Corporate Social Responsibility as a tool for Social Innovation

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Abstract
This paper aims to analyze the social dimension of corporate social responsibility (CSR) as a tool of social innovation through an empirical study focusing on the Ibero-American hospitality industry. We conducted 54 interviews involving 37 hotel chains. Our study revealed that a significant number of the actions carried out within the framework of the social dimension of CSR are in response to the concerns of certain people (human resources personnel or managers) rather than a perfectly shaped policy on the actions to be undertaken. Therefore, different actions have been undertaken in hotels that belong to the same chain, depending on the geographical area in which the hotels are operated. After having analyzed the actions undertaken by the hotels, we concluded that CSR actions are still in their early stages.

Keywords: Hospitality industry; Ibero-American; CSR; Social responsibility

Introduction
Corporate Social Responsibility (CSR) is a term broadly employed by scholars and practitioners. Since the late 20th century, by introducing the term Triple Bottom Line (TBL), companies start analyzing not only the economic dimension, but also the social and environmental ones (Elkington, 1998).

Within this paper, we specifically look for social innovation through CSR practices implemented in hospitality industry in Ibero-American countries. It is noteworthy that, while studies have been recently carried out in this sector related to environmental dimension of CSR (Flamer, 2013), financial performance (Kang et Al, 2010), or capital market (Becchetti et Al, 2012), there are fewer studies focusing on the social dimension (De Grosbois, 2012). The scarcity of works regarding the social component in this particular sector is further reinforced by the results of our fieldwork which revealed a lack of balanced outcomes in the TBL –social, economic, and environmental- of CSR.

In this context, this work pursues a twofold objective; on the one hand, to identify leading social practices that are being carried out along hospitality sector in the context of CSR; and on the other hand, to analyze to what extent there is social innovation in this industry through CSR. This study also aims to provide a cross-cultural perspective given that we conducted our fieldwork in four different Ibero-American countries: Argentina, Colombia, Mexico and Spain. It should be noted that, although tourism and hospitality industry plays an important role in the generation of employment and economic development in these four countries, the number of empirical studies in this geographical area is very limited.

Social Dimensions of CSR and Social Innovation
The concept of CSR in the hospitality industry has attracted increasingly more attention in the past decade (Jones et Al, 2014). Although defined in different ways (Campbell, 2007), the concept of CSR involves the adoption of good and transparent business practices, while also taking into account environmental and social outcomes.
The literature offers several interpretations of CSR and includes different dimensions for the analysis of this concept. A good attempt at such analysis is made in a paper published by the European Commission, which distinguishes between the internal dimension and the external dimension of CSR (EC, 2001). The internal dimension comprises socially responsible practices affecting investments in human capital, health and safety, and managing change. Additionally, it includes environmentally responsible practices relating to the management of natural resources used in production. The external dimension comprises relations with the local community, business partners and suppliers, customers, public authorities and NGOs representing local communities, as well as the environment (EC, 2001).

According to Haugh and Talwar (2010), the social dimension of the sustainability of CSR includes the humanitarian context of business and relates to issues of poverty and income inequality, disease, access to health care, clean water and sanitation as well as inclusion through education, especially for females and people who have had no opportunities to study. This dimension also includes the broader problems associated with the impact of globalization on economic development.

When analyzing the concept of Social Innovation compared to the social dimension of CSR explained above, it can be said that both concepts share many aspects. Social innovation is commonly defined as new ideas (products, services and models) that simultaneously meet social needs and create new social relationships or collaborations. These innovations are considered both good for society and capable of enacting greater societal involvement in the provision of social services (Murray et al, 2010). Therefore, when we argue that CSR initiatives enable businesses to maximize positive effects on the poor and minimize negative economic externalities, we are referring to initiatives that are also social innovations.

Consequently, it can be stated that social innovation through Effective CSR activities in Latin America are of even greater significance since companies are the drivers of the social, economic and political change required by these countries. In this regard, the hospitality industry has a great deal to contribute since its performance is key to development, prosperity and well-being.

Research Design, Method and Data

The CSR programs carried out by large hotel groups have a substantial impact on surrounding communities worldwide. For this reason, 70% of the hotels chosen are part of large hotel chains. The remaining 30% of the hotels whose managers were interviewed are smaller in scale, enabling us to analyze social initiatives implemented in local hotels. We carried out our fieldwork in hotel chains in Ibero-America (Argentina, Colombia, Mexico and Spain). We chose these areas for the following reasons: firstly, the growth of the hotel industry in these countries acquired an enormous dimension; secondly, we included Spain along with the other countries due to the traditionally significant investment made by Spanish multinationals in this geographical area; thirdly, many of the areas in which hotels are prominent promote social initiatives.

We interviewed mainly HR and CSR managers from recognized “champions” and leading companies with one or more of the following characteristics: companies certified by organizations such as 1) GRI, the institution that created the first worldwide standard of indicators for the drafting of sustainability or CSR reports taking into account economic, social and environmental performance, 2) EarthCheck, a certifying agent in the sustainability field, or 3) FTSE4Good, an indicator recognized worldwide by investors who seek to identify companies with responsible business practices; companies identified as “active” in the United Nations Global Compact directory; and recipients of national or international awards recognizing their social and environmental commitment. Additionally, we focused on hotels belonging to hotel groups that are members of the International Tourism Partnership, an organization...
meant to bring “together the world’s leading international hotel companies to provide a voice for environmental and social responsibility in the industry.”

The research team that carried out this project is made up of four scholars from the four Ibero-American countries mentioned above. Over a one-year period (from January 2012 to January 2013), the team conducted 54 interviews. From February 2013 to February 2014, we supplemented certain data from the interviews and reviewed reports on corporate responsibility or sustainability drafted by the large hotel chains that took part in the study. The interviews took between 90 and 120 minutes and involved 37 hotel channels. More specifically, 11 interviews were conducted in Argentina, 10 in Colombia, 16 in Spain and 17 in Mexico. We followed a semi-structured interview protocol that began with general questions about how the concept of CSR is understood and about the trends in the hospitality industry. We also asked questions concerning the interviewee’s beliefs about the importance of CSR in the company’s strategy. Lastly, we asked different questions about the main initiatives relating to inclusion, diversity, social responsibility and corporate volunteering. We asked about the objectives of, motives for and outcomes of these initiatives. The researchers analyzed the data using inductive content analysis with an emphasis on the content of the discussion. As a unit of analysis, the research team chose some words or sentences related to the study topic. We created a single file containing the 54 interviews conducted in all four countries. We recorded, transcribed and analyzed the interviews in Atlas.Ti 6.0, a computer program used for qualitative analysis. In order to have additional data, we also analyzed the CSR reports drafted by the hotels whose managers were interviewed using Atlas.Ti.

**Conclusions**

The hotel chains in the countries surveyed are aware of their social role in the development of the communities in which they operate. They also recognize that there is a need to strengthen efforts to include the disadvantaged such as low-income individuals, physically challenged individuals, young people with no training, battered women or women with few job possibilities, etc., especially in the countries studied in Latin America due to the social inequalities that exist and in Spain due to the high unemployment caused by the economic crisis prevailing since 2008. However, although progress has been made in the areas of diversity and inclusion, many of the hotels whose managers were interviewed recognize that more and improved actions could be taken through structured plans with objectives aimed in a specific direction. In fact, we found that several hotels comply only with the minimum CSR threshold, that is, compliance with labor laws and accordingly it can be concluded that they exhibit socially irresponsible behaviors (Campbell, 2007).

Our study revealed that a significant part of the actions carried out in relation to the social dimension of CSR is in response to the concerns of certain people (human resources personnel or managers) rather than a perfectly shaped policy on the actions to be undertaken. Consequently, we found that different actions had been undertaken in hotels in the same chain, depending on the geographical area in which the hotels were operated.

Although there are exceptions, social actions carried out are generally more reactive (some-times arising due to legal or business needs) than proactive, that is, responsible practices adopted voluntarily (Torugsa et Al, 2013). The proactive-reactive aspect was found to depend on local economic development and, in places with a high degree of social inequality, reactivity was found to be more prevalent than proactivity. Most relevant social initiatives were implemented in large hotel chains and therefore we can conclude that belonging to a large hotel chain was of greater importance than the country in which the interviews were conducted. Few hotel chains explained the goals of social management and the achievements made in this area.
Although a focus on community development is considered to be of great importance in the emerging economies of the Latin American countries researched, the social dimension of CSR is still in the early stages in the Ibero-American hospitality industry and cannot be considered to be a tool of social inclusion, although some initiatives undertaken encourage such inclusion.

References


