



**The Communication of Corporate Social Responsibility Among  
Stakeholders for Selected Senior Managers in the Accommodation  
Section of Thailand's Tourism Industry.**

**Mr. Scott Michael Smith**

**A Dissertation Submitted in Partial Fulfillment of the Requirements for  
the Degree of Doctor of Philosophy in Hospitality and Tourism Management  
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Tourism Industry**

**Dissertation**

**November 25  
2017**

**Scott Michael Smith**

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The table below states the persons and organizations who have contributed to this dissertation.

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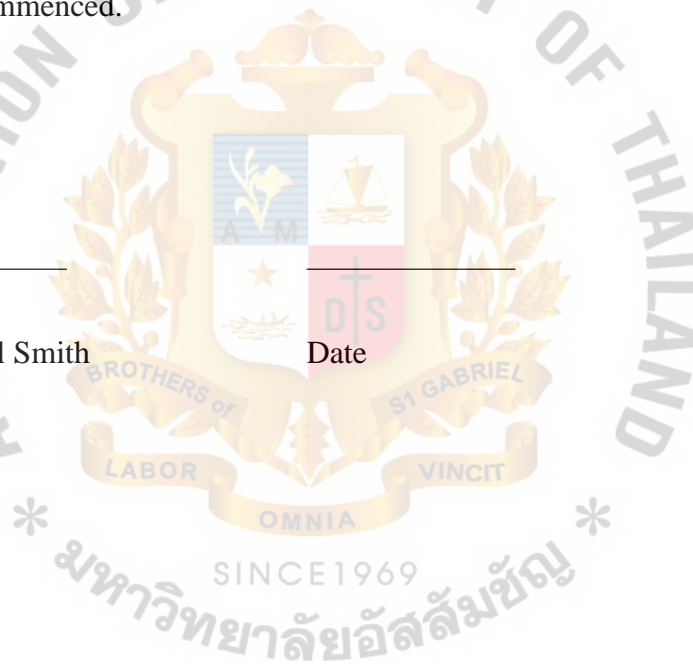
### Declaration on Ethics

The research presented and reported in this thesis was conducted within the guidelines for research ethics outlined in the Assumption University. Guidelines on Research Practice presented during the course work. The proposed research topic and methodology received clearance from Assumption University advisers before data collection commenced.

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Scott Michael Smith

Date



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# **The Communication of Corporate Social Responsibility Among Stakeholders for Selected Senior Managers in the Accommodation Section of Thailand's Tourism Industry**

**November 25, 2017**

**Scott Michael Smith**

## **ABSTRACT**

**Purpose:** The overall aim of this research was to identify and examine the practices and communication of social responsibility initiatives among senior managers in Thailand's tourism industry, primarily the accommodation section. The main objectives of the research were to investigate the Corporate Social Responsibility (CSR) practices of a company and the nature of the communication of their commitments to CSR to industry stakeholders (management/owners, employees, suppliers, customers and the community). CSR was defined as 'a strategic approach of incorporating social concerns into business operations and relations with stakeholders'.

**Design/Methodology/Approach:** Seventeen semi-structured in-depth interviews were conducted using open ended questions with senior managers in the accommodation sector of Thailand's tourism industry. Snowball Sampling (chain referral sampling) was used to identify qualified subjects for the in-depth interviews.

**Results:** The data revealed variations of the definition of CSR in the sample of the accommodation sector in Thailand; each senior manager viewed CSR with different interpretation. Asking the respondents to describe the requirements of a legitimate CSR initiative provided a multitude of views with the common feature being that CSR initiatives are people oriented. The general consensus among senior managers centered on whether the primary focus of the CSR strategy should be employees or the community, provides a basis for understanding. The results of the research indicate the need of an effective communication strategy which should, ultimately, tell a story about the company's CSR philosophy, goals, programs and initiatives. The various dynamics of each stakeholder relationship, should be considered and the appropriate communication strategy should be used by the senior managers to reach each specific stakeholder with clear message relating to their CSR initiative.

As a result of this research, recommendations for effective communication of CSR efforts emerged. A framework for CSR communication and practical guidelines for the best practice of effective communication of CSR in this sample of the accommodation industry in Thailand was developed. While no company would exemplify all best practices exactly as presented, successful companies demonstrated many of the best practices described. A myriad of initiatives were provided by interviewees and methods of communication of the initiatives considered. Saturation was achieved when subsequent interviews failed to add no new data. Interviews were conducted with senior managers representing a wide range of accommodation styles and locations, representing ten 5 star hotels in Bangkok, three Community Based Tourism (CBT) lodges in Northern Thailand, and four beachside resorts in Hua Hin and Ko Samui.

**Limitation of the Research:** The inductive exploratory research required to analyze the communication of CSR initiatives, focuses on the communication strategies between senior managers and major stakeholders including; shareholders, customers, suppliers, employees and the community. The study represents a sample of seventeen senior managers in Thailand's tourism industry, primarily the accommodation sector, to the exclusion of other sectors that comprise the tourism industry. The uniqueness of the service industry further limits the scope of the research when compared to other industries such as manufacturing or agriculture as the customer is further removed from the product development.

**Key Words:** Corporate Social Responsibility (CSR), Communication, Thailand, CSR Communication, Stakeholder Communication, Cultural Communication



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## Definition of Terms

<b>Cause promotion</b>	Funds, in-kind contributions, or other corporate resources used to increase awareness and concern about social cause or to support fundraising, participation, or volunteer recruitment for a cause (Kotler and Lee, 2008).
<b>Communication</b>	The imparting or exchanging of information by speaking, writing, or using some other medium (Oxford, 2017).
<b>Corporate Social Initiatives</b>	Activities undertaken by a corporation to support social causes and to fulfill commitments to corporate social responsibility (Kotler and Lee, 2008).
<b>Corporate Social Responsibility</b>	A strategic approach of incorporating social concerns into business operations and relations with stakeholders. (Smith, S.M., 2016).
<b>Corporation</b>	A system of primary stakeholder groups, a complex set of relationships between and among interest groups with different, objectives, expectations and responsibilities Clarkson, M. E., 1995)
<b>Culture</b>	The collective programming of the mind which distinguishes the members of one group or category of people from another (Hofstede, G., 1991, p.5).
<b>Greenwashing</b>	A claim about the environmental or social benefits of a product that is unsubstantiated or misleading (Bazillier, R., & Vauday, J., 2009)
<b>ISO</b>	International Organization of Standardization (ISO, 2015)
<b>ISO14000</b>	A criteria and certification by the International Organization for Standardization (ISO) relating to the environmental management of an organization (ISO, 2015).
<b>ISO26000</b>	A guide (not certification) by the International Organization for Standardization (ISO) relating to the <i>social responsibility</i> of an organization (ISO, 2015).
<b>Senior Manager</b>	An individual who is responsible for setting the long-run priorities for an organization, for deciding how to allocate resources effectively to achieve long-run goals, and for the efficient use of the resources (Litzky, B., & Greenhaus, J., 2007).
<b>Stakeholders</b>	Any group or individual who can affect or is affected by the achievement of an organization's purpose (Freeman, 1984, p.53).
<b>Sustainable tourism</b>	All types of tourism (conventional or alternative forms) that are compatible with or contribute to sustainable development (Liu, 2003).

<b>Sustainable tourism development</b>	Meets the needs of present tourists and host regions while protecting and enhancing opportunities for the future. It is envisaged as leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems (WTO, 2001).
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### Definition of Thai Terms

Bunkhun	The degree to which a person must remember the goodness done to him by another and remember to reciprocate it. (Komin, 1990, p. 221)
Kreng jai	To be considerate, to feel reluctant to impose upon another person, to take another person's feelings (and ego) into account, or to take every measure not to cause discomfort or inconvenience for another person. (Komin, 1991, p. 164)
Patronage	A system of help or protection given to people, often in return for their support (Patronage Politics in Thailand, 2010)





## Acronyms

<b>Abbreviation</b>	<b>Explanation</b>
<b>ASEAN</b>	Association of South east Asian Nations (Craig, R., & Diga, J., 1998)
<b>ATTA</b>	The Association of Thai Travel Agents (Rittichainuwat, B., 2006)
<b>CO</b>	Carbon Monoxide (Orpen, A. G., Brammer, L., Allen, F. H., Kennard, O., Watson, D. G., & Taylor, R., 1989)
<b>CS</b>	Corporate Sustainability (Antolin-Lopez, R., Delgado-Ceballos, J., & Montiel, I., 2016)
<b>CSR</b>	Corporate Social Responsibility (Supanti, Butcher & Fredline, 2015)
<b>CSRI</b>	Corporate Social Responsibility Institute (Virakul, B., Koonmee, K., & McLean, G. N., 2009)
<b>EU</b>	European Union (Valor, C., 2005)
<b>GM</b>	General Manager (Khunon, S., & Muangasame, K., 2013)
<b>LEED</b>	Leadership in Energy and Environmental Design certification by the US Green Building Council (Retzlaff, 2008)
<b>LTO</b>	Long Term Orientation (Furrer, O., Liu, B., & Sudharshan, D., 2000)
<b>ISO</b>	International Organization for Standardization (Murphy, C. N., & Yates, J., 2009)
<b>PDA</b>	Population and Community Development Association (Veravidya, M., & Nirapathpongporn, A., 2005)
<b>PR</b>	Public Relations (Goi, C. L., & Yong, K. H., 2009)
<b>RO</b>	Reverse Osmosis (Ngo, H. H., Guo, W., Chen, Z., Surampalli, R. Y., & Zhang, T. C., 2016)
<b>ROI</b>	Return On Investment (Meng, Juan & Berger, 2012)
<b>SET</b>	Stock Exchange Thailand (Suttipun, 2012)
<b>SOP</b>	Standard Operating Procedure (Gunawan, J., 2016)
<b>SRI</b>	Socially Responsible Investing (Revelli, C., 2016)
<b>TAT</b>	Tourism Authority of Thailand (Supanti, 2015)
<b>TBL</b>	Triple Bottom Line (Elkington, J., 2004)
<b>THA</b>	Thai Hotel Association (Mishra, P. P., 2016)
<b>T-BIRD</b>	Thailand Business in Rural Development (Matsumura, M., Isarabhakdi, P., & Pleumcharoen, S., 2003)
<b>USGBC</b>	United States Green Building Council (Retzlaff, 2008)
<b>UNICEF</b>	The United Nations Children's Fund (Du, S., Bhattacharya, C. B., & Sen, S., 2010)

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## CHAPTER I - Introduction

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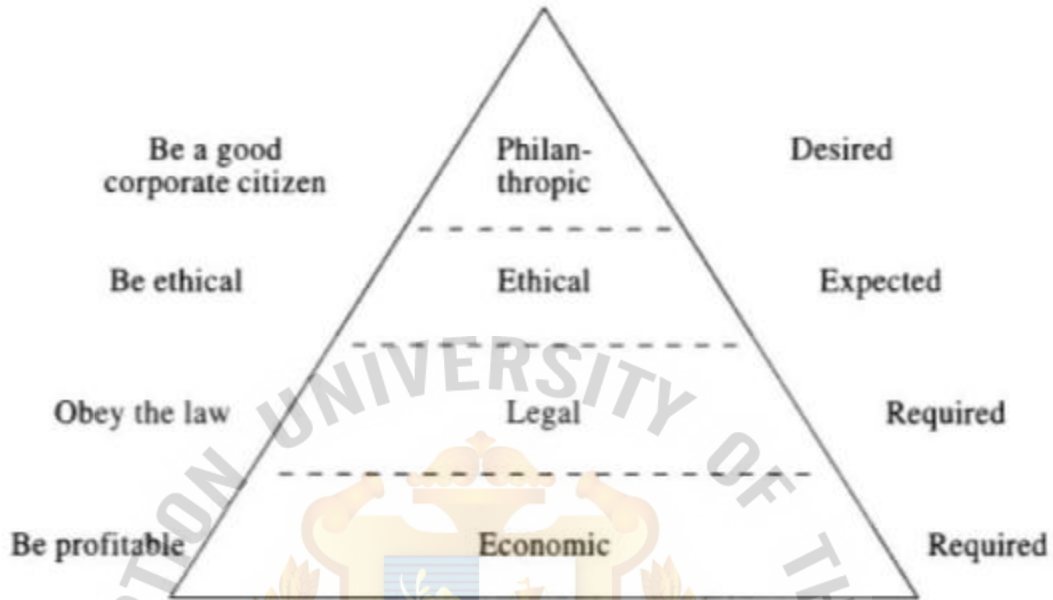
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### 1.1 Defining Corporate Social Responsibility (CSR)

Corporate citizenship, social responsibility, and corporate sustainability are terms used to describe concepts related to CSR in the tourism industry. As industry experts continue to identify exactly what is the proper balance between providing a suitable Return on Investment (ROI) to the shareholders and offering a ROI to other stakeholders in the form of CSR initiatives, academics continue to debate the definition of Corporate Social Responsibility.

Carroll (1979) is one of the first theorists to suggest that “business encompass the economic, legal, ethical and philanthropic (discretionary) expectations that society has of organizations at a given point in time”. Carroll claims that businesses are responsible to society and should do what society expects of them.

Figure 1 Carroll's Social Performance Model



Source: <http://article.sapub.org/10.5923.j.mm.20160604.02.html>

Accessed 5/7/2017

Carroll's (1979) Social Performance Model is the result of research of the various views of social responsibility. Three groups are identified that have varying views regarding social responsibility. The first issue identified relates to the economic, voluntary and legal aspects of CSR definitions. Social issues such as discrimination, product safety and the environment form the foundation of the second group of issues surrounding the definition of social responsibility. The final group of definitions considers the philosophy of response (proactive vs. retroactive) rather than the type of issues that may fall under the umbrella of social responsibility. Limitations to Carroll's pioneering research include data collection primarily in the US. As with much of the American centric theories and models developed in the 1960-70's in the US, it may not apply to Southeast Asia and Thailand in the present time. Cultural influences will be explored in the research of CSR communication from senior managers in Thailand's tourism industry. Carroll's CSR model also fails to consider the importance of environmental



stewardship and the many dimensions of sustainability. Carroll's study was conducted in the 1970's, a time when environmental considerations were just beginning to be realized.

Tourism industries in general and the hospitality industry sector in particular have increasingly become sensitive to environmental concerns. Further exploration is needed, in order to build on Carroll's findings. Dearden (1991) identified sustainability as a pillar of tourism development in Northern Thailand. This study of the communication of CSR by senior managers within the hospitality industry sector in Thailand will add to Carroll's seminal work by exploring the influences of the importance of environmental considerations, cultural empathy and stakeholder communications.

It has been argued that CSR has no clear boundaries (Robins, 2005) since the broadness of the concept makes it problematic in terms of drawing up a definitive list of meanings and practices that may be considered CSR. To understand CSR therefore, one needs to specify the nature of the responsibility while identifying the nature of the issue that these responsibilities are tied to and hence, CSR will vary depending on the issues that affect the organization and the issues impacting it will change over time and differ between industries (Carroll, 1979).

Baker (2004) concedes that different organizations have different definitions and offers the definition that "CSR is about how companies manage the business processes to produce an overall positive impact on society." The World Business Council for Sustainable Development (WBCSD, 1999) offers the description on their website, "CSR is the continuing commitment by business to contribute to economic development while improving the quality of life of the workforce and their families as well as of the community and society at large."

Understanding of an organization's CSR activities varies among external stakeholders; guests, community, suppliers and internal stakeholders; owners, employees often due to poor or faulty communication. This proves a hindrance to a company wanting to garner strategic benefits from socially responsible programs they have implemented.

The focus of this research is to explore the methods used by a sample of 17 senior managers in Thailand to communicate CSR to stakeholders.

Wood (1991) compiled the different perspectives of CSR introduced and developed a definition that identifies CSR as a business organizations configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships.

The focus of CSR literature beginning with Carroll (1979) and developing until today falls into three main discussions. The first discussion concerning the legitimacy of corporate responsibility and the degree of company involvement has largely subsided (Matten, D., & Moon, J., 2008). Friedman's (1970) article *The Social Responsibility of Business is to Increase its Profits* in The New York Times Magazine presents the argument that corporations have no social responsibility and that their primary responsibility is to maximize the Return on Investment (ROI) to the stockholders. "There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game" (Friedman, 1970, p. 32). Friedman's view that corporations only exist to make a profit deserves scrutiny. Measuring profits solely as a financial return on a financial investment ignores the myriad of ways to consider profit. In Thailand's accommodations sector, each stakeholder contributes (invests) resources in a variety ways and receives different costs and benefits that are cultural, social, environmental as well as economic. The community invests their time, shares their culture, and receives benefits ranging from increased cultural understanding to employment. The owners' initial financial investment and their return on investment often consider more than just their bank balance. Environmental benefits such as the conservation of resources contribute to the sustainable development and protect the natural resources precious to the global community alike.

The second discussion revolves around the concept of the Triple Bottom Line (TBL) focusing on an organizations socio-cultural, economic and environmental impacts and whether the reporting of TBL performance is realistic and reliable (Arnold, 2010). The hotel industry struggles to adopt CSR standards and practices due to external forces (i.e., community and suppliers) and internal forces (i.e. employee pressure). Codes of conduct and certifications are being implemented by hotels throughout Thailand and around the world that are not based on international standards and are of little importance to many of the stakeholders (Wood, A., 2008).

The third discussion found in CSR academic literature identified by Arnold (2010) examines the linkages and relationships between TBL and financial performance. Applying established accounting practices for financial statements to CSR audits is problematic and often fails to show the true picture of a company's CSR efforts.

The definition of CSR continues to evolve, Baker's (2004) online report finds The World Business Council for Sustainable Development suggests that CSR is "the continuing commitment by a business to behave ethically and contribute to the economic development, while improving the quality of life of the workforce and their families as well as the local community and society at large".

Marketing guru Philip Kotler approaches the concept of doing good and considers CSR initiatives from a strategic management and marketing perspective. Broadening the concept of CSR and approaching CSR from a marketing paradigm may be important to maximize the ROI to investors but may call into question the intentions and motives of the organizations in the hospitality industry sector by the very stakeholders that they are attempting to serve. Kotler and Lee (2008, p.3) proposed that CSR is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources" and describe Corporate Social Initiatives (CSI) as "major activities undertaken by a corporation to support social causes and to fulfill commitments to CSR. This definition includes the reference to a voluntary commitment

as opposed to one that may be required by law or coerced due to pressure from various stakeholders. Their definition of CSR includes environmental issues as well as issues relating to human conditions, when referring to community well-being. The importance of motivations, such as increasing profits, conserving resources or helping others will be investigated through the course of this research relating to the communication of CSR.

The European Commission (2011) defined CSR in a press release as “the responsibility of enterprises for their impacts on society.” Further, in order to fully meet their social responsibilities and so that enterprises should have in place a process to integrate social, environmental, ethical human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders.

Another global organization, Business for Social Responsibility (2012) defines CSR on their website as “operating a business in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business” elaborating with “CSR is seen by leadership companies as more than a collection of discrete practices or occasional gestures, or initiatives motivated by marketing, public relations or other business benefits. Rather it is viewed as a comprehensive set of policies, practices, and programs that are integrated through business operations, decision-making processes that are supported and rewarded by top management” (Business for Social Responsibility, 2012).

Business in the Community (2005 p.5) defines CSR as “the management of a company’s positive impact on society and the environment through its operations, products or services and through its interaction with key stakeholders such as employees, customers, investors and suppliers.”, clarifying that issues such as improper treatment of workers, child labor, and environmental problems and consumer welfare are of such enormity that they are a global concern.

Carroll (1979) is the first to provide a methodological approach to examining definitions of CSR. The environmental dimension of CSR was not included in early

definitions (Carroll, 1979; WBCD, 1999). Later definitions (Arnold, 2010; Kotler and Lee, 2008) include issues such as transparency and motivation strictly relating to the voluntary considerations of CSR. Examining the work of earlier scholars provides a solid overview of the historical development of a definition.

Largely overlooked in the academic research, but also worth considering is the motivation and intention of an organization CSR efforts and the degree of importance this has with the stakeholders. Researching the senior manager motivation for CSR and the communication of CSR initiatives, can provide valuable insight. Consider an organization that has voluntarily tracked their waste, either discarded, reused and recycled in order to improve their waste management programs and conserve resources. As this is a voluntary effort and not required by law, the organization is not trying to conform to legal requirements. This waste management effort may be seen in simple terms as an attempt to do good. The introduction of governmental requirements relating to waste management may affect the perception of organization's intent among stakeholders. It is possible that the introduction of requirements relating to CSR at a governmental or organizational level could diminish the value of the CSR effort. The ethical considerations of CSR warrants further investigation and will be a topic considered in this research of the communication of CSR among senior managers in Thailand's accommodations sector.

In the absence of a universal definition, and for the purposes of this study, CSR is defined as “a strategic approach of incorporating social concerns into business operations and relations with stakeholders” (Smith, 2015, p. 13).

## **1.2 Background of this Research**

Thailand's tourism industry began developing in earnest during the Vietnam war. Thailand provided bases for US troops and airfields for strikes and hospitality to the soldiers. During the late 1960s and early 1970s, travel to Thailand was largely by North



Americans who not only constituted the dominant group among overseas tourists; but the tourist infrastructure of the country (the kinds and style of services and facilities) was adapted to the taste and demands of American visitors. From 1975-1993, foreign tourist arrivals increased ten times: from approximately 600,000 in 1970 to six million in 1993. Not only have more tourists visited Thailand, but they tended to stay for a longer time: from less than five days in 1970, to about seven days in the 1990s. The tremendous growth of tourism numbers continues today, rising from 10 million international visitors in 2000 to nearly 27 million international visitors in 2013. In 2016, Thailand had 32.6 million visitors, a rise of nearly nine percent from the previous year. (Tourism Authority of Thailand, 2017).

Today, according to Thailand's National Information Center (NIC) there are over 7,000 officially licensed hotels in Thailand. Occupancy rates have been steadily increasing from 58.42 per cent in 2011 to 64.9 per cent in 2012, according to Thai Hotels Association (THA). Recent political demonstrations followed by a military coup in May 2014 have seen occupancies and Average Daily Rates plummet, but history has proved that Thailand's tourism economy is resilient and will bounce back. Political uncertainty in 2010, flooding in 2011, a SARS scare in 2003 followed the next year with concerns about bird flu and the effects of the 2004 tsunami in Southern Thailand have caused tourism numbers to decrease for a short time, only to rebound quickly (Wood, A., 2008).

The accommodation industry in Thailand continues to struggle with meeting the CSR expectations of the stakeholders while at the same time incorporating a sustainable business model that includes an equitable return on investment. Levitt (1958) concludes that business organizations do not possess the expertise to find effective and efficient solutions for social issues. Over the past 50 years the definitions and concepts regarding CSR have continued to evolve to the point where industry stakeholders have an expectation that business organizations will conduct themselves in a socially responsible way. CSR has gained momentum from the 1970s. Although, increasingly widespread,

unrelated CSR initiatives have received more criticism than praise (Levitt, 1958; Friedman, 1970; Porter & Kramer, 2006). In response to stakeholder pressure and increased rules and regulations, it is no longer a question of whether a business organization will practice CSR, but rather how well they practice CSR, thus, the need for a CSR strategy that includes thoughtful communication to stakeholders.

The idea of strategic gains from organizations CSR initiatives started growing in popularity in the mid-1980s (Carroll, 2010). The concept of strategic CSR is only expected to grow in the future according to Lantos (2001). Effective CSR strategies vary for business to business and industry to industry, however, the effective communication of the CSR strategy remains a key success factor.

Earlier research by Levitt (1958) stressed the need for CSR initiatives to be related to the functions of a business organization in order to be successful. More recent literature by Porter and Kramer (2006) concur, stating that CSR initiatives that are wide ranging and unrelated will consume an organizations resources without alleviating the social issues they attempt to address. Porter and Kramer's concept of strategic philanthropy may also call into question a corporation's motivation and intention when implementing CSR initiatives. Porter and Kramer (2006) suggest that every company should categorize their social issue as:

1. Generic social issues (i.e., climate change)
2. Value chain social impacts (i.e., community relations)
3. Social dimensions of competitive context (i.e., human resource issues)

These dimensions of CSR will be further explored through the research of CSR communication among senior managers in the accommodations sector.

CSR strategies should address the social needs of the stakeholders while providing benefits for the business (Lantos, 2001; Porter & Kramer, 2006). Employees, customers, suppliers and the community can pressure organizations to act in a socially responsible way, but the needs of the stakeholders vary from one group to another and

change over time. Carroll, A. (2010) adds that strategic CSR will help business firms accomplish strategic business goals. The need for the integration of CSR into an organizations strategic perspective and operations is necessary for success, according to Werther & Chandler (2010).

CSR initiatives are being implemented by corporations around the world in an effort to improve product differentiation, increase customer loyalty and satisfaction and appeal to the ever growing demand for socially responsible products and experiences by today's discerning consumers. CSR, in general terms, is a concept of responsible business whereby organizations voluntarily take responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment. This can be broken down into three key areas: environment, community involvement and cultural conservation.

Currently in Thailand, both the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) monitor publicly listed companies and have annual awards for outstanding performance on corporate governance and CSR. The Department of Industrial Works (DIW) supports and recognizes smaller players in the industry for their CSR efforts through their annual CSR DIW awards. The local Thai newspaper reported online in 2013 that in the near future, all companies listed on the SET will be required to come up with detailed reports of what they are doing. The SEC assistant secretary-general Waratchya Srimachand is reported as saying, "to encourage listed companies to recognize CSR more, the Securities and Exchange Commission is planning to make it mandatory for firms to disclose their CSR operations," (The Nation, 2/10/2013).

The accommodation industry differs from other industries. The involvement of the customer in delivering the experience demands a thoughtful approach to CSR engagement. The simple fact that the hotel customer lives where the product is delivered calls for a CSR strategy that is well planned and executed. The communication of CSR initiatives within

the hospitality industry sector in Thailand can be categorized several ways; under communication, ineffective communication, effective communication, and misrepresentation (green washing).

The increasing importance of CSR efforts to the success of hotel brands globally and locally illustrates a need for a CSR strategy that maximizes the return on investment (ROI) to the hotel. As Thailand's hospitality industry sector embraces the economic, socio-cultural and environmental pillars of sustainable tourism, the altruistic nature of CSR practices by hotels in the past, such as charitable donations has lead to a more comprehensive CSR strategy being executed by the leaders in Thailand's tourism industry. Environmental stewardship and community development are becoming increasingly a part of a hotel's CSR strategies and customers, investors and employees are increasingly expecting the company to demonstrate and communicate their efforts.

Like many Asian cultures, Thailand has a class structure, commonly referred to as 'kreng jai', which defines relationships using a senior-junior paradigm (Papirom,1976). This affects stakeholder relationships in a number of ways. Primary stakeholders such as the local community may view themselves collectively lower in rank, compared to a hotel property and are less likely to consider or criticize the CSR initiatives of the hotel. Employees may be more likely to receive CSR communications from senior managers but less likely to communicate the messages to the end users (the hotel guest) whom they also view as their seniors.

The unique relationship between and within stakeholders in the hospitality industry sector in Thailand requires a new approach to communication of CSR from the senior managers. The values of an organization need to be communicated effectively by those in the company that have regular contact with the stakeholders and must be clear and easily understood by stakeholders. The emergence of CSR initiatives as a tool to differentiate products and gain market share in addition to the more obvious benefits of Socially Responsible Initiatives (SRI) coupled with a consumers longing for meaningful

experiences merits further research.

Kraisornsuthasinee and Swierczek (2009) explore the topic of balancing stakeholder interests in Thailand with “extra care” (p. 550) while acknowledging the progress of the CSR movement in Thailand. The benefits of CSR include a social license and cost saving may be of particular interest to the tourism industry which is often dependent on the goodwill and participation of stakeholders along the supply chain.

As suppliers struggle to ‘do good’, for a multitude of reasons, they are often confronted with a disconnect between the consumer and the CSR initiative. No longer is the distribution of tourism products being supplier driven, but rather there is a need to respond to the demands of the consumer. The consumer is increasingly demanding a ‘socially responsible’ product as well as one that is environmentally responsible. Currently there is low brand loyalty as consumers make decisions primarily based on price; CSR initiatives could potentially lead to increased brand loyalty and product differentiation (Dodds and Joppe, 2005).

Brady (2002) believes that once a company has started to adopt the principles of CSR and reporting, stakeholders will make it hard to stop. CSR seems to be a “no way back” solution and must therefore get full commitment from the top management of the company with a long-term perspective. Researching the existing communication of CSR by senior managers in the accommodation industry in Thailand will offer insights into successful communication strategies and highlight best practices from accommodation organizations.

Kalisch (2002) believes that CSR is a tool that can bring economic success to the companies, protects the environment and provides a better way of living for the host communities in the destinations.

A survey made by Tearfund (2002) finds that 30% of the surveyed UK tour operators state that travelers are asking for information relating to social, economic and environmental issues in the destinations. It shows the trend of customers’ awareness and



interest in these issues (Goodwin and Francis, 2003). In most industries, CSR standards and practices have been developed by the private sector to respond to external pressure. In Thailand's tourism industry the use of codes of conduct and certification is, for the most part, not widespread and not based upon agreed international standards. Batra (2006) suggests that tourism organizations can ensure sustainable tourism to "suppress or alter demand". Batra notes that even de-marketing a destination will not prevent people from traveling, suggesting that governments should develop standards and regulations for marketing of tourism products. "They should monitor and audit existing and proposed activities and design and implement educational and awareness programs for tourism promoters" (2006, p. 64). The concept of CSR continues to evolve as do pioneering concepts relating to tourism development. (ie. ecotourism, responsible tourism and sustainable tourism) that have been introduced in recent years.

### **1.2.1 The CSR Paradigm in Thailand**

CSR has become one of the key emerging issues facing the tourism industry in Thailand. A myriad of international codes of conduct, certifications, and awards are evidence of an increased awareness regarding the importance of CSR for businesses are beginning to gain interest. In Thailand, CSR awards, promotions and events have further increased interest in doing good. In 2007 the CSR Institute was established with government support. While multinational companies have CSR initiatives that are aligned with their business strategy and implemented on a global scale, local businesses may be focusing on the internal aspects of CSR – good governance, fair trade, employee welfare, and product safety, as opposed to external aspects – community activities, environment and human rights.

In Thailand other definitions of CSR continue to be introduced. The CSR Institute (CSRI) in Thailand identifies CSR in 2007 on their website as "internal and external



practices of a company that recognize the impact to society both at the immediate level and non-immediate level by using resources within or outside the company to create harmony and happiness in society”. The immediate and non-immediate levels refer to primary and secondary stakeholders, respectively. According to a 2006 study by the Stock Exchange of Thailand (p.2) “The principles of good corporate governance are in line with the philosophy of Sufficiency Economy initiated by His Majesty the King to ensure sustainable development. The philosophy of the Sufficiency Economy emphasizes equilibrium and flexibility together with careful, thorough and moral application of knowledge. These are all basic concepts of good corporate governance.”

CSR and socially responsible business practices can indeed be linked to the principles of the sufficiency economy, introduced by His Majesty King Bhumibol Adulyadej (Kantabutra, 2007). The Thai Royal Family undertakes numerous development projects to alleviate poverty, improve education, preserve the environment and support traditional culture (i.e. Thai silk, arts, etc). These royal projects are examples of social responsibility at a local level and aid the understanding and acceptance of CSR concepts by the citizens and business leaders of the kingdom of Thailand. One impediment to CSR reporting may be that Thai companies resist disclosing their CSR activities due to their religious values that, while promoting generosity, encourage humility and modesty. It is part of Thailand’s culture for private individuals and public businesses to make donations for worthy causes to institutions of public esteem (ie. temples and schools).

The established patron-client culture permeating in Thailand is demonstrated when lower ranking members of society provide service and loyalty to the higher ranking, in turn, the higher ranking member must provide for the welfare of subordinates. The Buddhist temple, the Islamic mosque and the Christian church have all provided their properties to be used as community centers for education, feeding the community and caring for the spiritual and physical welfare of their local residents.

For many years a Thai NGO, the Population and Community Development Association (PDA), developed creative new ways to attract business support for community development. A key effort is called Thailand Business in Rural Development (TBIRD) which includes such innovative practices as setting up factories in rural areas. A number of organizations and activities have stimulated CSR development in Thailand. In 2006 the Stock Exchange of Thailand implemented the first SET CSR awards. A year later, the SET established a CSR Institute. The same year the Securities and Exchange Commission set up a working group to promote CSR and establish CSR guidelines for Thai companies. In the past few years Thailand has begun encouraging adherence to the ISO26000 standard for social responsibility. To date the CSR efforts of Thai companies has been voluntary from a governmental point of view, but as interest grows, there will be increased pressure from stakeholders including the government to demonstrate sound CSR strategies that include monitoring, measuring and evaluating CSR efforts. Communication is a key to the effective demonstration of CSR efforts from the accommodations sector and the subject of this research.

### **1.2.2 Case Study; Challenges of CSR Communication in the Accommodation Sector.**

The following case study illustrates the difficulty of successful CSR communication. The Pinnacle Hotels, Resorts and Spa (PHRS) is a locally owned hotel chain comprised of 6 individual properties throughout Thailand. The PHRS has been practicing CSR from its inception in 1975. Issues such as employee welfare, philanthropy, and community outreaches have been the focus of most CSR programs at the PHRS. Consider the Pinnacle Grand Resort and Spa in Jomtien, Thailand. This 350 room beachside property that has approximately 180 full and part-time employees is part of the

Pinnacle Group, which receives almost 500,000 guests a year. The company is privately owned with 95% of the company's shares owned by Chairman, Dr. Vongbhum Vanasin.

Dr. Vanasin also serves as President of the Youth Development Foundation and has organized an annual summer camp for 50-75 teenagers from the troubled Southern provinces in Thailand. The objectives of the camp have evolved over the years from teaching hotel skills to building leadership skills and friendship among the future leaders.

The hotel guests are asked to support the cause by contributing 1 euro per guest visit. The hotel guests are provided with a brochure informing them about the YLFC and the involvement of the PHRS. They are told that the 1 euro charge per guest visit will be added to their bill automatically on check-out and, if they would like the charge removed from their bill then simply inform the reception. Ingo Raeuber, Group General Manager for the PHRS, estimates that 60% of his international guests ask for the 1 Euro donation to the charity to be deducted from their bill. This is indicative of the challenges many companies have when executing CSR strategies. The guests are removed from the CSR initiative and consequently fail to support it.

When asked if the involvement of the PHRS in the YLFC increases sales, customer loyalty, customer/employee satisfaction or benefits of CSR initiatives, Mr. Raeuber is doubtful. "CSR practices are becoming an industry standard and if the PHRS is going to compete on an equal footing with hotel companies, both foreign and domestic, then we too, need to implement CSR strategies". Mr. Raeuber also directs the sales and marketing efforts of all 6 properties and acknowledges that the Sales and Marketing team does include evidence of the CSR efforts of PGHS during sales calls and trade shows, but insists the suppliers (tour operators) they sell to, are not interested. "The tour operators make their purchasing decision based on price and location primarily", states Mr. Raeuber (I. Raeuber, personal communication, March 18, 2010).

The YLDF is a worthy cause and has, over the years, contributed to the social development of hundreds of disadvantaged youths from provinces in Southern Thailand

that have been plagued with domestic terrorism and devastated by the tsunami in 2004 yet this worthwhile initiative fails to gain support from various stakeholders.

Evidence of apathy from the end-user and the tour operators is causing PHRS to reconsider their CSR strategies and the execution of those strategies. Community awareness of the YLDF is at a minimum even though the youngsters spend part of each day contributing to the betterment of the community in which the camp is held. Research indicates many tourism suppliers are having the same trouble communicating their CSR initiatives to their primary stakeholders while other tourism suppliers such as the Six Senses Resorts and the Shinta Mani Hotel make CSR the foundation of their business model and the communication of CSR of paramount importance.

The Shinta Mani Resort in Cambodia illustrates a successful CSR strategy that makes for a good story and engages stakeholders. At Shinta Mani Hotel, in Siem Reap Cambodia, 65% of guests say that one of the reasons they chose the hotel is because they felt they were supporting the local community by staying there. Bill Black, former Managing Director of BMC Management, the owner, believes that CSR only becomes a deciding factor if the hotel meets other requirements, such as value for money, service and product quality.

Shinta Mani finances and runs the Institute of Hospitality, a hospitality school where disadvantaged Cambodian teenagers can train in areas relevant to the hotel business, such as front office, housekeeping, food and beverage and kitchen operations. The Institute is funded through individual donations as well as from the operation of the hotel; USD 5 of each confirmed reservation via Shinta Mani's website goes to the Institute. The Institute is just one part of the community work the hotel engages in. Along with its sister hotel, Hotel de la Paix, Shinta Mani also offers its guests the opportunity to participate in local community support projects. Guests can visit poor families and help to support them by financing a vast variety of community investments such as bicycles, a brick houses, water wells, pigs, and sewing machines.

Six Senses Resorts also provides a number of examples of co-creating socially responsible initiatives such as beach cleaning sessions, where Six Senses staff and residents of the local area gather to clean the coastline, picking up litter around the property and into the community, serving as an example to the wider community.

The aim of is not only to keep the beach clean for guests and others, but also to raise awareness of the importance of the environment. "At Six Senses we are aware of the environmental and social impact that our resort has. Being highly environmentally focused, one of the ways we show our appreciation for the local surroundings is our weekly beach cleaning session. This not only helps to preserve our environment, but sets an example for others to follow as the aim of this exercise is not only to keep the beach clean for our guests and others, but to raise awareness of the importance of our habitat" said Tara Hammond, Environment and Social Responsibility Officer for the Six Senses Resort's elaborating, "The physical environment however is not our only concern. We consider the local community as part of that environment also and therefore we like to give something back. Weekly English lessons for the community have been chosen as one of our initiatives to help maintain good relations with our neighbors and we feel this will be an invaluable tool to them in their lives.", reads a Six Senses PR Statement (2010).

### **1.3 Significance of this Research**

"It is through strategic CSR that a company will make the most significant social impact and reap the greatest business benefits." (Kramer and Porter, 2006, p.57). This research will contribute to the body of knowledge regarding CSR in the hospitality industry sector and the research which exists on CSR communication. The research methods could be applied to other industries (ie. durable goods) and other countries. The benefits of this research include academic benefits (contribution to



research) to practical industry benefits. The research may ultimately lead to an increase in CSR initiatives among the hospitality industry sector in Thailand with a wide range of positive economic, socio-cultural and environmental repercussions. When senior managers maximize the benefits of a comprehensive CSR strategy, they will become more likely to participate in future initiatives.

This research study will contribute to a better understanding of CSR and will lead to “improved” CSR communication in the accommodation industry in Thailand, specifically. Further research could investigate these topics as they relate to various industries from a national, regional and global perspective and consider the effectiveness of the CSR communication from the stakeholder’s perspectives.

#### **1.4 Scope of this Research**

The focus of this research is to identify how senior managers in a sample of organizations communicate CSR initiatives to stakeholders. Dialogue between various stakeholders is particularly important for the implementation and evaluation of a CSR policy and this begins with clear communication from senior managers in the hospitality industry sector. However, implementation remains difficult since hopes may be raised that cannot be fulfilled. For the purpose of this research the relationship between management and stakeholders will be examined.

The qualitative nature of this research will contribute to the body of knowledge surrounding CSR. Aguinis and Glavas (2012) identified significant knowledge gaps on different theoretical orientations by researchers studying CSR at multiple levels of analysis, the need to understand underlying mechanisms linking CSR with outcomes, and the need for research at micro levels of analysis (i.e., individuals and teams). These gaps relating to the communication of CSR in the research may be due to the fact that a large part of the empirical evidence has been based on quantitative studies using data collected



in the US, Europe and Australia. The communicative and cultural dimensions of this research data will explore opportunities to communicate CSR from the paradigm of senior managers in a sample of Thailand's hospitality industry sector.

#### **1.4.1 In Search of a Construct for CSR Communication for Senior Managers in Thailand's Hospitality Industry Sector**

Constructivism, as it relates to the communication of CSR is, essentially the idea that that an individual's knowledge is constructed on a foundation of prior knowledge and experiences. Patton (2002) suggests a constructivist paradigm when developing understandings that are interpretive and based on the perspective and purpose of this research. This illustrates the importance of using mixed methods to facilitate qualitative analysis.

In this qualitative research regarding the communication of CSR, the use of a constructivist paradigm considers that there is no single definitive answer, rather all responses are considered valid as they are constructed by the individuals interviewed as opposed to testing a preconceived theory. The use of a grounded-theory approach examines the data in order to develop a theory (Strauss & Corbin, 1994). It is a process of discovery rather than confirmation. So rather than having a theory and testing it with data (positivist), data is collected and subsequently a theory is developed (qualitative/constructivist).

Management communication in the hospitality industry sector in Thailand ranges from informal, for small independently owned properties, to very formal for large global companies. It is thought that a direct benefit of this thoughtful contemplation of CSR for senior managers will lead to a holistic CSR strategy that realizes the importance of effective communication to stakeholders.

An objective of this dissertation and the study it contains, is to explore concepts related to the communication of CSR in the accommodation industry in Thailand from the senior manager's perspective and how this is communicated to employees, customers, owners, suppliers and the community. Through the process of 17 in-depth interviews, managers were given the opportunity to reflect not only on their views regarding the concept of CSR, but also their opinions regarding communicating with stakeholders. The use of in-depth interviews has been implemented in preference to other methods of qualitative data collection (focus groups, etc) as it offers the best opportunity to schedule data collection (interviews) at the senior manager's convenience (Fontana and Frey, 1994). In depth interviews also offer the greatest opportunity for respondents to answer questions thoroughly and share their experiences in detail.

Research data for this project was collected through seventeen in-depth interviews of senior managers. While not pertaining to all interviews, the initial interviewees were selected from their membership in SKAL International (SI). SKAL International is an august organization of tourism professionals from across the globe, accounting for more than 17,000 members of 465 local clubs in 94 countries. Membership of SKAL International Thailand is comprised entirely of senior managers in the tourism industry representing all sectors; entertainment and attractions, accommodations, travel operators, transportation, food and beverage. SI Thailand members in senior management positions in the hospitality industry sector in Thailand were contacted informally to gauge their interest in participating. Those that expressed a willingness to become involved were then sent a formal invitation to participate in this research study. Once confirmation was received by email, the researcher scheduled a suitable time for data collection (in depth interviews). Prior to the interview, respondents were informed of the ethical issue surrounding participation in the study and consent to participate, including the use of video and audio recordings during the data collection. An initial analysis was done through the course of the interviews. The researcher asked clarifying

questions to gain a better understanding of the senior managers' paradigm. Upon conclusion of each interview, the researcher reviewed the audio tape multiple times and compared the audio recording to the interview notes. Interviews were transcribed in order to refine future prompts, probes and questions. Finally, the interview data was manually coded and the data was entered onto a spreadsheet.

Before concluding the interview, participants were asked to refer a colleague that they felt could contribute to the body of knowledge collected regarding CSR communication in Thailand's hospitality industry sector. Chain referral sampling, often referred to as snow ball sampling (Noy, 2008) was used to indentify future qualified participants. Respondents were asked to suggest someone they felt could add to the discussion, and provide contact details as well as initial introductions. Of the seventeen in-depth interviews conducted 7 respondents were members of SKAL International.

### **1.5 Statement of Problem**

CSR is becoming a mandate in every organization. Over the past decade the hospitality industry has struggled to keep up with the CSR efforts of leading companies across industries. Efforts to form CSR strategies and to communicate those efforts to stakeholders have been met with varying degrees of success in Thailand's accommodations sector. Many hotels in Thailand have been making donations to charities and temples from the start, but in recent years there has been more of an effort to include initiatives that conserve resources and protect the natural environment. Hoteliers may be missing opportunities to optimize the benefits to stakeholders and add value to their brand. Increased employee satisfaction, lower employee turnover, increase loyalty and a higher level of satisfaction for all stakeholders, as well as a host of other benefits is possible with the right CSR strategy.

Campaigns that contribute to a lower operating cost such as conserving energy, reducing and recycling waste and using environmentally friendly products are being practiced by many hotels in Thailand. Most of these campaigns require efforts on the part of the guest and hotels utilizing a variety of modes of communication to engage their guest. This may contradict the traditional approach to guest satisfaction, where there is a reluctance to tell the guest what to do or how to behave. This contradiction is in need of further exploration. Factors such as cost reduction, energy conservation and environmental stewardship, relate to many CSR initiatives and provides a myriad of challenges. Drawing attention to CSR initiatives that, from the guest's perspective, result in substantial cost savings to the accommodation provider, can be met with skepticism, as the guest may question the motives of such initiatives.

The consumption of resources (i.e., electricity, water) by guests has historically gone unchallenged while the conservation of resources necessary for successful CSR initiatives emerge as a common thread. This dichotomy of CSR and a commitment to guest satisfaction can be a challenge for the top management to communicate to staff, customers and suppliers. Communicating with stakeholders regarding CSR initiatives have been in formats that are in-line with the marketing protocol and etiquette expectations of the senior managers. Top management's CSR strategies must be implemented by the staff and communication to the guests must be polite, sincere and presented sensitively. The majority of managers felt that the main obstacle to the delegation of authority and responsibility is undeveloped and inadequate communication between superiors and subordinates relating to verbal communication and leadership skills, according to Soehanovic, Zougaj, Krizoman, and Bojanic-Glavica (2000).

Many international hotel companies include information regarding their CSR activities on their company website (de Grosbois, 2012). Research will investigate if this is a continuing trend and if the information presented is targeted to a particular group of stakeholders, presumably the guest, via the internet or employees via an internal

company web platform. Human Resource Managers may provide an overview of their CSR activities focusing on the activities that involve the participation of team members. Supervisors are briefed daily by top management, CSR efforts are planned and strategies are implemented but without the effective communication of these strategies and the participation of the staff, they are destined to fail. Du, Bhattacharya and Sen (2010) explain that through stakeholder engagement in CSR initiatives, organizations will create favorable stakeholder attitudes receive the positive benefits (e.g. purchase, seeking employment, investing in the company), and if sustained, may build corporate image, support stakeholder– company relationships. On the other hand, a stakeholders' low awareness of and unfavorable attributions towards companies' CSR initiatives, remain critical barriers in a companies' attempts to maximize business benefits from their CSR activities. Du *et al* (2010) believe there is a need for companies to communicate CSR more effectively to stakeholders and suggests that companies focus on the output of the CSR initiative such as the impact on society (ie. benefits) rather than the input side of the equation (ie. costs).

“What’s common throughout the world is that companies are being asked to do more voluntarily, not just for the environment but for a constellation of social issues including poverty alleviation, education, and health care... the trend is clear. An intensified focus on CSR, or CSR, is here to stay,” (Esty & Winston, 2006, p. 134).

Many believe that strategy drives culture in the service industries. “A firm’s culture heavily shapes how new organizational knowledge is captured, legitimated (or rejected), and distributed throughout an organization.” (De Long, 1997, p 21). A successful CSR strategy becomes part of the culture of an organization and this starts with the clear communication of the strategy. The research will identify CSR initiatives and explain the methods used to communicate these initiatives.



Specifically;

RQ1. Identify: What types of CSR initiatives are being practiced by a sample of 17 senior managers in Thailand's hospitality industry sector and how are they communicated to its stakeholders?

RQ2. Explain: To what affects these types of CSR initiatives are communicated to stakeholders; guests, staff, owners, suppliers and the community.

## **1.6 Structure and Aims of this Research**

The aims outlined in the first chapter are summarized in the research objectives; to identify CSR practices of a sample of senior managers in Thailand's hospitality industry sector, ranging from island resorts in Southern Thailand to Community Based Tourism (CBT) lodges in Northern Thailand; to gain insight into the CSR strategies of the top management and the ways in which these efforts are communicated to stakeholders; and to develop a structure for CSR communications.

The literature review covered in the second chapter highlights the communication and cultural issues that senior managers in the accommodation industry face on a daily basis. The fact that many senior managers in Thailand's hospitality industry sector are from a different country may have a significant impact on the management and communication styles implemented. Careful consideration of the cultural influences on groups of stakeholders may be a key success factor to an organizations successful CSR strategy. Hofstede's (1984) cultural dimensions as they relate to Thailand serve as a starting point for cultural comparisons. Models of communication are introduced in the literature review beginning with basic features such as verbal and non verbal communication and conclude with organizational communication considerations.

The importance of inductive research and a defense of the use of qualitative data for a grounded theory analysis has been presented by Connell and Lowe (1997). The



results of the in-depth interviews (qualitative data) from this study of the communication of CSR among 17 senior managers in Thailand's accommodation's sector are presented in Chapter IV. The method used to gather data (in depth interviews) and the research questions and approach to data collection is justified in the third chapter. Respondents were asked to identify CSR initiatives that were implemented by the managers of the properties and how these CSR initiatives are communicated to the front-line staff and other stakeholders. Senior managers were encouraged to share their understanding of CSR from a macro perspective before specific initiatives and the modes of communication were identified.

The questions evolved throughout the interview process as responses were recorded and analyzed through exhaustive reviews of the audio recording. Transcripts of the interviews allowed for further analysis and aided in the coding of emerging themes. Senior managers were asked to share their definition of CSR at the beginning of the interviews and then consider CSR from a cultural perspective. An exploration of the communication of CSR then followed in order to give the researcher a clear understanding of CSR from the respondent's point of view. The initial case study used to develop the line of questioning for the in-depth interviews is presented then followed by the specific questions and responses gathered throughout the data collection.

## **1.7 Research Objectives**

Identifying opportunities for the communication of CSR efforts and the development of a framework for CSR communication it is believed would result in a better understanding of, and appreciation for, a hotel's CSR strategies among stakeholders. This will, in turn, encourage further development of successful CSR strategies among stakeholders, resulting in an increase in CSR activities by the hospitality industry sector and an increase in the positive social impact of their efforts. Brady (2002) believes that

once a company has started to adopt the principles of CSR and reporting, stakeholders will make it hard to stop. CSR seems to be a “no way back” solution and must therefore get full commitment from the top management of the company that sees the future of the business on the long-term.

Research by Esty and Winston (2006) identified a multitude of benefits for stakeholders ranging from improved employee relations (recruitment, retention, etc) to increased customers satisfaction and loyalty and an improved ROI to investors. Building a company with recognized values has become a point of competitive advantage, (Esty and Winston, 2006) doing the right thing attracts the best people, enhances brand value, and builds trust with customers and other stakeholders. “In fact, it’s hard to conceive of a business asset more central to long term success than trust among stakeholders—or one that is more easily lost” (Esty and Winston, 2006) . Benefits identified by Dodds and Joppe (2005), Kalisch (2002), Kotler and Lee (2008) include more satisfied visitors; fewer complaints, enhanced reputation, fewer negative social, economic and environmental impacts. Successful CSR may create a competitive advantage in a highly competitive industry including increases in value, demand, customer loyalty, customer satisfaction and of great importance, increase to sales and income. CSR may also facilitate more respectful interaction between stakeholders at a destination if marketed successfully.

Galbreath’s (2010) study builds on research from Miles and Snow (2007), suggesting a senior manager with marketing experience has a better understanding of CSR and are more likely to engage in CSR initiatives. Galbreath (2010) is one of the few studies linking CSR to an organizations strategic orientation, suggesting organizations strengthen environmental scanning skills and information processing capabilities. Firms who are serious about demonstrating and communicating CSR would be wise to examine experience levels of their top managers. Galbreath (2010), found managers with longer tenures are in a better position to appreciate the long term benefits of CSR.

Many hotels are carving a special niche for themselves using the principles of CSR coupled with the pillars of sustainable tourism (Martínez, Pérez, del Bosque, 2014). In developing countries such as Thailand, the opportunity for a small hotel to make an important impact on stakeholders using principles of CSR should not be ignored. Many of the properties that make up the hospitality industry sector in Thailand may be missing opportunities to communicate their CSR efforts.

RO1. To identify types of CSR practices of hotels in Thailand from the top management;

RO2. To identify the ways in which these efforts are communicated to stakeholders; and

RO3. To develop a framework for stakeholder targeted communications of CSR initiatives by senior managers in Thailand's hospitality industry sector.



## CHAPTER II - Literature Review

- 2.1 Introduction
  - 2.2 Organizational Communication in a Cultural Context
    - 2.2.1 Pioneers in Cultural Research
  - 2.3 Communicating CSR
  - 2.4 Conclusion
- 

### 2.1 Introduction

Moir (2001) identified theories which might aid in the understanding of CSR – using the social contract theory to explain why CSR is practiced and the stakeholder theory to explain how CSR is implemented. In spite of its recent growth and popularity, one can trace for centuries, evidence of the business community's concern for society (Carroll, 2008, pg 19). The term CSR, introduced in the last century, is founded on the basic belief of members of a society that there is an acceptable and unacceptable manner in which to conduct business. CSR, Business Ethics and CSR are pillars of sustainable development in the hospitality industry sector in Thailand and inextricably linked. Ethics are fundamentally moral judgments about what is right and what is wrong. For businesses, these ethics are decided upon and formed by each company and reflective of the traditions, values and beliefs of society.

Socrates and the ancient Greeks were among the first to debate the social responsibility of members of a society. Described as a social contract, the understanding between members of a society to abide by laws and accept punishment was an early antecedent to CSR. Centuries later, the age of enlightenment found several noteworthy philosophers of their time further contemplating the social contract of a society. Eighteenth century philosophers Thomas Hobbes, John Locke and Jean-Jacques

Rousseau all had different views of human nature that shaped their view of social responsibility. Hobbes and Curley's (1994) recently republished *Leviathan* describes human being's as largely selfish in need of authority and control. Rousseau's (1997) republished work builds on the work of prior theorist John Locke (1632-1704) and describes humans as good and compassionate by nature but with the ability to be corrupted. The social contract pioneered by Rousseau (1920) was a new description of a social organization based on equality, freedom, liberty and rights, later to become the pillars of democracy. The social contract provides a structure of how governments and the people interact and these views were instrumental to the development of modern democracy.

Yang and Rivers (2009) analyzed antecedents of CSR practices and identified motives for CSR practices and factors influencing CSR behavior. Recommendations from their study included encouraging managers to analyze the sources of their authority in terms of their CSR stakeholders and to consider their stakeholder's natures and the stakeholder's perception of them. This study into the communication of CSR among a sample of senior managers in the hospitality industry sector explored the antecedents to CSR initiatives in order to further understand the types of CSR initiatives being implemented and how and why they are communicated or not communicated.

The hospitality industry sector can be described as people centric. The service providers (staff) are people serving the guest (people) and residing in communities that are comprised of people. Freeman's classic definition of a stakeholder is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman, 1984). Stakeholders are typically categorized into primary and secondary stakeholders. Clarkson (1995) defines a primary stakeholder group as a group whose continuing participation is vital to the corporation – with the major group including "shareholders and investors, employees, customers and suppliers, identifying minor stakeholders as "those who influence or affect, or are influenced or affected by the



corporation, but these stakeholders are not engaged in transactions with the corporation and are not essential for its survival” (Clarkson 1995, pg 106). Relating to social responsibility, the fundamental question is whether a stakeholder analysis is part of the motivation for business to be responsible and, if so, to which stakeholders.

Homans (1958) created a social exchange theory that can be applied to societal relationships. Homans suggests three propositions that comprise the social exchange theory. The first proposition considers the reward that individuals receive for their actions. If there is no reward then there would be no action. The second proposition states that the more often a particular action is rewarded, the more likely the person is to continue the action. Deprivation satiation is the final proposition suggested by Homans. The more often the person has received a reward in the recent past, the less valuable any further reward will become. Three major considerations; costs, benefits and worth form the basis of the social exchange theory espoused by Homans. Relating to senior managers in Thailand’s accommodation sector, investments such as time, energy and money represent the cost of the CSR initiative. Improved stakeholders’ satisfaction; increased brand worth and increased sales are examples of some of the potential rewards of the CSR initiative. The return on investment (ROI) suggests the worth of the CSR initiatives. The research into the communication of CSR among a sample of senior manager’s in Thailand’s hospitality industry sector research explored the opinions of senior managers relating to these three major considerations. The challenge may well be in the measurement of the different components; cost, benefits and worth as the full value of the different components can rarely be measured in financial returns. Factors that affect stakeholders’ satisfaction resulting in community support and human resource issues such as employee morale and retention would be a challenge for an accountant to quantify.

CSR strategies have an investment of time and money and the senior managers that are undertaking these CSR initiatives have a responsibility to the stockholders to maximize the return on investment (ROI). Senior managers have a fiduciary responsibility



to act in the best interest of the owners of a company and provide an acceptable ROI to investors. The senior managers must find a balance between the social initiatives that may benefit stakeholders at a cost to investors. While some CSR activities result in cost savings or revenue generating, many do not. There are some that feel if the CSR activity is created to lower cost or increase revenue, it is not genuine CSR, this topic will be further explored through this research. Many times what may appear as a generous donation or CSR initiative ends in controversy or worse. Stakeholders, such as investors or employees, may disagree as to the significance or benefits of an initiative and prefer that the resources needed for these endeavors, be returned to them. Imagine the employee that feels the company is spending resources on CSR initiatives for other stakeholders, while they themselves struggle financially.

Berzon and O'Keefe (2012) report Mr Kazuo Okada, Ex-Director on the board of Wynn Macau and Wynn Resorts, filed a suit against Wynn Resorts because of the difficulty in obtaining documents relating to a 135 million USD charitable donation made by Wynn Resorts to the University of Macau. Okada considered the donation inappropriate and issues regarding transparency may have been mitigated by a clear CSR strategy formulated with stakeholder input and successfully communicated.

Disney's shareholders received large profits from the film *Hercules*, while an international charity accuses them of using sweatshops in Third World countries to produce the retail merchandise for the film causing backlash from stakeholders. Assessing the influence, impact and alignment of the various stakeholders and developing a CSR strategy that aligns with the business strategy for the organization should be communicated from the top of the organization (executive board, senior managers) and is a focus of this research. A topline communication strategy begins with a clear statement of intention and the core messages, which flow from senior management (Scholes & James, 1998).

Balancing the CSR expectations of the primary stakeholders in the hospitality industry sector in developing countries such as Thailand requires a unique construct for successful CSR communication. Due to the complex cultural and environmental implications of the hospitality industry sector, a more specialized CSR communication strategy is therefore implied. It is the senior managers who communicate with all stakeholders as the different groups of stakeholders are more fragmented and less cohesive. A major portion of hotels end-users have “booked the room” through an intermediary such as a travel agent or tour wholesaler with the main factors being price and location (Dickinger and Mazanec, 2008). Effective communication is of vital importance to a successful CSR initiative (Dawkins, 2005).

McElhaney (2009) explains that a clear communication of the corporate culture, relating to social responsibility, is essential to communicating an organizations value to other stakeholders and can enhance a company’s brand.

Miles and Mangold (2004) proposed a framework for employee branding that includes formal and informal communication directed at employees and customers. A top down construct is needed in order to form an effective CSR strategy beginning with the effective communication of the strategy from senior managers to mid-level management and supervisors and ultimately, the front line employees.

Thailand will face several challenges in the emerging economy, the growing social division, fragile environmental conditions, and increase in public awareness to social issues, all put pressure on the tourism industry in Thailand to implement CSR strategies in order to compete in a global marketplace. The next generation of consumers and investors may well see things differently as they have witnessed the irresponsibility of unsustainable businesses practices in the tourism industry, the relationship between tourism suppliers and the communities in which they operate.

According to a survey by Grant Thornton International (2008), a global consultant and recruitment firm, in 2007, 11% of Thai companies donated to charities compared to a

global average of 65%. The survey also found that 4% of Thai companies participated in community activities compared to 55% globally. There is a lack of coordination with other stakeholders and other CSR developers in lesser developed countries including Thailand. There is a need to coordinate the development of CSR and agree on the concept of CSR, process, criteria, and methodology for its application, (Fonteneau, 2003) states that CSR in Thailand is in an infant state in need of further refinement and upgrading.

To illustrate the importance of effective communication consider; a local hotel in Thailand which implemented a CSR strategy that involved the guest making a choice of reusing towels, resulting in less consumption of natural resources and cost savings, by having the guest replace their towels on the towel rack if they would like to reuse them and leaving the towels on the floor if they would like them to be replaced. The guest chooses to participate in this initiative only to find that the housekeeper replaces all towels each day regardless of their location. The housekeeper may or may not be aware of the CSR initiative but believes they are increasing guest satisfaction by providing clean linens daily when in fact the result is lower guest satisfaction. The intention of both stakeholders is commendable but the results are disappointing. Creating CSR initiatives that include stakeholder participation are ineffective without the clear communication of the strategy to all stakeholders involved.

The study of the communication of CSR among senior managers in Thailand's tourism industry is unique for several reasons. The tourism industry in Thailand is largely; comprised of senior managers originating from western countries although the number two position in the properties hierarchical management is most likely to be held by a Thai national. The top down management style that is indicative of the cultural organization of the hospitality industry sector is also represented in Thai culture. As CSR is a relatively new concept for many companies, the idea of developing a CSR strategy that maximizes benefits takes them to uncharted territories. The nature of the tourism industry is

people centric. Tourism development in developing countries such as Thailand, should be aimed at sustainability and thoughtfully planned and attention to the needs of employees and communities needs to be balanced with the needs of other stakeholders.

The accommodation industry differs from other industries. The perishable and intangible nature of the products, the involvement of the customer in delivering the experience demands an innovative CSR communication strategy. The simple fact that the customer lives where the product is delivered calls for a CSR strategy that is well planned and executed. “Tourism affects so many other sectors and is a critical economic driver in low income countries; it is believed that great strides can be made to address concerns of poverty alleviation, local economic development and conservation by pushing for greater adoption of CSR” (Responsible Travel Survey, 2004).

Although most hotels classify themselves using a star system (2 stars, 3 stars, etc) there is no objective standardized rating system in Thailand. Many properties in Thailand position themselves a star (or two) above what the average guest would consider them to be. In 1999, the Thai Hotel Association (THA), supported by the Tourism Authority of Thailand (TAT) and the Association of Thai Travel Agent (ATTA), attempted to establish a credible hotel standard that defines the qualities and characteristics of a particular hotel that would be universally-recognized and internationally-accepted. The Thai hotel standard covers three aspects: the standard of construction and facilities, the standard of maintenance, and the standard of services.

The hospitality industry sector in Thailand can be segmented several ways;

- by size (number of hotel rooms); under 20 rooms, 20-50 rooms, over 50 rooms
- price per room night (rack rate); under 1,000 baht, 1,000-2,000 baht, over 2,000 baht.
- Location; North, Central, East and South

CSR moves beyond good corporate citizenship and mitigating harmful value chain impacts to mount a small number of initiatives whose social and business benefits are

large and distinctive. Strategic CSR also unlocks shared value by investing in social aspects of context that strengthen company competitiveness. A symbiotic relationship develops: The success of the company and the success of the community become mutually reinforcing. Typically, the more closely tied a social issue is to the company's business, the greater the opportunity to leverage the firm's resources and capabilities, and benefit society.

Birth, Illia, Lurati and Zamparini (2008) conclude that the conscious communication of CSR is a necessity. Examples of CSR communication objectives include; to improve reputation, to achieve product differentiation and to reach a high level of customer loyalty. "CSR is a practice in evolution still needing expertise." (Birth *et al.*, pg. 17), highlights the need for further research, exploring the culture of CSR management that goes beyond previous studies relating to links between CSR and business management. This study of the communication of CSR by senior managers in the hospitality industry sector in Thailand examines the influence of culture relating to CSR communication.

## **2.2 Organizational Communication in a Cultural Context**

Thai nationals working in the accommodations industry in Thailand often times are led by 'western' management. In this case, eastern (Asian) cultures encompasses; Asia-Pacific, China, Japan, Thailand and western cultures include; Europe, North and South America, Australia and New Zealand. Tourism industry experts in Thailand surmise that all international branded hotels in Thailand's major hotel markets of Bangkok, Phuket, Pattaya, Koh Samui and Chiang Mai have a western manager leading Thai staff, although locally owned four-star hotels in Bangkok have substantially more Thai GMs these days. Long-time hotelier Andrew Wood suggests that outside of the major hotel markets nearly 90% of properties are estimated to have local (Thai) General Managers (GM) as many junior line managers may not speak English,



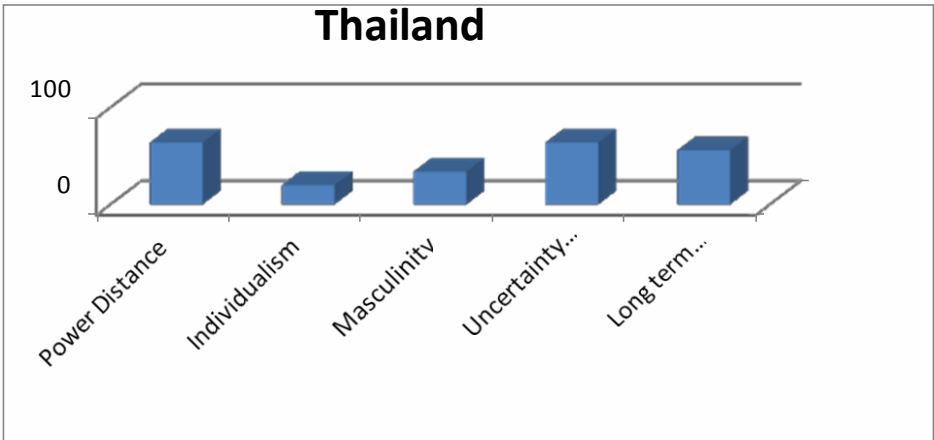
thus the GM must be Thai (Wood, A., email interview, August 21, 2012).

The relationship between work culture and national culture may offer valuable insights and warrants further investigation. Culture impacts the organizations ability to change, to respond to market or managerial challenges and to comply with laws and regulations. Culture also impacts the organization's ability to recruit, retain and motivate the best talent available. Culture's influence on behavior is remarkable and the subject of many studies although research regarding cross cultural communications is limited, thus the need for further research.

2.2.1    **Pioneers in Cultural Research**

In the 1960s, Geert Hofstede performed a long-term study of cultural differences among the employees at IBM. Hofstede chose to define culture as a “collective mental programming of the people in a social environment in which one grew up and collected one’s life experiences” (Hofstede, 1980, p.44). His work has had a great impact on the study of culture both in the academic world as well as in the corporate or private sector. Hofstede identified five characteristics which shed light on the various differences in national culture; power distance, uncertainty avoidance, individualism-collectivism and masculinity-femininity and long term versus short term orientation.

Figure 2    Hofstede’s Cultural Dimensions for Thailand



Source: Hofstede, 1980.

Power distance was used to describe the extent of power inequality among members of an organization. This power distance can influence the behavior of managers and other members of a department, employees and their clients or customers. This is often seen within the unusually high level of personal esteem or social deference (kreng-jai) given to members near the top of the hierarchy or those who have senior status. Kreng jai, is defined by Komin (1990) as “to be considerate, to feel reluctant to impose upon another person, to take another person’s feelings (and ego) into account, or to take every measure not to cause discomfort or inconvenience for another person” (p. 164).

Thai language has specific honorifics which indicate social standing for each sex, age, position, title or occupation. This is done to save the face of lower status individuals as one need not ask personal questions of a possibly higher status individual. In many areas of Asia power distance is a fundamental aspect of history, socialization and learning. This power-distance is often justified by the leader’s social position or natural charisma. Power-distance encompasses all social relationships in Thailand and this is a common feature of Asian cultures (Hofstede, 1984).

The fundamental issue addressed by this collectivism is the degree of interdependence a society maintains among its members. It has to do with whether people's self-image is defined in terms of "I" or "We". Knutson, Komolsevin, Chatiket, & Smith, (2002) observe, “the development of *bunkhun* involves a long-term obligation; the grateful relationship does not happen immediately” (p. 18). *Bunkhun* is the degree to which a person must remember the goodness done to him by another and remember to reciprocate it. In the workplace it guarantees that projects are completed successfully because of the good relationships between workers and leaders. The “I” and the “Me” coincide in *bunkhun* and the interaction becomes “sincere, honest, reliable, open, caring, and the interactions are more likely to be adaptive, flexible, and submissive (if interacting with superiors) as indicated by the value of being ‘responsive to circumstances and opportunities’ ” (Komin, 1990, p. 221–222). In individualist

societies people are supposed to look after themselves and their direct family only. In collectivist societies, like Thailand, there is a close long-term commitment to the member group such as a family, extended family, or extended relationships. While the Western countries have a low PDI, Thailand scores 64 on PDI index, slightly lower than the average Asian countries (71). This shows a high inequality between people. This condition is not necessarily forced upon the population but, rather, accepted by the society as the cultural heritage.

Individualism focuses on the degree to which the society reinforces individual or collective achievement. The individualism dimension (IDV) for Thailand was scored at 20 (the Asian average is 24). With a score of 20, Thailand is a highly collectivist country, according to Hofstede's research. Loyalty to the in-group in a collectivist culture is paramount, and over-rides most other societal rules and regulations. The society fosters strong relationships where everyone takes responsibility for fellow members of their group. In order to preserve the in-group, Thais are not confrontational and the affirmation of an idea may not mean an acceptance or agreement. An offence leads to loss of face and Thais are very sensitive not to feel shamed in front of their group. Personal relationships are key to conducting business and it takes time to build such relations. Patience is necessary and evidenced by not openly discussing business at the start of meetings. Emphasis is placed on group orientation and teamwork.

This collectivism is also bolstered by the patronage system which enables the formation of strong strategic alliances and coalitions. This is seen in all aspects of life in Thailand, from deciding which supplier to use or deciding who should be promoted to a position of higher authority and thus status. Senior managers must conform to this Thai cultural ideal and change their perspective or face social isolation. Thai people do not like to disagree because of 'kreng jai'. As a result, Thai people respond to requests by agreeing to relieve themselves of the immediate problem of responding in honesty. Whether they will actually do what they have agreed to is another matter (Papirom,

1976). When faced with a choice, Thai staff tend to look to their social groups to understand the best course of action and role within the particular activity.

Hofstede (1984) identified Thailand as a nation which exhibits high regard for femininity. A high score (masculine) on this dimension indicates that the society will be driven by competition, achievement and success, with success being defined by the winner. A low score (feminine) on the dimension means that the dominant values in society are caring for others and quality of life. A feminine society is one where quality of life is the sign of success and standing out from the crowd is not admirable. Thailand scores 34 on this dimension and has the lowest masculinity ranking among the Asian countries compared to the world average of 50. This lower level is indicative of a society with less assertiveness and competitiveness, as compared to one where these values are considered more important and significant. This situation also reinforces more traditional male and female roles within the population.

The femininity of Thai culture entails the desire for social harmony, avoidance of conflict, and establishment of valuable social relationships often based on a form of social reciprocity. There is a strong desire to avoid conflict. Negotiation and bargaining to find common ground or a mutually beneficial solution is desired over conflict. Almost any organizational change creates some conflict and conflict is to be avoided. Therefore, the only pressure to create real change must come from the top down and the group at the top of the hierarchy usually has the least to gain from organizational reform. Another component of femininity is the strong desire for happiness or pleasure. This is often described as the Thai fondness for enjoyment in all environments.

Uncertainty avoidance (UAI) has to do with the way that a society deals with the fact that the future can never be known: should we try to control the future or just let it happen? This ambiguity brings with it anxiety and different cultures have learnt to deal with this anxiety in different ways. The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions

that try to avoid these is reflected in the UAI score. Thailand scores 64 on this dimension indicating a preference for avoiding uncertainty. In order to minimize or reduce this level of uncertainty, strict rules, laws, policies, and regulations are adopted and implemented. The ultimate goal of this population is to control everything in order to eliminate or avoid the unexpected. As a result of this high Uncertainty Avoidance characteristic, the society does not readily accept change and is very risk adverse. Change has to be seen for the greater good of the in group. Their avoidance of any disruptive behavior propels them to a state of stability in family, work and life. When considering power distance and uncertainty avoidance together. Senior managers hail from many Anglo Saxon countries with a small power distance dimension. Mwaura, Sutton, & Roberts, (1998) Attempted to establish whether the corporate culture of an organization can be effectively transferred to a country where a strong national culture exists. This research explored several aspects of culture which affect the integration of a national culture to that of the organizational and corporate cultures present in Thailand's hospitality industry sector. The hospitality industry sector itself may operate in a high power distance environment similar to Thailand's large power distance family centric collectivist society. In the hospitality industry sector decisions are made hierarchically, reflecting the characteristics of high power distance collectivist countries like Thailand.

Hofstede's long term orientation (LTO) dimension can be interpreted as dealing with society's search for virtue, the extent to which a society shows a pragmatic future-oriented perspective rather than a conventional historical short-term point of view. With a score of 56 Thailand is a long term oriented culture though not as much as for most Asian countries. By comparison, most Western cultures scored in the 20s. LTO reflects a culture's respect for tradition and inequality between people. Thais favor long term oriented perspective and thus Thailand deadlines and timescales are fluid. Amongst the values that are praised, working hard and having a sense of moderation are dominant, investment in personal relationships and networking is also of great importance.



Adding to Hofstede's work, Hall (1976) considered a culture's tendency to use direct or indirect communication patterns. This dimension considers how a culture approaches communication styles. Collectivist cultures, such as Thailand, tend to emphasize high context communication and often attribute meaning to both the context and the receiver's social position or orientation which adds to a state of confusion and misunderstanding for those who are not oriented to high context communication. Hall's research focused on different communication patterns from a cross cultural perspective, reflecting the amount of information contained either in explicit language or in implicit contextual clues (Hall, 1976).

Hall's (1976) pioneering book, *Beyond Culture*, concluded that some cultures favor direct communication patterns whereas others such as Thailand favor an indirect pattern of communicating. The emphasis of the high-context, collective Thai culture on social harmony and pleasant relationships strongly suggests that Thai people will exhibit high levels of rhetorical sensitivity and reflection and low levels of noble self in their interpersonal communication (Knutson, Komolsevin, Chatiketu, & Smith, 2003).

Collectivist cultures often have the meanings or message of their communication embedded in the context of the communication. The “collectivist” thinking of a culture such as Thailand also tends to be extremely rigid. People and businesses do not change suppliers, sponsors or social causes lightly, for fear of the impact on relationships. However, once a change is made, the new relationship will benefit from loyalty. This has a significant impact on people's reliance on contextual clues in understanding and deciphering a message (Hall & Hall, 1990). This is often not considered by western leaders in Asia who are communicating in low context language with the belief that their personal directness is lending to communication as opposed to distracting them from the implicit meanings of the high context communicator.

Hofstede's famous study conducted from 1967-1973, is often cited by researchers discussing cultural influences on organizational behavior, but skeptics offer several

challenges. The first challenge relates to the timeliness of the data and may be applied to Halls research as well. Data collected 40-50 years ago regarding the cultural dimensions of a nation may not be relevant in today's world. Technological advances combined with the blurring of national borders in favor of political and economic unions such as the European Union (EU) and the Association of South East Asian Nations (ASEAN) have diluted many cultural elements of a nation.

A limitation of the research includes the fact that Hofstede's original research was collected from employees of one company, IBM. While IBM may not have invented the concept of corporate cultures, they have certainly embraced the concept and, especially in the 1960's and 70's, developed a very clear corporate culture including the famous IBM uniform (pin-striped suit, white- buttoned down shirt, tie and wing tips). Hofstede defended the use of a single multinational for data collection, claiming that corporate policies and standardized management practices results in the culture of a nation being the primary factor of cultural differences within the organization.

The biggest critique of Hofstede's research may be the generalization of the population without religious, ethnic and community considerations. Indeed, generalizing today's population at all is subject to scrutiny. The effect of religion on cultural dimensions in Thailand's predominately Buddhist kingdom could be significant.

Goman (2013) follows in Hofstede's footprints, believing that the determining factor in communications may not be the degree of industrialization but rather, whether the country falls into a "high-context" or "low-context" culture. Goman (2013) also raises the important issue of how time is perceived in various cultures, which, in turn, leads to effective communication and efficient implementation of ideas. She suggests that some cultures think of time sequentially, as a linear commodity to spend, save or waste. In contrast, other cultures view time synchronically, as a flow or force that cannot be contained or controlled. In sequential cultures such as the North American, English, German, Swedish and Dutch, people give their full attention to the agenda, one item after

another, whereas in synchronic cultures such as Thailand (South America, southern Europe and Asia) the flow of time is viewed as a sort of circle, with the past, present and future being inter-related. This perspective influences how organizations in those cultures and countries would approach deadlines, strategic thinking, investments and even, long-term planning.

Keeping the communication challenges in mind, it has been found that suggestions to improve on communication practices include the need for translators, for having written material to be translated in the local language and posted on the staff memo boards or internal newsletters. English classes are highly recommended (since English is widely considered as the global language of communication) and indeed, many hotels do conduct conversational English classes for their employees. Many hotels in Thailand have also employed English trainers as part of their staff.

Goman's (2013) research shows that both employees and managers admitted to the need for more communication and follow-ups. A suggestion from employees was to have cross-cultural classes, which would not only help them to interact with colleagues from various cultural backgrounds but also enhance guest services due to heightened awareness. However, managers had mixed reactions to this due to the cost factor.

Another factor that employees raised was that of consistency in communication from their managers – which also brings into play the staff retention factor that organizations tend to overlook, naively believing that when someone leaves, another can be found almost immediately to replace them. While a staff member may easily be replaced, it should be noted, there is a lack of consistency as well as fragile relationship building not only between managers and junior staff, but also between employee and guest that is affected.

The seminal work of Fulbright scholar Dr. Suntaree Komin is one of the first in depth studies of Thai behavior and culture by a Thai national. Dr. Komin's (1990) empirical data provides a basis for understanding that both contradicts and complements

the theoretical (anecdotal), speculative and non academic literature regarding Thai culture found at popular bookstores. Value systems were identified by Komin and described as “a relatively stable structure of culture held by representative members of the...national character of that culture.” Komin cautions that the characterization of a national culture is not meant to serve as a definitive interpretation of Thai values. The nine value cluster orientations ranked from highest to lowest follow reflecting the values that have been transferred, in part, from parents to children;

1. Ego
2. Grateful Relationship
3. Smooth Interpersonal Relationship
4. Flexibility and Adjustment
5. Religio-Psychical
6. Education and Competence
7. Interdependence
8. Fun-Pleasure
9. Achievement-Task

Komin (1990) describes the Thai social system as a hierarchically structured society, where individualism and interpersonal relationships are paramount. The hierarchical management structure of the companies that comprise the hospitality industry sector may share this feature with Thai society. Komin's (1990) comprehensive analysis of Thai psychology identified the highest Thai cultural values as those associated with interpersonal relationships. Komin called these values “social smoothing”. The research data showed that relationship related values received high ranking while values relating to achievement, such as ambition consistently ranked lowest, a few interpersonal relationship related values relating to caring and consideration, contentment and social relations are worthy of special consideration as they are included on the Thai values list while excluded from others. Senior managers who have risen to the

top positions in their organizations are most certainly ambitious. This research into the communication of CSR among senior managers in the accommodation industry will explore the relationship of a senior manager's values and those of the stakeholder.

Thai culture accepts that power relations are implicitly constructed in all organizations and at levels of Thai society by appointment to a position, title or status. Decision-making is made by high-level management and researchers have suggested the superior's role are almost like those in a family (Komin,1990. Knutson *et al*,2003) encompassing values such as respect and obligation.. Thai decision-making is commonly not undertaken in a team approach as in western countries. Rohitratana (1998, pg190) suggests that due to paternalism and dependence, the concept of a 'flat structure' is an organization, which entails speedy decisions cannot effectively take place in Thai society. The reason is that only those at the top can possibly make decisions; that is their obligation, to operate as 'fathers'. These values and dimensions also reflect the organizational values and suggest a successful management style for Thailand's hospitality industry sector comprised of predominantly male senior managers. O'Sullivan and Tajaroensuk (1997) pointed out "Few societies place greater emphasis on relationships than Thailand; relationships are seen to underlie most social activities" (p. 41).

Komin's (1990) extensive researched identified the number one cultural value of Thailand being social harmony and the most important Thai cultural values as those associated with interpersonal communication (Knutson *et al*. 2003). The next section will consider CSR from a communicative perspective.

### **2.3 Communicating CSR**

Senior managers in Thailand's tourism industry have many tools at their disposal to communicate their message to others, such as verbal language, non verbal language (eye signals, hand gestures, body language, sign language) and the written word (notes,



reports, memos, records, emails). There is a need to explore the challenges senior managers in Thailand's accommodations sector encounter while communicating their views or thoughts. With recent technological advances, one would have imagined it would only be easier to communicate, when in reality it seems harder to get understood than ever before. What we say and what we want to express often times gets lost in the translation. And yet, there is no single right method for stakeholder communication but rather, a variety of methods may be appropriate, given the situation and also, the need to be concise so as to convey the essence of the message correctly.

Communication can broadly be split up into two classifications: verbal and non verbal. The first is, of course, most easily defined as speech. The latter can take the form of the written word, facial expression, eye contact signals and body language. While on the surface, the first appears the easier of the two, it actually causes more confusion at times, either because we are not fully aware or else because we are withholding information, sometimes deliberately and sometimes unknowingly.

There are three main models of communication that offer a basis for understanding the challenges of communication in organizational communication, namely:

1. Linear
2. Interactive
3. Transactional

The simplest model is that of Shannon and Weaver (1949). They proposed a linear model which states that the process consists of a sender, a message, a channel where the message travels, noise or interference and a receiver; their 1949 model included noise or interference that distorts understanding between the speaker and the listener. Like many studies conducted in the 1950's, the research results may not be as relevant to the modern day circumstances. The factors that influence culture in today's generation maybe different from previous generations for several reasons; the advent of technology, the differences between baby boomers, millenials and generation X,

as well as differences in a Western and Asian context.

The Lasswell (1948) model of communication (linear) sees communication as performing three functions, namely: Surveillance of environment, correlation of components of society and cultural transmission. To simplify this further, it takes the form of:

Communicator – Who?

Message – Said what?

Medium – In which channel?

Receiver – To whom?

Effect – With what effect?

The main drawback perceived in the interactive model was that it did not indicate sending and receiving of messages could be a simultaneous process. Therefore the transactional model of communication came into being, which shows that the elements are inter-dependent, where communication is an on-going and continuously changing process; where each element exists in relation to the other elements and where each person in the communication process reacts according to factors such as background, prior experiences, attitudes, cultural beliefs and self- esteem.

Schramm (1954) developed a more interactive model whereby the listener provided feedback (verbal or non verbal) to the speaker and both took turns to speak and listen to each other. Schramm (1954) has defined communication as the sharing of information, ideas or attitudes with the three elements of communication identified as source, message and destination.

Lippman's (1946) barriers to effective communication include: artificial censorship; gatekeepers in the media; shrinking news holes; limitation of social contact and time for paying attention. Poor communication does more than merely block the flow of information; it can create negative consequences such as the misrepresentation of goals (Wood & Smith, 2004). These barriers to communication will be considered

through the collection of research data from senior managers in the accommodations sector in Thailand.

For any organizational communication to be wholly effective, it must have supportive senior management who are seen to be actively participating in the dialogue themselves. While most big companies today have a communications team, the senior managers must have a direct involvement and also keep the channels of communication between themselves and their team members, open and constructive. Communication methods should be incorporated within business plans and processes in a holistic approach – communication is not the responsibility of a few designated employees alone.

Communication from senior managers in any industry may be segregated into two groups: the formal and the informal. Formal communication is traditionally seen in military organizations – and in many corporations - which is more of a ‘one-way’ direction, from superior to subordinate. Here, it is perceived that the channel of communication should be left open only for messages moving down the chain of command, as the superior is seen as having a higher level of experience and expertise. However, one-way communication could potentially affect efficiency, if a subordinate has not understood the message from his superior but the rules of communication in this structure are not flexible enough for him to question or clarify.

When the flow of information is vertical (i.e. top-to-bottom rung) and cross’ (i.e. across staff levels), employees perceive their seniors and colleagues as being informative and problem-solvers. While informal communication was earlier considered generally to be an impediment to performance, it is no longer thought so, as it actually aids effectiveness (Russo, A., & Tencati, A., 2009).

The top-down approach used by senior management to communicate and implement company policies could be made more effective if feedback is allowed. Nowhere perhaps is this more relevant than in the hospitality industry, which is people-

centric. There are various stakeholders involved here, who can broadly be classified in the following five categories: hotel owners, employees, suppliers, guests and the local community at large. Each stakeholder segment poses its own challenges – as well as opportunities – for senior managers to communicate effectively and efficiently.

Hartigan (2012) suggests basic tips for hoteliers that can lead to streamlined communication including; checking – and rechecking – that everybody has received the same information instead of the “didn’t I tell you” lapses; using spell check; having a regular communications schedule; disabling the caps lock; ensuring your team members listen and interpret your messages the way you intend them to be; responding to every email as, not to do so is uncivilized; using direct communication to explain a new project or resolve conflicts, rather than hide behind technology such as emails; using complete sentences; having proper, structured plans in place; avoid talking about oneself in the third person and periodically checking on the status of a project, thus, allowing you to prevent problems and streamline team efforts.

Social media has now overtaken the more conventional modes of communication such as letters, memos, telephone calls and emails. Bergan (2012) advocates SMS text messaging as one of the fastest ways to improve communication, either to individuals or to staff as a group. as more that 95% of text messages are read. Indeed, he calls it the number one communication channel. The second priority, according to Bergan (2012), would be emails, but these should include the reinforcement of email etiquette as also an automatic email signature, to complete the communication cycle. Third on the list is a private Facebook group, since at least 90% of the staff would be using Facebook; he is quick to caution that this does not replace the other methods but rather, reinforces and amplifies them. According to techinasia.com, Thailand, has over 24 million Facebook users and Bangkok has the more Facebook users than any city globally. The dominance of social media in Thailand presents unique opportunities for the communication of CSR initiatives by senior managers in the accommodation sector and warrants further research.

Brownell and Newman (2009) developed a set of recommendations to assist hotel managers, of which one key recommendation was to make sure that the email subject lines clearly indicate the contents of the message. They further recommended that hospitality companies research instant messaging, intranets and other communication technologies that have the potential to help managers accomplish their communication goals.

Internal communication to the staff is often ignored in the search for recognition and media headlines. Employee communication can be a critical factor in effecting or implementing any new program; it can allow for a smooth transition and operation while linking the strategic and business planning processes together (Barrett, D. J., 2002).

Communicating organizational changes accurately and in a timely manner also leads to a more productive and satisfied workforce, who feel they belong rather than being “mere cogs in a machine”.

Given the rapidly escalating rate at which the hospitality industry worldwide is growing, one of the major communication challenges the senior managers face, is the need to be able to communicate with a diverse workforce from various cross-cultural backgrounds (Taylor & Finley, 2010). Effective communication skills require keeping cultural and ethnic sensitivities intact. Such an understanding is key to successfully managing employees while meeting customer expectations as well. Barriers to effective communication very often narrow down to two main points: Language skills and cultural differences. No hotel can have excellent operations without excellent employees and that requires excellent human-resources practices. (Okumus, 2008).

Thailand is a good example of the above. Western born and educated managers who come in with their cut-and-dry methods of operation often find themselves a failure here, whereas in a more westernized setting they would be at the top rung of the corporate ladder. This is because the Thai – or indeed, Asian – culture is vastly different from the business-like approach the West adopts. Here, time is perceived to be an entity that was



here yesterday and will be there tomorrow as well, so why waste the moment in rushing around and worrying. Asians will take natural calamities in their stride as acts of God, rather than strategize and plan in advance to avoid catastrophes. Most importantly, while the western concept is more individualized, here it is a matter of (metaphorically) adopting a person's family, community or village; in other words, if your employee has a personal or emotional crisis, his productivity output will drop and senior managers are expected to understand and empathize. It is hardly any surprise to find that westerners who do not accept and subscribe to this point of view face the highest attrition numbers in their organizations. Generally speaking, for a Thai person, their peace of mind and emotional contentment level is far more important than any salary you could offer.

Here also is where religion, culture and upbringing play an important role in defining communication as well as relationships between the employee and the organization. The more communication challenges present, the more the potential for misunderstandings increase.

Ting-Toomey (1997) advised three ways in which culture could interfere with effective understanding and communication. The first is cognitive constraints, which are the frames of reference that provide a backdrop to which all new information is compared. The second is behavioral constraints, wherein each culture has its own rules about proper behavior, which affects verbal and non verbal communications. The third point is emotional constraints, where different cultures regulate the display of emotion differently; while some may exhibit their anger or frustration, still other cultures such as Thai believe in keeping their emotions hidden and sharing only the factual aspects of the situation.

Communication is a fundamental aspect of tourism and hospitality that has neither been researched nor taken advantage of sufficiently (Bowen, Diaz, Tsai, & Yee, 2009). Added to this, each stakeholder presents their own challenges and opportunities for senior hotel managers trying to communicate CSR initiatives effectively and efficiently.

Thoughtful consideration of a CSR strategy that includes good stakeholder communication becomes the “central means by which individual activity is coordinated to devise, disseminate, and pursue organizational goals.” (Gardner, Paulsen, Gallois, Callan, & Monghan, 2001).

The following MIT Sloan Management Review draws on a collaborative research project conducted by Pearce & Doh (2012). In this project the researchers explored the myths and realities of CSR communication, identifying a key challenge to CSR communication is how to minimize stakeholder skepticism. Unlike other marketing information such as product quality or innovations, a company’s CSR initiative reflects a company’s ‘character’ or ‘soul’ and, while stakeholders’ claim they want to know about the good deeds of companies they buy from or invest in, they quickly become apprehensive of a company’s motive in aggressively promoting its CSR efforts.

In its company CSR policy’s preface, Japanese car manufacturer Toyota stated, “In order to contribute to sustainable development, we believe that management interacting with our stakeholders is of considerable importance,” and “we will endeavor to build and maintain sound relationships with our stakeholders through open and fair communication.” Along with this policy, Toyota communicates with a wide range of stakeholders in many forms; the company has conducted dialogue with local communities at each plant, round table conference with employees, and study meeting with business partners.

It may be said that the twin primary concerns for organizations in today’s socio-economic climate that has a growing environmental awareness as well, is:

1. How a company may benefit from its CSR initiatives
2. How those CSR efforts may be communicated to audiences.

Justifying the expense of an initiative or project requires effective communication to the stakeholders. CSR efforts may not realize their full potential because they are fragmented activities. Many CSR initiatives are either reduced to being public relations

campaigns or else financial donations made to a cause the organization considers worthy. In a survey conducted by Hotels magazine (the official publication of the International Hotel and Restaurant Association) of the top ten hotel groups, the Hilton Corporation was found to have the most comprehensive CSR reporting, followed by the Marriott and then Accor (Okumus, 2008). Most hotel companies can improve their CSR reporting and should live up to their reputation of being hospitable not only to their guests but also to society (Lynn, 2009).

Managing CSR could be seen as a three-stage process: the setting of values, their integration with strategy as well as implementation, and performance measurement and communication on the performance of the policy (Waddock, Bodwell and Graves, 2002).

Ligteringen and Zadek (2005) simplify the stages to two, including establishing values which help establish what should be done and creating guidelines to know 'how to measure and communicate' what is done.

## **2.4 Conclusion**

This research adds to the seminal work of Carroll (1979), who describes four categories of social responsibility; economic, legal, ethical and discretionary, and argues that managers define their responsibility first and foremost in terms of economic and legal concerns.

Kotler and Lee (2008) suggested six ways you can develop and implement a corporate social program that provided an excellent method to describe the types of CSR initiatives being practiced by senior manager in Thailand's hospitality industry sector. A summary of the principle literature, the findings and an analysis of the research points in the direction of a growing importance of cultural factors as well as issues related to organizational communication when considering the communication of CSR. Hofstede

(1984) conducted the most comprehensive study of how values in the workplace are influenced by culture and provides valuable insight into the cultural dimensions that influence both what types of CSR activities are being practiced and how they are communicated.



## CHAPTER III- Research Methodology

- 3.1 Research Questions
- 3.2 Introduction to Methodological Approach
- 3.3 Research Sampling and Recruitment
- 3.4 Semi structured in-depth interviews
- 3.5 Illustrative case study

### 3.1 Research Questions

- RQ1. Identify: What types of CSR initiatives are being practiced by a hotel?
- RQ2. Explain: How these types of CSR initiatives are communicated to stakeholders.

This chapter begins with an elucidation of the philosophical perspectives that form the foundation for the methodological approach suggested. How the research data will be analyzed and interpreted will be discussed and limitations to the research will be illustrated. The empirical nature of the research includes analyzing qualitatively data gathered from seventeen senior managers in the accommodations sector. This applied research has a practical application and can serve to close the gap between theory and practice, development and implementation and provide a construct for effective CSR communication and future research.

Research problems that relate to a phenomenon of interest with limited or evolving understanding, such as CSR perceptions, possess a degree of measurement challenges that can be described as a “fuzzy problem” (Kwornik, 2003). Fuzzy problems are challenging to measure with statistical analysis tools and the solid theoretical framework that characterizes quantitative research methods. Qualitative research methods are intended to generate a deeper understanding of complicated behavior, rather than to quantify,



generalize and predict it (Hudson and Ozanne,1988). Qualitative methods are intended to discover the thoughts and feelings behind a phenomenon as well as the underlying reasons for the thoughts and feelings of the participants. Qualitative methods are best for the development of theories and identifying strategies for successful constructs and best suited to reach the aims of this research.

“If you can’t measure it, it doesn’t exist” has long been the mantra for academic researchers. The philosophy for discovering the truth holds that researchers can be classified as either a positivist or a relativist. Positivism centers on the belief that the only real source of knowledge is science. The positivist believes that you can develop a theory and then collect data to test the theory (Gabriel, 1990), while the relativist believes that all knowledge is subjective and that an objective test of theory involving the study of people is impossible. According to Gabriel (1990), the relativist believes to some degree that data is created by theory and obtaining objective data relating to people is impossible, all data and knowledge is subjective. This research exploring the communication of CSR among a sample of 17 senior managers in Thailand’s hospitality industry sector is approached from a relativist’s philosophical perspective using qualitative data, gathered through in depth interviews of senior managers in Thailand’s hospitality industry sector. The subjective nature of relativism coupled with the interpretive methodology utilized for this research, will result in a better understanding of CSR and identify opportunities for stakeholder communications of CSR efforts.

### **3.2 Introduction to Methodological Approach**

A semi-structured, inductive approach is required for research to be gathered without a preconceived notion of what the data would look like (Mintzberg, 1979). No single hypothesis is to be tested but rather a construct for the effective and holistic communication of CSR initiatives will emerge from the data.

Surveys and questionnaires may be appropriate tools for conducting deductive research while inductive research holds that measuring in real organizational terms means first of all getting out into the field, into real organizations (Mintzberg, 1979). Exploratory, inductive research is best suited for research aimed at understanding the meanings of actions and requires answers to “why” and “how”. The importance of interpreting the data and keeping the results in context so that they may be of use to other researchers in a variety of industries requires a qualitative research method (Ritchie & Spencer, 2002). Participant observation, focus groups, and in-depth interviews are the most common types of qualitative research methods (Denzin & Lincoln, 2000). The type of data required for analysis should determine the method used. According to Denzin and Lincoln (2000), participant observation is most effective when used for collecting data for natural behaviors in their usual settings. Focus groups are used when information on cultural norms and generalizations of issues of concern to the group are necessary and in-depth interviews are best for gathering data relating to personal perspectives and experiences (Denzin and Lincoln, 2003).

Ritchie, Lewis, Nicholls, & Ormston, (2013) identify many benefits of in- depth interviews as it relates to qualitative research. Gathering data to identify and develop strategies relating to the communication of CSR is best served by the use of in-depth interviews for several reasons; An objective of the interviews is to develop a better understanding of the communication of CSR phenomenon (Ritchie, *et al*, 2013). This construct-development objective requires that the research process be adaptable as thoughts and feelings emerge throughout the course of data collection and analysis. The interpretation of the data during and after collection requires flexibility to the interviews that results in responses producing rich, detailed, explanatory, meaningful and unexpected data (Ritchie, *et al*, 2013).

### 3.3 Research Sampling and Recruitment

Snowball Sampling (chain referral sampling) was used to identify qualified subjects for the in-depth interviews. Advantages include greater control over respondent selection resulting in more depth, context and flexibility in the process of inquiry (Cassell & Symon, 2004). The researcher's involvement in the world's largest tourism organization, SKAL International, whose members are comprised of senior managers in the tourism industry provided a large number of prospective participants. The participants are not limited to SKAL members although the initial interviews consist of members in this august organization, who were then asked to refer prospective participants from their professional and social networks.

Considerations for qualified participants are those that were employed in senior management positions in a sample of 17 from hospitality industry sector properties in Thailand who are most likely to provide rich, informative, detailed and useful data. Demographic data were not a substantial part of qualifying prospective participants. Participants were expected to represent a sample of the hospitality industry sector in Thailand including; geographic (North, South, East, Central), ownership (independent and corporate) as well as size (small, medium, large) and star ranking (1-5). It is important to note that the research was not intended to discover how many or what proportion of the population thinks and feels a certain way but rather to discover the how and why CSR initiatives are communicated and to what effects.

Gathering data for qualitative research does not require a predetermined number of participants according to Kwortnik (2003), a small sample size has the potential to produce substantial data. Data was gathered, analyzed and interpreted until theoretical saturation or redundancy was reached, the point where new data fails to bring additional insights into the communication of CSR.

Initially, eleven in depth interviews were conducted with an additional six interviews completed to ensure an adequate sample size to produce meaningful results. The final six interviews serve as evidence that more data collected does not automatically provide more information. The research into the communication of CSR communication by senior managers in Thailand's hospitality industry sector thus reached the point of diminishing returns and was concluded. The findings suggest that the vast majority of codes developed for the study (see appendix) were primarily completed after eight interviews and fully completed after eleven interviews. The final six interviews and the ongoing examination and analysis of the data gathered, provided enlightening anecdotes but did not contribute to the framework for CSR communication presented in the findings and recommendations of this research.

### **3.4 Semi Structured In-depth Interviews**

Seventeen semi-structured, in-depth interviews were conducted. Semi structured, meaning "content and sequence are not fully specified in advance" and open ended, meaning questions are asked in such a way that "respondents are encouraged to answer in their own words" (Jankowicz, 1995, pg 195).

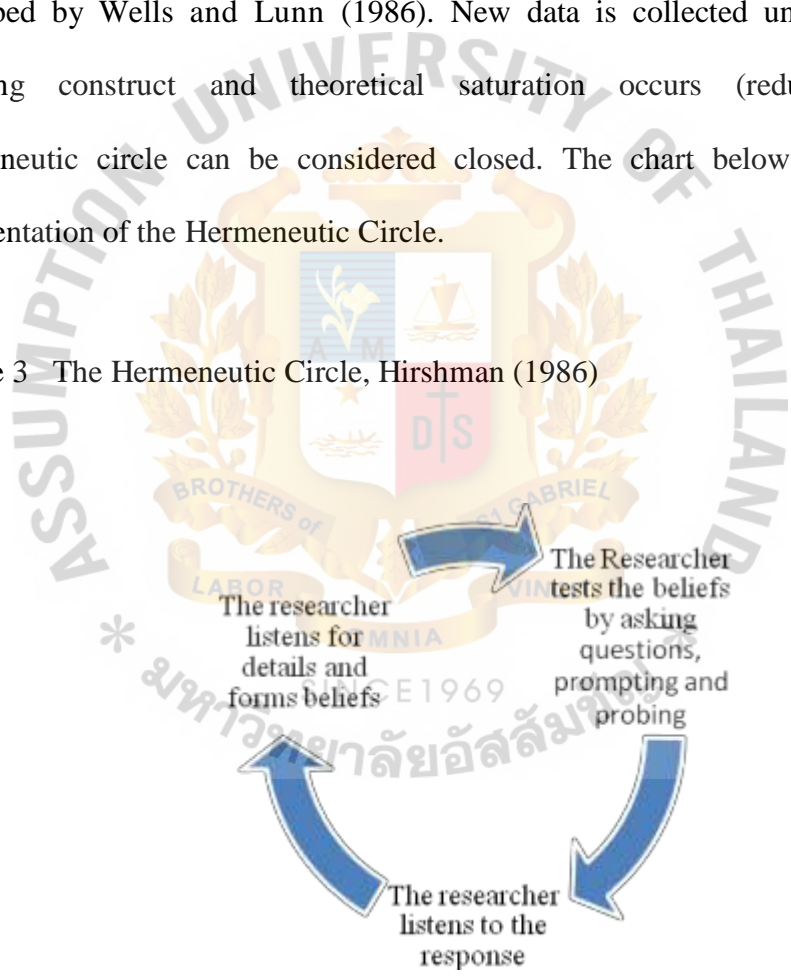
Disadvantages to in-depth interviews include the relatively high cost (time and money) for a single interview compared to other quantitative and qualitative research methods.

The depth of the data required for the research into the communication of CSR supports the view that extrinsic disadvantages of speed and cost are outweighed by the intrinsic advantages relating to the quality of the research data gathered. Individual interviews have the ability to get at nuances and uncover the underlying thoughts and feelings (Tull & Hawkins, 1993; Denzin & Lincoln, 2003). Berent (1966) identified several factors responsible for the richness of data gathered through in-

depth interviews; respondents, possibly for the first time are given an opportunity to really analyze the motivations for a particular action and the novelty of being listened to, coupled with anonymity, gives the respondent a feeling of empowerment.

Hirschman (1986) suggests the use of the hermeneutic circle (Figure 3) in order to test the validity and dependability of the researcher’s data. During the interview, the data is analyzed and interpreted, and tested through the use of questions, probes and prompts during the course of the interviews creating rolling hypotheses, as described by Wells and Lunn (1986). New data is collected until it conforms to the evolving construct and theoretical saturation occurs (redundancy). Then the Hermeneutic circle can be considered closed. The chart below provides a graphical representation of the Hermeneutic Circle.

Figure 3 The Hermeneutic Circle, Hirshman (1986)



Source: Created by this author for this research study.

Issues of credibility, transferability and dependability may be addressed through several tests (Hirschman, 1986). The researcher compiled notes during the course of the interview supplemented through the use of audio and video recording and the completion of interview transcripts. Interview notes and the revisions regarding the coding and the development of a construct was completed using manual methods.



Addressing issues of credibility, transcripts of the interview were created and reviewed to ensure accuracy. Transferability was tested and confirmed through the comparison of interviews. Dependability was tested through two local advisors and one international advisor that who reviewed the research data and addressed critical issues throughout the course of the research process to assess the reasonableness of the conclusions resulting from data collection (Gabriel, 1990) and an analysis of the transcripts.

Transcribing is the process of representing, in written form, some stretch of lived activity. The resulting transcription provides a document that is easily perused and examined, and in a variety of institutional settings it serves as the official record of the actual proceedings (Ochs, 1979). According to Ochs (1979), in communication research it is understood that transcribing is an analytic process as a transcriber is always selecting and distilling the complexities of speech and action, choices of what and how to transcribe are driven by philosophical, theoretical, and methodological orientations to the materials being handled.

Huberman and Miles (2002) encouraged the interpretation of the data throughout the course of the interview and immediately after, citing three advantages; new data can test new hypothesis which emerge during the analysis, de-motivation is reduced, the quality of work is improved. Griggs (1987) cautions that interpreting, analyzing and coding data is exhaustive and time consuming and encourages researchers to avoid stimulus overload.

Strauss and Corbin, (1994) suggest a constant comparative method of analysis of the interviews when using the grounded theory method employed in this research into the communication of CSR strategies among seventeen senior managers in Thailand's hospitality industry sector. Concepts and categories are fundamental elements of a grounded theory (Corbin and Strauss 1990, p. 7). The grounded theory method proved crucial to this research in finding and articulating the patterns and structures of the acquired

data. Stages of analysis implemented in order to facilitate the building of a grounded theory included; literature comparison, research design, data collection and data analysis. After eight interviews were conducted, the majority of useful concepts had been identified and the process of refining and categorizing the data had begun. Identifying concepts and core categories through the process of coding was completed without the use of computer software. The conceptual decisions regarding concepts and coding as well as the flexibility in the sequence and implementation of analytical tasks superseded the need for an immediate computer analysis using software such as ATLAS. After the analysis of the final six interviews, the minor improvement to the theoretical framework was insignificant. Theoretical saturation was achieved and the decision to conclude the research was taken after consultation with local and international advisers. The final step of the data analysis involved exploring the similarities and differences of the data as it relates to the existing literature and explaining them.

### **3.5 Illustrative Case Study**

The interview begins with a brief discussion regarding social responsibility, and Thailand's strong family-centric society. 3 generations under one roof. In times of crisis, they can count on each other. CSR is here but with many different labels and different names (ie. environmental conservation, business ethics, philanthropy). CSR shows often itself in high profile branded products (ie Sheraton, Hilton). Local owners and branded management companies each have their own perspective on CSR and show it their own way. The hotel received an environmental certification (ISO 14000) from the International Organization for Standardization (ISO).

In-depth Interview, Andrew Wood, Hotelier, 17 years in Thailand, British

Interviewed March, 2012

**Would you share your definition of CSR?**

There is a difference between CSR in the service industry and other industries. Large organizations focus on profit. Individual properties assess the impact locally, not globally. Looking at the footprint not only environmentally, but socially as well.

**Does the definition differ when considered from a global, regional (Asian) and local (Thailand) point of view?**

Global CSR can't really achieve the same impacts at a local level. Benefits come in a variety of colors, but the owners tend to see the benefits in green dollar signs.

**Referring to the ISO 14000 certification, How did you communicate to your staff the fact that your hotel received this certification?**

Through good PR. Press Releases, One reason only why we did it, it was good economic business. Pattaya had a representation regarding water quality, sex industry, etc. The owners liked to do it, for the PR. It was initiated by the owner and not the managers, but everyone was aware of the need for certification, from the gardeners to the drivers.

**How were the gardeners involved?**

They needed to be involved in the committee which decides how CSR will be implemented (ie composting, reusing gray water).

**Did your hotel have a formal or informal CSR strategy?**

Definitely a strategy. Royal Cliff was the first hotel in Thailand to receive an ISO 1400 certification. At the Royal Cliff Resort the managers supported this at the Chao Phya Park, less so due to increased initial costs. Starting programs cost money, but when researched, the owners see a achievable payback period as well as the huge savings after the payback period.

**How did you communicate the CSR strategy to the 'rank and file' staff?**

Training seminars, slogans, t-shirts, newsletter, notice boards outside the employee cafeteria.

**Looking back, Could you describe the CSR initiatives that you consider successful and those that were not too successful?**

Let's begin with the successes. Switching from diesel operated to natural gas water heaters, the payback period was 9 months on the investment, cleaning a very smelly klong next to our hotel, it was a clogged, deep black drainage klong. The employees felt good about it the staff felt good about it, the guests felt good about it. We improved the working conditions of the laundry department, which resulted in lowering our turnover from 40% to almost 0. We recruited in villages up country, to recruit 10 or more staff at a time. We'll help you find accommodations; assist with the schooling for the children, etc. It was the most successful thing we did at both hotels.

**How did you communicate the CSR initiatives to the staff?**

Top down, it began with the department heads, where it was discussed at the daily meetings; they then took the message to the rank and file. If the management doesn't care the staff sure won't. Department meetings were another issue, when I started I asked if the department heads had their own meeting with members of the department, I was assured they did. When asked if they created minutes of the meetings the answer was unanimous "NO", so I asked them to.

**How did you solve this challenge?**

The Standard Operating Procedure (SOP) for a five star hotel is to change everything (linen) every day, then we go back to the staff and have to say forget what we told you, the guest will dictate what they want. We failed to get the message to stick. It was a challenge to communicate the change in SOP. We generally chose programs that would save money (i.e. reduce water consumption, reduce electricity consumption).

**Does the story have a happy ending?**

One day I was talking to a guest who was sharing their frustration regarding a conservation initiative the guest was attempting to support. The housekeeper would replace all linens daily in an effort to deliver excellent service, although the guest wanted to reuse linens to

conserve resources, at the hotels suggestion. Eventually I asked the executive housekeeper into my office, and in a quiet voice using a father's attitude. We talked about this problem quietly, commonly, discussing objectives and comments from the guests. A week later I called the Executive Housekeeper again and said it still wasn't working, she then knew we were serious. The Executive Housekeeper was the one who had to communicate to the Thai's in Thai, then she needs to supervise, check and record the results.

**Would you share your thoughts on the popular topics of; Reduce, Reuse, Recycle?**

We did what we could to reduce energy consumption, with air condition accounting for 80% of the electric bill, this was always a struggle. In Thailand the recycling happens without much effort. The community is on top of it. Metal, glass and plastic will be sorted out by community members, by 'professional' recyclers, before it leaves our property. by the time the waste gets to the dump, it is almost all organic materials. Examples of reusing resources include hotel generated bio diesel for gardeners onsite transport, saving bars of soap to convert into liquid soap for staff use and converting organic liquid waste to garden fertilizer.

**Would you elaborate on the CSR initiatives and your communication of those initiatives?**

The owners loved to visit local schools and take the students pens, paper, crayons. The owners offered a scholarship for children of the staff.

**How did the staff know about the scholarship?**

Newsletter, bulletin board, but mostly by Word of Mouth. The criteria to choose the recipient was largely how valuable their parents were to the hotel.

**Regarding a previous challenge you mentioned, were the departmental meetings successful?**

In a word 'NO'. the employees felt CSR was a topic they had no influence on and thus their interest waned. Employees felt CSR was owner driven. Also departmental meetings were



largely operational, having to do with yesterday check outs; today's guests and other topics of immediate priority.



## CHAPTER IV- Results and Discussion

### 4.1 Introduction

### 4.2 Results and Discussion

4.2.1 What is your definition of CSR?

4.2.2 Is there a difference in the definition in a Thai context?

4.2.3 Identify the types of CSR initiatives you are practicing.

4.2.4 What initiatives would/would not be considered as CSR?

4.2.5 What is your motivation for CSR?

4.2.6 To whom and how do you communicate CSR to your stakeholders?

4.2.7 What are the benefits and challenges of CSR communication?

4.2.8 Is there a group corporate CSR strategy in place for your hotels?

4.2.9 Do the managers have to 'sell' CSR concepts and initiatives to the hotel owners?

### 4.1 Introduction

The topic of this dissertation focuses on corporate social responsibility (CSR) and specifically, the communication of CSR among seventeen senior managers in the accommodation industry in Thailand. The senior managers interviewed for this research study all have vast experience and knowledge of the hospitality industry, covering a professional work spectrum that ranges from Australia, Switzerland, America, the Maldives, Malaysia, Singapore, and other parts of Thailand. Currently they all work in Thailand.

A summary of the professional background of research subjects is provided below. Interviews were conducted over the course of one year beginning in Nov 2012. Interviews were held on location, most often in the senior manager's office conference room. A brief work history of respondents is provided, starting with; Name, Position, Property, Nationality and date of interview.

Table 1 Summary of Professional Background

Name	Position	Property	Nationality	Interview Date
MS	General Manager	Swissotel Le Concord, Bangkok	Swiss	26-11-2012
SW	General Manager	Okura Prestige, Bangkok	German	12-03-2013
RJ	General Manager	Dream Hotel, Bangkok	Swiss	05-04-2013
CP	General Manager	Asian Oasis, Northern Thailand	Asian-American	11-04-2013
EH	Director	Rembrandt Hotel, Bangkok	Danish	18-08-2013
JM	General Manager	Aloft, Bangkok	Australian	21-08-2013
JS	Corporate Director	Dusit International Hotels	German	01-09-2013
BH	Director	Banyan Group Thailand, Hua Hin	New Zealander	08-09-2013
BA	Sustainable Development Coordinator	Chiva-Som Resorts, Hua Hin	American	08-09-2013
SR	General Manager	Ramada Hotel & Suites, Bangkok	Swiss	10-09-2013
MB	General Manager	New Star Resort, Koh Samui	Australian	15-09-2013
DH	Owner/ General Manager	Bourbon St. Restaurant and Boutique Hotel	American	08-10-2015
JF	Marketing Manager	Movenpick Bangkok Sukhumvit, Bangkok	Thai-American	16-10-2015

AT	Managing Director	Evason, Hua Hin	British	19-11-2015
SC	General Manager	Hyatt Resort, Hua Hin	Indonesian	19-11-2015
TP	Owner/ General Manager	G Hua Hin Resort and Spa, Hua Hin	Thai	20-11-2015
MJ	Resident Manager	Centara Grand Beach Resort & Villas, Hua Hin	Swiss	20-11-2015

## 4.2 Results and Discussion

### 4.2.1 What is your definition of CSR?

MS frankly said that it was confusing. SW was of the view that it was something that absolutely had to be done; it was integral to the community. However, he raised an interesting point when he asked whether one was doing it only to justify something or get rid of some cash, or whether one was doing it honestly for the community; if CSR meant merely ticking off a checklist, then one was on the wrong track, according to him. He also cautioned that a proper structure needed to be in place for CSR to work effectively. SR said CSR was something one could practice in one's private life as well, it is not just restricted to the business or company; he said what he commonly noticed was that people were asked to participate but they didn't really get involved or do much. RJ stated that, for him, CSR meant first the employees, and then the guests and business partners.

The only female interviewed and the only native Thai, CP agreed with SW that CSR was mainly just another tick in the box. She said the model of their business was sustainable tourism – focusing on giving back to the community.

JM said that for a lot of people, CSR was an easy answer like 'sustainability' but according to him, it does much more than that and starts at the ground root level,

as in, how does one add value to the community around us? JM said CSR was really everything, from environmental responsibility to community-based projects.

BH said he saw CSR somewhat like the compass, with the north being Nature, the east Economy, the south as Society and the west as Well-being and he thought CSR encompasses all those four factors. He added that within this compass he also included the three P's of People, Planet and Profit.

According to BA, true CSR was not how a company spent its money on philanthropic donations or planting trees and getting one's picture in the newspaper. He said it was about responsible business practices and that he practiced the quadruple bottom line, which was about social, economic, environmental and stakeholder wellness; he included the staff, guests and community at large as part of stakeholders. EH summed up his opinion most succinctly when he stated that CSR was anything that helped the community in one way or another. JS agreed with BA, that CSR is *assisting people in your local surrounding. Find something that represents your interest and where you can identify for a long time. We still have to adapt and adjust to localize. Localization means something within a 100 km, not more.*

The final set of six interviews served to reinforce the responses from the initial eleven interviews, that the focus of CSR for senior managers in Thailand's accommodation sector emphasized social impacts. The social factors considered dealt primarily with staff or the immediate community. Further research revealed that while all managers interviewed were practicing some forms of CSR the types of initiatives considered, covered a wide spectrum as identified by Kotler and Lee (2008); cause promotions, cause-related marketing, corporate social marketing, corporate philanthropy, employee volunteering and engaging in socially responsible business practices. The legal and financial implications of CSR identified through early research Arnold (2010), Carroll (1979), and Friedman (1970) show an evolution of a definition that favors issues that relate to workforce development and local community projects. Issues



such as financial transparency and the introduction of government regulations were not considerations included in respondents' definitions.

It should be noted that the request for a definition of CSR could be challenging for several reasons. Providing a precise definition is of little importance to these industry leaders, far removed from the academic world. The process of working towards a definition throughout the interviews provided opportunities for all respondents to share a deep understanding of CSR, the social responsibility of business and, ultimately, principles and values that are important to owners and senior managers. One of the final interviews highlighted to key concepts that have emerged, sustainability and a long-term commitment. SC summarizes, *I think what it means to me is sustainability more than just responsibility. We do a lot of CSR, it's not just picking one project and then moving to another one; we make sure they can sustain themselves long-term and then we move on.*

#### 4.2.2 Is there a difference in the definition in a Thai context?

JM said that the general understanding does not change much but what he has noticed is that there is a big difference in application in the developed countries vis-à-vis third world, non-developed nations. MS was of the view that CSR is getting popular in Thailand because hotel owners have been told they can save money via CSR so they are getting excited about it. MS says that awareness is definitely increasing, but that even with the many new hotels under construction in Bangkok, evidence of 'cost saving points' is limited. MS offers evidence of a lack of appreciation for initiatives aimed at the conservation of environmental resources stating, *"They (hotels under construction) have the same key system and cooling units used in most hotels, explaining Owners in Thailand are becoming interested in the cost saving initiatives. I'm not sure if the owner is "green" because he wants to "go green" or for cost savings."*

CP said that in Asia it was more about being politically or economically correct rather than doing good; according to her, it was just starting to evolve and in Thailand specifically, it was still very new. She said that CSR was inter-linked with their (Thai) culture but that building temples or making merit came more under the heading of gestures of donation and that CSR was a principle and mandate that companies ought to build and so inspire that philosophy throughout the company. SR said it's been a little delayed in Asia and that international companies here give it more value than the local companies do. EH cautioned that, while CSR is getting more and more well-known worldwide, one has to separate what's genuine CSR versus the hype and that it should not be overstated (publicized) or the reason for a company to exist; it (CSR) should be in addition to your business. SW felt that in a big city such as Bangkok, CSR is but a drop in the ocean, and less on the top of the agenda.

RJ said that in Europe, one had guidelines regarding CSR but here, in Thailand, you mainly just take care of the employees and the problems they face, which is considered more important here than in Europe. He said that in Europe, especially Switzerland, people were very concerned about recycling, environmental saving and such- like and sometimes even over-do it whereas here, it was the opposite. BH agreed that CSR in Thailand is more tied in with the community, but he said he was also frustrated with the talk about responsible tourism and he was cynical about whether it was really done from the heart and if they understood what the community needed or it was just to position a company to market themselves better. This leads to the consideration of motivation as it relates to CSR covered in 4.2.5.

BA said in Asia it was looked at differently than in the USA where CSR started getting popular in the nineties; in countries such as China, India, Pakistan and Bangladesh stating, *"In Asia it's looked at differently. The Thais treat it like an extended family unit while in the US it's more individualistic. In China CSR has a long way to go - there are human rights violations in order to meet the deadlines. India,*

*Bangladesh, Pakistan where there's child labor; people are paid a dollar a day, people are almost enslaved to work, because they're sold by their families to pay off a debt."*

He said that in Thailand, it was mainly the very large corporations with a budget that practiced CSR and not so much the small hotels or the travel and tourism industry at large, and that CSR should be an integrated system where different initiatives overlap, rather than just a project.

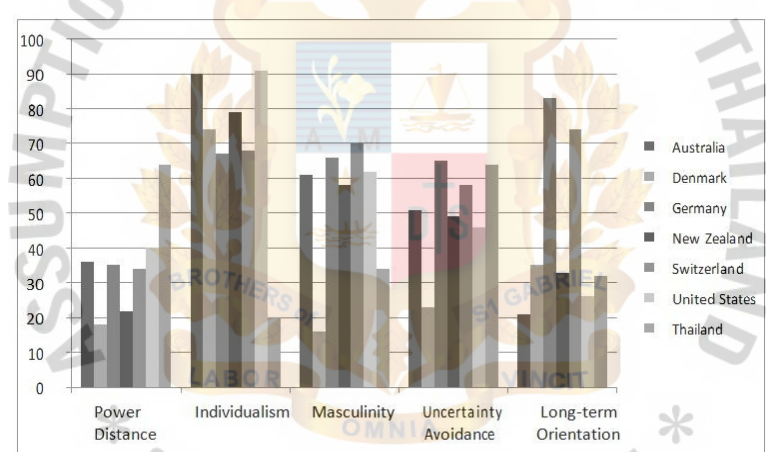
With few exceptions, respondents felt CSR began in western cultures; however it is quickly spreading to SE Asia and Thailand. All agreed that, as tourism develops in Thailand, CSR will play an increasingly important role and is more than just a 'good idea'.

Exploring the individual definitions of CSR provided a myriad of responses which illuminate a CSR culture based on Thai values. The request for a definition provided an excellent starting point for the interviews. The question demonstrates to those interviewed that there would be a real need for self reflection during the 'inter' view and this introspection may be more of a challenge than originally thought. Responses revealed a definitive collectivist attitude that has previously been identified as an important dimension of Thai culture by the earlier works of Hofstede (1984), Hall (1976) and Komin (1991).

Hofstede's (1984) and Hall's (1976) cultural dimensions (figure 4) allow comparisons of groups cross-culturally but they are limited in that they do not take into account the behavior changes of people in intercultural situations. The accommodation sector in Thailand can easily be described as an industry predicated on intercultural situations. As suggested by Adler & Graham (1989), people may behave differently when working with foreign colleagues. As a leader, this is important source of information as it will allow for an opportunity to emphasize shared values between the senior managers and those of the local community and the workforce. These opportunities also provide a window for communication and a western style manager

may establish a relationship which enables a subordinate to feel comfortable communicating from an individualistic perspective. JF credits the Buddhist philosophy for the differences between East and West CSR. Personal values have indeed been mentioned by the majority of respondents as a consideration of the types of CSR and the manner in which it is connected. The religious influence is cause for investigation, but it should be noted that values such as benevolence and kindness are common threads through all the major religions.

Figure 4 Cultural Dimensions of Senior Managers in Thailand’s Accommodation Sector



Source: Created by this author for this research study.

Because of power distance, much of the information regarding a CSR activity will travel around the office through gossip and informal communication which is very important in Thailand and other collectivist cultures. During the course of the interviews, the senior managers expressed the importance of modifying their management style, predominately representative of low- context cultures that expect communication to be explicit and specific.

Senior managers in Thailand’s accommodation sector have intentionally tailored their communication style to that of a collectivist high-context culture such as

Thailand. Much of the message is often times unspecified and to be understood through context, non verbal cues and between-the-lines interpretation.

Senior managers have, knowingly or not, followed Fulbright scholar, Dr. Suntaree Komin (1990) advice, whom cautioned that Western management theories that do not consider the large power distance coupled with strong social relations in Thai culture would not be a good fit for Thailand.

Patton's (2002) work supports the constructivist paradigm taken to develop an understanding of CSR that is interpretive and based on perspective and purpose. The understanding of CSR among senior managers in Thailand's accommodation sector suggests a profound understanding of the potential impacts, both good and bad, of tourism development in Thailand. Employees were overwhelmingly considered a primary beneficiary of CSR efforts. An analysis of the interviews tends to support The World Business Council for Sustainable Development (1999) definition of CSR as "the continuing commitment by a business to behave ethically and contribute to the economic development, while improving the quality of life of the workforce and their families as well as the local community and society at large".

#### **4.2.3 Identify the types of CSR initiatives you are practicing.**

All interviewees provided examples of social or environmental practices although none could produce an exhaustive list of their CSR activities. They all managed to provide comprehensive examples of CSR initiatives that reflected the types of initiatives they are practicing. Indeed asking individuals to provide a complete list of socially responsible initiatives that they have undertaken in the previous year would likely result in individual examples rather than an exhaustive list. The sheer volume of CSR initiatives implemented by accommodation providers proves a challenge to articulate fully. The individual initiatives provided by senior managers was sufficient to



identify the types of initiatives they consider would consider falling under the umbrella of CSR and aided in the understanding of CSR from the senior managers perspective (an aim of this study).

12 out of 17 respondents (SW, CP, EH, GM, JS, SR, DH, JF, AT, SC, TP, and MJ) stated that examples of CSR activities are available on their corporate website, but it was not a complete representation of their organizations CSR activities. The data gathered from the senior managers of properties with global companies felt their website did not represent the full spectrum of CSR initiatives being practiced, particularly at a local level.

JM said that in his previous assignment, they gave away discarded linen to a children's home and also had the hotel carpenters renovate and redo certain areas of staff housing. His present company has an associate relief fund where every dollar donated by an employee is matched by the company and thus, during the floods in Bangkok in 2011, they were able to donate just under half a million US dollars to help employees rebuild their homes. *Environmental initiatives are absolutely considered CSR*, shares JM.

JM elaborates, *There are travel partners that only work with companies that work to the responsible management of resources*. SR said that garbage separation such as the wet and the dry, light bulbs, batteries, was a good opportunity and one that was being practiced in Bangkok by many hotels.

JM does not currently include training programs under the CSR umbrella, stating that as a responsible employer, you owe it to assist with employee's development. Providing training programs and offering mentorships would be considered CSR, but are not promoted that way, according to JM. The Starwood Company also pays their employee and provides health care above the minimum legal standard.

When asked if this would be considered examples of CSR, JM replied: I think it is probably a mix of both. I feel a duty to take care of our people. It's not just CSR, I want to build a loyal workforce. I am an optimist by nature and I want to give. I want the culture in the workplace to be driven by me, by my heart. Every year I talk to the local

owner about our CSR vision directly. The owner is 100% supportive- our discussions are two way, partnerships between employees, management and owners have provided the greatest success.

JM stated that CSR themes include; Opening Doors to Oportunity, Taking Pride in Our Places, Responding to Neighbors in Need, and the 30 and 20 by 20 conservation initiative. For stakeholder outside of Starood, the overall strategy is outlined on several pages that are accessed on the company website. Our environmental policy addresses water, energy, waste emissions, and supply chain management. Although the broad topics are included on the website, there is little evidence of specific initiatives and the impacts they have had on the community or the environment.

In Chiang Rai, JM helped a children's home to become more self-sustainable by growing a vegetable garden and creating a trout farm and chicken coop. He also added that they were trying to collect tabs from aluminum cans which they would donate to a prosthetics manufacturer to melt down and make prosthetic limbs from. However, he said that the present hotel chain he worked for also had a large strategy to address environmental issues which, to his mind, were quite as important and relate to CSR in a generic sense.

SW explained that the initial investment in the Eco feature of the building were very expensive, but there is an advantage to building the feature at the planning and development stage of construction, it does result in cost savings. The hotel recycles; the guest room amenities are locally produced. The water bottles are made out of corn and are completely biodegradable. It is interesting to note that SW intimated that the marketing department does not have a list of Eco features for the ecoplex. When asked to provide examples of CSR initiative, SW stated *At this stage we are not doing too much, adding, If you consider environmental considerations as CSR then the whole building is built to be as friendly to the environment, describing the building as an "Ecoplex". The owner was looking to differentiate himself and create marketing*

*opportunities. Here, we have the opportunity because the hotel owner is very focused on being “green”. It started off with a whole plan to be an ecoplex, which is a new word that still doesn’t exist in the dictionary. Environmental conservation features of the Ecoplex include; triple glazed glass, 25% of ground space is green space, gray water is recycled and used to water plants, there are no hot water boilers in the building, we use the heat from the Air-conditioning units to heat the water.*

At the time of the interview SW’s property, the Okura is the only Platinum LEED certified hotel in SE Asia. To be LEED certified you must be able to measure your energy savings. SW believes that a LEED certification can serve as a marketing tool to attract customers.

The LEED (Leadership in Energy and Environmental Design) award was given by the US Green Building Council (USGBC). SW added that the LEEDS certification demanded a lot of energy saving compliances; for instance, the glass on the entire building was coated, through which they saved an estimated 30% on air conditioning. Rain water as well as waste water was being recycled, so also shampoos, for instance, the hotel uses water bottles that are 100% biodegradable and all the bottle caps on in-room amenities are aluminum, which can be further recycled. While he talked on the environment, he also leaned heavily toward the social; he said that apart from blood donations or spending time in the hospital with the blind or terminally ill, in his previous organization his company recruited young, abused girls from north Thailand during a labor shortage, and helped train them, a project that UNICEF later became involved with. Further, his previous company on Koh Samui supported schools by buying footballs, pencils, donating the hotel’s old computers, stocking up school libraries.

In his present hotel, SW said that they are part of a charity drive supported by other leading hotels in Bangkok, where every hotel spends the equivalent of what they would on Christmas cards, donating to a charity instead. MS said his hotel owner was “green- conscious”, and had agreed to change a chiller to a more eco-friendly one.

Further, he stated that the air-conditioning in the hotel rooms was pre-set to a certain temperature (22° C), to minimize power usage. MS also said that the hotel was using the new Toyota Camry hybrid (combination of electric/gas) cars, which are more fuel efficient than other gasoline-only automobiles.

EH practices a combination of the environmental and social CSR in his hotel. He has aligned with the Clinton Foundation to be more efficient and reduce the carbon footprints of a building and has thus replaced three old chillers with two more modern and efficient ones that use less energy, and has replaced the old boilers with new ones that use a dual fuel system, and is presently working on the cooling towers. EH stated that all of this was at a cost of more than 30-million baht, which they have achieved by taking a loan for seven years; the total energy savings are 17% per year so they are basically repaying the loan with the savings. EH also works with Synergy, a company that converts waste water into the RO system. Additionally, the hotel donates all the hotel cooking oil to an orphanage, which is then refined as diesel. EH's purchasing department also buys all the hotel rice from an organization that supports schools in the north-east of Thailand; the rice is grown by the parents of the schoolchildren. In Bangkok's Klong Toei slums, the hotel sponsors the education of 30 slum children.

For CP too it is a combination of the social and environmental, explaining how the company creates employment and business opportunities for the local community and works extensively with the villagers to give back explaining: Lisu Lodge was created to provide meaningful experiences for our customers focused on community development, environmental balance, cultural learning, nature discovery and adventure. Each lodge is an eco- friendly community-based lodge. It is our goal to offer our guests experiences in rural Thai life that are fascinating and real, as well as ecologically, environmentally and culturally sensitive. Our lodges properly treat waste water and solar panels are used for water heating. All food supplies are purchased from the local community, construction and maintenance is provided by local villager using

natural resources. Activities are low (carbon) energy consumption (ie. walking, trekking, biking, white water rafting and tree cultivations). Each activity and trek is planned as a complete experience; adventurous, educational and comfortable for the traveler, intended to minimize the negative socio- cultural and environmental impacts to the community. An example of our hands on approach to CSR and a popular activity is when travelers routinely collect seeds on their guided treks, to be used later in the tree planting activities organized by the Himmapaan Foundation.

During the course of the in-depth interview, BA said that they have changed the chillers and have installed solar water heating panels, and are now in the process of changing the light bulbs from halogen to LED, which should give about 84% reduction in lighting energy alone. In a separate interview, BH agreed with that and said that by the end of this year, his hotel would be changing to energy-saving bulbs; RJ and MS supported that premise too.

Of the first eleven interviews, the overwhelming majority (81.8%) of CSR initiatives offered as examples related to either employees and/or the immediate community. While all (100 %) of respondents included environmental stewardship and the conservation of resource in their consideration of a definition, 12 out of 17 (70.5%) respondents implied that the real impetus for the CSR initiative involving energy conservation was long term cost savings. Respondents reinforced the earlier findings of (Robins, 2005) CSR has no clear boundaries and the broadness of the concept makes it problematic in terms of drawing up a definitive list of meanings and practices that may be considered CSR.

Porter and Kramer's (2006) concept of strategic philanthropy suggests that companies prioritized their social issue as; generic social issues, value chain social impacts and social dimensions.

Generic social issues were rarely mentioned by those interviewed as they generally apply when organizations operations do not have a large impact on society



and is not related to competitiveness. The senior managers in Thailand's accommodation industry are acutely aware of the impact of the accommodation sector and are justly proud of the initiatives aimed at the workforce and local community. The social dimensions of a CSR initiatives aimed at maximizing the social impacts of the value chain were the focus of the majority of initiatives offered by respondents and reflects the collectivist society that senior managers are operating in, rather than the. This reinforces the findings of Komin (1990) and Hofstede (1984).

In collectivist societies, like Thailand, people belong to groups that take care of each other in exchange for loyalty. JM expressed the feelings of many, saying; The question here is...is that CSR or is that being a responsible employer? And I think it's probably a mix of both to me I feel our duty of particularly working for a global company is to take care of people and can we therefore offer people a little bit more than what the average people or average employer would offer? I hope so. I also would like to think that we build loyalty.

#### **4.2.4 What initiatives would/would not be considered as CSR?**

The example presented in chapter two of a hotel providing the opportunity to reuse linens in order to conserve resources was suggested as a means to identify what is and what is not considered CSR by senior managers in the accommodation sector in Thailand. Does placing signs regarding the changing of towels and bed linen (sheets) qualify as a CSR initiative? BH was doubtful and thought that communicating initiatives such as changing towels was just a way to show customers that the organization really cared about the environment, when really all the hotel wanted to do, was save costs on laundry. BH said one had to do a lot more than that.

BA offered a counter view, offering the interpretation of the motivation was really up to the guest; the hotel provided signs regarding CSR activities and if the guest wanted the towels and sheets changed on a daily basis. He argued that there was

a saving on laundry, the water, electricity and detergent cost, the towels and linen itself, which, although a big cost saving, was also CSR according to him. JM placed the responsibility on the guest as well, concurring that signs were placed in the room and that hopefully, the guest was at least taking a quick look at them. MS concurred, that there were cards placed in the room to alert the guest regarding the changing of towels and linen; according to him, one did not really need to communicate the benefits of this anymore as it was the general norm now and the norm was growing in Asia.

RJ said that they use the in-room cards as well and give the guests the decision of the choice, elaborating that they try and train the staff to observe this too, as these things are not really taught in Asia and therefore sometimes the staff could ignore a placed sign asking not to change the towels or linen (BH agreed with this point too.) According to SR, with the savings his hotel made by saving on laundry costs for the towels, at the end of 12-months there was a lot of money there that could be invested back into a healthy community.

Most respondents expressed an avoidance of marketing to the guest CSR initiatives that resulted in substantial cost savings, explaining that the skeptical traveler identifies these initiatives as attempts at cost savings and would not be considered genuine CSR.

When asked, all senior managers interviewed expressed disdain for press releases that show activities such as hotel management planting a tree on the hotel property to demonstrate their commitment to CSR.

SW best expressed the views of the managers saying that, *while it was nice to plant a tree, what was the need to go to the newspapers about it – all the time spent to get all these people to one location and then have twenty senior managers stand around while one guy put in a tree, was ridiculous and not CSR; CSR must be useful.*

Global CSR initiatives such as those aimed at reducing the effects of global warming or working to meet the United Nations millennium development goals were not

a major consideration for senior managers interviewed. They felt issues like this were best addressed from the corporate headquarters, and the local properties would follow the corporate policy. SW recounts a story of a CSR initiative gone awry. SW described a program with UNICEF I'll share a story that serves as a fantastic example of an amazing program that slowly died out and in the end was taken over and abused by those running the program. The hotel management wanted to create a sustainable program that would make a long lasting impact and addressed the labor shortage in the tourism industry. They recruited disadvantaged women from rural communities in the north of Thailand to come to Bangkok and begin a career in the hotel industry. Initially, all of the girls that were recruited came from backgrounds of abject poverty and often in an abusive relationship and prone to be sexually abused or sold into prostitution. Transportation, room and board as well as uniform and training were provided to these young women, with amazing success. The first year was extremely rewarding, everybody was committed. The girls were fully trained including; grooming, English language education and service skills training. We were preparing them for a successful career in the hotel industry, they would not just be chopping onions in the kitchen.

Then, UNICEF, an international aid organization, became involved, and over time the women recruited did not come from a disadvantaged background, but rather their families paid a fee to the recruiter to include their daughters in the program. Over the years more than 2,000 girls were recruited with help from 25 of the major hotels in Bangkok and NGO's like the Girl Scouts of America and UNICEF assisted with logistics.

SW finishes, "In the end, I was very disappointed with this program. The recruitment and focus was misdirected. Most of the girls ended up as nursing assistants in the hospitals (almost 80%) where the girls could make more money. The last few groups recruited did not meet the initial requirements of coming from a disadvantaged background.

SR felt that merely changing linen or towels did not quite qualify as CSR while SW thought that just planting trees with an objective of PR and getting your picture in the newspaper was not CSR. RJ too thought that for most people CSR was a PR opportunity and a free advertisement of getting your picture in the newspaper. MS was of the opinion that everybody only “jumped onto the bandwagon”, after the financial crash in America and Europe and so, was it really environmental or was it about long-term cost savings? EH said that one cannot “draw a line”, as it depended on each one, and it was all about what one could do for society, to put aside a little bit for people who have less. He thought that by doing things like changing the chillers etc, one was indirectly benefitting the world by making it a cleaner place.

CP said that CSR ought to be meaningful, like a transfer of time, or knowledge, from one industry to another. BH said that a lot of time when people are seen to be doing some wonderful initiatives, it was basically about building the business and bringing customers in. He felt that a CSR audit was needed, with someone coming in and telling them what to do.

JM felt that CSR was too broad and hinged around benefitting communities. For instance, according to him, employee training programs were not part of CSR because, as a responsible employer, you owed it to your people to develop them.

Examples of tree planting and reusing linen programs were offered as suggestions, although these initiatives were specifically referenced earlier by the researcher.

Most senior managers interviewed, expressed the belief that it was not their place to judge what other managers were doing, but offered examples ranging from tree planting to staff training, that they would not attempt to communicate as CSR to stakeholders. Employee welfare issues such as paying above the minimum wage were identified as CSR initiatives by 5 respondents. Unrelated CSR initiatives have received

more criticism than praise (Levitt, 1958; Friedman, 1970; Porter & Kramer, 2006) and were faced with a high degree of skepticism from senior manager's interviewed.

JS was adamant when considering the participation in global certification programs as CSR; "Earth Check" is not CSR, it is a benchmark certification program. We just made our summary report; over 15% energy reduction and 22% over two years. Water saving equals around 12% and waste in the 20s; related carbon monoxide emissions 17%. I have been doing Earth Check since 2008. We have just started to promote it, to show the effects and the changes. Now we want to tell people that if you are green and clean you can actually save money. You can have 10% of energy reduction which is 10% of your gross operating profit. Let's face it - in a hotel of 300 employees and a hotel of 80,000sqm, the Green Team of 20 people cannot go around a hotel and do everything. That is where communication comes in; there comes a time when you need to communicate. However, each time we get a certification we don't go issuing press releases. The concept of a proper time and place for successful CSR communication adds an interesting dynamic to be explored in the recommendations section of this dissertation.

JM expanded on his view by stating that, although health care or paying above the minimum wage could be considered as falling under CSR that was just part of being a responsible employer.

While JM conceded that employee welfare was very important, he did not hold it under the umbrella of CSR. He said that addressing the needs of the people (employees) was people development, but it was not CSR-related. SW concurred with this and said things such as meals, training etc were part of normal benefits and could not be called CSR.

On the other hand, BA thought that employee training, insurance, paying above the minimum wage as also providing meals was all part of CSR. The only point he did not consider as CSR were employee uniforms, as he said that was part of business



operations. BH thought that employee training including taking on interns, and benefits such as housing, insurance and paying above the minimum wage, were all part of CSR. CP said that her company sponsored health checks for the villagers, which were part of the benefits. EH said that employee welfare benefits, or providing scholarships could be considered CSR, also health insurance in a way, but paying above the minimum wage or employee training cannot be CSR – it was part of their job to train their staff. MS said that providing benefits such as meals, offering health coverage and retirement fund options gets the company better staff. RJ said that employee training, insurance, medical care and paying above the minimum wage was part of CSR. SR thought that training, paying above the minimum wage and employee welfare was part of CSR.

Responses indicated that eight out of the 17 senior managers (45.4%) interviewed believed that providing benefits above and beyond governmental regulations would, indeed, be considered CSR but they were not likely to promote or communicate it as such.

When considering employee welfare issues, it became clearer what JM would consider CSR and what he would not consider CSR. I don't typically include it under the umbrella of CSR but if the premise of my CSR belief is hinged around benefitting communities and populations, then it would, of course, be considered CSR". JM has created an employee welfare committee at several of his properties, consisting entirely of team member's committed to indentifying opportunities to improve employ wel fare. "In Chiang Rai, Thailand the staff indentified a need for an employee rest area, as many of the staff traveled great distances to arrive at work. We designated an area, made it comfortable with TV's, a play station, computers with internet, etc and transformed the area to a rest and relaxation center. "Does that impact the lives of your employee population, yes.", JM stated.

MS said that CSR was only now beginning to come up in Thailand. EH said

that some people overstated their cases a bit, but it was not his business to see what others were doing. However, he said his previous company, Six Senses, did a lot for CSR and that a percentage of their turnover went back into it. SW also praised his previous employer, Pan Pacific, for working with the abused girls in north Thailand and with young orphaned boys after the tsunami hit the south in 2004. JM praised the initiatives undertaken during his tenure in the Maldives and said that his company was the first hotel to sign a Memorandum of Understanding (MoU) with the Ministry of Health there. SW also said that Starwood had one of the better training programs around that touched people from the entry to the executive level, and that the hotel group did a lot for employee welfare such as creating funds, etc. RJ said that in his previous company, a lot of donations were made to charities.

This question was posed by the researcher in the hope that offering an objective perspective from which senior managers could consider CSR initiatives. Initial diplomatic responses, upon further probing offered insightful responses including JS, whom, using an example from a global accommodation provider shared the following story, JS begins, “About six years ago, Marriott announced spending six million dollars to protect the rainforests in South America. Back then they had over 2000 hotels – so divide one million dollars by 2000. It’s minimum! So Marriott went around the globe saying we spent a million dollars to protect the rainforests. But if you ask me, its “peanuts”. What exactly did they do with the one million dollars? They invested in a village to educate the people to understand how important the rain forests are to them! How is that going to stop tractors coming in to cut down more of the rain forest? So what was the impact? It was good PR. A lot of greenwash. If they do it and keep it secret, then it is different; do it because you think it is right. Don’t put a value to it. When does it go from social to commercial? When CSR becomes a commercial entity then actually this is where I would say put a stop to it. But you can use the commercial side of CSR to drive it to become bigger – only after you have achieved something. But, for example, Marriott never did it

again after that year. Here’s another example; Marriott announced they are going to use bio-degradable, environment friendly tees for golf - all of which are made in America! So you produce something in one country and send it around the world to other countries – where is your local community support?”

Table 2 What initiatives would/would not be considered as CSR?

	M S	S W	C P	R J	E H	J M	J S	B H	B A	S R	M B	D H	J F	A T	S C	T P	M J
Community initiatives	N	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y
Cost Savings	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	N	N	Y	Y	Y	Y
Environmental initiatives	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y
Employee Benefits	Y	N	N	Y	Y	N	N	Y	Y	Y	Y	N	Y	Y	Y	Y	Y

Source: Created by the author for the purpose of this study

4.2.5 What is your motivation for CSR?

RJ was very candid when he stated that it was two-way; people were environment- conscious and also wanted to save money. RJ stated that there may be a different internal motivation but nobody comes right out and says it’s about cost-saving – they say it’s about the environment. BA said that it was not about how one spent the money, it was about how one made the money and it should be about responsible business practices. BA said his company focused on the quadruple bottom line which was about economic, social, environmental and stakeholder wellness practices. BH said it was about cost saving as well as people development. CP said that the essence of their business was CSR; while they did of course want to make money, the profits their company made were shared with the community and the environment.

MS said his hotel owner was quite “green-conscious” and willing to change old equipment for more energy-saving ones, but he was not sure whether that was because he was actually environmentally conscious or whether it was just to save

money. JM said that cost saving was a big part of it, but at the same time, they did significantly reduce certain needs, for instance like electricity, in communities.

Are guests able to offset their carbon footprints through these hotels? SW said that by booking with him through the hotel website, guests did have the possibility of offsetting their carbon footprint. With the exception of SW, all managers said they did not have a program in place for this as yet. Hofstede (1984) identified dominant values in Thai society included caring for others and quality of life describing Thailand as feminine society, where quality of life is the sign of success.

JM provided an innovative solution to staffing needs that are shared by the many employers and which implemented a 'split shift' approach to scheduling, explaining;

We tend to have to work a lot more creatively finding resources, but the downside is if you don't you, end up with the employee population of generally sort of does a lot of split shift so they work in the morning so they take the break and work in the afternoon that's not where I want as a business leader however that's the business environment or labor environment as I should say we spent a lot of time talking to the staff there and they listen what can we do to alleviate these problems and the basic example is let's build the place that's comfortable for you guys lets identify the location within the resort and time and we transform it into rest and relaxation zone TV lounge, playstation, through a stack of computers so they could connect with family or social media or catch up with friends. Just a social center, nothing to do with work, we do what they want to and it was their space so that's one example and I think if does impact the lives of your employee population of your employee? Absolutely, a lot of them also could not afford or live too far away to drive home for four hours and they come back. A lot of people lived outside Chiang Rai city, so you know Chiang Rai is quite vast and so travel time would not be worth it so this is one example of where we are trying to do to address welfare of our people."

Regarding motivation, RJ said that it shouldn't really matter; whatever the motivation, if the money was well controlled and if it was bringing a benefit, improving infrastructure, housing or schools, it was good. JM said that on a personal level, he liked to give back as he got a lot of satisfaction from that. JM wanted to define the culture that was created together in a workplace as that was really important to him, although from the owners' perspective cost saving was a big part of the motivation. SW said it helped a lot when the company was the driving force as then, there was a sense of belonging and involvement, and people felt motivated to give. All senior managers believed that motivation was an important consideration of CSR. If the motivation was to gain publicity, it was looked upon with disdain. CP perhaps summarized the views of the senior manager's best by stating, "If practicing and communicating CSR lead to improved employee and customer satisfaction, great. However, I would not market it as such."

Aligning senior manager's personal values with those of the organizational values is a common occurrence and is considered in JM comments; I sent three of my team members from Chiang Rai to Bangkok for two months and I took people from Bangkok into my hotel for two months funded by us so that they could have experience and exposure outside of their normal workplace. Did I have to do that? No. Is it a company program? No, we developed them because I want to address the need of our people and so I think there is always something you can really do and I never get to a point and say I can't do anything.

15 out of the 17 (90.9 %) of respondents believed that the motivation for a specific CSR initiative did not influence the value of the initiative. Motivations relating to cost savings were identified by most. 54.5% of the first 11 respondents identified environmental stewardship (conservation of resources) relating to large investments that also result in long term cost savings as a motivator for CSR initiatives. Three out of



the first 11 respondents indicated that the motivation for CSR could relate to issues relating to environmental stewardship or cost savings, but not both. Four of the respondents (SW, MS, BA, EH) combined the cost saving benefits motivation with environmental responsibility when considering the implementation of CSR initiatives with owners.

EH concludes, “We create employment, business opportunities, and also engage local suppliers from the community”.

Motivation matters to senior managers in Thailand’s accommodation sector. They would do well to prudently promote CSR initiatives that, although conserving resources, results in major cost savings. The “double edge sword” is that many of these initiatives have a tremendous impact on the environmental bottom line and do indeed provide benefits to stakeholders beyond the ‘feel good’ factor but if not thoughtfully communicated, may backfire.

#### **4.2.6 To whom and how do you communicate CSR to your stakeholders?**

MS said that with today’s modern technology of iPhones and Whatsapp, there was no excuse for 24-hour communication not being there and that he personally used Whatsapp to communicate almost hourly with all his department directors.

EH said that with the hotel owners, it would be face-to-face communication and he had bi-annual staff meetings. He talked to managers and supervisors directly and relied on them to relay the message down to the staff.

As far as tour operators were concerned, he had a presentation that he shared with them on how the hotel saves energy. For anyone else who cared to know, it was out there on the hotel website, however, he was of the view that they were doing as much as they could but they were not doing it for others to know. SW completely concurred with this view and said while it does help in PR and marketing, that was not the main reason to be doing CSR. Regarding “green” initiatives, the hotel does a

brochure on it for guests and staff to read, stating there is really no need to communicate this to the owners.

BH is of the view that, while they are doing a few things, they are not communicating about it enough and it seems like a missed opportunity to him, although they do issue press releases and magazine advertisements.

BH said they were a new property and need to have a CSR policy in place which they could communicate to customers via the website. Currently, they did familiarization trips for tour agents. As for the staff, he said he did monthly phone calls, emails and newsletters and that there was a bulletin board for the employees. He communicates with the hotel owners by emails and Skype calls. CP said she does not use social media such as Twitter or Facebook for the communication of CSR initiatives, although she does a monthly newsletter to the staff. She said employees are required to understand the principles and values of the company from the date they are hired. CP uses face-to-face communication with them once a month and thrice-weekly phone calls to the managers and about two emails per day to each manager. The managers in turn communicate to the suppliers and also deal with the head of the village community, although she too meets with the head on a monthly basis. CP does not communicate on a personal level to the guests; she expects them to check the resort website for that. CP like many senior managers not working on-site in Thailand's accommodation sector often have little personal contact with the guests.

RJ does not think CSR activities ought to be put on the website, believing in the power of Facebook to communicate to guests and the community at large. RJ communicates directly to his staff in daily briefings. With the hotel owners, who are in New York, he communicates by emails, phone calls and conference calls. For guests, RJ has in-house flyers and posters places in their rooms, along with a welcome letter that mentions such activities. For suppliers and tour agents, RJ has these points included in a hotel presentation, as does EH.

SR said he has to discuss CSR initiatives with the hotel owners because there is money involved. For others, such as guests, suppliers and community, he communicates via social media and there was also the corporate website. He is planning on a neighborhood party with a seminar, to share with the community what initiatives the hotel undertakes. He has weekly and monthly meetings with all heads of departments and leaves it to them to communicate to the rank and file.

BA said he communicates with the hotel owners directly, face-to-face as well as through phone calls, emails and text messages (SMS). He said certain activities and initiatives the resort did, were written about in the Thai newspapers, which is how the community was informed about them. The staff are actively engaged and involved in these activities so they know about it, apart from which there is communication through the morning briefings, emails and phone calls. Customers get to learn about it through posters in public areas such as the Piano Lounge and the guest relations desk, as also the resort's Facebook page, and he also talks about the initiatives in conferences, presentations and forums.

BA concludes, explaining that he does not communicate about them much to the hotel suppliers, assuming they are aware. JM said he has discussions with the hotel owners and his senior team on a monthly basis. He said the hotel group had an internet site that managed CSR for all the hotels. He said the employees would get information from this site and also, there was a hotel sustainability committee with representatives from each department that met once a month plus, there was a notice board in the employee area. He meets his management team on a daily basis and has an executive committee once a month; further, he addresses the entire staff four times annually. Travel partners are invited to come for hotel inspections. He further added that he sent out media releases and also used social media such as Twitter, Facebook and Instagram.

Eight out of the 17 senior managers (47%) did not communicate directly with front line staff regarding the CSR activities of their property. Language barriers and the hierarchical organizational structure of their property necessitate that the senior managers communicate to assistant managers and supervisors, and they in turn communicate to the front-line staff. The senior manager did however communicate up the organizational chart to owners and corporate headquarters regarding issues relating to CSR.

This relates to Hofstede (1984) research introduced in the literature review, a high PDI means that Westerners need to be aware of the hierarchy that exists both within society at large and within the organization they are dealing with. This may lead to a paternalistic style of management. Thus, the attitude toward managers is more formal, the information flow is hierarchical and controlled. The effect power distance has is tremendous.

Table 3 To whom and how do you communicate CSR initiatives?

WHOM	M S	S W	C P	R J	E H	J M	J S	B H	B A	S R	M B	D H	J F	A T	S C	T P	M J
Owner	Y	Y	-	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y	Y	-	Y
Employees-Supervisor	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Employees-Frontline	N	N	y	N	N	N	Y	N	Y	N	N	Y	Y	Y	Y	Y	Y
Community	N	N	y	N	N	N	Y	N	Y	Y	N	N	Y	Y	Y	N	Y
Suppliers	N	N	y	N	Y	N	Y	N	Y	Y	N	N	N	Y	N	Y	Y
Guests	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
HOW																	
Face to face	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Phone call	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Website	N	Y	Y	N	Y	Y	Y	N	N	Y	N	Y	Y	Y	Y	Y	Y
Email	Y	N	y	y	y	Y	Y	y	Y	Y	Y	N	Y	Y	Y	Y	Y
Social media	Y	N	Y	Y	y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N
Newsletter	N	N	N	N	N	Y	Y	Y	N	N	Y	N	Y	Y	Y	N	N
Newspaper/Magazine	N	N	Y	N	N	N	N	N	Y	N	Y	N	N	Y	N	N	Y
Press Release	y	N	Y	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	N	Y
Bulletin Boards	N	N	N	Y	N	Y	Y	N	Y	Y	Y	N	Y	Y	Y	N	Y
Flyer/Poster / Brochure	N	Y	N	Y	N	Y	N	N	Y	N	N	N	N	Y	Y	N	N

Source: Created by the author for the purpose of this study

Most people will wait for decisions to be made by those of senior status and authority and avoid proactive behavior. The influence of power distance is also visible in certain tasks such as group work where to speak up or speak out against change is interpreted as a direct challenge to the power holder. This is a socially legitimate method of leadership as all orders are seen as coming from the top and must be followed. Therefore, managers and senior positions lead by a socially reinforced authority which is not to be questioned.

While many CSR initiatives involved community projects, research suggests the communication of the projects to the local community was largely ignored, except for the obligatory press release. Indeed, the study of the communication of CSR among senior managers in the accommodation sector in Thailand underlines the challenges of using multiple communication channels as described by Birth *et al* (2008) and point to a need for thoughtful communication of CSR. All of the senior managers communicate through departmental meetings (face to face) with managers and supervisors' issues relating to CSR, which they in turn relay to the front line staff. Direct communication with supplier regarding CSR efforts was largely ignored by senior managers with the exception of those properties focused on community based tourism (CBT). With few exceptions, eight out of 17 senior managers interviewed did not communicate CSR initiatives directly with front line employees. When asked to elaborate, nearly all respondents identified either language barriers or their organizational structure as the reason for indirect communication.

All respondents agreed when the communication of CSR initiatives is tailored to the stakeholders culture, their CSR efforts realize their greatest potential. Most respondents stressed the importance of finding a balance between their organizational culture and the stakeholders' culture, keeping in mind that not all stakeholders share the same culture.



#### 4.2.7 What are the benefits and challenges of CSR communication?

MS said that when there was a crisis he could talk to several of his department directors simultaneously. BH said that communication was the key and helped with branding and awareness. BH added that it also helped with employee morale and retention as the island where he was is a small community and people talk to each other. JM said that he sends out media releases so the suppliers, guests, employees and the community just to get the message out and so there is an awareness of the hotel's actual engagements.

Most respondents provided example of benefits relating to employees (ie. morale) or guests (ie. improved guest satisfaction). A limited number of respondents identified benefits of CSR communication to suppliers in the form of improved sales and marketing efforts.

Birth, Illia, Lurati and Zamparini (2008) found that the conscious communication of CSR is a necessity. The cause for concern begins with the fact that if the senior managers in Thailand's accommodation industry fail to realize the tremendous benefits of CSR communication they will be missing valuable opportunities to connect with stakeholders. The successful communication of an organizations efforts has a definitive impact on the ROI of an initiative, albeit often times in ways that are hard to quantify, but should not be disregarded. This could result in a missed opportunity. Enthusiasm from staff and guests, loyalty and pride are all by products of a successful CSR initiative and should be considered when developing a CSR strategy

The limited responses when considering the benefits of CSR may present one of the largest obstacles to successful CSR initiatives. While often times the communication of CSR may be muted to avoid skepticism, research data suggests that senior managers may not fully appreciate the numerous benefits of CSR that affect an organizations bottom line.

Regarding obstacles to CSR communication, RJ said that, while one could get a certain guest segment by communicating CSR initiatives on the website for example, equally, there are some people who are reluctant to see CSR being promoted on a hotel's website. SW maintained that one should not be shouting out one's initiatives, feeling it defeats the purpose.

CP was cynical when she stated it was probably things like thinking one has to eat cabbages or sleep on mud floors with the hill tribes or thinking that healthy food tasted like cardboard. CP discussed a misconception about responsible tourism – where people assume that there's going to not meet their expectations relating to services or facilities. Western managers are communicators from predominantly individualist cultures and tend to emphasize low context, direct patterns of communication (Hall, 1976). Most western managers habitually use a low context or direct communication style which depends on direct confrontation, open discussion and not moderating comments in consideration of saving face, status or *kreng jai*. Many western managers believe important information should be provided directly so the possibility of misinterpretation is reduced.

As noted earlier, the organizational management structure usually did not provide for direct communication with front line staff. BA provided a path towards strategic CSR through the creation of a foundation by the owners explaining;

We have an organization that was developed by the founder of the resort that was to bring together other hotels, resorts and agencies to do something for the environment. One of the initiatives was taking the school students to the mangroves. Another thing we do is have a half-marathon every May which is a community engagement and involvement – promote wellness through exercise. Those articles get into the Thai newspapers so that's how the community finds out about it.”

Effectively, communication policies must be embedded within corporate policies. However, it must be emphasized here that this message needs to be succinct

and clear. When people are on the receiving end of too much information, they could lose interest and the primary message would not have been absorbed or else, would not have reached its target customer.

MB felt that modesty may prevent senior managers from communicating their initiatives, stating, “The owner is not someone who wants to shout out about this so we don’t talk about it much to the whole world or take credit for it; we feel it is our responsibility. I think what we are doing is important and the ones who are benefitting know it comes from us but I think it will decrease the New Star image to talk about it. On the other hand, some GMs don’t understand the importance of people talking about you on a small island. They underestimate the power of people talking about your property, but I don’t think that means you shout out about every donation you do. It comes automatically if you join dinners or events – it’s a small island. Certain projects we do promote, we talk about it to overseas magazines, made a TV show about it, we had TV crews from UK and Holland here”.

CSR strategies should address the social needs of the stakeholders while providing benefits for the business (Lantos, 2001; Porter & Kramer, 2006). Initiatives focused on employees such as recruitment of the underprivileged and employee education and training were largely considered activities of the human resource (HR) department and thus would not be categorized or promoted as CSR initiatives.

#### **4.2.8 Is there a group corporate CSR strategy in place for your hotels?**

JM conceded that he does not influence CSR strategy at a global level , personally, stating “Starwood has a number of leadership groups consisting of management at the corporate level and General Managers tasked with identifying opportunities for CSR initiative. The 30 and 20 by 20 conservation initiative embraced by all Starwood properties aims to reduce water and electrical consumption

by 30% and 20%, respectively, by 2020 (from a 2008 baseline). That is a global initiative”. JM’s organization uses an internally accessed Global Citizenship intranet which helps us to track our progress on specific initiatives.

CP said that the model of their business was giving back to the community, the employees and the suppliers. RJ said that while they had certain guidelines and principles from the head office, they were not such a big chain of hotels and moreover, the head office was far away in the USA so, while he did apply those principles, he also defined what was important here and developed his own local initiatives and directed in-kind donations (room and meal vouchers) to local causes. SR said there was a group strategy and it was a huge project, with eco as well as other different aspects to it. SW said there was no group strategy as such but that every single hotel in the chain nonetheless practiced CSR initiatives; he said he preferred to do something with direct involvement, such as adopting a school, rather than working with another organization as that tends to become complicated. MS and JM said that there was a formal CSR strategy followed by the group according to the group standards.

Six of the first 11 senior managers at international chain hotels confirmed that there was information regarding CSR activities for their organization included in websites and annual reports. Ultimately, 12 out of the 17 (70%) respondents stated that they published their CSR information on their website.

Carroll, A. (2010) affirmed that strategic CSR will help business firms accomplish strategic business goals. The need for the integration of CSR into an organizations strategic perspective and operations is necessary for success, according to Werther & Chandler (2010). For the purposes of this study CSR was defined as “a strategic approach of incorporating social concerns into business operations and relations with stakeholders”. The relationship between values of the senior managers and the CSR strategies is strong. Local CSR initiatives are routinely favored by senior managers that recognize the opportunity and responsibility to make a positive and dramatic change

close to home.

RJ said that big companies probably did allocate a percentage of their budget to CSR. However, in his present job, he would rather it went directly to the employees in the form of a bonus, for example, rather than in any type of project. In this context, it should be mentioned that quite a few interviewees such as SW, MS, BA and EH have convinced their respective hotel owners to spend huge amounts of money in changing old equipment to more energy-efficient ones, which they consider an environmental CSR initiative that will save costs. BA explained, “In Thailand CSR is expanding pretty quickly. It’s mostly by the very large corporations that have a budget; small hotels and travel and tourism, not so much. It should be an integrated system rather than a project, where different initiatives overlap, if you talk about the quadruple bottom line, about economic sustainability, environmental preservation, social and stakeholder wellness.

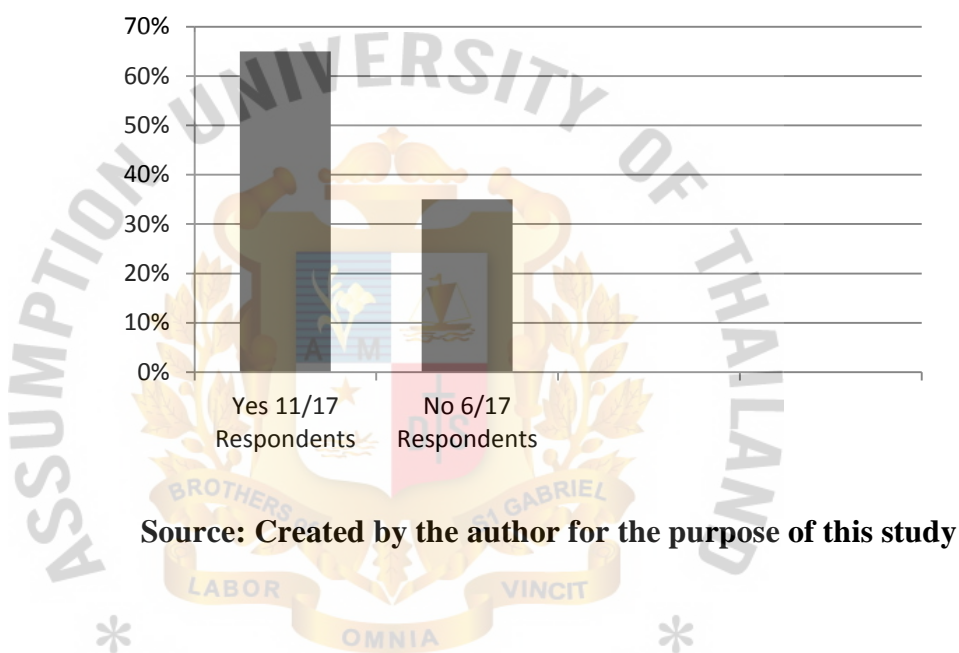
Managers at international chains suggested a financial accounting of their CSR initiatives might be quantified in their annual reports. Nearly all respondents intimated that a fixed percentage of revenue or profit would not be feasible for their organization, preferring to, as one respondent put it, “do what we can, when we can with the resources we have”. The tourism industry in Thailand has been faced with a number of setbacks in recent years that have lowered occupancy rates and the financial ability of organizations to participate in cost creating CSR initiatives. One respondent offers a percentage of sales revenue to the community but it should be noted that this senior manager operates Community Based Tourism (CBT) lodges in Northern Thailand.

The three-stage process introduced by Waddock, Bodwell and Graves (2002) began with the setting of values and it is clear from researching senior managers in the accommodation industry in Thailand that CSR initiatives for individual properties reflect the personal values of senior managers and owners. It is the integration with strategy where the greatest opportunities for improvement lie. A strategy that thoughtfully considered opportunities to maximize the ROI of a CSR



initiative should be explored and include performance measurement and communication. It is evident from the research data collected that CSR initiative are often times not a consideration when senior managers consider business strategies. One reason for this is that the expenses for CSR activities are at the discretion of the senior managers with the exception of major investments such as equipment.

Figure 5 Is there a formal CSR policy?



**4.2.9 Do the managers have to ‘sell’ CSR concepts and initiatives to the hotel owners?**

BA said that while the owner was quite aware and had even founded an organization that got together other hotels and resorts in the area to promote environmental initiatives, where a large sum of money was involved it was difficult to convince the owner. BH did not have much of a challenge convincing the owners to spend 900,000 baht to change all the light bulbs; they had an outside assessment done by Philips. EH said the owners were very much into charity themselves and the CSR initiative to help Klong Toei slum children was their idea. He has taken a loan of 30-million baht to replace the chillers, boilers and the cooling system however,

he was able to sell the idea to the owner by getting a loan for seven years where the total energy savings are 17% per year, so basically, the concept is that the loan is being repaid through the savings.

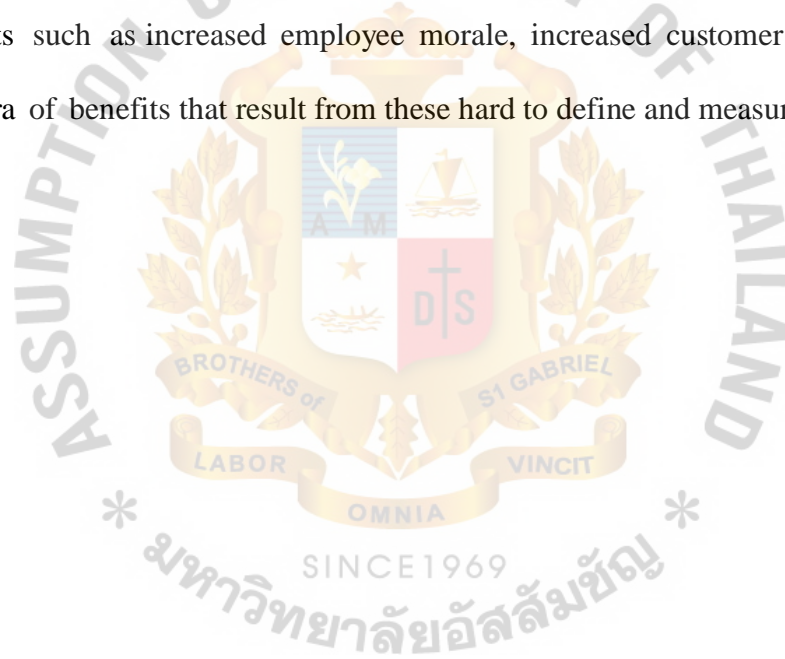
MS admitted that it was a bit hard to convince the owners regarding big spend and takes quite awhile even though they are very “green”-conscious; for instance; it has cost 300,000 baht to change the lights in just the lobby and some areas, while each chiller has cost 5-million baht, and there are three such chillers, so that is 15-million baht to put into something that no one really sees, it is not visible to the guests. SW said the hotel owner was very focused on being “green” and that is how they were able to achieve the Platinum LEEDS certification which demands a lot of energy-saving compliances. He also said 25% of the hotel was green space and it was the owners’ objective that helped them a lot in achieving this. SR did not foresee too many challenges as he said he had a very open communication with the hotel owners. JM said he had been in his current job only a short time and so he had not discussed too many CSR initiatives with the owners other than electricity and they were alright with it as the motivation was also that it was a cost saving. No hotel can have excellent operations without excellent employees and that requires excellent human-resources practices. (Okumus, 2008).

Senior managers in Thailand’s tourism industry would do well to follow the recommendations of Ligteringen and Zadek (2005), the measurement and communication of CSR initiatives reflecting the shared values of owners and senior managers in Thailand’s tourism industry shows a large opportunity for improvement.

The focus of owners on satisfactory returns on investment is not a new concept. Owners historically take a long term perspective to investments and senior managers are increasingly being asked for hard data as it relates to energy consumption and the conservation of resources. The next generations of owners are sure to be even

more data- driven when making considerations regardless of whether it is a small independent. There is considerable room for improvement in most organizations measurement of CSR impacts.

The challenge for CSR managers in Thailand's accommodation industry is that the legacies of independent owners have not been focused on measuring the effects of CSR. A large percentage of the organization and execution is left in the hands of the senior managers and requires little or no accountability, as it is considered a discretionary expense. Capturing the full extent of a CSR initiative may not be possible using standard metrics but should not prevent senior managers from realizing benefits such as increased employee morale, increased customer satisfaction and the plethora of benefits that result from these hard to define and measure.



## CHAPTER V- Recommendations and Conclusions

- 5.1 Implications and Recommendations
- 5.2 Limitations of the Research
- 5.3 Conclusion
- 5.4 Epilogue

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### 5.1 Implications and Recommendations

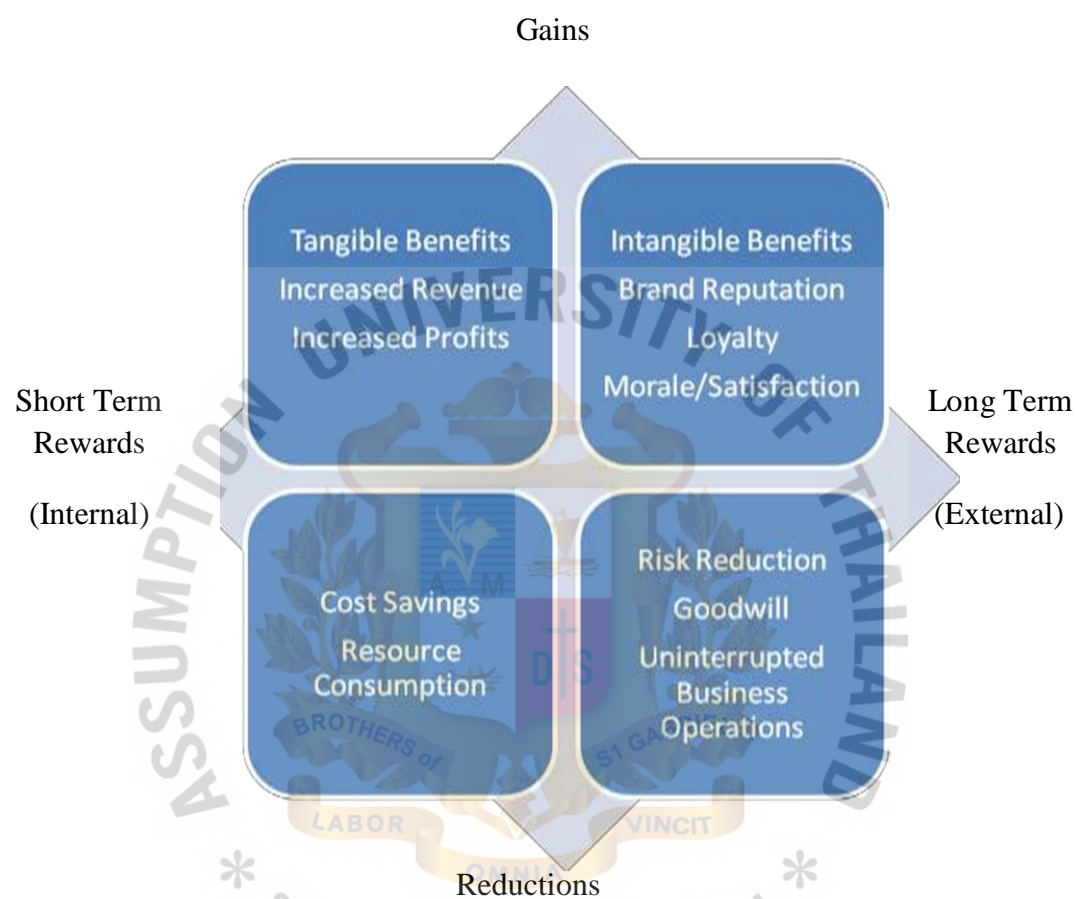
Firstly, CSR in itself is a very broad spectrum and many senior hotel managers even described it as “confusing” the academic literature largely reflects the same uncertainty in a definition for CSR. While many managers struggled to provide a definitive explanation of CSR, all were able to offer broad descriptions and provide examples of activities that they are practicing and demonstrated a deep understanding CSR.

A large percentage of hotel general managers make the all-too common mistake of not including their ‘public communicators’ (the PR and marketing team) into the critical brain storming team and then expect them to come in as troubleshooters and clear up the mess later that the management has made. It makes sense to inform your stakeholders about your CSR initiatives but don’t go overboard with the broadcast or else your efforts will be met with cynicism.

Michael Porter (2006) identified two ways in which an organization can gain a competitive advantage over the competition; differentiation and lowering costs. Esty and Winston (2006), building on Porter’s work, created a 4-cell model describing ways to create value for a company. Through in-depth interviews of senior

managers, a model illustrating the benefits of an effective CSR strategy emerged represented in figure 5.

Figure 6 2-Dimensional CSR Value Model



Source: Created by this author for this research study.

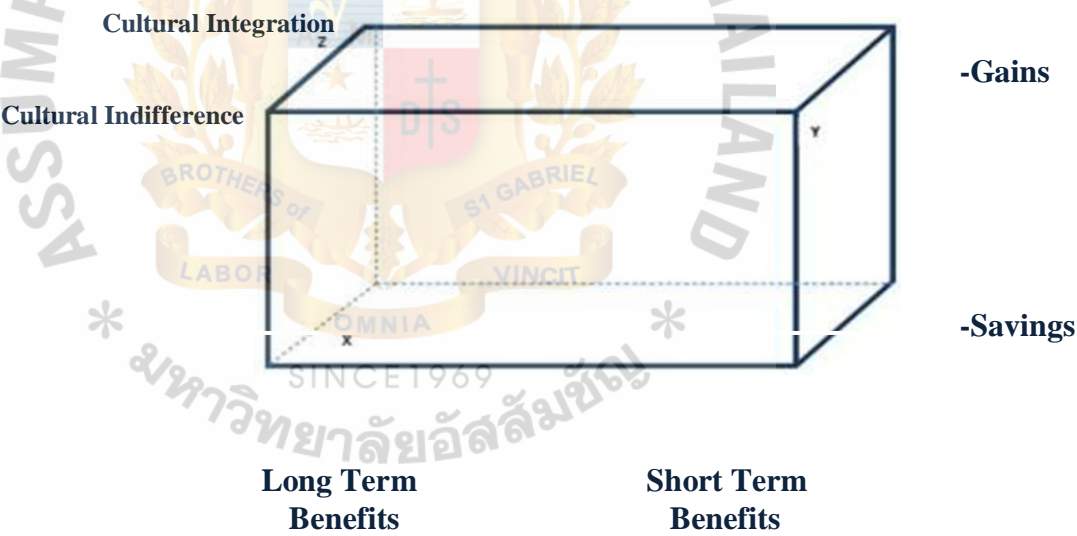
The horizontal , **x axis**, represents benefits realized over time. Short Term rewards of an effective CSR communication strategy include tangible benefits such as increased sales and profit are often the simplest to measure, and therefore manage. Intangible benefits such as increased employee morale, increased stakeholder satisfaction and improved brand reputation may take longer to realize and often times are more



challenging to measure, although over time the intangible benefits may well be greater than the tangible benefits.

Consider Figure six (below), the vertical, **y axis** represents gains vs. savings. Consider a CSR initiative that focuses on a lodging provider committed to ‘going green’ using a wide variety of tools relating to CSR development. A tangible gain such as increased market share resulting in increased revenue (tangible) is a short term benefit that is easily measured while other short term benefits such as improved employee morale are more difficult to quantify as the consideration relating to employee turnover are often complex.

Figure 7 3-Dimensional Model of CSR in Thailand’s Accommodation Sector



Source: Created by this author for this research study.

These research results shows that cultural considerations surrounding CSR communication by senior managers in Thailand’s accommodation sector add a third dimension to the 2D, four cell model. The **z axis** (depth) illustrates the degree of cultural considerations ranging from cultural indifference to cultural integration.

The following illustration from the in-depth interview of CP can assist senior managers and academics in understanding how CSR initiatives are categorized by the 3-dimensional model represented in figure 7. Asian Oasis, founded in 2007, has extensive background in tour operations in some of the most remote, pristine and culturally rich areas in Asia. Asian Oasis owns and operates Lisu Lodge and Lanjia Lodge in northern Thailand. Lisu Lodge is situated in the beautiful Dong Lung Sri Yeh Village, 50 kilometers from Chiang Mai Province, Thailand. Lisu Lodge stands proudly as a success story of a truly integrated culturally and environmentally conscious development. Built in traditional Lisu style with an eye for Western comforts, the lodge overlooks the lush fields and hills surrounding the valley, and serves as basecamp for a blend of adventure, relaxation and cultural insight. Lisu Lodge was created to provide meaningful experiences for visitors and focuses on community development, environmental balance, cultural learning, natural discovery and adventure. A few hours' drive away is Lanjia Lodge, an eco-friendly lodge nestled on a hill overlooking the Mekong River and Laos, an hour outside of Chiang Rai, Thailand. Social responsibility is a fundamental principal of Asian Oasis, beginning in their corporate office, 500 kilometers away in Bangkok, where stakeholders' needs are considered to ensure a win-win outcome.

### **Preserving culture, traditions, nature and community**

Lisu Lodge works with the community and the traveler throughout the visitor experience to ensure a harmonious experience for the traveler and the community. Having the villagers show their community to the guests and interacting with them through the entire stay ensures a better understanding and appreciation between travelers and the community. Lisu Lodge aims to conserve the natural heritage of hill tribes of northern Thailand. The programs are designed to engage travelers in meaningful and facilitated exchanges with Thailand's hill-tribe communities and to foster an understanding of the natural environment and the way of life of the Hmong and Lahu hill tribes. The largest local collection of books relating to the hill-tribe communities is located in the Lisu Lodge library. Travelers are encouraged to research their destinations and learn more about the fascinating culture of the Akha, Lahu and Lisu hill tribes.

The lodges have incorporated many design features that reflect the rich traditions of the hill-tribe communities, in which they are located. Lisu Lodge works with the community to revive traditional hill-tribe traditions (i.e. silversmith, embroidery, dance and shamanism). A special guest activity has helped to revive the lost art of batik-making by the villagers, which has since evolved into a small social enterprise that has created additional income, as many of the villagers participate in the production and sales of these beautiful fabrics.

### **Sustaining the livelihoods of the communities**

Asian Oasis does not aspire to turn Kiew Karn Village into a tourism destination where every corner has souvenir shops with villagers eagerly looking to gain from the tourist. The idea is to help them sustain their village or community life in a holistic way. Each villager should engage in their work as they see fit. The lodges provide the villagers with the opportunities to benefit from tourism development, but it is the community that needs to determine its own path. Travelers are introduced to a wonderfully unique and culturally rich community without disturbing the daily lives of the hill-tribe people. Many of the hill-tribe women earn extra income by sewing and handicraft production, and now Dton Loong Village is the largest local supplier and exporter of Hmong and Lahu handicrafts in the region.

Lisu Lodge contributes a percentage of sales revenue to the village bank. The disbursement of those funds is entirely the decision of the hill-tribe community. The village bank is at the core of Asian Oasis's community development efforts. These funds are used to improve infrastructure, provide healthcare, education and micro-loans and support local festivals such as the annual New Year celebrations. Income is also generated for the communities through hiring locals for all activities, including a village guide, shaman for tea services and a trekking guide. The Lisu Lodge directly contributes to the economic development of the village by employing 100% of their staff from the surrounding communities.

### **Building strong and vibrant communities**

Asian Oasis's philosophy facilitates interactions between guests and villagers. The guides are local villagers who have grown up in the area. The hosts and team members at the lodges are

proud Hmong and Lahu villagers. They will take care of visitors and all activities at the lodge during a traveler's stay. Contributions from visitors are used for community projects that improve the living conditions of the local hill tribe. The village council meets regularly to discuss issues important to them. Representatives from Asian Oasis attend, advise and observe all meetings but do not vote on village issues. Regular health checks are provided for all members of the community and vaccinations are sponsored by the lodge. In addition to complying with all applicable labor laws in Thailand, contributions are made to employee's social security funds. The village's main source of income has traditionally been from agricultural production. Asian Oasis ensures all staff have time away from work to assist their families with the harvests. It has always been important for Asian Oasis to create an environment conducive to the needs of the local community and the business. Patience, perseverance, skillful facilitation and a deep commitment to social and environmental sustainability has resulted in a strong relationship with the community.

### **Protecting the environment**

Asian Oasis founded the Himmaphan Foundation, providing education and training to travelers and the community concerning the protection of the environment and the importance of reforestation of these fragile environments. Environmental responsibility includes the conservation and preservation of natural resources. The Earth Care initiatives are designed by Asian Oasis to engage travelers in meaningful and facilitated exchanges with Thailand's hill-tribe communities and to foster an understanding of the natural environment and ways of life of the Hmong and Lahu hill tribes. Earth Care focuses on immersion, action, two-way communication and self-discovery. Learning about the environment and Thailand's hill-tribe culture can create a new awareness for visitors. Earth Care is a unique learning program that combines awareness of environmental responsibility, conservation, community issues, self-development and discovery.

Tour guides brief each traveler, before their adventure begins, regarding the culture, communities and activities they will be experiencing. Particular attention to the conservation of resources and the preservation of the environment and culture is emphasized throughout the

visitor experience. The traveler is encouraged throughout their experience to take steps to protect and improve the natural environment. Activities are of low energy consumption and include biking, whitewater rafting and tree cultivation.

### **Delivering authentic experiences to visitors**

Asian Oasis does not just sell room nights, but a complete traveler's experience. Projects are living ventures, changing and developing all the time. The lodges market their experiences to responsible tourists and would not appeal to a traveler that does not have an appreciation for community-based tourism. Travel agents, suppliers and wholesalers understand that the experiences are designed and delivered with an emphasis on the preservation and appreciation of natural resources and a deep respect for the Hmong and Lahu communities. The hill tribes participate in all aspects of delivering this unique experience, which is sure to leave the traveler with a greater understanding of, and appreciation for, these unique communities. The lodges work directly with the Akha, Lahu and Lisu hill-tribe communities to design traveler experiences that adhere to the principles of community-based tourism development.

For Asian Oasis, each stakeholder contributes resources in a variety of ways and receives different costs and benefits that are cultural, social, environmental and economic. The community invests their time, shares their culture, and receives benefits including, but not limited to, increased cultural understanding and employment. The owners' initial financial investment and return on investment considers more than just their bank balance. Environmental benefits such as the conservation of resources contribute to sustainable development and protect the natural resources precious to the global community.

For Asian Oasis, each mythical journey is planned as a complete experience; adventurous, educational and comfortable for the traveler. It is intended to minimize negative socio-cultural, economic and environmental impacts to the community. A commitment to corporate social responsibility by tourism operators is essential to successful community based tourism development. Preserving culture, traditions, nature and community, sustaining the livelihoods of



the communities, building strong and vibrant communities, protecting the natural environment and delivering authentic experiences to visitors is the foundation for their development.

Asian Oasis promises their guests a complete experience with an attention to detail that is sure to create memories that will last a lifetime. They also promise the communities where they operate that the company will help them with their community development and the co-creation of a traveler experience, which aims to promote their culture and protect their environment. Asian Oasis delivers on that promise.

“A key to our success is being able to preserve the cultural, community life and environment,” CP said, “with the commitment to maintain our uniqueness, we have purposely not taken the attitude that more construction equates to bigger gain. The Lisu Lodge grew from 1 house with 4 bedrooms to 4 houses with 24 bedrooms over 14 years.” CP asserts that the expansion processes was done with careful studies of market demands and consultations from the community. The Lisu village has grown from 16 households to 300, in this time. It has always been important for Lisu Lodge to create an environment conducive to the needs of the local community and the business. Patience, perseverance, skilled facilitation, and a deep commitment to social and environmental sustainability have resulted in a strong relationship with the community.

Returning to the 3-dimensional model represented in figure 7, Lisu Lodge has a high level a cultural integration included in the organizations CSR initiatives that result in a reduction of resource used that have provided long-term benefits. The illustration provides an example of how an organization’s CSR efforts can be positioned on the model. While not a definitive conceptualization the model does provide a foundation of understanding the primary considerations of CSR and introduces cultural considerations. The model can help senior managers understand the cultural considerations of stakeholders as it relates to CSR and provides academics with a model to systemize an organizations CSR efforts. Communication may well be the key success factor for successful CSR strategies. The essence of

‘communication’ is to exchange information in an effective manner, one that is clearly understood by the parties to whom the knowledge is being imparted. Many senior managers in the accommodation industry worldwide spend much of their time communicating, be it to employees, chain-of-command or to guests. Broadcasting might better describe the manner of communication when one person speaks, and one or several other persons listen, often without having absorbed the point or the reason it is being made. This type of communication can present difficulties in communicating CSR as implementing instructions require a thorough understanding of the processes involved, as well as the motivations and intentions behind them.

Nowhere did this come across more clearly than in the research regarding the communication of corporate social responsibility (CSR) among senior managers in the hospitality industry in Thailand. It is clear that CSR communication is still uncharted territory. From the interviews conducted with senior hotel managers in the course of this research, it emerges that they were not too certain themselves as to the exact definition of CSR. Traditionally, companies’ have always paid more attention to their internal stakeholders, who were perceived as the shareholders however, the term ‘stakeholder’ implies a greater perspective than this.

If a CSR policy is implemented following a mandate laid down by the hotel owners in a mistaken perception to reduce costs or to create a CSR campaign set forth by the PR and marketing department, hoteliers are missing the mark.

Rather than change over old equipment which is now proving hazardous to the environment in terms of pollution or excessive energy usage, hotel owners consider spending on new and more costly equipment only to get higher public relations ratings or after considering the time period in which this investment can be suitably recovered from guest spending. Owners and managers must consider the bottom line – but how are the front line staff expected to understand the noble thought behind the cause, if all they see is the emphasis on investment? In a country like Thailand especially, the focus is always people-oriented, where employee welfare or community measures are considered more important than recycling methods, for example. The

role of communication by both the organization concerned as well as the public at large, is the pivotal point for understanding appropriate CSR practices in relevant perspectives. Moreover, multi-pronged strategies for differing stakeholders would result in more effective communication.

Of course, while communication does need to be integrated into the business practices, one must bear in mind that the communications staff needs to be involved in its the strategic process and participation in the decision making, rather than be isolated and seen merely as producers of propaganda, i.e. marketing collateral such as press releases and publications.

A good communications approach will create a story around the company's environmental goals or the socially responsible practices it wishes to adopt. The environmental or social CSR angle should be built around the financial and service stories and all the different dynamics should be brought into play together. By combining multiple media and minimizing audience effort while encouraging maximum audience participation, senior managers can convince both internal as well as external stakeholders to support the company's CSR initiatives

Those team members who are responsible for communicating the company's CSR policies to the public are often scrutinized by the senior management. It is not correct to fault the communications team if a company projects itself as doing much more than it actually is, only for people to see through this attempt at 'green-washing'. Equally, companies who do genuinely engage in CSR activities but are not communicating it effectively enough need to engage more with the media or with the community.

1. Ten out of the original 11 interviewees observed they saw a difference in the definition of CSR practiced in Thailand with that of the west. CSR is often inter-linked to Thai culture, hoteliers ought to keep that at the forefront of their CSR model, as CSR here is more tied in with the community and the employees, in contrast to exaggerated schemes of saving the environment. Taking a one-time picture of a general manager planting a sapling is very quickly seen for the photo-opportunity it actually is and such an initiative soon lacks credibility

among the staff. Instead of hitching one's train to the CSR bandwagon, I would advise that carefully considered CSR strategies be implemented with stakeholder input and consideration of the hotel's long-term objectives, funds and resources. Although many times CSR mandates originate from the head office local initiatives should be considered for each property. A thoughtfully considered CSR strategy that involves brainstorming and participation from all stakeholders has the highest chance of success.

2. It is heartening to note that some senior managers are against over-publicizing their CSR practices (greenwashing), believing that CSR is more about doing good than as being perceived to be doing good. This is a valid point and one that I strongly endorse. I recommend that greater attention be paid to communicating the group CSR measures to the employees and to concerned stakeholders such as the suppliers – who can work in tandem alongside these principles – and even to the community members, who may be quite apprehensive as to what changes in the environment will be wrought by having a hotel in their midst.
3. Therefore, communication is a key factor and I would recommend most strongly that senior hotel managers should be taking their staff into confidence on CSR measures. It is not enough for general managers to relegate this to the mid-level managers to convey to their teams. There has to be a series of communication methods to the internal team for them to be able to communicate the same effectively to outside parties – such as the hotel guests – and also for each employee to be a good ambassador of their hotel's initiatives, a practice that should carry forth in real life as well (apart from professional life.)
4. Some hotel managers are also frustrated by the inability on the employees' part to understand energy and environment conservation measures such as not changing the towels or bed linen on a daily basis. I would recommend a series

of educational as well as training sessions to the staff to illustrate and emphasize the points being made regarding environmental CSR. In the in-depth interview, SW shared a story of missed opportunities to communicate CSR initiatives with staff that many respondents could relate to. Christmas cards that are traditionally sent to his hotel suppliers are being replaced with an email that explains that the money that is usually spent on Christmas Cards is to be donated to charities. This initiative is sponsored by the Sheraton Grand and includes 30-40 individual properties. When asked if the employees were aware of this CSR initiative, SW conceded “Not that much, no. They did know about the rebuilding the schools initiatives, that’s sure.”

5. The data suggests a series of communication methods that would benefit senior managers. Senior managers should take advantage of social media, which links more people across the world than one can comprehend. For instance, it has been noticed that employees are proud of their company’s Facebook page and will very often ‘like’ or comment on posts and pictures that are placed there. Some senior managers were skeptical about using social media, in particular blogs, to communicate CSR, because of the fear of criticism. Therefore, create conditions whereby your CSR actions are placed in context. These can take a myriad of forms, from emails, an internal newsletter, etc. Senior managers should, in fact, engage with the media and explain their companies’ position and activities on CSR. There has been growing interest in CSR activities in recent years and the public is fully capable of understanding CSR-related actions and issues. Don’t present a picture-perfect company. CSR activities should not be portrayed as the organization’s sole purpose. Corporate communications should present CSR activities as integrated into the company’s business and demonstrate that profit is not pursued without consideration for society. Stakeholders can be skeptical if everything seems too good to be true



and interpret that as a sign that the company is hiding something. It is a mistake to entrust CSR communications only to the PR or communications department as very often, the different stakeholders interact with different departments of the organization. If they are unaware, they will undo the good work of the communications team and hence, communicating CSR should be the responsibility of the whole organization.

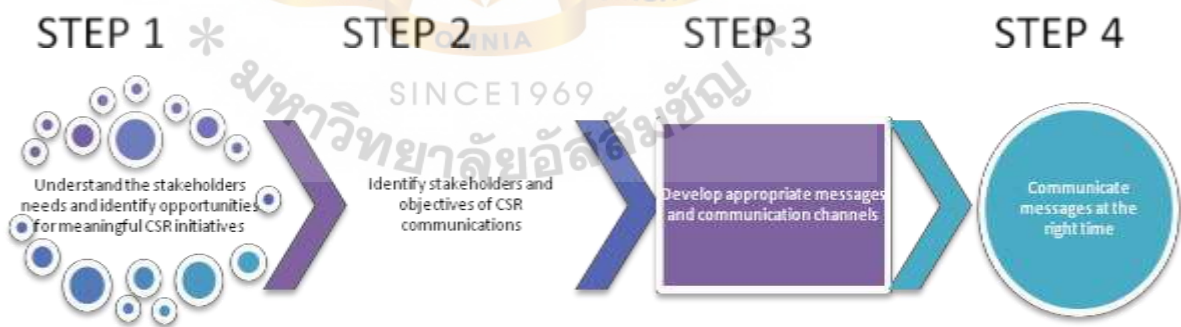
6. Do not try and cover up your CSR deficiencies through CSR communication. No matter how well articulated your communications strategy is, it can backfire if there is a lack of CSR and it can also de-legitimize any existing CSR initiatives. Introduce messages throughout the current communication channel and examine new opportunities. Show empathy, create personal connections, tell a story. Make it fun and participatory CSR should not be boring. Turn messages into interesting facts. Make CSR interactive. Make it special. Turn CSR initiatives into positive experiences. Focus on the stakeholders benefits of CSR. Match communication methods to characteristics of stakeholders
7. However, it is not a case of 'one size fits all' and I strongly further recommend that various communication options should be considered keeping in mind the demographic of the stakeholders being addressed. By 'stakeholders' I refer to five broad categories, namely, the employees, hotel owners, hotel suppliers, hotel guests and the local community at large.
8. As for the owners – who are the direct investors – I recommend that periodic correspondence or communication regarding CSR activities specifically, between them and the hotel general manager is imperative, in the form of direct meetings, phone calls and emails. A hotel owner is the person to release the funds required for any large change and it is up to the general manager to convince him of the overall benefit of the CSR initiative that he has in mind to

the community or the environment at large. While any person will complain at spending huge amounts of money, a sensible person will also see it from a long-term perspective provided the communication is succinct and effective.

Senior Managers identifying the values the owners and managers want their organization to be known for and understanding their own perspective about the responsibility to stakeholders and opportunities for meaningful CSR should be of great importance.

- 9. Finally, understanding and demonstrating the importance of the stakeholders culture and adapting communications to stakeholders, while communicating a common message. Identifying similarities and differences in their home and host countries will allow them an opportunity to determine the level of adjustment required of them. Evaluating and monitoring their CSR behavior’s reputation is also encouraged by Yang and Rivers (2009) and encouraged for senior manager’s in Thailand (Figure 8).

Figure 8 A Path to Meaningful CSR Communication (Smith, 2015)



Source: Created by this author for this research study.

Step 1. Understand the stakeholders needs and identify opportunities for meaningful CSR initiatives. CSR values and actions differentiate a product. Senior management must research attitudes of stakeholders and tailor CSR messages accordingly.

Step 2. Identify stakeholder objectives of CSR communications. To increase sales, to raise awareness of a cause or to allow stakeholders to feel good about doing the right thing. Keep messages motivational and positive. Ensure communications explain stakeholder benefits, demonstrate clear positive impacts of actions and be specific.

Step 3. Develop appropriate messages and communication channels. Communicate CSR messages carefully to get the desired response from the stakeholder. One of the more delightful lessons Thai culture can teach involves their cautious attitude toward words (Knutson, 1994).

Step 4. Communicate message at the right time.

Suppliers have a vital role to play, from providing organic food supplies to ensuring equipment supplied meets environment-friendly needs, to ensuring regular equipment maintenance checks. There can be another newsletter for external influencers such as the suppliers and of course, regular email correspondence, conference calls and one-on-one meetings are encouraged. Using email senior managers may deliver information about the CSR initiatives directly to the mailbox of the supplier. Coming from senior management can add a level of authority. Meetings and workshops can gather relevant suppliers together to communicate about the CSR initiatives.

Tour operators could be considered a lateral off-shoot of suppliers. Simply speaking, the overseas tour operators supply guests to the hotel. Many times the end-user (the guest) is not involved in the decision of what particular property to stay at. Henderson (2007) describes the dependence hoteliers have on the overseas tour operators and travel agents. I would recommend one-on-one CSR familiarization tours so that they can actually see for themselves the CSR

initiatives that are in place. Brochures, flyers, the company website and newsletters are other forms of communication for this particular segment that can prove particularly effective, if incorporated into an organizations business strategy.

The community is an entity that's often overlooked when it comes to hotel communications with the outside world. The community, in this context, refers to the local people who live in the immediate vicinity of a hotel, who therefore have a right to be concerned about deforestation, water shortage, pollution, waste and of course, employment opportunities (or the lack of them, as hotels often prefer trained personnel to inexperienced local staff) that are the necessary by-products of having a hotel suddenly develop in their midst.

10. I earnestly recommend that the general managers make themselves open and available to dialogue with community members. There could be a key staff member assigned who is the direct liaison between the community and the hotel. Other means of communication could include the external newsletter, brochures, magazine advertisements and emails. Apart from communication, community involvement in various hotel projects is also heartily recommended and endorsed.

The hotel's guests form the revenue-generating segment of stakeholders for accommodation providers. Communication to them is vital. Hotel guests nowadays are not as trusting as they used to be, often checking social media platforms for customer feedback.

11. I would recommend a multi-pronged communication strategy here, from direct personal interaction in the form of meeting a guest during his stay to telephone calls, to the more indirect such as emails, newsletters, brochures, magazine advertisements, media press releases and updating information regularly on the hotel website, Facebook, Instagram and Twitter accounts. Linking an organizations website to user generated sites such as TripAdvisor can prove

troublesome, and should be avoided, as there is no way to control negative comments from showing up on the company's website. Create a section on CSR in the company website to communicate values, initiatives and benefits and actions. Consider ways to drive traffic to the site, through the use of newsletters, brochures & flyers. Show guest how you have "taken care of" CSR issues which then allows them to relax and enjoy the benefits.

CSR often takes either (or sometimes, both) of two well trodden paths – the social or the environmental. In the former, hotels either adopt community based initiatives such as supporting schools, or buying rice or local handicrafts directly from the community, or else adopt slums and old-age or children's homes where the welfare of the inhabitants is then the social responsibility of the hotel. A direct impact is also to rescue underprivileged children – or abused girls, as one interviewee pointed out – train them and give them jobs in the hotel organization. This is proper social responsibility. Environmental CSR has many forms, from the mundane of switching over to energy saving light bulbs, harvesting rain water or using recycled water for landscaping, to the more responsible one of saving carbon footprints by installing efficient cooling systems or dual-fuel boilers, or the more unusual one of donating used cooking oil to be converted into diesel.

Several managers are also of the view that CSR ought to be an integrated system where different initiatives overlap, rather than just a project. Some senior managers have gone for a two-pronged strategy, for instance, collecting aluminum caps or cans (environmental CSR) and donating the same toward making prosthetic limbs (social CSR). This is a fantastic example of how CSR initiatives can be inter-linked rather than isolated.

12. I would recommend that hotels should adopt one method wholeheartedly rather than a piecemeal collection. In order for something like the above to be



successful, you need a dedicated senior manager driving the effort. If this person were then to change jobs, he would carry his ideas and initiatives to the new organization but meanwhile, it would have collapsed in his absence.

The benefits of communication underline the CSR challenges also helps with brand perception. Senior managers have also noticed that effective communication helps with employee retention. Regarding ecological or responsible tourism, where myths and misperceptions abound, I cannot recommend strongly enough that hoteliers need thoughtfully consider a CRS strategy designed to generate awareness of the CSR measures they are implementing and the long-term benefits that can be created.



## 5.2 Limitation of Research

The inductive exploratory nature of the research required to analyze the communication of CSR initiatives focuses on the communication strategies between senior managers and the major stakeholders working in the accommodation sector in Thailand. The research does not focus on other stakeholders, although they may be the primary beneficiary of the CSR initiative. Major stakeholders include; shareholders, customers, suppliers, employees and the community (environment and government). Each stakeholder has different degrees of influence and a wide range of needs and desires. The employees are essential for CSR to be communicated to the other primary stakeholders.

The study targets a sample of the accommodation sector, to the exclusion of other industries (i.e. durable goods). The uniqueness of the service industry further limits the scope of the research. Application of the results of this exploratory research may be limited by the sample size and methodology, however the findings are useful in suggesting a profile of how senior managers in Thailand's accommodation sector understand and implement CSR.

## 5.3 Conclusion

The three objectives of this research have been achieved and a positive contribution to the existing body of knowledge has been presented. The first objective was to identify types of CSR practices by senior managers in the accommodations sector in Thailand. The research shows that the senior managers in Thailand's accommodation sector follow the advice of writers and theologians whom espoused, "Charity begins at

home”. Employees and the community are undoubtedly the primary focus of CSR initiatives being practiced in Thailand’s accommodation sector.

The second objective was to identify the ways in which these CSR practices are communicated to stakeholders. Exceptional opportunities for improvement in the communication of CSR to stakeholders have been identified and recommendations made.

A framework for effective CSR communication by senior managers in Thailand’s hospitality industry are offered to senior managers in the hope that they would be better equipped to face the challenges of tourism development in Thailand’s accommodation sector. Macro changes including globalization and technological advances present opportunities and threats. As CSR continues to evolve emerging themes and terms were introduced and aid in the understanding and appreciation for the direction CSR is heading in the accommodation sector in Thailand. Sustainable tourism development, stakeholder theory, and business ethics are common topics relating to CSR development. The research data into the study of the communication of CSR among a sample of senior managers in the accommodation sector points to three emerging themes that suggest the direction of CSR. Considerations regarding stakeholder wellness and shared value, success in CSR projects that require partnerships among stakeholders and involvement of stakeholders in the CSR experience have been illustrated in the interviews with senior managers and provide enlightening examples of CSR best practices regarding CSR implementation and communication.

The evidence is clear. CSR is here to stay. Once considered an unnecessary expense or ancillary "kindness", CSR has emerged as an indispensable component of success in the Thai accommodation sector - a sector that has long projected an air of insulation from the concept of CSR.

In the research compiled herein, social awareness and outreach, together with staff satisfaction with their working conditions, occur repeatedly as essential aspects of a successful business enterprise. Senior managers, in particular, see CSR as an indispensable source of both pride and revenue - the two most beneficial qualities any business can publicize.

Without exception, the managers interviewed for the purposes of this research agreed that CSR is much more than a perk or luxury. One manager, evidencing a bit of a behind-the-times attitude, admitted that it had its place but "didn't think it attracted customers." In the world of social media and instant feedback, nothing could be farther from the truth. Motivational factors designed to improve and maintain staff morale as well as a more highly profiled involvement in socially conscious programs have shown to go hand in hand with increased productivity and revenue. Thus, shareholders are demanding this increased awareness and implementation as a primary source of their corporation's identity. This emphasis upon CSR is graphed to increase exponentially in coming years as the demand for its incorporation into the very fabric of a company's business identity becomes a competitive bragging right.

Years ago, Benjamin Franklin sagely noted that "It takes twenty years to gain a reputation and five minutes to ruin it," adding "Think about that and you'll do things differently" This cautionary advice should not go unheeded. Neither should the notion that "Those who don't learn from the lessons of the past are doomed to repeat them."

In a global and ever shrinking world, the successful integration of diverse needs, desires, and hopes on whatever strata of corporate enterprise and engagement, will be the earmark of success and longevity. CSR is merely the acknowledgment of what businesses must do to take their corporate place at the table of the "one human family" to which we all belong.

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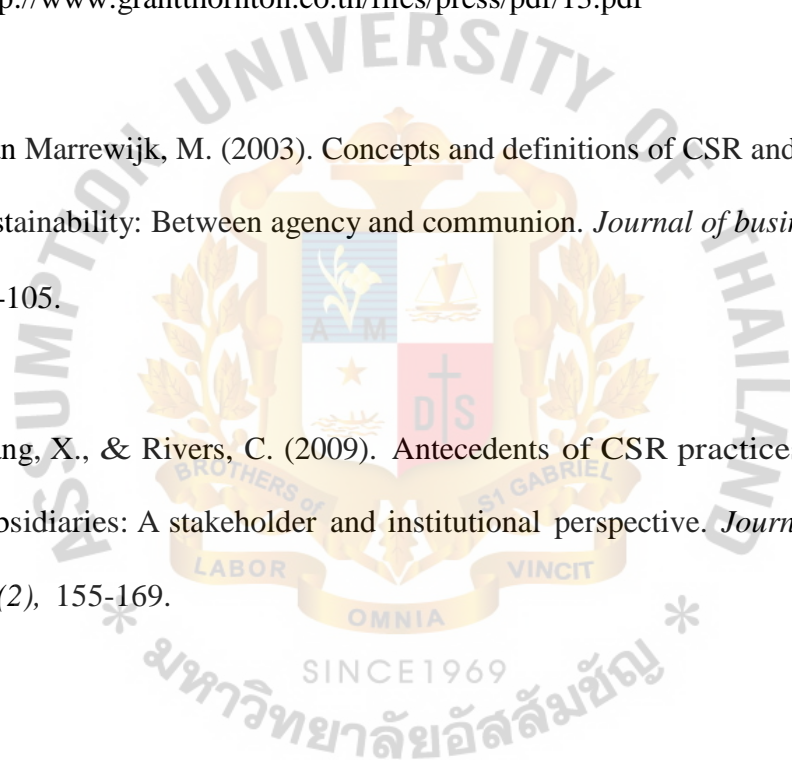
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**Appendix**

**A. Timeline**

2017		
May		Case Study submission
September 2017		Revisions
October 2017		Case Study accepted. Submission of Dissertation Revisions



Appendix (continued)

B. Budget

ITEM	2013-15	2017	Total
Transcription Costs	45,000		
Accommodations	5,000		
Attendance at Colloquiums and Conferences	25,000	60,000	
Printing Expenses	20,000	20,000	
Additional expenses	20,000	20,000	
Total			THB 215,000.00

## Academic Conference, Keynote Speaker

BICSS Conference

Keynote Speech

Date: January 2013

Venue: Pullman Hotel Bangkok

Participants with Numbers: 250 pax



## Academic Conference, Keynote Speaker

Date: 16 April, 2013

Venue: Landmark Hotel, Bangkok

Participants with Numbers: 250 pax



## Academic Conference, Keynote Speaker

Topic: ICEPS Conference

6-29 July, 2013

Time & Duration: 9 am- 5pm

Venue: Landmark Hotel Bangkok

Coordinators: Aj Scott Smith

Participants with Numbers: 150

Served as local host.

Delivered Welcome Speech

Represented AU.




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## Tropical Tourism Forum, Singapore

September 2013 Presented Research Proposal with International Adviser and the first Australian Professor of Tourism, Dr Philip Pearce



### Academic Conference, Keynote Speaker

Topic: The Communication of CSR Among Senior Managers in the Accommodations Sector of Thailand

Date: 19 January 2014

Venue: Landmark Hotel Bangkok

Participants with Numbers: 200

Related Details and Information: Presented conference keynote speech regarding doctoral research







**Academic Conference, Keynote Speaker**

**Bangkok 2014/04/11-04/12**

ICEPAS [icepas.org](http://icepas.org) International Conference on Education, Psychology and Society

ISBASS [isbass.org](http://isbass.org) International Symposium on Business and Social Sciences

ISBENS [isbens.org](http://isbens.org) International Symposium on Biological Engineering and Natural Science

ASEAI [aseai.org](http://aseai.org) Asia Symposium on Engineering and Information



## Academic Conference, Welcome Speech

**Phuket 2014/07/11-13**

IBSSS-The Global Symposium on Social Sciences

IRCITCS-International Research Conference on Information Technology and Computer Sciences

ISSTEP-International Symposium on Society, Technology, Tourism, Education and Politics

ICMCME-International Conference on Mechanical, Civil and Material Engineering









## TO WHOM IT MAY CONCERN

Adelaide 08/11/2017

Dear Scott Michael Smith,

It is my pleasure to accept your revised case study titled “**The Communication of Corporate Social Responsibility; Asian Oasis - Mythical Journeys in the Hill Tribe Villages of Northern Thailand**» for publication in the Journal of Hospitality & Tourism Cases.

Your case study will be published in 2017

Yours sincerely,

**Marianna Sigala**

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Co-Editor of Journal of Service Theory & Practice (formerly published as Managing Service Quality (MSQ))  
Editor-in-Chief of the Journal of Hospitality & Tourism Management  
Chair of the I-CHRIE Johnson & Wales Hospitality & Tourism Case Study Competition & Publication Series  
Editor of the Journal of Hospitality & Tourism Cases  
Regional Editor of Australasia for the International Journal of Contemporary Hospitality Management  
Books' Review Editor of Tourismos Journal

SINCE 1969



## **The Communication of Corporate Social Responsibility; Asian Oasis - Mythical Journeys in the Hill Tribe Villages of Northern Thailand**

Scott Michael Smith  
Assumption University, Thailand  
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### **ABSTRACT**

Asian Oasis owns and operates a unique lodging company in northern Thailand. Their contributions regarding social responsibility may serve to inspire thoughtful tourism development globally using the concepts of community-based tourism (CBT) and corporate social responsibility (CSR) explored in this case study. The objectives of this case study include providing a better understanding of these concepts. It is hoped that the reader may identify opportunities for development in their own country and embrace the pillars of sustainable development; preserving, sustaining, building, protecting and delivering suggested by Asian Oasis. Such good practices are especially useful for communities all over the world that are confronting similarly complex issues between investing in tourism development and preserving and protecting the communities which they call home.

**Key Words:** Community-based tourism (CBT), Corporate Social Responsibility (CSR)



Source: Created by the author for the purpose of this study

## INTRODUCTION

Asian Oasis, founded in 2007, has extensive background in tour operations in some of the most remote, pristine and culturally rich areas in Asia. Asian Oasis owns and operates Lisu Lodge and Lanjia Lodge in northern Thailand. Lisu Lodge is situated in the beautiful Dong Lung Sri Yeh Village, 50 kilometers from Chiang Mai Province, Thailand. Lisu Lodge stands proudly as a success story of a truly integrated culturally and environmentally conscious development. Built in traditional Lisu style with an eye for Western comforts, the lodge overlooks the lush fields and hills surrounding the valley, and serves as basecamp for a blend of adventure, relaxation and cultural insight. Lisu Lodge was created to provide meaningful experiences for visitors and focuses on community development, environmental balance, cultural learning, natural discovery and adventure. A few hours' drive away is Lanjia Lodge, an eco-friendly lodge nestled on a hill overlooking the Mekong River and Laos, an hour outside of Chiang Rai, Thailand. Social responsibility is a fundamental principal of Asian Oasis, beginning in their corporate office, 500 kilometers away in Bangkok, where stakeholders' needs are considered to ensure a win-win outcome.

Kraisornsuthasinee and Swierczek (2009) explore the topic of balancing stakeholder interests in Thailand with “extra care” (p. 550) while acknowledging the progress of the corporate social responsibility movement in Thailand. Asian Oasis is often dependent on the goodwill and participation of stakeholders along the supply chain to provide meaningful experiences. Asian Oasis exemplifies good practices of responsible tourism development in Thailand. The many international awards and accolades Asian Oasis has received suggests that their business philosophy can be applied to communities globally.

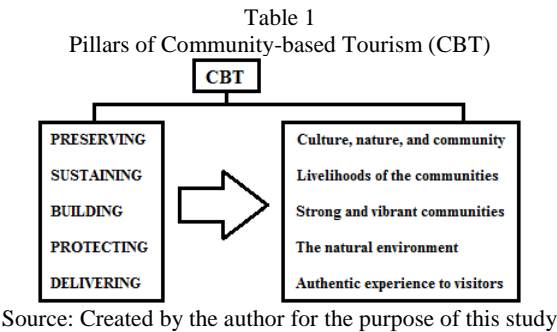
Corporate citizenship and corporate sustainability are terms used to describe concepts related to corporate social responsibility in the tourism industry. Carroll (1979) is one of the first theorists to suggest that “businesses encompass the economic, legal, ethical and philanthropic (discretionary) expectations that society has of organizations at a given point in time.” Carroll claims that businesses are responsible to society and should do what society expects of them.

Tourism industries in general, and the accommodation sector in particular, have increasingly become sensitive to environmental concerns which are not a consideration in Carroll's description. In the absence of a universal definition, and for the purposes of this study, corporate social responsibility (CSR) is defined as a strategic approach of incorporating economic, socio-cultural and environmental concerns into business operations and relations with stakeholders. The relationship between environmental and socio-cultural impacts of tourism have become key emerging issues facing the tourism industry in Thailand and many parts of the world. A myriad of international codes of conduct, certifications, and awards are evidence of an increased awareness regarding the importance of responsible development for tourism businesses. According to a 2006 study by the Stock Exchange of Thailand (p.2), "The principles of good corporate governance are in line with the philosophy of the sufficiency economy initiated by His Majesty the King to ensure sustainable development. The philosophy of the sufficiency economy emphasizes equilibrium and flexibility together with careful, thorough and moral application of knowledge. These are all basic concepts of good corporate governance."

Many socially responsible practices in Thailand can be linked to the principles of the sufficiency economy introduced by the late King Bhumibol Adulyadej (Kantabutra, 2007). The Thai royal family undertakes numerous development projects to alleviate poverty, improve education, preserve the environment and support traditional culture (i.e. Thai silk, arts, and etc.). These royal projects are examples of social responsibility at a local level, and aid in the understanding and acceptance of corporate social responsibility and community-based tourism concepts by the citizens and business leaders of the small communities throughout Thailand.

Boonratana (2010) researched characteristics of community-based tourism as it pertains to Thailand and proposed an operational terminology, stating, "Community-based tourism is thus defined as economically, environmentally, socially, and culturally responsible visitation to local/indigenous communities to enjoy and appreciate their cultural and natural heritage, whose tourism resources, products, and services are developed and managed with their active participation, and whose benefits from tourism, tangible or otherwise, are collectively enjoyed by

the communities (p. 287).” Asian Oasis was built on pillars that form the foundation for their community-based tourism development.



**Preserving culture, traditions, nature and community**

Lisu Lodge works with the community and the traveler throughout the visitor experience to ensure a harmonious experience for the traveler and the community. Having the villagers show their community to the guests and interacting with them through the entire stay ensures a better understanding and appreciation between travelers and the community. Lisu Lodge aims to conserve the natural heritage of hill tribes of northern Thailand. The programs are designed to engage travelers in meaningful and facilitated exchanges with Thailand’s hill-tribe communities and to foster an understanding of the natural environment and the way of life of the Hmong and Lahu hill tribes. The largest local collection of books relating to the hill-tribe communities is located in the Lisu Lodge library. Travelers are encouraged to research their destinations and learn more about the fascinating culture of the Akha, Lahu and Lisu hill tribes.

The lodges have incorporated many design features that reflect the rich traditions of the hill-tribe communities, in which they are located. Lisu Lodge works with the community to revive traditional hill-tribe traditions (i.e. silversmith, embroidery, dance and shamanism). A special guest activity has helped to revive the lost art of batik-making by the villagers, which has since evolved into a small social enterprise that has created additional income, as many of the villagers participate in the production and sales of these beautiful fabrics.

### **Sustaining the livelihoods of the communities**

Asian Oasis does not aspire to turn Kiew Karn Village into a tourism destination where every corner has souvenir shops with villagers eagerly looking to gain from the tourist. The idea is to help them sustain their village or community life in a holistic way. Each villager should engage in their work as they see fit. The lodges provide the villagers with the opportunities to benefit from tourism development, but it is the community that needs to determine its own path. Travelers are introduced to a wonderfully unique and culturally rich community without disturbing the daily lives of the hill-tribe people. Many of the hill-tribe women earn extra income by sewing and handicraft production, and now Dton Loong Village is the largest local supplier and exporter of Hmong and Lahu handicrafts in the region.

Lisu Lodge contributes a percentage of sales revenue to the village bank. The disbursement of those funds is entirely the decision of the hill-tribe community. The village bank is at the core of Asian Oasis's community development efforts. These funds are used to improve infrastructure, provide healthcare, education and micro-loans and support local festivals such as the annual New Year celebrations. Income is also generated for the communities through hiring locals for all activities, including a village guide, shaman for tea services and a trekking guide. The Lisu Lodge directly contributes to the economic development of the village by employing 100% of their staff from the surrounding communities.

### **Building strong and vibrant communities**

Asian Oasis's philosophy facilitates interactions between guests and villagers. The guides are local villagers who have grown up in the area. The hosts and team members at the lodges are proud Hmong and Lahu villagers. They will take care of visitors and all activities at the lodge during a traveler's stay. Contributions from visitors are used for community projects that improve the living conditions of the local hill tribe. The village council meets regularly to discuss issues important to them. Representatives from Asian Oasis attend, advise and observe all meetings but do not vote on village issues. Regular health checks are provided for all members of the community and vaccinations are sponsored by the lodge. In addition to complying with all



applicable labor laws in Thailand, contributions are made to employee's social security funds. The village's main source of income has traditionally been from agricultural production. Asian Oasis ensures all staff have time away from work to assist their families with the harvests. It has always been important for Asian Oasis to create an environment conducive to the needs of the local community and the business. Patience, perseverance, skillful facilitation and a deep commitment to social and environmental sustainability has resulted in a strong relationship with the community.

### **Protecting the environment**

Asian Oasis founded the Himmaphan Foundation, providing education and training to travelers and the community concerning the protection of the environment and the importance of reforestation of these fragile environments. Environmental responsibility includes the conservation and preservation of natural resources. The Earth Care initiatives are designed by Asian Oasis to engage travelers in meaningful and facilitated exchanges with Thailand's hill-tribe communities and to foster an understanding of the natural environment and ways of life of the Hmong and Lahu hill tribes. Earth Care focuses on immersion, action, two-way communication and self-discovery. Learning about the environment and Thailand's hill-tribe culture can create a new awareness for visitors. Earth Care is a unique learning program that combines awareness of environmental responsibility, conservation, community issues, self-development and discovery.

Tour guides brief each traveler, before their adventure begins, regarding the culture, communities and activities they will be experiencing. Particular attention to the conservation of resources and the preservation of the environment and culture is emphasized throughout the visitor experience. The traveler is encouraged throughout their experience to take steps to protect and improve the natural environment. Activities are of low energy consumption and include biking, whitewater rafting and tree cultivation.

### **Delivering authentic experiences to visitors**

Asian Oasis does not just sell room nights, but a complete traveler's experience. Projects are living ventures, changing and developing all the time. The lodges market their experiences to responsible tourists and would not appeal to a traveler that does not have an appreciation for community-based tourism. Travel agents, suppliers and wholesalers understand that the experiences are designed and delivered with an emphasis on the preservation and appreciation of natural resources and a deep respect for the Hmong and Lahu communities. The hill tribes participate in all aspects of delivering this unique experience, which is sure to leave the traveler with a greater understanding of, and appreciation for, these unique communities. The lodges work directly with the Akha, Lahu and Lisu hill-tribe communities to design traveler experiences that adhere to the principles of community-based tourism development.

### **Management Dilemmas**

When considering CSR and discretionary contributions to stakeholders, the question that challenges senior managers is often "how much is too much?" Imagine the employee that continually sees their company contributing to local communities rather than increase their salary. Friedman's (1970) article *The Social Responsibility of Business is to Increase its Profits* presents the argument that corporations have no social responsibility, explaining the primary responsibility is to maximize their return on investment (ROI) to the stockholders. Perhaps the debate starts here, "There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game," (Friedman, 1970, p. 122). Friedman's view that corporations only exist to make a profit deserves scrutiny. Measuring profits solely as a financial return on a financial investment ignores the many ways to consider profit. Asian Oasis executive director and founder contradicts Friedman's advice, stating, "Yes, we are a business. We eventually want to make money but the profits that we make are shared with the community and the environment. Every part of our business is about doing good. It's a sustainable tourism business model. It's giving back to the community, to the employees and to the suppliers. The lodges were created to

provide meaningful experiences for our customers while focusing on community development, environmental balance, cultural learning, natural discovery and adventure,” (Phattaraprasit, 2013). The idea that businesses have no social responsibility, only people have social responsibilities merits further reflection. The commitment of resources is a popular topic for debate among managers when considering social responsibility initiatives.

A new dilemma concerning animal rights is a challenge to management as they strive to deliver authentic experiences to visitors. Many visitors to Thailand are interested in seeing the famous Thai elephants while they are in the kingdom and would like to ride the elephants. Asian Oasis ceased offering elephant rides to guests many years ago and strives to protect these majestic animals. The elephants involved in tourist rides are often mistreated and many times visitors have been injured when the elephants reach the point of exhaustion or become irritable. Reputable tour operators have since joined Asian Oasis to advocate on behalf of the elephants and offer tours of elephant sanctuaries that do not offer elephant rides. Providing elephant rides in response to visitor demands is a challenge for tour operators. Asian Oasis suggests visitors experience elephants at selected sanctuaries that have been vetted by their company. Still, some visitors insist in partaking in the elephant rides offered by various elephant camps in the vicinity of Asian Oasis’s lodges. Asian Oasis is concerned with the unsustainable business practices of many of these camps that are encroaching on government land (national parks), mistreating elephants or damaging the environment in a myriad of ways. Balancing the protection of the elephants while accommodating visitor requests for elephant rides is a challenge that is worthy of further reflection and research. The rising number of fatal accidents involving tamed elephants has risen dramatically over the last years, clearly indicating that something is wrong with the system. Elephants get more and more stressed out by long working hours, overexposure or physical mistreatment. They even die younger in captivity, due to the often not only unnatural, but even harmful environment they are exposed to.

There is another side to this debate. Tourism revenue provides these elephants with access to funding for medical care, food and habitat. There are not enough tracts of unbroken

elephant habitat remaining in Thailand to support the present elephant population. Releasing all captive elephants into the wild, as many animal welfare groups have supported, would be disastrous to their well-being. One group of stakeholders (international tour operators) is pressuring other groups (local community and tour operators) to eliminate elephant attractions in communities that have been living and working with elephants for centuries. The elephant is a cultural and religious symbol for many Asian communities and plays an integral role not only in society but also in religious ceremonies and festivals. For this reason, more and more agents in Thailand are taking elephant shows and elephant riding out of their tour programs and replacing it with more sustainable alternatives such as visiting elephant sanctuaries or elephant hospitals.

## CONCLUSION

For Asian Oasis, each stakeholder contributes resources in a variety of ways and receives different costs and benefits that are cultural, social, environmental and economic. The community invests their time, shares their culture, and receives benefits including, but not limited to, increased cultural understanding and employment. The owners' initial financial investment and return on investment considers more than just their bank balance. Environmental benefits such as the conservation of resources contribute to sustainable development and protect the natural resources precious to the global community.

For Asian Oasis, each mythical journey is planned as a complete experience; adventurous, educational and comfortable for the traveler. It is intended to minimize negative socio-cultural, economic and environmental impacts to the community. A commitment to corporate social responsibility by tourism operators is essential to successful community based tourism development. Preserving culture, traditions, nature and community, sustaining the livelihoods of the communities, building strong and vibrant communities, protecting the natural environment and delivering authentic experiences to visitors is the foundation for their development.

Asian Oasis promises their guests a complete experience with an attention to detail that is sure to create memories that will last a lifetime. They also promise the communities where they operate that the company will help them with their community development and the co-creation of a traveler experience, which aims to promote their culture and protect their environment. Asian Oasis delivers on that promise.

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