Corporate social responsibility in the hospitality industry: Five-star hotels at Medina, Saudi Arabia

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Abstract

This study aims to understand the perception of CSR on five-star hotels in Medina, Saudi Arabia. This involves recognizing the extent to which hotels espouse and the initiatives they implement to meet the social responsibility of their organizations.

The paper opted for an exploratory study using in-depth face-to-face interviews with managers from different involved in corporate social responsibility in their organizations. The findings suggest that the concept of CSR, among other issues, is a perceptual notion that is influenced by its context; thus, it is an individualistic, subjective and culturally constructed concept.

Keywords: Corporate Social Responsibility (CSR); Five-star hotels; Medina-Saudi Arabia; Perception.

ملخص

إدراك ومعرفة مفهوم المسؤولية الاجتماعية للشركات (CSR) يتطلب فهم شامل للمسؤولين عن الأنشطة المتعلقة به، ويتطلب استكشاف وجهات نظرهم الكامنة وطريقة فهمهم له. تهدف هذه الدراسة إلى فهم تصور المسؤولية الاجتماعية للشركات في فنادق الخمس نجوم في المدينة المنورة، المملكة العربية السعودية. وينطوي هذا على الوقوف على مدى تبني هذه الفنادق للمسؤولية الإجتماعية والمبادرات التي تنفذ من قبلها لتلبية متطلبات المسؤولية الاجتماعية تجاه المجتمع والبيئة والجهات المعنية الأخرى.

البحث هو دراسة استكشافية نوعية وقد تم استخدام طريقة المقابلات الشخصية القائمة على الأسئلة المفتوحة مع وجود قائمة ارشادية بموضوع الأسئلة والمقابلة التي تمت مع المديرين من مستويات مختلفة ممن يتولون ملف وأنشطة المسؤولية الاجتماعية للشركات في منظماتهم. تشير النتائج إلى أن مفهوم

المسؤولية الاجتماعية للشركات، هو مفهوم يعتمد على الإدراك الشخصي ويتأثر بثقافة المسؤولين عنه والمعنيين به.

INTRODUCTION

While CSR is increasingly employed in the business world today and has become a crucial issue in management systems, it is both remarkable and regrettable that there is no universal definition of CSR. The concept and attitudes of CSR have been through much debate; in some cases, controversial. Indeed, one of the inevitable questions about CSR is what it means. CSR (also known as corporate social accountability and socially responsible behavior of business) is seen as a form of business accountability to a wide range of stakeholders, along with shareholders and investors (Azmat & Zutshi, 2012).[1] Foremost areas of interest include social welfare, environmental protection and the wellbeing of employees.

Although, CSR, in general, remains a set of efforts that aim to develop the public contributions of private business, it is viewed as an umbrella concept that does not have a universally accepted definition. The term CSR has evolved from being viewed as an economical device that aims to improve the competitive position of business to a legal and ethical issue, and later as a form of citizenship and social participation (Benn and Bolton, 2011).

Purpose – Recognizing corporate social responsibility (CSR) and ascertaining a comprehensive understanding of the drivers of such activities requires an exploration of the underlying perspectives in determining how they think and feel. This study aims to understand the perception of CSR on five-star hotels in Medina, Saudi Arabia. This involves recognizing the extent to which hotels adopt and the initiatives they implement to meet the social responsibility of their organizations towards their community, environment, society and other stakeholders.

Design/methodology/approach – The paper opted for an exploratory study using the open-ended approach of grounded theory,

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[1] Azmat, F. & Zutshi, A. (2012). Perceptions of corporate social responsibility amongst immigrant entrepreneurs. Social Responsibility Journal, 8(1): 63-76.

including 18 in-depth face-to-face interviews with managers from middle and senior management levels involved in corporate social responsibility in their organizations (five-star hotels). The data analysis process was based on a phenomenological approach in analyzing collected data. This was achieved through the employment of an inductive reasoning process. The data was complemented by archive and documentary analysis, including a description of CSR activities and initiatives.

Findings – The findings suggest that the concept of CSR, among other issues, is a perceptual notion that is influenced by its context; thus, it is an individualistic, subjective and culturally constructed concept. The paper suggests that successful CSR implementation requires the communication, involvement and participation of all managers and staff in all levels, as well as, fundamentally involving all stakeholders.

Practical implications – The paper includes implications for the development and comprehension of the context through which managers deal and view the concept of CSR. The paper argues that the hospitality industry should be socially proactive and an initiator in adopting and implementing their social responsibility; where CSR becomes a crucial part of any strategic plan of the organization.

Originality/value – This paper addresses the concept of CSR and encompasses a more comprehensive meaning to those who engage in it. This is achieved by understanding their perception and recognizing the extent they adopt and put into action initiatives to meet the social responsibility of their organizations.

1. THEORETICAL PERSPECTIVE

The concept of CSR is a notoriously difficult term to define, probably because CSR is learned and derives from one's organizational culture and personal perception. The individualistic nature of perception and its related components such as culture and feelings underline differences in perspectives among people, and thus highlight the key role of personal points of view in formulating a common meaning of CSR.

Giannarakis and Theotokas (2011)[2] support this argument and point out that CSR is elaborated in its unique way depending on the stakeholder's perception and expectations.

Perception is our sensory experience of objects that involves both the recognition of environmental stimuli and actions in response to these stimuli (Cherry, 2014)[3]. Much of the complexity of understanding the concept of CSR comes from the different usages of the term. People from different fields, backgrounds, organizations, and even those who belong to the same field or organization, may have different perspectives regarding the meaning of CSR, its types and its classification.

The lack of a universally agreed definition of CSR has resulted in many interpretations that have perhaps created obstacles in its applications. Building on this argument, further research has demonstrated the powerful impact that perception can have on behavior. For example, Mohammed (2010)[4] found that the perception-behavior relationship regarding objects plays a major role in shaping and explaining the way that firms behave and act toward these objects; including their social agenda. Perception is an essential part of awareness and behavior with its inclusive active role in identifying some social phenomena, such as the concept of CSR phenomenon. For this reason, it is not surprising that the extent corporations commit with and have programs related to social responsibility depends widely on the perception of those corporations' management body who deal with this issue (CSR).

As a result, the concept of CSR was used in diverse approaches; all of which are still used until today. Accordingly, CSR has become complicated than previously thought with a proliferation field of approaches

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[2] Giannarakis, G. & Theotokas, I. (2011). The effect of financial crisis in corporate social responsibility performance. International Journal of Marketing Studies 3(1): 2-10.

[3] Cherry, k. (2014). Perception and the perceptual process. Retrieved March 6, 2015, from http://psychology.about.com/.

[4] Mohammed, K. 2010. Perceptual Aspect of Risk: The Concept and Management- A Qualitative Study. An-Najah National University Journal, 24 (3): 985-1016.

and theories (Brusseau, 2012[5]; Shamir, 2011[6]). CSR, indeed, is not only a landscape of theories but also an abundance of approaches that are, in many instances, debatable whether in terms of definition or applications. These approaches/theories may be classified into groups as following: (i) Economical Device Theory (Leon & Arana, 2014) [7]; (ii) Legal-Legislation Theory (Birch, 2003)[8]; (iii) Business theory (Murphy, Oberesder & Laczniak, 2013) [9]; (iv) Ethical/Stakeholder Theory (Caroll and Buchholtz, 2015)[10]; (v) Citizenship Theory (Rapp, Hill & Lehmann, 2014) [11]; and (vi) Political theory (Scherer and Palazzo, 2011)[12].

With respect to these changes and diverse visions of CSR, the different approaches and theories in describing CSR prompt many researchers to link CSR with perception. They refer to the variables of perception (such as cognition, values, feeling, attitudes, experiences, knowledge, context, and sensations) to explain why CSR is described differently by different people. These variables are different from one individual to another, and thus perception can be viewed differently.

[5] Brusseau, J. 2012. The business ethics workshop. Washington D.C.: Flat World Knowledge.

[6] Shamir, R. 2011. Socially responsible private regulation: World culture or world-capitalism? Law and Society Review, 45 (2): 313-336.

[7] Leon, J. & Arana, J. 2014. Impact of different dimensions of corporate social responsibility on tourism demand: Does the status quo matter? Tourism Economics, 20(3): 493-507.

[8] Birch, D. 2003. Corporate social responsibility: Some key theoretical issues and concepts for new ways of doing business. Journal of New Business Ideas and Trends, 1(1): 1-19.

[9] Murphy, P., Oberesder, M. & Laczniak, G. (2013). Corporate societal responsibility in marketing: Normatively broadening the concept. Academy of Marketing Science Review, 3(2): 86-102.

[10] Caroll, A. & Buchholtz, A. (2015). Business and society: Ethics, sustainability, and stakeholder Management. Connecticut, USA: Cengage Learning.

[11] Rapp, J., Hill, R. & Lehmann, D.(2014). Modeling non-consumer behavior: Consumption-as-restriction and corporate social responsibility. In R. P. Hill and R. Langan (Editors), Handbook of research on marketing and corporate social responsibility: 198-218. London: Edward Elgar Publishing Limited.

[12] Scherer, A. & Palazzo, G. (2011). The new political role of business in a globalized world: A review of a new perspective on CSR and its implications for the firm, governance, and democracy. Journal of Management Studies, 48(1): 899-931.

Consequently, recognizing CSR and ascertaining more completely its meaning to those who deal with it, requires examining the underlying perceptive of them and determining how they think and feel.

2. RESEARCH METHODOLOGY

As the aim of this research is to examine the way the concept of CSR is understood by those who are in the management of hotels and in the hospitality industry, it used the qualitative research methodology. Qualitative research is an appropriate methodology when collecting data to explain and interpret a particular phenomenon, and to explore and find out the actual knowledge, meanings and interpretation held by individuals, thus, answering 'how' and 'why' questions in a naturalistic and holistic way (Yin, 2014)[13].

Qualitative approach is a context-bound framework through which the researcher engages in, and becomes sensitive to, the phenomenon without predetermining themes; instead, themes are derived unswervingly from collected data (Holloway & Wheeler, 2010)[14]. However, it is not straight forward to assess qualitative research without numerical data that supports some explanations and descriptive issues. In fact, it is unlikely to avoid pointing to some statistical figures and evidences when analyzing collected data, even though these data obviously exist in qualitative form (Silverman, 2013)[15].

2.1. Data Collection Technique:

In line with key qualitative approaches, this research used the in-depth person-to-person interviews collection techniques. Yin (2014) argues that interviews are effective tools to find out from people those things we cannot directly observe, especially those things that are related to the inner-self, and includes feelings, attitude and sensations, rather than

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[13] Yin, R. 2014. Case study research: Design and methods (5th ed.). California: Sage Publications, Inc.

[14] Holloway, I. & Wheeler, S. (2010). Qualitative research (3rd ed.). Iowa: Wiley-Blackwell Publishing.

[15] Silverman, D. (2013). Doing qualitative research: A practical handbook (4th ed.). California: Sage Publications, Inc.

visible aspects of manner. Along with the in-depth interview technique, this research used another two qualitative data-collection techniques. These were: (i) observation and field visits and (ii) archival records and document search. Using multiple research methodology and sources of data were useful in collecting data and, most importantly, in maintaining validity and reliability through the triangulation process (Yin, 2014). However, the main communication technique that used was comprehensive person-to-person interview technique.

2.2. Selection of Subjects: the research setting, Sample Selection, Size and Structure

In this research, the target participants were five-star hotels. The research targeted one type of hotels rather than all other types of hotels due to the main aim of the research: to conduct an in-depth study of how hospitality industry perceive CSR. Otherwise, the study would lose its navigation and might become a comparative study rather than an in-depth phenomenological study that endeavors to understand the incident and its context from the perspective of participants.

The number of participants was 25 which represented almost all the five-star hotels in the Medina District. At the end, due to different reasons related to the participants and some apologies for participation, the total number of research participants was 18; all of them from the senior managerial level. All the participants were asked to give 1–2 hours of their time to participate in the interview. The participants were provided with the information sheet on the research process and its aims. The researcher then contacted the participants to check who was interested in participating in the study.

2.2.1 Data Analysis

The data analysis process in this research is based on thematic analysis. By using the data collected from the interviews, analysis in this research was carried out to identify themes that arose from the data. This analysis was based on the phenomenological approach in analyzing collected data and generating the themes of this research. The phenomenological strategy is an appropriate analytical approach for this

research rather than other analytical strategies as it allows seeking and finding out the basic details about the phenomenon.

2.2.2. Interviews Guidelines

CSR interpretation was explored throughout the in-depths interviews. Therefore, the participants were asked to indicate their understanding of the term. In particular, the main question focused on demanding from participants to explain what they understand by the term CSR, and their initiatives to be socially responsible. The interview protocol guidelines/questions included:

- What do you understand by the term "Corporate Social Responsibility" in hotels and hospitality organizations?
- Provide an example of CSR in your area.
- How do you manage CSR in your organization?
- Who is responsible for managing CSR in your organization?
- What are the mechanisms (programs) and initiatives in your organization that enables you to carry out CSR?

3. FINDINGS

By analyzing the feedback from the participants on the term 'CSR' and their perspectives regarding its meaning, it was apparent that the participants had common perspectives, yet showed some different viewpoints, though both commonalities and differences were not absolute. However, in many instances the participants demonstrated diversity rather than contradiction.

The interviews revealed similarity regarding participants' interpretation of CSR. All participants viewed CSR as altruistic and voluntary activities in which they are directed towards serving community. This trend was articulated by one of the participants who maintained that:
"CSR is about serving community, offering help and giving donation to it."

The participants agreed that CSR is a significant part, or at least should be a part, of organization's core business. As organizations are working within a society, then they should support it. In addition, the

participants used to correlate between CSR and ethics. They expressed, consciously and spontaneously, that CSR is a face and a phase of the ethical side of management.

What was evident was a common sense approach among participants which in-turn highlighted variations in their response when they explained who should benefit from business social activities. One participant pointed out that: *"CSR is a broad term and hard to analyze. The hospitality sector has many stakeholders and it is difficult to identify CSR or its forms or what it covers."*

Despite there was an agreement in perspectives among interviewees regarding voluntary and charitable aspects of CSR, the participants demonstrated different interpretations about the meaning of word 'social' in CSR, and to whom the corporation is socially responsible. Some participants, in particular eight of them, had a very narrow perspective, as they limited CSR to one field: supporting and providing aid and donations to charitable institutions in society. The participants believe that no other stakeholder is eligible to be involved or considered when talking about social activities of business. Thus, the main inconsistency was whether CSR is regarded as a charity-based business, or whether it could take other forms and cover other stakeholders. However, there were two participants who believed that it was not a problem if businesses used CSR as a promotional tool.

Regarding other stakeholders, there were participants who agreed with the previous eight participants that CSR is a charity business. However, they also believed that CSR may involve some other aspects and forms too. In addition, they pointed to other stakeholders that may be involved in CSR; in particular: customers, environment, employees, and government.

What became apparent was that four of the eighteen participants interviewed pointed out that the principle of the 'customer' could be a significant principle of CSR. They supposed that dealing with customers politely, respectfully and responding to their concerns are forms of CSR. These participants considered helping customers in finding shopping

centers and advising them about some places to visit are voluntary that is not part of their core business. On the other hand and regarding the environment, there were three respondents who believed that keeping the environment clean is a form of social responsibility. They pointed out that using disposable materials and the rationalized use of water and electricity are forms of CSR too.

With regards to the factor of hotel's human resources, an additional three respondents highlighted the principle of human resources as a factor involved in CSR. They suggested that delivering training programs and developing employees' skill sets would witness greater self-esteem and career development within the hotel industry.

Related to the issue of staff, one of the interviewees believes that following the government employment policy in recruiting and hiring local people is one main form of CSR, although adhering to government rules and policies in recruiting and employing the compulsory quota of local people in the hotel will avoid the hotel from governmental penalties.

On the other hand, it was noticeable that most participants related the social responsibility of their organizations to spiritual issues and faith; in particular to Islamic values. The participants, therefore, identified CSR as an ethical issue that was related tremendously to the religious belief and faith rather than just a social activity and positive behavior.

Unfortunately, none of the participants identified additional stakeholders such as suppliers and shareholders as points worth addressing with regards to the CSR of their organizations. Conversely, With the exception of two participants, all respondents declared that they did not think there was a plan or specific budget regarding the social responsibility of their hotels. Even for these two participants who mentioned that there is a pre-plan and budget regarding social contributions of their hotels, they pointed out that this was related to their regional managements' plans, rather than specifically to their hotels.

4. DISCUSSION

A comprehensive analysis of the concept of CSR, from the perspective of the participants, was addressed in the Findings section of this

research. However, while the participants demonstrated commonalities about the voluntarily aspect of CSR, especially towards society and charitable institutions, the differences between the participants presented, were useful in explaining and describing the social initiatives, scope and implementation of CSR. Furthermore, it was helpful in understanding and identifying those stakeholders who might be included and considered in CSR activities.

Six major themes have emerged from reviewing and analyzing the data collected from the participants. These themes will be discussed in next paragraphs with regard to relevant literature. However, these themes are not rigid. They are tools to help in organizing and recognizing the participants' perspectives. These themes involve (see table 1):

4.1. CSR is Altruistic, Voluntary and a Charitable Business

The charitable dimension of CSR was apparent in all interviewees' responses in relations to the core meaning of CSR from their perspectives. There was a commonality among participants that social activities involved donations to the community and its social institutions. This notion was dominant over the participants' viewpoints. The participants, also, pointed to the necessity that donations and charitable activities should be voluntary not compulsory. These two aspects of CSR were present at all times.

In the literature, business stakeholders are defined as all groups, persons, or organizations that can place a claim on a business's attentions (Jamali, 2008)[16]. However, many participants, in terms of CSR, did not agree with this perspective. In their perception, some sectors such as government, competitors and suppliers are not, and should not be, among those who may be included in and benefit from CSR's activities. With this point of view, the participants went with Soydan (2012)[17] in considering social activity, in one of its forms, as a donation or any related work to people and society; whether it was a personal effort or an organizational

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[16] Jamali, D. (2008). A Stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice. Journal of Business Ethics, 82: 213-231.

[17] Soydan, H. (2012). Understanding social work in the history of ideas. Research on Social Work Practice, 22(5): 468-480.

action. In fact, all participants generally identified CSR as charitable work toward society; although Soydon (2012) pointed to other additional subdivides.

Regarding the voluntary aspect of CSR, the participants had the same opinion of Ikejiaku (2012)[18] when pointing out that CSR is a concept whereby businesses make a decision voluntarily to contribute to a better society. From their point of view, CSR is a voluntary commitment rather than a mandatory action. However, some researchers, such as Epstein and Buhovac (2014)19, deemed that the social activity of organizations did not necessary mean it was a charitable one. They considered charity as one part of the many factors of CSR; and there is a need to modify the perception of laypersons towards the concept of CSR from charity to social services. In this study, none of the participants differentiated between the charitable contributions and social activities of CSR. Despite the diversity in perspectives regarding CSR, the philanthropic dimension of CSR in the literature remains the dominant one; in similarity with the participants' believe.

4.2. CSR as an Ethical Issue

In 2005 the World Bank surveyed business leaders in Estonia, Latvia, and Lithuania to recognize their viewpoints on CSR. The findings showed that the most important factor encompassed by the social responsibility of corporations was to behave ethically (The World Bank, 2005)[20]. In this regard, Ikejiaku (2012)[21] emphasized that for any operation to be considered among business social contributions, it should involve a

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[18] Ikejiaku, B. (2012). Consideration of ethical and legal aspects of corporate social responsibility: The issue of multi-national corporations and sustainable development. Nordic Journal of Commercial Law, 1(1): 2-33.

[19] Epstein, M. & Buhovac, A. (2014). Making sustainability work: Best practices in managing and measuring corporate social, environmental, and economic impacts. San Francisco: Berrett-Koehler Publishers.

[20] The World Bank (2005).What does business think about corporate social responsibility? Washington D.C.: The World Bank.

[21] *Ikejiaku, B. 2012. Consideration of ethical and legal aspects of corporate social responsibility: The issue of multi-national corporations and sustainable development. Nordic Journal of Commercial Law, 1(1): 2-33.*

voluntary commitment as well as ethical aspects toward the local community and entire society.

Dimitriades (2007, p.11)[22] went beyond this by proclaiming that "the concepts of business ethics and social responsibility are often used interchangeably, although each has a distinct meaning". Ikejiaku (2012) Claimed that when CSR is permeated with ethics, it helps in guiding corporate activities, and practically goes on to maintain a moral course that favors the larger public.

From the research findings, it was obvious that participants agreed with Dimitriades (2007) and Ikejiaku (2012) in their statements that ethics and CSR are inter-related concepts that may be, in many instances, synonymous with each other. They believed that both societal ethical norms and CSR have a common aim which is to respect and meet standards, norms, and expectations that reflect the concern of the society and its components. All participants in this research were in a harmony with previous perspectives and described CSR as strategies through which firms conduct their business in a way that complies with societies' norms and requirements.

4.3. CSR as a Promotional Tool versus Unethical Use of CSR

The ideal image of CSR may be to promote social welfare, without any business intention; thus, the main stakeholder of CSR is society and social institutions (Jamali, 2008)[23]. This concept of CSR limits social contributions to philanthropic activities. Many participants (eight out of eighteen) adopted this notion as they highlighted that CSR should be purely a voluntary and charitable activity that does not aim or is used as a tool for business development. In their perception, if social contributions involve economical targets or promotional intentions, then it is an investment tool; whether or not it may involve benefits for society. Furthermore, some

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[22] *Dimitriades, Z. (2007). Business ethics and corporate social responsibility in the e-economy: A commentary. Business and Organization Ethics Network, 12(2): 11-18.*

[23] Jamali, D. 2008. A Stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice. Journal of Business Ethics, 82: 213-231.

participants considered utilizing social contributions for achieving other economical goals is an unethical issue.

Contradictorily, the business and the economical theory of CSR illustrate that when a business serves the community and provides good value for money, then the business becomes socially responsible (Jenkins, 2009). Therefore, there is no contradiction between serving society and improving business image. In addition, Taylor, Bowen and Ryu (2014)[24] see no harm if the corporate employs its social contributions and promotes its social awareness and practice as a part of its efforts to reinforce the positive feelings about the firm or brand, which will be used as a competitive instrument.

The findings of this research pointed to two participants who agreed with Taylor, Bowen and Ryu (2014) when they declared that there is no problem if CSR is used as a tool for improving a business's image, and hence directed some benefits and contributions. Firms which promote their socially conscious business practices do so in part because they believe that this will lead to positive feelings about the firm or brand, which in return, can be used as a revenue driver. Furthermore, Garriga and Mele (2004)[25] explained that some theories of the social responsibility of firms suppose the main stakeholder that CSR activities should focus on and consider is shareholders and their financial interests (i.e.; profit). Garriga and Mele (2004, p.5) called these theories 'instrumental theories' as they view and understand CSR as "a mere means to the end of profits." In view of that, and in contrast to most participants, Epstein and Buhovac (2014)[26] urged that an effective CSR should lead to competitive advantages.

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[24] Taylor, C., Bowen, C. & Ryu, H. 2014. Corporate social responsibility: A look at Eastern nations. In R. P. Hill and R. Langan (Editors), Handbook of research on marketing and corporate social responsibility: 234-251. London: Edward Elgar Publishing Limited.

[25] Garriga, E. & Mele. D. 2004. Corporate social responsibility theories: Mapping the territory. Journal of Business Ethics, 53 (1): 51-71.

[26] Epstein, M. & Buhovac, A. (2014). Making sustainability work: Best practices in managing and measuring corporate social, environmental, and economic impacts. San Francisco: Berrett-Koehler Publishers.

Whether CSR is an issue of ethics or economic growth, its significance should not be understated. CSR can have profound effects on business success. As such, the issue of poor CSR can have a severe impact on an organization, with regards to negative publicity, loss of potential sales, and to the damage of a reputable brand image.

4.4. CSR as a Form of Citizenship

The citizenship theory, which considers corporations as individuals who have commitment toward their society, urges that corporations should contribute and serve their society as they generate their profits from these societies (Kotler & Lee, 2004)[27]. Participants were in harmony with this theory when one of them stated that *"It is simply not possible to separate the business from its social context … CSR exists, and should be available, in every action or decision that is taken by management."* In this regard Brich (2003)[28] noted that corporations have become more demanded to contribute to society as part of their belongingness.

4.5. CSR and Stakeholders

Firms' stakeholders, as mentioned earlier, are those parties who can affect or be affected by firms' activities, policies, decisions and operations (Brown and Forster, 2013)[29]. The participants in this research were in agreement about the community and the entire society as stakeholders in term of CSR. This involved societal charitable institutions, such as orphanages. When analyzing the scope of CSR, what was evidenced by the responses of eight of the participants was that no other stakeholders were highlighted, other than those mentioned earlier. What later became apparent was that although these participants believed CSR to be an ethical issue and moral action of all aspects of work, they supposed that social responsibility related activities should be directed toward society, while other

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[27] Kotler, P & Lee, N. (2004). Corporate social responsibility: Doing the most good for your company and your cause. New Jersey: Wiley & Sons, Inc.

[28] Birch, D. (2003). Corporate social responsibility: Some key theoretical issues and concepts for new ways of doing business. Journal of New Business Ideas and Trends, 1(1): 1-19.

[29] Brown, J. & Forster, W. (2013). Corporate social responsibility and stakeholder theory: A tale of Adam Smith. Journal of Business Ethics, 12(2): 301-312.

stakeholders must be excluded. In this estimation, the participants demonstrated a contradiction with the stakeholder theory which urges that there are many stakeholder groups that should be involved and considered. These involve: society, employees, trade unions, suppliers, customers, political groups, communities, governmental bodies, and even competitors (Miles, 2012)[30]. Many researchers, such as Duckworth and Moore (2010)[31], consider stakeholders theory as a framework to CSR, through which all parties are, and should be, parts of business social activities and plans. However, the other ten participants, as findings showed, mentioned four types of stakeholders; these are customers, employees, environment, and government.

4.5.1. Customers

In a research conducted by Peloza and Shang (2011)[32] the findings demonstrated that CSR activities in the form of customer help practices carry the potential to enhance satisfaction of customers. The participants in this research differentiated between serving customers as a core business of their jobs (i.e.; customers' routine services) and helping customers as a part of social activities (i.e.; answer their questions about Medina's features and shopping malls). In general, there were many issues regarding customer-CSR relationship that had been ignored by the participants. Examples include level of trust, customer satisfaction, and customer retention.

4.5.2. Employees

Two participants considered organizations' interests in staff as a form of CSR. These two participants agreed with Dawkins (2012)[33] when they pointed to employees' rights in training as CSR related issues. In the literature, researchers noted that CSR has become a crucial part of

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[30] Miles, S. (2012). Stakeholders: Essentially contested or just confused? Journal of Business Ethics 108 (3): 285–298.

[31] Duckworth, A. & Moore, A. (2010). Social responsibility: Failure mode effects and analysis. Florida: CRC Press.

[32] Peloza, J. & Shang, J. (2011). Investing in CSR to enhance customer value. Director Notes, 3(3): 1-9.

[33] Dawkins, C. E. 2012. Labored relations: Corporate citizenship, labor unions, and freedom of association. Business Ethics Quarterly, 22(3): 473-500.

corporations' human resources strategies such as career development and training rather than payment (Duckworth & Moore, 2010)[34].

4.5.3. Environment

Two participants went with McLachlan and Binns (2014)[35] perspective of the significance of social environmental activities and CSR. When looking at the extent of corporate responsibility work in the private sector, it is common to realize a push towards environmentalism. In this regard, one of the participants mentioned that the hotel, where he is employed, at engaged in the use of green recyclable products.

4.5.4. Government

In many instances, CSR, which is seen as a societal obligation, is viewed in terms of the scope of respecting society's law and acts represented by governmental regulations. In this meaning, three participants pointed to legal responsibilities of CSR and stated that their organizations performed CSR through committing with laws and the labor regulations. Hassan, Nareeman and Pauline (2013)[36] noted that the ethical aspect is not enough for good CSR practice if it does not attach with legal requirements.

4.6. CSR: Reactive versus Proactive Behavior

In their responses, the participants described CSR activities as reactive rather than proactive in form. Many participants mentioned that their organizations' social contributions came, in general, as a response to charitable institution demands. One of the participants stated that "when a charitable organization approaches the hotel and asks for donations, then the management assesses its demand and makes contributions". This participant added "we do not go to society and offer our contributions". Relatively, the participants mentioned that there is no predetermined plan or budget of their CSR related activities. In contrast to this depiction, there is a

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[34] *Duckworth, A. & Moore, A. (2010). Social responsibility: Failure mode effects and analysis. Florida: CRC Press.*

[35] *McLachlan, S. & Binns, T. (2014). Tourism, development and corporate social responsibility in Livingstone, Zambia. Local economy Journal, 29(2): 98-112.*

[36] Hassan, Z., Nareeman, A. & Pauline, N. (2013). Impact of CSR practices on customer satisfaction and retention: An empirical study. International Journal of Accounting, and Business Management, 1 (1): 63-81.

consensus among researchers, such as Torugsa, O'Donohue and Hecker (2012)[37], that CSR should be a proactive approach, especially in terms of social and environmental concerns.

5. RESULTS and CONSEQUENCES

In this study, the prime theme was CSR. The business case was concerned with the primary question: How do participants (in this research: hotel corporations) understand the concept of CSR? Then, how do their perceptive affect their engagement and practice in CSRs including organization policies, activities and initiatives?

The results (see table 2) revealed that 100% of the interviewees related the concept of CSR to charity and voluntarily contributions. The same percentage was also seen regarding the ethical aspect of CSR. In addition, all participants agreed that CSR is considered a main component of the core business of their organizations. On the other hand, 88.9% of participants reported that CSR was a form of corporate citizenship, while 83.3% were reported that CSR is a reactive activity rather than proactive issue with no specific budget or pre-determined plan.

In terms of stakeholders, 44.4% of participants declared that CSR efforts should be directed only towards serving society as a sole stakeholder, and no other stakeholder should be covered. However, the remaining participants (10 participants), who represent 55.6% of the total number of the total participants, believed that other stakeholders might be included, such as: (i) customers (22.2% of participants); (ii) environment (16.7%); (iii) employees (16.7%); and (iv) government (11.1%). Finally, 11.1% of participants believed that CSR could be a promotional tool that used to serve society while profiting business.

The findings of the research highlighted a number of significant trends with regards to the appreciation and perception of CSR on five-star hotels in Medina, Saudi Arabia. The results illustrated the notion of CSR as

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[37] Torugsa, N., O'donohue, W. & Hecker, R. 2012. Capabilities, proactive CSR and financial performance in SMEs: empirical evidence from an Australian manufacturing industry sector. Journal of Business Ethics, 109(4): 483-500.

subjective and individualistic in the sense that people react to CSR through their own personal interpretations and perceptions of what CSR actually means. It was realised that if individuals did not identify with a particular behaviour as one of the principles of CSR, then such an action would not be acknowledged when engaging in a social activity.

Furthermore, the issue of CSR was found to be a culturally conceived concept that is inevitably influenced by the context in which it is set in, and thus becomes a factor of an individual's mindset based on his/her values and beliefs. However, the most universal notion of culture in this research related to the concept of CSR as being encompassing the voluntary or charitable contribution paradigm, in contrast to the idea of being a compulsory action of necessity and obligation to the needs of society. In many instances, the research highlighted participants' reliance on their own perceptions, beliefs and value judgments in identifying what activity constituted as a contribution to the environment or to charitable institutions. The majority of participants did universally concur that CSR is indeed a voluntary act that rests on the foundations of charitable activities. Nevertheless, as the research highlighted significant variances in the perception of CSR by participants, even though when there were degrees of similarities in certain cases, differences in CSR perception always surfaced.

Differences between participant perspectives emerged when CSR implications were discussed. This was particularly evident when participants illustrated their views with regards to whether or not CSR was exclusively a charitable voluntary action or as an action based on business notions of profit. This was similarly the case when participants highlighted their beliefs on whether CSR was an issue based on ethics or as a promotional tool to further advance an organisations reputation, and to differentiate between the inclusion and exclusion of certain groups of stakeholders from CSR activities.

The research concluded that CSR activities was initiated by individuals where the activity ran besides their other core duties and responsibilities. As opposed to delivering CSR activities through a specific

unit that was responsible for the social activities of an organisation, the research did identify only two hotels that had established department/unit responsible for CSR activities.

RECOMMENDATIONS

What can be deduced from the research conducted is that CSR is a social occurrence that is significantly influenced by the environment and context in which it is situated in. As such, fully conceptualising the significance of the environment and its interaction with time, space and individuals becomes of fundamental importance if managers are to truly understand the notion and underlying fundamental principles of CSR. In such case, the concept of CSR should not only involve executives and employees of all levels of management, but should also actively involve stakeholders too. Concurrently, the creation of a plan and budget for such activities should be created to cater for this. Thus, as part of any future CSR strategic plan, the hospitality industry should be viewed and work as a proactive social partner, engaging in CSR activities in order to fulfill their social responsibilities. Perhaps creating an independent department responsible for all CSR activities as well as the establishment of training initiatives may create further awareness and place greater importance in the need for CSR activities in business establishments.

CONCLUSION

Themes that emerged from analyzing t h e data pointed out and indicated that business social responsibility (CSR) is a matter of perception and a product of culture and context. The results showed the notion of CSR as subjective and individualistic in the sense that people react to CSR through their own personal interpretations and perceptions of what CSR actually means. Differences in the perception of CSR by participants existed in many instances. Even when there were commonalities on particular points, degrees of difference surfaced. Indeed, there was no absolute commonality and there was, always, room for variation. In addition, the participants in this study described their own forms of CSR

rather than selecting from a pre-determined list. In many instances, personal attributes and attitude of participants had a significant role in describing CSR types and forms. This highlights the role of perception in determining the understanding of CSR. As a result, some types and forms of CSR that were described by participants or a group of participants were not described by others.

Although all participants were in agreement that CSR is voluntary and charitable activity, and the participants frequently connected CSR with ethics, differences between participants were seen to be more obvious when they talked about CSR's implications. In particular, the participants had different opinions about the following issues: whether CSR is, exclusively, voluntary and charitable or a variable in gaining profits; whether there was a contradiction between the notion of CSR as an ethical issue and the employment of CSR as a promotional tool to improve the organization's image; and the stakeholders who could be included, and those who should be excluded, from CSR.

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TABLES

Table 1: Categorization of CSR activities as revealed by the participants

CSR Category	Examples of Specific CSR Activities
Philanthropy	Donations. Sponsoring charity events. Free nights in a hotel for orphans.
Voluntary Activities	Voluntary employee work in community activities, like participating in cleaning campaigns.
Business Practices	Recycling (environmental issue). Customer relations. Employees' training and development. Comply with government regulations and labor law in terms of recruiting local people. Ethical Manners.
Product-related Activities	Services quality.

Table 2: Themes: CSR forms, as viewed and described by the participants, in order of rank according to frequency

Themes	Percentage
Voluntary activities	100%
Philanthropic and charitable contribution	100%
Ethical issue and should be a part of core business of the hotel	100%
CSR as a form of corporate citizenship	88.9%
Response on CSR by the organization is reactive not proactive with no specific plan	83.3%
Society as the sole stakeholder that should be benefited from CSR activities	44.4%
Customers as a beneficiary stakeholder from CSR	22.2%
Environment as a beneficiary stakeholder from CSR	16.7%
Employees as a beneficiary stakeholder from CSR	16.7%
Government as a beneficiary stakeholder from CSR	11.1%
CSR could be a promotional tool	11.1%