

Hotel Employees and Corporate Social Responsibility: The Case of Portorož, Slovenia

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Corporate social responsibility has been widely researched in recent decades across different industries. This paper attempts to explore the social aspects of corporate social responsibility in the hotel industry, focusing on the awareness of CSR of employees in the selected case-study of a hotel company in Portorož, Slovenia. Specifically, their awareness of CSR activities oriented towards the local community was researched. A questionnaire survey was conducted among employees, investigating their awareness of the hotel company's attitude towards the local community. Results show that it is crucial for employees to be employed in a company that participates in the development of a local community. However, they often do not know how their employer carries out activities that are related to the social aspects of corporate social responsibility.

Keywords: corporate social responsibility, employees, hotel industry, Portorož, Slovenia



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Introduction

This research paper aims to present the results of quantitative research regarding the social dimension of corporate social responsibility (CSR) in the hotel industry in Portorož, Slovenia. CSR can be defined as a contribution of businesses to social, economic, and social development (Garay & Font, 2012). Such contributions were often on a voluntary basis, but because of recent legislative changes, CSR involvement is becoming mandatory. Companies have been engaging in CSR activities, because doing so brings benefits to companies, the environment, and society at large

(Carroll, 2015). In recent decades, CSR in general and specifically in the hospitality sector has become an interesting research field with several different aspects being researched (De Bakker et al., 2005). Researchers have attempted to determine the motives for implementing CSR activities and the consequences of such actions on financial performance, organisational competitiveness, brand image, employees' and customers' loyalty, and other factors (Garay & Font, 2012; Lee, 2016).

In the hotel industry, CSR aspects concern human resources, the local community, the environment,

and similar (Holcomb et al., 2007; de Grosbois, 2012; Font et al., 2012; Garay & Font, 2012; Tsai et al., 2012; Sasidharan & Križaj, 2018). Hospitality (and especially the hotel industry) is characterised by high employee turnover, seasonality, and low wages, and CSR provides an opportunity for companies to mitigate these (negative) characteristics.

In the tourism industry, the hotel sector is largely integrated into the local environment; it is inherently connected with it, and it simultaneously depends on the society in which it operates (Abaeian et al., 2014; Mackenzie & Peters, 2014). It is, therefore, not surprising that hotel chains were often among the first to introduce initiatives and policies of social responsibility (Kasim, 2006). The number of surveys dealing with the issue of corporate social responsibility in tourism has increased significantly over the previous 15 years (Farrington et al., 2017); however, there is relatively little research on the issue of social aspects of CSR in hotel companies. In particular, there is little research that deals with the relationship between hotel companies and the local community (Chen & Lin, 2015; de Miguel-Molina et al., 2018).

The hotel industry has acknowledged social sustainability as a strategically important factor, but the environmental aspect remains predominant, mainly because of its most visible economic benefits. Nevertheless, in the previous decade, there has been a growing body of good practices and research, which also focus on the social aspects of CSR, such as the attitudes towards employees or the local community (Bohdanowicz & Zientara, 2008; Levy & Park, 2011; Skudiene & Auruskeviciene, 2012; Abaeian et al., 2014; Im et al., 2017; Mohammed & Rashid, 2018). We aim to provide an insight into the social aspect of CSR from the perspective of hotel employees since employees are acknowledged as one of the key stakeholders in the research of CSR activities (Kim et al., 2017). In addition, according to Kang et al. (2010), CSR activities in the hotel industry lead to positive changes in employees' mindsets. Several authors (Heslin & Ochoa, 2008; Lee et al., 2013; Youn et al., 2018) have determined that companies' CSR activities significantly contribute to employees' satisfaction and lower employee turnover rates. In this research paper, we present a case study

of one hotel company, located in Portorož, Slovenia. Based on the literature review, two research questions were formulated:

RQ1 What is the employee's awareness of the company's CSR activities oriented towards the local community in the chosen hotel company at the destination Portorož?

RQ2 How important is it for employees to work in a company that is actively involved in such activities?

Methodology

To obtain answers to our research questions, a quantitative method was employed, the results of which will be presented. Based on the literature review, the questionnaire was developed and distributed among the employees in a chosen hotel company.

The questionnaire for employees was developed based on the literature review (Carroll, 1979; Lux et al., 1996; Back et al., 2011; Lee et al., 2013); it consisted of 11 questions, of which eight were closed, and three were open. Employees' awareness was measured on a Likert-type ordinal scale with a neutral value (with values: 1 'not true at all,' 2 'not true,' 3 'neither,' 4 'true,' and 5 'absolutely true'). The statements related to the company's attitude towards the local community also had an option 'I do not know/cannot answer.' The questionnaire was tested on a small group of hotel employees and adjusted slightly, according to their comments. The survey was conducted in May 2018. The hotel company employed 452 employees in 2018; all employees were invited to participate in our research, and random sampling was consequently employed. A total of 105 employees (23.23 % of all employees) completed the anonymous questionnaire. For the analysis of the data gathered, SPSS statistical software was used. Descriptive statistics employed for the sample description and the correlation analysis were used to determine the possible relationship between (1) the employee's awareness of the hotel company's attitude towards the local community and the importance of being employed in a company that participates in the development of a local community, and (2) the employee's awareness of the company's attitude towards

Table 1 Employee Awareness of Hotel Companies' CSR Activities towards the Local Community and Level of Information about These Activities

Statements	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Our company helps solve various social problems (financial assistance to employees in distress, employment of disabled people).	3	14	10	15	7	48	3.18	1.185
Our company devotes funds for philanthropic (humanitarian) purposes.	3	3	14	9	6	61	3.34	1.136
Our company encourages the participation of employees in volunteer activities (voluntary participation at local events).	3	5	15	11	7	55	3.34	1.132
Our company supports sport, cultural, and other projects/activities in the local community.	1	12	14	34	15	30	3.91	0.836
Our company cooperates with local organisations (local community, local tourist association, local tourist organisation).	1	2	8	33	13	38	3.96	0.823
I am regularly informed about the developments in the company (in meetings, through newsletters etc.).	4	16	25	35	22	-	3.54	1.114

Notes Column headings are as follows: (1) not true at all, (2) not true, (3) neither, (4) true, (5) absolutely true, (6) do not know/cannot answer, (7) arithmetic mean, (8) standard deviation.

the local community and how informed they are regarding company's CSR activities.

Results and Discussion

To analyse the respondent's demographic characteristics, descriptive statistical analysis was used. Most respondents were female (almost 64 %), they fell in the age group between 26 and 36 years (32 %) and had a secondary school education (almost 45 %). Nearly half (48 %) of respondents work in the food and beverage sector (cooks, waiter, etc.), followed by receptionist (30 %). The rest work in wellness, animation, housekeeping, etc. Almost 47 % of respondents have an employment contract of indefinite duration. The remaining have a fixed-term employment contract or work as a student. A little over 70 % of respondents have up to 10 years of working experience in the company.

While all employees were invited to participate in the research, not everyone took part in it. However, random sampling does not necessarily imply a match in the characteristics of the sample and population. According to the publicly available data, more than half of all employees had secondary school education (three or four years), which is in line with the education level of employees in our sample. The same is true also for the gender of the employees (see <https://www.ajpes.si/jolp>).

The results presented in Table 1 show that the highest-rated statement refers to the fact that the company cooperates with local organisations (mean 3.96), closely followed by the statement that refers to supporting sport, cultural, and other activities in the local community (mean 3.91). According to the standard deviation value, respondents have relatively unanimous opinions regarding both statements ($s = 0.823$ and 0.836 , respectively). The statement with the lowest average value is the one referring to solving the social distress of employees (mean 3.18) and, according to the value of standard deviation ($s = 1.185$), the respondents' opinions are not so unanimous.

One interesting result is also the fact that many respondents do not know in what way their employer cooperates with the local community. This is particularly true for the first three statements, which deal with solving social problems, allocating funds for humanitarian purposes, and encouraging employees to participate in volunteer activities.

The last statement shows how employees are informed about the CSR activities of their company. Almost 56 % of respondents agree with the statement that they are informed, while the rest believe that they are not regularly informed. The standard deviation is 1.114, and this suggests that the respondents' opinions are not so unanimous. Five respondents did not

Table 2 The Importance of Being Employed in a Company that Participates in the Development of a Local Community

Statements	(1)	(2)	(3)	(4)	(5)	(6)	(7)
It is important for me to work in a company that participates in the development of a local community.	5	12	32	36	16	3.46	1.054

Notes Column headings are as follows: (1) not true at all, (2) not true, (3) neither, (4) true, (5) absolutely true, (6) arithmetic mean, (7) standard deviation.

provide opinions for this statement. One of the possible conclusions is that the hotel company does not pay sufficient attention to informing their employees about how they work with the local community. Businesses need to be aware of the importance of informing employees about socially responsible activities, as also noted by Bhattacharya et al. (2008).

Table 2 shows whether it is important for respondents to be employed in a company that participates in the development of a local community. More than half of the respondents (51.4 %) agree with this statement. In this case, too, we can say that respondents are not so unanimous ($s = 1.054$). Four respondents did not provide an opinion for this statement.

These findings are in line with previous research in which the authors confirmed the connection between the implementation of social aspects of social responsibility and lower fluctuation rates of employees and the more significant affiliation of employees to the company (Heslin & Ochoa, 2008; Lee et al., 2013; Youn et al., 2018).

We have also checked for correlations between the employee's awareness of the hotel companies' attitude towards the local community and how informed they are regarding the company's CSR activities. For the analysis, Spearman's rank correlation coefficient was used and, as expected, the analysis resulted in weak positive but statistically significant correlations between variables. The highest correlations were with the CSR practice regarding solving various social problems and supporting sport, cultural, and other projects/activities in the local community ($\rho = 0.358$, sig. = 0.000, and $\rho = 0.302$, sig. = 0.003, respectively). This is an important aspect for the hotel companies to consider.

We have also analysed the correlations between the importance of being employed in a company that par-

ticipates in the development of a local community and employee's awareness of the hotel company's attitude towards the local community. Contrary to our expectations, there were weak positive correlations only between two CSR practices and the importance of being employed in a company that participates in the development of a local community. The two practices refer to solving various social problems and devoting funds for philanthropic (humanitarian) purposes ($\rho = 0.288$, sig. = 0.005, and $\rho = 0.271$, sig. = 0.009, respectively). We assume that the weak correlation between the importance of being employed in a company that is committed to CSR practices and the awareness of practices can be attributed to the fact that only the part of CSR oriented towards the local community was explored and not, for example, CSR activities oriented towards the employees themselves.

Conclusion

To answer our research questions, we can say that employees of the chosen hotel company are not aware how the activities related to the social aspects of corporate social responsibility are implemented; in contrast, it is important for them to be employed in a company that participates in the development of a local community, which is in line with findings of previous research, for example, the research done by Tsai et al. (2012) that showed that hotel employees are often not familiar about hotels' CSR activities, whilst Sinha (2017) concluded that whether their employer is active in the field of corporate social responsibility is important for the employee. The results confirm previous theoretical findings and also contribute to the body of knowledge regarding the social aspects of CSR.

Based on research results, several suggestions for the hotel company arise. The hotel company should explain the importance of CSR to employees and, in

the next phase, the employees should be more actively involved in CSR activities. Informing employees about CSR activities through internal newsletters is perhaps not sufficient, so the hotel company should consider other communication channels. According to Schein (2004), individuals, such as department and business managers, play an essential role in influencing employees' mindsets and behaviour, so informing as well as motivating employees within their workgroups may be of crucial importance in the successful implementation of CSR activities.

This research has some limitations that must be considered. The most obvious one is the fact that it examined only one side (that of the employees) and that it is concerned with only one hotel company. Therefore, the findings cannot be generalised. In the future, it would be interesting to examine the opinion of the employer and then to compare the gathered data. In addition, it would be an added value to broaden the research to more hotel companies within Slovenia and perhaps also nearby across the border.

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