels. One came from a hotel with both private and state economy ownership. Five managers represented foreign hotels. All the managers were responsible for hotel operations. The interview process lasted from fifteen minutes to one hour and was conducted using an internet-telephone (Skype to mobile phone). Skype is a web-based communication tool that been used broadly for research collaboration in educational situations due to low cost and easy access [51]. Skype ifree recorder was used to record those conversations. The use of the internet-telephone for this research offered the advantage of privacy to the participants, flexibility, convenience, and efficiency.

While extant literature was used for the development of the questions, the information received from the hotel managers was analyzed using elements of grounded theory. According to core cannons of grounded theory identified by Corbin and Strauss [52], analysis focused on concepts as the basic units of analysis and categorization of those concepts. Analysis of the responses also used coding procedures often used in grounded theory research; researchers used "open coding" of the responses to determine common themes and concepts and refined the understanding of the data using axial and selective coding. Interviews were conducted in Chinese and transcripts of the interviews and interview notes were written in Chinese immediately after each interview. All the coding and analysis processes were conducted in Chinese. Translation followed the coding process to reduce misinterpretation of managers' words and the concepts they convey due to translation. Such potential misinterpretation could result in missing some themes during analysis. Peer review was utilized to assure validity and dependability of the study and the framework generated for coding process was reviewed by several researchers [53]. Themes and concepts were illustrated and explained by directly quoting from the transcript as endorsed by Qu and Neil [54].

Results

Motivations for CSR

Chinese hotel managers reported several motivators for their CSR activities. Each of the respondents expressed that they were motivated by concerns for success of the business in terms of business profits and by traditional Chinese values. The culture of their company also was an important motivator for Chinese hoteliers and was the second most frequently mentioned unprompted answer when asked what motivated them to undertake CSR. A majority of the managers noted their expectation of specific benefits of CSR, such as cost savings, which motivated them to undertake specific CSR-related activities.

Role of business–doing well and doing good: There was a general agreement that the main goal of a company is making money and that profits are a prerequisite for CSR activities.

......a company is a socially irresponsible company without considering making profits. ...I think making profits and doing socially

responsible activities are not contradictory to each other (M12, foreign company).

All the private company owners think it is our responsibility to make a contribution to society. But, in reality, it is impossible to do it without considering profits (M16, private company).

Concern was expressed that Chinese hotels were not financially sufficiently strong to support CSR activities and that the industry should focus on building its economic foundation. In addition, almost all the managers surveyed mentioned that size and profits of a company were the keys to deciding on contribution to society. As a result, it was noted that in general, small-sized hotels assume less concern for social responsibility than larger-sized hotels. Most small-sized private companies stated that their priority is making profits and they do not have enough time or money to consider CSR. The only reason for them to participant in some CSR activities is to reduce turnover and labor cost. However, large-sized hotels consider those benefits as secondary reasons to engage in CSR practices.

The only reason we do some things to care about employees is to encourage them to work hard for our hotels…Everyone is busy with survival in society. We don't even have time to consider CSR. I really do hope that I can make some contribution to society (M2, private hotel).

Nearly half the managers indicated that corporate culture and attitude of corporate towards CSR have huge influences on their attitude to commit to CSR activities. This phenomenon is apparent with various hotel chains.

Our corporate culture has certain influences on me to do those CSR activities. If our company never had those policies, I wouldn't do it. But the company just offers a platform and an opportunity for us (M3, private company).

Our corporation advocates family culture. We hope our employees feel comfortable and happy to work at our hotel. We hope they treat the hotel just like their home. Our boss treats all of us like his family members (M7, state-owned hotel).

Chinese traditional values influence CSR: When asked whether traditional Chinese values influence thinking and committing to CSR practices, the spontaneous answer of all the managers was "yes", with Confucianism featured prominently in the responses.

I think the answer is yes. The reason is all of our employees are educated under the traditional Chinese way of teaching. When we were young, we received Confucian teaching in society, at home, and in school. When we train our employees, we also teach them the value of Confucianism (M4, state-owned hotel).

Our core values relate to Confucianism and other traditional values. Our company emphasizes honesty, humility, sincerity, and helpfulness. They are all related to traditional values. Recently, our company started to study the Analects of Confucius. We would like to apply the essence of traditional values into our hotel management… employees write impressions after reading some classic books related to traditional values, such as what values they think can be applied to the hotel's operation (M15, foreign hotel company).

All the managers interviewed believe that Chinese traditional values influence people's behavior. Although none of managers described explicitly the details of what aspects of Chinese traditional values influence them, such traditional values were expressed throughout interviews. Several themes regarding these core values and their impact on CSR emerged through the survey process. Traditional Chinese values that support CSR include belief that people are inherently good, that people should love and help each other, that respect for the aged and filial values are important, and that people should assume responsibility for society. Of the 17 managers interviewed, six managers when asked about the motivation to do CSR activities mentioned that people should have love and help each other. Those managers indicated that love is an important motivator for CSR.

Only love can help to form a culture of service, I think. If an employee doesn't have love, she or he won't put forth too much effort and love towards work. I do emphasize love among my employees. If our employees don't love their parents, friend, and colleagues, I assume they won't be patient and sincere to our customers (M4, state-owned hotel).

Assuming responsibility to society is another common reason to commit to CSR activities and it also can reflect the teaching of Confucianism. Eight managers mentioned their belief that each individual and company should have responsibility to society. Most managers stated that responsibility to society makes them willing to participant in CSR activities.

I think responsibility and obligation to society make me engage in those activities besides the influence of the company. It is very important to improve our society and be a harmonious society (M14, foreign company).

After the Open Door policy, the consciousness of environmental protection, energy saving, and social responsibility are gradually increasing…As a manager and also as part of society, we feel we have the responsibility to make our society better (M9, state-owned hotel).

As part of society, it is no doubt that a company should fulfill its responsibility to society… I hope our hotel can make their lives become a little bit better (M10, state-owned hotel).

CSR activities in Chinese hotels

Respondents identified a wide range of specific CSR-related activities. These activities fall into two broad categories, environmental activities and social activities that incorporate both Care for Employees and Community Engagement (Table 1).

Human elements of CSR internal to the hotel : Employee support activities are considered CSR activities in the Chinese hotel industry. All managers interviewed reported they emphasize employee support activities at their hotels. Employee well-being, employee training, assistance to any poor employee, and improvement of the employee benefits are the most popular in terms of employee support among Chinese hotels. Almost half of the hotels (8) reported undertaking activities designed to support employee well being: psychological counseling, social activities, and other health-related initiatives.

Our hotel is located in… where we have a lot of workers coming from other parts of China. They don't have relatives or friends around. I think if the employees don't feel a sense of belonging in the hotel or are not happy with their work, they will cause some social problems. So we invite a lot of organizations to have lectures to our employees and also conduct psychological counseling with our employees (M12, foreign hotel).

The general manager at our hotel used to host a quit smoking competition. We encourage our employees to have a healthy life. We also have badminton, pool, and bowling competitions once in awhile (M15, foreign hotel).

We host a group activity or competition once a month… We have a big service skill competition every year. We will give the winner some reward, including both physical and spiritual rewards. I think this is a way to build a corporate culture (M4, state-owned hotel).

Over half of the hotel managers mentioned improvement of employees' benefits as the most desirable practice to demonstrate care for employees. Benefits include buying five basic insurances, a housing fund for employees, and improving the quality of employee meals and accommodations. The five basic insurances are endowment, medical, unemployment, industry injury, and maternity. As one manager stated, *"I think employees must put a lot of attention on those benefits, insurances, food, and conditions of living. So we make a lot of effort to improve those benefits"* Training employees is another CSR activity that many Chinese hotels emphasize. Managers of six hotels mentioned employee training. According to the interviews, hotel chains do a better job than single hotel companies. Those hotels chains have a complete system to improve employee skills. They send

Table 1: CSR Practices in China.

Name of CSR practices	Count
Environment	15
Resource efficiency	11
Reduce the frequency to wash linen	4
Electricity saving program (LED lights, sensors)	8
Use environment friendly material (such as liquid wall)	3
Volunteer program (such as plant trees)	12
Recycling	7
Water	3
Waste	5
Pollution control	4
Organize "green" team or "green" committee	5
Care for employees	17
Employee well being	8
Psychological counseling	3
Birthday and other festive parties	6
Group activities	3
Study corner	1
Hire the disabled	5
Employee training	6
Help poor employees	8
Improve employee benefits (food, accommodation and insurance)	9
Employee safety	1
Community Engagement	15
Donations	14
Voluntary program	11
Government visit	2

employees to hotels in other cities under the same brand or they send employees to a school.

In our hotel, each employee has a training budget. It is 15 dollars. We have our own standard to train employees. We also send employees who have done a good job to other hotels to be trained. We hope they can learn and open their mind, and bring some new things back to our hotel (M13, foreign company).

Helping poor employees is a common CSR activity to show care in the hotel industry; over half of the hotels in the current study are involved with this practice. Some hotels have funds to help poor employees. Some hotels even make an effort to help poor employees who have already left the hotel.

We had a colleague who comes from a poor family. Last year his hometown was flooded. Then his parents got sick. So he quit the job and went home to take care of his parents. This year he went back to the city again, but he started working at other company. But everything just didn't go well with him. After we knew his situation, we donated money to him. All the employees, even our president, donated money. No matter if you are our employee now or not, we will try our best to help you (M12, foreign company).

Human elements of CSR external to the hotel : Community support is the most common unprompted answer when those managers were asked what CSR activities they do. Nearly all the managers mentioned community support practices. Community support activities, for both the local community and society in general are common. Donation is the most commonly mentioned community support activity including clothes, books, money, and blood. Most donations are through the Red Cross or government charity organizations. The most common contributions are to help people who are experiencing disasters such as earthquake, flood, and fire. Some hotels donate money and attempt to solve longer term issues such as helping poor children to have their surgeries performed and building new schools in poor areas of China.

We spent USD 33,000 to completely renovate a school. We hired the construction team and bought new chairs and desks for the school. We changed all the equipment of that school. No other charity was involved in this project. We also donated money to help heart-diseased children have their surgeries done (M15, foreign company).

…like the earthquake that happened a few years ago. We encouraged our employees to donate money and clothes to the people experiencing pain. I think, as a company, it is our basic responsibility to help the people who encounter disaster in society (M16, private company).

Volunteer community programs tend to focus more on people and help the community. The most frequently mentioned volunteer programs include visiting orphanages and retirement homes or inviting children from the orphanage to have dinner at the hotel. This is illustrated by the following response:

We visit the orphanage and old-age home in our city every year… three or four times every year. We donate money and gifts to them, also some gifts. The first day of June is International Children's Day. We sent gifts to the children in the orphanage every year on that day. We did the same thing for some other festivals as well. The other thing is we invite those children to our hotel to show our care and hope they can experience our hotel (M3, state owned hotel).

Environmental activities internal to the hotel: Activities with positive outcomes for the environment are important elements of the portfolio of CSR behaviors identified by Chinese managers. Efficient use of resources including energy and water are important components of these programs. Reducing the frequency to wash linens, reducing electricity usage, and using environmentally-friendly materials are the most frequently mentioned resource efficiency programs. Hotels undertake these programs internally or with cooperation of guests.

…many hotels are using an environment protection card. If you put the card on your bed, the housekeeper knows that you don't need change your sheets changed today. But the environment protection card is made of paper. And it is not environmentally-friendly. The environment protection card is made of glass. It looks pretty. And all kinds of information related to environment protection are printed on the glass (M12, foreign company).

Energy-saving programs include increasing the efficiency of air-conditioning and the use of LED lights with sensors. Managers indicated they were experimenting with these programs to determine guest acceptance of these programs.

…for example, we change to LED lights in our underground parking lot and hallways on each floor. We don't know if our customers like LED or not. The information we have right now is that LED definitely saves energy, but the extent of people's acceptance is unknown. So we just used such lights on a trial basis in the hallways and parking lot. In addition, we also implement sensors to those lights. When people walk in, the lights turn on automatically. When people walk away, the lights go off (M16, private company).

Solid waste recycling and water recycling are other important aspects of hotel environmental protection. Seven of the hotels engage in either or both of recycling programs. Water recycling varied from property to property. If a hotel is located near a lake or has large usage of water such as a fountain or garden, the hotel installs a water recycling system.

Consideration of environmental issues is extended beyond management and it is common for hotel managers use their staff to identify opportunities for improvements in green operations and "green" teams or committees. Most foreign hotels and some state-owned hotels have groups to explore how to save energy or how to organize "green" activities.

We have an informal organization in our hotel called the "energy saving committee". This organization has a meeting every month. We listen to our employees' suggestions in terms of saving energy or resources. We implement their suggestions if they are plausible (M9, state owned hotel).

Environmental activities external to the hotel: Volunteer programs, involving both employees and occasionally guests, to support global or local "green activity" were the most frequently mentioned unprompted environmental support practices. Among the 12 hotels working on volunteer programs, several hotels mentioned activities including stopping using electricity for one hour on Earth Day and picking up trash. In the local community, planting trees is the most popular activity with over half of hotels involved. Most hotels organize employees to plant trees only on Arbor Day, but a few

hotels sell trees to customers and organize customers to plant trees on any day.

For example, we have been asking our customers to voluntarily plant trees for 10 years. If our customers plant one tree or donate some money for one tree, they will get some discount on their rate (M11, state-owned hotel).

Benefits of CSR

The majority of managers reported they expected the benefits of CSR to be realized over the long term. CSR activities also are useful in creating employee cohesion and a sense of belonging. Small-sized private hotels are more likely to consider more short-term benefits, such as reducing costs, when undertaking CSR activities. Managers are State-owned and larger corporate hotels regard regarded reducing cost as secondary benefits. A number of hotel managers expressed the advantages of CSR in terms of the benefits brought to society rather than their specific hotel (Table 2).

Strategic benefits: *Our hotel would like to be a "century" hotel. We are not only going to stay in this industry for 10 years, 30 years, or 50 years but to stay in this industry for more than 100 years. Hence, we have to make a strong foundation for our hotel. We have to make a long-term investment. We make decisions not based on short-term benefit but rather on long-term development (M6, private and state-owned composition hotel).*

The strategic nature of CSR activities was acknowledged by the majority of managers in the study. Several of the cited benefits were tied to strategic human resource management and the development of corporate culture. Among all of the long-term benefits, most managers mentioned creating employee cohesion and a sense of belonging as the most important and obvious benefit of CSR for the hotel. This was the most frequently reported unprompted answer. Most managers realized the importance of creating employee cohesion. Four managers indicated that conducting CSR activities could help build a corporate culture. They believed that building a corporate culture is necessary to have sustainable development and retain hotel employees. Especially in state-owned hotels and private hotels, CSR was regarded as the essence to establish a corporate culture among

Table 2: Perception of CSR Benefits.

Perception of Benefits	Count
CSR is good for long-term development	15
Employee cohesion and sense of belonging	14
Build a reputation of hotel brand	9
Construct corporate culture	4
Long-term sustainability development	10
Good relationship with local community and government	3
CSR is good for short-term development	5
Reduce cost	2
Attract more customers	3
CSR is good for society	5
Reduce social security problem	2
Improve people's environmental awareness	1
Mention CSR is good for society	2

Chinese hotel managers. Thus, constructing a corporate culture is another important benefit.

The hotel is not a factory where machines are producing. Through conducting CSR activities, we try to cultivate a sense of social responsibility among our employees. Then we hope they will have love in their hearts. Only people with love know how to assume responsibility, care for others, and provide better quality of service (M5, state-owned hotel).

Corporate social responsibility is a part of corporate culture. Corporate culture includes a mission, vision, employee training; activities conducted, and so on. But CSR is an inseparable part of corporate culture. Hotels have to deal with all kinds of people in society. We are part of society. We can't do business without a relationship with society (M5, state-owned hotel).

Nine managers indicated that building reputation of the hotel brand is one of the benefits of CSR. Several managers mentioned that CSR could act as a marketing tool but in a potential way. Practicing CSR would not bring profits or many customers immediately, but it would have positive influences toward the hotel brand in the long-term. Several managers realized that a good reputation may attract more customers in the future.

In the long run, practicing CSR benefits the hotel. You help other people; people praise you. Then you have a good reputation which means you have established yourself in society. Through doing CSR, people realize our hotel is not only making money; we do good things for society as well. This is public relations. CSR might cost some money in the short-term. But in the long run, it will facilitate our marketing (M15, foreign company).

Three managers mentioned that engaging in CSR could develop a good relationship with both the community and government. Therefore, operation of the hotel would be much easier.

At first, CSR can help our hotel improve its public image in society and have a better relationship with both the local community and government (M17, foreign company).

Immediate benefits of Corporate Social Responsibility: While the long-term benefits that CSR can bring to a hotel were referenced most frequently, 5 managers mentioned the short-term benefits. Cost reduction is one of the most frequently mentioned short-term benefits. Two managers indicated that environment activities such as reducing the frequency of laundering could reduce cost. Most large-sized hotels regarded reducing cost as their second consideration to conduct CSR activities. Small-sized private hotels emphasized short-term benefit, especially labor cost.

We have done a lot of activities to take care of employees…The main reason is to reduce employee turnover… As to reduce the frequency of washing sheets, it is also a good way to reduce cost…It is too much to talk about corporate social responsibility to Chinese enterprises (M1, private hotel).

The second benefit is reducing my labor cost. Why do I say so? Because employee turnover is low and the probability to leave my company is low. The salary they get here might not the highest one in this province, but they feel like they can learn things here and they are taken care of by our hotel. So they don't want to leave. In this way, I reduce labor cost (M3, state-owned hotel).

… I hope all the customers in our hotel can feel the environmentally-friendly atmosphere. Keeping costs down is our second consideration (M16, private hotel).

A few managers indicated that engaging in CSR activities attracts more customers. However, most managers believe that engaging in CSR would not bring customers immediately, but they believe it will do so in the future. The following is an example given by a manager:

…In China, it is so difficult to see such a beautiful lake. All our customers really care about environmental protection. After they come to our hotel and see all the gardens and fields, they feel that the hotel has done a good job in environmental protection. They are willing to taste all the vegetables and fruit that we plant ourselves. Of course, they are willing to come back as well (M10, state-owned hotel).

External benefits: Several managers mentioned that one of the benefits of committing to CSR is good for society at large. To them, adopting CSR practices is due responsibility to society. The benefits include reducing the social security problems and improving people's environmental awareness.

…If our employees have a tough time now, we try our best to help them. Because it would become a social security problem if no one helps them (M12, foreign hotel).

We will consider the cost when we conduct all kinds of environmentally-friendly practices. But the priority is to improve environmental awareness (M16, private company).

Three managers from state-owned hotels think they should assume more responsibility to society than managers from other types of hotels. The reason is listed below:

I think as a company, especially as a state-owned company, we always pay a lot of attention to our social responsibility (M11, state-owned hotel).

In the future, the state-owned economy composition will become less. But right now, the main part is still state-owned economy composition. Hence, we have to assume more social responsibilities, such as employment. (M10, state-owned hotel).

Perceptions about difficulties in implementing corporate social responsibility

One of the most frequently cited issues constraining CSR, particularly philanthropy, was general distrust that the donations would be used for the intended purpose. Five managers expressed concern over the management of charities and the government's poor supervision of donated money. They noted that concern made them question allocation of those donations.

... Before donating money, managers will consider whether the money could go to the place they want it to go and do the things that they expected it to do. They don't want the money to be taken away by some charity workers (M14, foreign hotel).

Three private hotel managers strongly agreed that public opinions in society have negative influences on people's attitudes and behaviors. They expressed the belief that when people or companies who acted kindly always would be criticized for showing off. Such a belief reflected a lack of incentive to do good works or undertake CSR activities. Those beliefs are illustrated by the following comments:

I am not sure whether there is any benefit for a hotel if I do some

CSR activities. But it is just so difficult to do something good in China now. Do you understand me? People always misunderstand those good-hearted people. For example, if I want to save an old lady who gets in a car accident, I am going to worry whether she would blame me for this car accident and ask me to pay all her bills in the future after I save her (M1, private company).

Let me give you an example. If you post all the CSR activities that a company did online, I bet all the people who follow that post would say "showing off" or "hypocrite"…. All the negative words will be spilt out. So why should I bother to do this (M2, private company) ?

Based on analysis of the interviews, larger hotels – while acknowledging the potential for public misunderstanding of CSR activities – tended to be less concerned about public skepticism and more focused on long term benefits. Smaller, private hotels were more influenced by the potential barriers to CSR of skeptical public opinion and poor government supervision. These smaller private hotels also mentioned financial issues that made it difficult to engage in CSR activities, such as raised labor costs and higher cost of materials. Managers from large companies rarely mentioned those factors.

Discussion and Conclusions

Most important, there is broad support for CSR from the managers interviewed. Managers recognize that the primary objective of their hotel is to make profits and that the ability to undertake CSR activity is determined by the financial success of the hotel. This finding is consistent with previous research [34,55]. Nevertheless, managers surveyed consider companies have a legitimate role in working towards solutions to social problems. This finding is noteworthy in that it reflects managerial opinions from hotel companies with a variety of ownership arrangements – from private ownership to state-run organizations. These opinions reflect adoption of key elements of capitalism and concerns common to developed-country enterprises in a nation that is categorized as communist and developing.

The current study supports the position that traditional Chinese culture provides a foundation for CSR activity and traditional beliefs are one of the motivators for CSR. Fan [22] indicated that Chinese people have a set of core values and the current study indicates those Chinese traditional values, especially Confucianism, have significant influence on Chinese behavior regarding CSR [34,35,56]. All the managers interviewed reinforced the belief that traditional values played a strong part in their desire to undertake CSR. This is not surprising since China has a long tradition of individual and corporate responsibility to society. Chinese managers may not describe their actions as CSR per se; they do business according to the teachings of traditional Chinese values which coincide with the doctrine of CSR. CSR, as it is understood today, is most commonly examined from the Western perspective. The term "CSR" originated in the West and CSR activities, as they are currently defined, have been in practice for over 50 years [30]. Worthy of note is that CSR practices in China, many of which are similar to those being practiced in other countries, are justified through a different cultural paradigm. The current study supports the argument that traditional Chinese culture provides a foundation for CSR activities in China. The current study highlights the need to further explore CSR from different cultural perspectives.

Chinese hotel managers report a wide variety of activities that can be categorized as either environmental or social. These categories can be divided into subcategories based on the relationship to the hotel company with some activities internal – and directly related to hotel operations and other activities external to the hotel. The present study shows managers are concerned about reduction of social problems in their communities and among their employees; also, increased awareness of environmental issues are two CSR concerns of hoteliers for Chinese society. The finding showed that hotel managers not only commit resources they control directly, but they use their influence in a variety of ways to achieve their CSR goals. Hotel managers influence employees to contribute to CSR related activities, such as clothing or blood drives or community volunteer programs. In addition, hotel managers may also enlist customers in CSR activities. The findings of the current study suggest that hotel managers have considerable leverage in their communities to enact social and environmental programs.

The current research suggests that, from a stakeholder perspective, Chinese CSR activities are weighted toward internal or market stakeholders. Employees, in particular, are described as the beneficiaries of many of the activities. CSR activities directed toward secondary stakeholders also tend to be likely to be in the local community although there is clearly an expressed concern for broader Chinese society. Government, a non-market stakeholder, while mentioned by some respondents, seems to be a secondary concern to the managers interviewed. Stakeholder theory acknowledges one of the key challenges of managers is to identify those stakeholders who are most salient to the success of the organization [56] and it is clear from the findings of the current study that Chinese hotel managers consider internal and local stakeholders key to long-term success.

The majority of managers interviewed believe CSR creates tangible and intangible benefits for the hotel. The long-term advantages include creating a corporate culture, increasing employee cohesion, and creating a sense of belonging in the workplace. Employee cohesion has the greatest emphasis since most managers surveyed indicated that people are the key to a company. This finding has some overlap with previous studies which identified that improving reputation of the corporation and improving employee satisfaction and loyalty are benefits in Scotland and Canada [15,19,20]. One may note that managers do not necessarily see direct connections between their CSR activities and the long term benefits of CSR but rather expect value from the cumulative impact of their activities. While long term benefits primarily relate to intangible assets such as reputation and corporate culture, short term benefits focus on cost reduction and increased efficiency. Environmental programs such as energy conservation reduce operational costs and employee related programs reduce human resource costs associated with recruitment and turnover.

In addition, the interviews revealed possible differences about CSR activity between different types of hotel companies. Not surprisingly, smaller private companies were less likely to undertake CSR activities and were often most motivated by short-term benefits; particularly cost savings associated with operational efficiencies and reduced human resource costs. Managers working for larger chains or state-owned hotels were more likely to be concerned with long-term benefits. While the sample size for this exploratory study was small, this finding was consistent with previous research [39].

While traditional cultural values contribute to the adoption of CSR activities other cultural issues could be considered barriers to the adoption of CSR. One such cultural issue was the Chinese

appreciation of modesty and aversion to self promotion. This cultural value creates significant challenges for hotel mangers seeking recognition of good works. Indeed, managers expressed concern over negative backlash for communicating their CSR-related works. While managers recognized that the benefits of the activities generally outweighed the potential negatives. Clearly managers undertaking CSR must carefully manage the ways in which they communicate their actions.

The study also highlights the importance of social institutions in the execution of CSR activities, particularly those that are philanthropic. Chinese managers reported avoiding financial contributions to social problems, even disaster relief, due to skepticism about how the funds would be spent. Despite lack of faith in philanthropic institutions hotels managers still supported these causes but altered their response from monetary to non-monetary support and actively sought ways to support causes directly rather than through intermediaries.

Limitations and Future Research

The current study is an exploratory, qualitative examination of issues associated with CSR in China yet it has several limitations. One limitation is the small sample size of the survey. Another limitation is that the interviews were conducted by using a convenience sample. While participants represented a range of hotel types, the sample is not representative of all hotels in China. Indeed, the sample is primarily managers from hotels located in coastal cities of China. The findings are not to be generalized to all Chinese hotel managers. Additionally, the present research focuses on the managers' perceptions and opinions. One may note that, for a variety of reasons, management perceptions and the actual practice of CSR in these hotels may differ significantly. Future studies incorporating the triangulation of actual behaviors with opinions and perceptions will provide important insights on the CSR phenomenon. Finally, while the current study captures one set of perspectives of CSR from managers in lodging, it does not include opinions from other key internal or external stakeholders.

The study highlights the need for greater understanding of Corporate Social Responsibility as a phenomenon in the Chinese lodging industry. Lodging CSR activities have been shown to be a significant cost for hotel companies [3] and it is important that the tangible and intangible benefits of these costs are understood. There is also significant opportunity to understand the organizational behavior elements of CSR. As noted, managers undertake CSR to promote organization cohesion and support the development of positive organizational cultures yet there has been little study to address that process. From a different perspective, it is noted that hotel managers exert considerable influence on employees to contribute to CSR-related activities and future research should examine the ethics of that process. Also apparent from this exploratory research is that CSR is impacted by culture and that culture is a motivational driver for CSR programs. Further research concerning the impact of culture on CSR and the benefits accrued by hotel companies and society in general from such CSR is warranted.

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