Corporate Social Responsibility (CSR) Practices in the Hospitality Industry in Malawi

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Abstract

Corporate Social Responsibility (CSR) is concerned with the ways in which an organization exceeds its minimum obligations to stakeholders specified through regulation and corporate governance. For any business enterprise to thrive in the business environment it needs to integrate the economic, social and environmental aspects (triple bottom line) in its business operations. While a number of studies have explored corporate social responsibility practices in other sectors in Malawi, none has explored the CSR practices in the hospitality industry. This study adopted a qualitative approach hence purposive and convenient sampling techniques were employed. Using semi-structured interviews and thematic analysis, this study examines CSR practices in the hospitality industry in Malawi. The results indicate that external factors have more influence on CSR adoption than internal factors. The industry adopts a policy based compliance approach as a cost of doing business. More than half of the establishments are reactive on adding value to communities. Financial constraint, lack of top management interest and lack of awareness on CSR are the main inhibitors of CSR engagement. Most of the establishments are not aware of CSR in its entirety and the dominating CSR practices therefore mostly concern the social aspects.

Keywords: corporate social responsibility, hospitality industry, triple bottom line, hotels, Malawi

Introduction

The concept of Corporate Social Responsibility (CSR) was first introduced by Bowen (1953) in his book Social Responsibilities of the Businessman. Since then, it has become a popular topic in the corporate world and as such, many studies have been conducted based on the concept. According to Johnson et al. (2008), CSR is concerned with the ways in which an organisation exceeds its minimum obligations to stakeholders specified through regulation and corporate governance. Additionally, Hopkins (2007) affirms that CSR is about the integrity with which a company governs itself, fulfils its mission, lives by its values, engages with its stakeholders, measures its impacts and reports on its activities. For any business operation to thrive, it has to satisfy its stakeholders by considering the needs of the broader community
CSR is categorised into philanthropic, ethical, legal and economic responsibilities as per Carroll's (1991) model. Thus, the hospitality industry must give back to the communities and satisfy all stakeholders by fully engaging in CSR practices. Nevertheless, only companies which have the legal creation view embrace the triple bottom line whereas the question of profitability remains at the forefront of the companies with the legal recognition view (Dess et al., 2010). Thus, if CSR is to contribute to changing a company’s modus operandi, it is safe to say that it needs to be more than a commitment; hence it should above all, be a strategy (Hediger, 2010).

In Malawi, CSR took root in 2004 when there was a favourable economic, social and political environment (Kayuni & Tambulasi, 2012). Kambalame and De Cleene (2006:282) observe that CSR in Malawi has “...traditionally tended to be philanthropic in nature, responding to perceived individual community needs in the location where a company tends to operate rather than setting up targeted strategic interventions to improve overall sustainable livelihoods at a country level”. Lindgreen et al. (2010) concur that Malawi may be more prone to philanthropic activities given the country’s socioeconomic conditions. Most of the company’s philanthropic activities are towards developing the education and health sectors. Kayuni and Tambulasi (2012), report that the government of Malawi has been focusing on education and health on its development agenda as such the organisations’ focus on their CSR activities is on areas that they feel are of real concern to the nation at large. Kayuni and Tambulasi (2012) further noted that the organisations also acknowledged the importance of CSR to their organisations, especially as a marketing tool and social obligation. They mentioned that CSR enhances the corporate image of the company; acts as a branding strategy; and provides free publicity. However, little is known of the corporate social responsibility practices in the hospitality industry in the country.

As noted by Holcomb et al. (2010:316-317) “…there is still limited knowledge about CSR activities of hospitality and tourism companies”. Besides, a number of researchers state that more attention in the research literature so far has been paid to CSR in Europe, Australia/New Zealand and North America than elsewhere (Nyahunzvi, 2012). Therefore, this study aims to examine the corporate social responsibility practices in the hospitality industry in Malawi. The specific objectives are: to determine the factors that influence hotel business to adopt CSR; to identify the barriers to CSR adoption by the hospitality establishments; and to investigate the extent CSR practices are adopted by hotel companies.

Understanding CSR

According to Dahlsrud (2008), there are many available definitions of CSR and they consistently refer to five dimensions encapsulating the stakeholder, social, economic, voluntariness and environmental dimensions. Bowen (1953:6) defined CSR as “the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society”. Johnson et al., (2010) defined it as the commitment by organisations to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large. Thus, the various definitions of CSR...
mostly share the theme of engaging in economically sustainable business activities that go beyond legal requirements to protect the well-being of employees, communities, and the environment (Heslin & Ochoa, 2008). Therefore, CSR takes into account the triple bottom line which involves the assessment of a firm's financial, social and environmental performance (Dess et al., 2010).

It is also important to note that recent other definitions of CSR incorporate four issues which businesses need to manage without causing harm. These issues include the marketplace, the community, the workplace and the natural environment. One definition by Dahlsrud (2008:7) draws attention to the commonly used definition of CSR that concerns “the commitment of business to contribute to sustainable economic development by working with employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for the business and good for development”. This means that businesses are obligated to make sure that their impact on the issues stated, are managed positively.

However, many favour CSR as a philosophy and policy benefitting the economy, society and environment based on the idea that companies have wider responsibilities beyond commerce (Henderson, 2007). Thus, CSR provides a platform for corporations to be involved in economic development in ways that can be much more powerful than has been hitherto thought of (Hopkins, 2007). The wider aim of social responsibility is to create higher standards of living, while preserving the profitability of the corporation, for people both within and outside the corporation (Hopkins, 2007). Thus, corporations are expected not only to act as responsible economic entities, but also to be good corporate "citizens" and good "neighbours". This means that they are expected to take care of the effects that their economic activities may have on the community and the environment. In other words, both the community and the environment should be treated as members of the stakeholder system (Figar & Figar, 2011). Some basic examples of CSR include: making donations to charities and community groups; lobbying for a particular cause; encouraging skill development amongst employees; taking responsibility for employee health and well-being; and engaging with disadvantaged groups in the community (Worthington et al., 2006). These are voluntary acts done on behalf of the business to benefit stakeholders of the business, and in some cases, to benefit the business as well.

**CSR and the hospitality industry**

The hotel business sector is one of the key elements of the tourism industry; consequently, it is the one which should be the most involved in environmental management. Reynolds (2013) notes that hotels use large amounts of resources such as water, energy and non-durable products. Additionally, many hotels are built in fragile environmental spaces with seemingly little thought to the forward implications of waste treatment, energy usage, transport and customer impacts on the area (Millar & Baloglu, 2008; Vellecco & Mancino, 2010). It has been estimated that 75% of all environmental impact created by the hotel industry can be attributed to the excessive consumption of local and imported nondurable goods, energy and water, followed by the emissions released to air, water and soil (Robinot & Giannelloni, 2010).

Therefore, the negative environmental and social impacts of the hospitality and tourism industries must be mitigated if the industries are to be sustained and profitable in the future (Lynn, 2009). It has been proved that CSR initiatives bring financial benefits to hotel firms, identifying a relationship between CSR and financial profit (Garcia-Rodriguez & Armas-Cruz, 2007; Lee & Park, 2009). Furthermore, Blešić et al. (2011) concur that improving the service quality as a socially responsible activity of hotel companies has a positive impact on customer satisfaction leading to retention and loyalty.
CSR has become an increasingly visible feature as part of the tourism industry’s response to change and growth. Large tourism companies in particular are looking to extend their CSR roles within local communities in order to promote development, as well as to raise their profiles among more environmentally and socially conscious tourists (McLachlan & Binns, 2014). Leon et al. (2011) concur that the cost of ignoring CSR is higher than the benefits of implementing it, as tourists are now likely to consider their vacation options on the basis of attributes such as a company’s CSR involvement.

Although CSR is still an emerging concept in the hotel industry, there is evidence of large multinational hotel chains engaging in CSR activities (Millar, 2010). However, the small and medium sized enterprises still struggle with the concept and are of the belief that it is only applicable to large businesses with greater resources. Merwe and Wocke (2007) posited that hotels that serve a predominantly foreign customer base are more inclined to implement responsible tourism as a result of demands by their clients than those serving predominantly domestic tourists. Furthermore, Sydnor et al. (2014) concur that the hospitality industry has embraced CSR and most major hospitality corporations report engaging in socially responsible activities.

Drivers of CSR

CSR literature highlights a number of factors that motivate organisations to implement CSR (Aguilera, Rupp, Williams & Ganapathi, 2007; Lynch-Wood, Williamson & Jenkins, 2009; Muller & Kolk, 2010; Sprinkle & Maines, 2010; Mzembe & Meaton, 2014). According to Sprinkle and Maines (2010), there are numerous reasons underlying organizations’ motivations for engaging in socially responsible endeavours. Firstly, firms may have altruistic intentions whereby they simply believe their CSR efforts are part-and-parcel of being a good global citizen. Secondly, organizations may engage in CSR activities as “window dressing” to appease various stakeholder groups, such as nongovernmental organizations (NGOs). Thirdly, there are potential contracting benefits: firms believe that CSR helps recruit, motivate, and retain employees. Fourthly, there are customer-related motivations: CSR may entice consumers to buy a company’s products or services. As such, firms may reap price premiums or garner increases in market share. Fifthly, companies’ focus on environmental concerns can lead to reductions in production costs. Finally, CSR may be viewed as an integral part of a company’s risk management efforts. To this end, CSR may be an effective lever for easing legal or regulatory constraints.

Companies are motivated to be engaged in CSR activities due to the desire to ‘give something back’ to the communities in which they operate; the need to gain and maintain legitimacy from stakeholders; and the prospect of enhancing financial performance (Muthuri & Gilbert, 2011). Similarly, Bill (2012) reveals that, customers and the community together coerce hotels to be responsible in the society and environment. Managerial personal values, organisational size, organisational culture and competition are some of the intrinsic motivations (Bill, 2012).

Nyahunzvi (2012) also noted that organizations are viewed as striving to secure not only sustainable competitive advantages but also “the social license” to continue business operations by strategically managing their social legitimacy. As such decisions to adopt CSR are often influenced by the attempt to obtain acceptance from stakeholders in society (Sangaroon 2011).

Barriers or inhibitors of CSR

Nord (2006) indicates that the political system and level of economic development of a region affect levels of CSR. Campbell (2006) has noted that corporations are likely to act in socially
responsible ways if there are strong and well-enforced state regulations, industry associations and private independent organizations such as NGOs who encourage, monitor, and enforce rules and regulations. Thus, the absence of these negatively affects the engagement of CSR. The success of CSR also depends on the embedding of knowledge and positive attitudes in the company culture. According to Keogh and Polonsky (1998), managerial initiatives regarding CSR fail when operational staff does not share their commitment.

Similarly, a study by Moyeen and Courvisanos, (2012) on eight SMEs in Australia identified time, money and resources as the key CSR barriers. The owner/managers reported that they did not start contributing to the community until such time they felt that they had a sustainable business. Worthington et al., (2006:206) found that as a result of resource limitations, SME owners and managers prioritize everyday business concerns, such as “sustained growth… profitability… providing a good product/service to customers” over CSR. The lack of skill and knowledge also prevent SME owner/managers from considering CSR and realizing its significance and potential benefits. Besides, it is argued that many SME owner/managers lack knowledge regarding their social impacts, and may believe that they are insignificant, so they neglect to take any action.

In addition, a number of minor barriers have been identified including: a risk of suspicion of their motives; fear of poorly implementing CSR which can lead to other problems; the operations of SMEs being less visible to stakeholders; difficulties in getting employees involved; making a connection with the community; and maintaining CSR activities over the long run (Barton, 2010). Muthuri and Gilbert (2011) concluded in their study in Kenya that regulatory pressures from the government are lacking and fail to create an environment conducive to the uptake of CSR in Kenya. Thus, the uptake of CSR is largely driven by the need to conform to social norms or mimic ‘best practice’ for legitimacy reasons. Kayuni and Tambulasi, (2012) highlighted that one of the setbacks to CSR activities in Malawi is that there is no genuine participation with the communities in problem identification phase which includes brainstorming. This mirrors the lack of application of holistic participatory approaches thereby spending a lot of resources in trying to address the demands of the society whilst respecting their pre-planned activities (Kayuni & Tambulasi, 2012).

Methodology

This study employed a qualitative approach to data collection to solicit more information from the respondents. Qualitative research often concentrates on conversational and similar exchanges between people in interviews, the media, and counselling (Howitt and Cramer, 2011). Qualitative research methods are appropriate among other reasons when the researcher wishes to study the complexity of something in its natural setting and when there is generally little or no research into the topic (Howitt & Cramer, 2011).

Respondents were purposively and conveniently sampled to accomplish the aim of the research. Purposeful or deliberate sampling, is where a sample is drawn from a population in a deliberate or targeted way, according to the focus of the research (Dawson, 2002). Purposive samples are used if description rather than generalization is the goal. In this type of sample, it is not possible to specify the possibility of one person being included in the sample (Dawson, 2002.). Thus, the researcher targeted the most competitive and well-established hotels in the three main cities of Malawi: Blantyre, Lilongwe and Mzuzu. Twelve (12) major hospitality establishments/hotels in Malawi’s major cities were sampled. Out of the 12, 4 hotels were from Blantyre; 5 establishments from Lilongwe and 3 hotels from Mzuzu. Senior managers (General Managers, human resources managers, marketing managers and public
relations officers) of the establishments were interviewed on the CSR practices as regards their establishments.

The data was collected in 2014 and in total 13 in-depth interviews were conducted thus one per establishment except one hotel where two interviews were conducted. Walliman (2011) states that interviews are more suitable for questions that require probing to obtain adequate information. They are particularly useful when qualitative data is required. Interviews can be used for subjects, both general or specific in nature and even, with the correct preparation, for very sensitive topics. Thus, the interviewer is in a good position to judge the quality of the responses, to notice if a question has not been properly understood and to encourage the respondent to be full in his/her answers (Walliman, 2011). The qualitative approach also helped this researcher to use flexible open-ended questions to probe for more information from respondents and to get an in-depth opinion from participants (Dawson, 2002). The data was thematically analysed. Qualitative approaches are incredibly diverse, complex and nuanced (Holloway & Todres, 2003). The paper adopted a deductive approach where themes were derived from the objectives to analyze the data (Braun & Clarke, 2006). Then descriptive and illustrative approaches were used with reference to models to base the arguments. The researcher used the themes to identify repetitive patterns on the data. A comprehensive description was then provided on the findings with illustrative relevant quotes. Then a discussion followed linking the quote and the factor in reference to literature and contemporary models were used to base the arguments on some of the themes.

Findings and Discussion

The results are based on the three specific objectives of the study: to determine the factors that influence hotel businesses to adopt CSR; to identify the barriers to CSR adoption by the hospitality industry; and to investigate the extent CSR practices are adopted by hotel companies. The study findings indicate that external factors have more influence on CSR adoption than internal factors. On the other hand, the study reveals that the major barriers to the adoption of CSR by hospitality establishments is the lack of financial resources and lack of interest from top management and the owners. It further emerged that most of the hospitality establishments are on the compliance stage of CSR adoption according to a model by Zadek (2004). The industry is not aware of CSR in its entirety thus organisations do what they must do in order to survive in the business environment.

The drivers of CSR

External drivers

It emerged from the study that most hospitality establishments are influenced by customers and surrounding communities and the related image concerns which prompt them to engage in any CSR activities.

It was also noted in most establishments that CSR practices are adopted to satisfy customers' needs. Customers are the driving force for business hence the need to prioritize them. One participant indicated that customers demand value for money as such they influence service quality hence they need to be considered and prioritized as key stakeholders. As the driving force of business, customers influence the establishments to adopt CSR as a way of attracting and satisfying them over competitors. This is in relation to Blešić et al., (2011)'s assertion that a company can achieve the desired reputation and achieve a sustainable competitive advantage by improving the quality of products and services as a result of corporate social
responsibility. This works through the improvement of the company’s brand where CSR is used to attract customers’ especially international tourists.

Likewise, most of the establishments found CSR as an effective marketing tool in as far as attracting customers is concerned even though the benefits are long term most of the times. The establishments delivered quality service at fair prices to ensure customers obtain value. They believed that the customers would one day consider visiting them or recommend them to other customers as a result of their engagement in CSR activities.

We have been engaged in CSR for some time and mostly as a hotel, we feel that’s one of our key marketing tools because people are able to know us as a hotel. They know more about our services, our standards (Participant 2).

This opinion was made possible through positive word of mouth from delighted customers who became the company’s walking advertisements. This is in line with Kotler and Keller (2009) who state that a satisfied customer will always make a repeat-purchase, as they become loyal customers of the company.

Similarly, community stakeholders also influenced a good number of the hotels to adopt CSR as part of being corporate citizens. The needs in the communities presented opportunities for the hotels to intervene philanthropically or with market oriented charitable donations that benefit the company in terms of competitive advantage. It was noted in all the hotels engaging in CSR that the notion of CSR was understood as giving back to the communities. In this regard, one participant stated that:

Yes! For us CSR is giving back to the respective communities; within Malawi where we are based, and indeed everywhere need arises; we are a hotel that is doing well on the market, it means people are giving us business. We believe in the sake of life and if somebody is giving to us and it’s only our responsibility and right that we in turn give to those that are needy and need our services (Participant 5).

The application of CSR activities as argued by Kayuni and Tambulasi (2012) is influenced and facilitated by ‘ubuntu’ values. In Malawi, ‘ubuntu’ is referred to as ‘umunthu’ (humanity). Basically, ‘umunthu’ means “helping and thinking of others in need”. CSR and ‘ubuntu’ are fundamentally based on similar principles and an organization which is operating in a community with ‘ubuntu’ values will be influenced by the same in the CSR application. In Malawi, ‘ubuntu’ is expressed in social, economic and political aspects of life (Kayuni & Tambulasi, 2012).

On enhancing corporate image, all organizations concurred that CSR enhances their image and improves their reputation thereby putting them on the map. The society looks up to them and speaks positively about them as such it boosts their image in the business operating environment. It was noted in the establishments that their visibility in the community was an influencing factor for participating in CSR activities. Thus, CSR helps to cultivate a good working relationship between the organizations and the people in the community through positive image. To further explain this one hotel stated that:

…any company will tell you, they want to be a good corporate citizen to enhance the image of their brand/ company, people need to know our hotel as a giving company; it’s wholly Malawian owned …and therefore it’s a brand that cares about Malawi; we are not just here to
make money out of the Malawians and run away. We want to have a
good bond with the community; people should see us as a good giver
and therefore embrace us (Participant 5).

Another hotel stated that:

Our CSR always boosts our image as a company because people are
able to know what we offer so generally CSR enhances our image. It’s
quite at a higher level (Participant 2).

As noted by Camilleri (2012), CSR brings reputational benefits as it enhances the firms’ image
among their stakeholders. The importance of a good reputation influences others to be more
willing to consider the organization’s point of view; helps to strengthen the organization’s
information structure with society and therefore improves resources in all areas; makes it
easier for the organization to motivate, recruit and promote increased employee morale and
finally it enhances and adds value to the organization products and services.

**Internal drivers**

The major internal drivers that influence the hospitality establishments to adopt CSR are
financial benefits, organizational culture and organizational size.

Most of the establishments acknowledged that CSR indirectly brought revenue. They stated
that when they made donations to organizations they established a good relationship which
later boosted their business opportunities. This is because the organizations prioritized the
establishments and recommended them to other potential guests in terms of the services sold
Thus, business opportunities increased with positive word of mouth. In light of this, some
hotels stated that:

CSR has helped generate income for the hotel e.g. when free space
for meetings is offered to the organisations like orphanages or
education institutions, all the delegates later buy food and drinks from
us. They also recommend us to their foreign visitors (Participant 3).

The officials of the organisations that we make donations to book their
accommodation with us whenever they have a function in this city
(Participant 6).

The establishments realise the financial benefits indirectly either in the short or long term
through their CSR activities. This depends on the effectiveness of the positive word of mouth
and level of exposure the hotel companies have through their CSR practices.

CSR is not a means of generating income, but indirectly in the long-run
that’s when you start realizing the benefits. The results are intangible,
you can’t say I have given this and I will realize so much; but when you
do something and people see it, embrace it; next time they want to do
something they will remember us (Participant 4).

In this regard, most of the establishments engage in philanthropic giving as a strategy aimed
at obtaining a competitive advantage over competitors. This is in line with Lantos (2002) who
stated that Strategic CSR is about fulfilling those philanthropic responsibilities which will
benefit the company through positive publicity and goodwill. Thus, companies financially
contribute to cause events, movements or organizations in return for exposure and
association.
Organisation culture and values also emerged as a major factor that promoted CSR in terms of service quality. This also led to the satisfaction of other stakeholders like the shareholders, employees, the government and suppliers.

We have such values because we always believe that without the society and the community as such, the business cannot operate properly. We believe that each and every employee has to respect the stakeholders. We always value our customers as kings because without the customers we cannot achieve the profit goal (Participant 1).

Service culture as part of CSR ensures that the customers as stakeholders are cared for and receive the deserved hospitality by satisfying their needs. This is in line with the hospitality principle that a customer is a king whereby without them, there is no business. Thus they are key stakeholders beside the shareholders and have to be treated as such. As Maignan and Ferrell (2004) assert, CSR can be influenced by core values and organisational culture.

The establishments also had values on waste management hence to some extent environmental conservation. They gave examples of how the hotels’ culture and values had an influence on the hotels’ choice to engage in sustainable practices to benefit the society and environment. It was noted in the hotels that rubbish bins were in designated places where waste was disposed of to be collected by the city council once or twice a week. Some recycled the waste into organic manure which was used for the grounds.

We have an environmental policy as regards waste management. So we always ensure we comply with issues to do with the environment. It’s a standard of the hotel. We ensure we don’t harm the society in terms of waste management (Participant 2).

An organisation culture that embraces environmental issues as regards the hotel premises ensures the minimum requirements to survive in the business environment are met. The activities mentioned by the various establishments mostly encompassed the society and the environment. This is in line with Dess et al., (2007) assertion that many companies are now measuring what has been called a “triple bottom line” which involves the assessment of financial, social, and environmental performance.

Size of the company is another internal driver that enables hotels to engage in CSR initiatives. This is in terms of the strategic capability that involves access to financial resources and human capital that enables an organisation to engage in CSR (Johnson et al., 2010). It was noted in the hotels that financial resources were the main determinant of CSR engagement. One hotel stated that:

*We are a big hotel and have good access to human capital. We are okay financially. We allocate 1% of our revenues to CSR engagements. The outside world expects us to be engaged in CSR* (Participant 3).

Most of the establishments believe that CSR is for government institutions that have a large pool of financial resources and this understanding underscores the confusion between corporate social responsibility and corporate philanthropy. Thus, many establishments give a blind eye to CSR because they confuse it with corporate philanthropy.
I can’t say that we have enough access to financial capital …we also don’t have enough human capital. This affects our engagement in CSR. I think bigger hotels are better placed to engage in CSR. But though we are small, we try (Participant 1).

Most of the establishments believe that the size of a hotel and its better access to resources influences CSR adoption. Most small hospitality establishments indicated that they are limited by the level of their profits which are meant for the shareholders as per their economic responsibilities hence do very little on CSR. As Johnson et al. (2010) observed, managers face an ethical dilemma in that the companies have shareholders who demand their return on investment and it is at the expense of their profits for the companies to be involved in CSR activities.

**Barriers to CSR**

The establishments faced different barriers in their engagement of CSR. Thus, this section outlines the barriers to CSR engagement in the hospitality industry in Malawi. Lack of enough financial resources and lack of interest from top management and owners were the main barriers that constrained most of the organizations from engaging in CSR. It also inhibited those already engaged in CSR from going a step further in as far as corporate philanthropy is concerned. One hotel stated that:

> As a private institution, you need more money to help the communities and still survive the competition. So it’s a challenge to have surplus funds for CSR. We don’t have any public interest apart from selling our services. We are using a differentiation strategy not a CSR strategy. Service delivery is of high standard here (Participant 8).

Another hotel stated that:

> We would wish to do more, but we face financial constraints. We operate on budget and we sometimes lack resources (Participant 4).

Therefore the availability of enough financial resources is a precondition to the adoption of CSR by organisations as most of the CSR activities to be accomplished demand the availability of funds. This concurs with Carroll’s (1991) model which points out that the economic responsibilities layer is the foundation of all other layers of responsibilities.

Lack of interest from top management and owners was another barrier as mentioned by seven of the establishments. It was noted in the establishments that the top management preferred another strategic direction other than CSR to obtain a strategic advantage in the business environment.

> Owners are not interested. They don’t think it’s that important to engage in CSR activities. So, it’s hard to assist the communities (Participant 9).

This shows that the understanding that the strategic purpose of an organisation determines the strategic direction it takes (Johnson et al., 2010). This is also in line with Dess et al., (2010) assertion that only companies which have the legal creation view, embrace the triple bottom
line whereas the questions of profitability remain at the forefront of the companies with the legal recognition view.

The extent of CSR adoption

The extent of CSR adoption entails how far the establishments have adopted and gone with CSR engagements. Thus, Zadek (2004) model was used to determine the stage of organization learning in as far as corporate responsibility is concerned. Also referred to determine the extent of adoption is the triple bottom line, which involves people, profits and the planet meaning society, economy and the environment respectively (Mattera & Melgarejo, 2012).

Nine of the establishments were at the compliance stage in as far as Zadek (2004) model is concerned whereby they just did what they had to in order to survive in the business environment. To illustrate this some of the hotels stated that:

The government is there to make sure the organization is complying with the laws. We are there to comply with the policy, the laws that the government introduces. We have environmental, safety and health policies. It is the role of any organisation to comply with the regulation (Participant 1).

The establishments are involved in CSR to some extent just to survive in the business environment as such most of them do not understand that what they do is part of CSR. For instance: taking good care of their employees, developing them and avoiding child labour. They comply with the safety, health and child labour policies which are crucial to business success and have legal consequences if not complied to. This is in line with the compliance stage of the Zadek (2004) model whereby the companies adopt a policy-based compliance approach as a cost of doing business to mitigate the erosion of economic value in the medium term because of ongoing reputation and litigation risks.

Two of the establishments are on the managerial stage where the societal issue is embedded in their core management processes.

We identify projects in the community and we support them. 1% of our annual budget goes to the community as part of our strategy. We employ people from the community; we support children from the community; we also support the vulnerable groups in the community for instance (Participant 3).

We normally set aside a budget for CSR. We always advocate fair wages, as well as non-discrimination; treating everybody equally; so our policies favour everybody. We have an environmental policy as regards waste management. Thus, we always ensure we comply with issues to do with the environment (Participant 2).

The hotels have incorporated CSR into their programs and have adjusted their systems, procedures and processes of operations to accommodate CSR. This is in line with the managerial stage of Zadek (2004) model where organizations embed the societal issue in their core management processes to mitigate the erosion of economic value in the medium term and to achieve longer -term gains by integrating responsible business practices into their daily operations.
Only one hotel has gone as far as the strategic stage where the societal issue is integrated into its core business strategies. The hotel identifies needs in the society and provides support on a continuous basis. Thus, it is involved in strategic CSR or corporate philanthropy.

...any company wants to be a good corporate citizen to enhance the image of their brand, ...people need to know that our hotel is a giving company; its wholly Malawian owned, and therefore it's a brand that cares about Malawi; we are not just here to make money out of the Malawians and run away. We want to have a good bond with the community. People should see our hotel as a good giver and therefore embrace it as part of their own (Participant 5).

The establishment is revitalizing and reinforcing its brand and through the large-scale CSR projects, it repositions itself strongly in the minds of the consumers hence. This is in line with the strategic stage of Zadek (2004) model where companies integrate the societal issue into their core business strategies to enhance economic value in the long term and to gain first-mover advantage by aligning strategy and process innovations with the societal issue.

The three aspects of the triple bottom line of CSR also reflect the extent of adoption in as far as integrating them in the business practices or implementation is concerned. Most of the organisations prioritized the social aspects over the economic and environmental aspects. Thus, only a few establishments improved the environment by conserving flora and fauna for instance tree planting initiatives. The results therefore show that the hospitality establishments in Malawi have not fully adopted CSR as far as the triple bottom line is concerned. As Crane and Matten (2004) put it, the triple bottom line considers the social and environmental value that businesses should add to the society in addition to their economic motive.

**Environment**
All establishments were involved in some environmental management practices by indulging in waste management practices whereby they had rubbish bins in designated places where waste was collected by the city council once or twice a week. Some recycled the waste into organic manure.

The city council comes and collects the waste from our bins. If for some other reason they do not come, we manage from our own resources (Participant 10).

We have a small building where we dispose of waste; every 3-4 days the city assembly collects it (Participant 11).

It is expected of any establishment to indulge in such basic environmental practices which are beneficial for hotel business in terms of cost reductions and cleanliness. Thus, it is necessary for the hotel companies to manage waste properly to enhance the physical evidence of the intangible service offered (Reynolds, 2013). Some went an extra mile in enhancing the quality of life by conserving the flora and fauna through tree planting initiatives. For instance, two hotels had been involved in such activities like donating seedlings to surrounding communities to support tree planting projects.

We offer them money to buy seedlings. We also encourage our staff to participate in tree planting projects in their communities (Participant 3).
It is imperative for hotels to embark on activities that conserve and preserve the communities’ flora and fauna. It must also be noted that most guests in the latest decade want to visit destinations which are environmentally friendly. These findings are in line with Dodds and Joppe (2005) who state that CSR has been closely linked to responsible tourism in which tourism operators focus on protecting resources that attract tourists for business sustainability in the long run.

Furthermore, all the establishments ensured they used environmentally friendly cleaning materials to sustain the environment. It was noted in the establishments that using environmentally friendly cleaning materials was a minimum requirement for every hotel.

Our international managers always encourage us to use environmentally friendly cleaning materials. We have a general policy for that (Participant 2).

We make sure we purchase cleaning materials which are not hazardous to the environment. It is our standard to purchase environmentally cleaning materials (Participant 7).

Green practices save money, attract new customers, and help to preserve the natural environment, which much of the tourism industry is dependent upon (Clark, 2006; Kasim, 2006). All the establishments also managed water usage in a way that considered the community at large. It was also noted that most of them had plumbers who controlled leakages; had reservoirs to ensure water was available and encouraged every employee to use water sparingly though admittedly, they stated it was very difficult to do so especially controlling guests usage of water.

Most of the establishments realised the impact of environmental friendliness in as far as attracting environmental sensitive tourists is concerned as such they trained their employees on how to be eco-friendly. This was achieved by conducting in house trainings and sensitisation meetings to promote an organisational culture for long-term benefits which generally accrue after satisfying influential stakeholders. Some of these establishments also educated guests on how to behave responsibly and be eco-friendly. Thus, a good number of Malawian hospitality establishments considered and took seriously the environmental sustainability issue. One hotel stated that:

We encourage our staff to be as environmental conservative as possible, for example, to close running water, to utilise the scarce resources in the right way and to switch off lights (Participant 4).

For tourism in Malawi to thrive, CSR has to be taken seriously especially the environmental aspects which are key global issues. Currently, most hospitality establishments give a blind eye to environmental issues except waste management practices. However, the hotel business sector has several social and environmental impacts since hotels use large amounts of resources such as water, energy and non-durable products (Reynolds, 2013). It has been estimated that 75% of all environmental impact created by the hotel industry can be attributed to the excessive consumption of local and imported nondurable goods, energy and water, followed by the emissions released to air, water and soil (Robinot & Giannelloni, 2010). Thus, the establishments ought to minimize their negative externalities for the sake of the society’s welfare.
Social

Every organization had a different program where employees were developed in their capabilities. Some employees were sent for further training by their companies whilst others took the initiative and the establishments could come in at a later stage to support them. Some hotels stated that:

This company believes in investing in its employees, capacity building for high productivity. Every department has a quarterly plan to train its employees to close the performance gaps that are there. We have a budget worth millions for the whole year to train our employees (Participant 5).

Staff is sent to China for further training almost every year to enhance service quality delivery. The training takes 6 months to 1 year. This is a policy to learn hotel operations in China from the parent company there (Participant 11).

The business environment is characterised by stiff competition especially in the service industry. Thus, hospitality establishments are continually improving their service quality delivery to supersede the dynamic needs of the sophisticated and cosmopolitan customers. Developing the human capital or the soft aspects of human resources is the key to achieving sustainable competitive advantage through differentiation in as far as innovation is concerned (Torrington et al., 2005).

Likewise, almost every establishment took employee health care seriously as some had medical schemes, health and security policies among other things to enhance productivity.

The company takes care of medical bills 100% for employees and their spouses and children. We also encourage people to go for HIV testing; the company has a nutritional package per employee every month. This company is a caring company. We have a special policy on HIV and AIDS. We want to take care of our HIV positive employees, we support them. We also shift them to less energy demanding jobs (Participant 5).

The service industry is characterized by labour intensiveness whereby human capital is valued as an asset (Torrington et al., 2005). Thus, it is important that employees are managed properly and motivated in order to deliver superior levels of customer service with a human touch. It is in light of this that health employees are very productive such that for an establishment to create and sustain competitive advantage; it must ensure that its employees are always healthy.

Most of the establishments understand CSR as giving back to the communities. One establishment went as far as community development through capacity building whereby it was involved in providing scholarships. The hotel is sponsoring trainee teachers in a three-year primary school teaching diploma programme.

As a hotel group we are sponsoring seven student teachers from DAPP, we are paying everything for them in the 3-year course. The teachers are bound to work in rural areas for 3 to 4 years before they think of migrating to town. They will go to areas where our units are located (Participant 5).
Most of the establishments are also involved in the provision of food, linen to vulnerable groups and rehabilitation of health centres. The establishments are mainly involved in active forms of CSR within the education, sanitation and health and environmental conservation sectors. Active forms of CSR engagement are characterized as regular and ongoing, and they may have started as either reactive or proactive. Businesses and companies that are involved in this type of CSR commonly establish their own projects which actively aim to support certain marginalised groups within society, and generally have the necessary financial backing to ensure that positive change eventuates (McLachlan & Binns, 2014).

The establishments were reactive and to some extent proactive in the way they have added value to communities. Thus, they responded to requests for donations from the communities and sometimes supported proactively. As noted by Barton (2010) businesses respond to requests for donations or support from certain stakeholders in the community.

In terms of creating economic linkages with the local economy, it was noted that some of the establishments supported the local farmers and suppliers by buying food items like vegetables, fruits, and tomatoes directly from them while others bought from the local market. A good number of them had established suppliers who supplied foodstuffs on a contract basis whereas others bought straight from the market.

We have an established list of local suppliers. Sometimes we buy from the market (Participant 5).

As part of CSR, it is of much significance to support the local farmers by buying their farm produce. This is supported by McWilliams and Siegel (2001, p. 117) who described CSR practices as “going beyond legal requirements in adopting progressive human resource management programs, recycling, abating pollution and supporting local businesses”. Additionally on the social practices, Henderson (2007) and Sprinkle and Maines (2010) highlight the purchase of products from local suppliers as part of CSR practices. The establishments varied in the extent to which they supported various CSR activities depending on their policies and budget allocations. Some supported the activities strategically to obtain a strategic advantage, while others supported these altruistically (where support is given for the benefit of the recipient not the company supporting) (Lantos, 2002). Corporate philanthropy is common in the hospitality industry in Malawi as the establishments address some of the needs in the communities through monetary and non-monetary donations. This is in line with what Kayuni and Tambulasi (2012) noted that Malawi is more prone to philanthropic giving due to the state of poverty in the country where many people live below the poverty line.

However, one hotel manager admitted that there is little impact in the communities as CSR is done individually and on a voluntary basis only. The establishment proposed that all organisations could come together to provide solutions to various problems faced by the communities. It must be noted however, that CSR can be used as a tool for community development and as such the hospitality establishments are expected to increase the extent to which they add value to the local communities. This is possible through capacity building and community empowerment drives. The establishments can also be proactive in identifying the various needs in the communities and seek to provide the necessary support. Thus, CSR can also be employed strategically by the respective managers to enhance corporate image through philanthropic giving.

**Economic**
All establishments acknowledged that their primary motive was to be profitable for their shareholders. Besides, some of the establishments ensured that their employees received fair wages to retain them and avoid labour turnover which is a common problem in the hospitality industry (Torrington et al., 2005). They also considered customer needs in terms of creating value by enhancing service quality to ensure that the price is fair. Furthermore, most of the establishments had established suppliers who supplied demanded reasonable prices for their supplies. The establishments bought directly from the local suppliers to support them as part of economic linkages. One hotel stated that:

We want to be more profitable so as to do a lot in the communities. The company increases salaries annually to ensure employees feel comfortable. Our company is flexible, does not dictate on staff welfare; we strive to keep on improving our service quality to attract customers. No pressure from the government but from customers who demand value for their money (Participant 6).

This concurs with Carroll’s (1991) model of CSR whereby economic responsibilities are the foundation on which all the other responsibilities rest. Thus, companies have shareholders who demand a reasonable return on their investments; they have employees who want safe and fairly paid jobs; they have customers who demand good quality products at a fair price (Carroll, 1991). Therefore, responsible companies ought to reduce environmental footprint (planet), while achieving sustainable profits, and balancing these objectives with people involved, from employees to the overall community (Mattera & Melgarejo, 2012).

Conclusion

Most of the establishments were not aware of CSR as an important aspect in operations, in its entirety. They only understood the social aspect of the triple bottom line (society, economy, and environment) of CSR. The external factors comprising customers, community and imagery, had more influence on the hospitality establishments in Malawi in the adoption of CSR than the internal factors did. The major barriers to the adoption of CSR by hospitality establishments in Malawi emerged as financial constraints and a lack of top management interest and awareness in CSR.

The industry in general is in a compliance mode in as far as Zadek’s (2004) model is concerned, whereby organizations do what they have to in order to survive in the business environment. The owners or managers of establishments mainly tend to respond to requests for donations or support from the stakeholders. The establishments were more involved in the economic and social aspects. The environmental aspects did not receive much attention in as far as conservation of flora and fauna is concerned. This concurs with Visser’s (2008) model, which identifies the philanthropic responsibilities as the second highest priority after the economic responsibilities in the developing countries. There are a number of recommendations the study brings forth to Malawi as a country, the policy makers and the hoteliers. First, there should be an aggressive awareness campaign by the media and academia on corporate social responsibility. It was discovered from more than half of the establishments that CSR is not a very familiar concept. Thus, for CSR to be adopted fully and practiced in its entirety for the development of the nation there is need for massive awareness creation. Secondly, the government should lead the CSR agenda by introducing CSR legislation as suggested by more than half of the establishments under study. The establishments stated that they consider the government as their parent as such they follow whatever it enforces as a law. This would prove important because some private establishments excused themselves from CSR engagement claiming that it is for public institutions only.
Thirdly, the managers of the establishments should go as far as employing CSR as a strategy for the benefit of the company. It was also discovered that most of the establishments are reactive when it comes to CSR engagement. They adopt a policy-based compliance approach as a cost of doing business in order to mitigate the erosion of economic value in the medium term because of ongoing reputation and litigation risks. The establishments need to be proactive or active in as far as the fluid model of CSR engagement is concerned. They need to employ strategic CSR to attract customers through enhancement of corporate image.

Finally, establishments should be serious when it comes to CSR engagement and should keep records of CSR practices. It was discovered during the study that almost all the establishments fail to report their CSR activities. This shows the level of commitment they have towards social responsibilities. Besides, the organizations should introduce a section or department solely responsible for CSR to be able to scan the environment effectively and recommend an operative strategic implementation of CSR to obtain a strategic advantage and remain sustainable.

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