

# Corporate social responsibility of hotels for enhancing performance of undergraduate hospitality students

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**Abstract:** Hospitality market stakeholders are in need of powerful strategies to be successful in both competitive industry and surrounded society. So, Corporate Social Responsibility (CSR) became one of the highly preferred strategies for gaining a good reputation and a competitive advantage. Moreover, they must be linked with hospitality higher educational institutions for achieving their social responsibility plans and improving undergraduates who are expected to be their future workforces. This research aims to highlight the role of hotels social responsibility plans in improving hospitality undergraduates In Egypt. The research was conducted on a sample of 51 Egyptian five star hotel human resource managers. Survey method was used to collect research data. Statistical package for social sciences "SPSS" program Volume 17 was used to analyze the selected data. The research revealed a remarkable defect in communication between hotels and hospitality higher educational organizations managements'. So, the research recommends a framework for enhancing undergraduates from hospitality stakeholders' perspective.

**Keywords:** Corporate Social Responsibility, hospitality higher education in Egypt, hotels human resource management in Egypt

## 1 INTRODUCTION

It is widely known that CSR is an effective tool used to build a mutual relationship between the organization and its stakeholders, but most companies deal with CSR activities as a load on management. This perspective leads to convert these activities to be cosmetic or operational not strategic (porter and Kramer, 2006). Moreover, CSR needs to be accurately coordinated with stakeholders, especially when it concerns long term objectives as the case of hospitality institutions graduates' being not only assets of hospitality industry, but also for their direct effect on hotels performance (Tsai et al., 2012).

## 2 LITERATURE REVIEW

### 2.1 CSR identification and importance

Several names have been used for CSR such as "public responsibility", "business morality" and "social obligations". All these names refer to the impacts of business activities on the society and stakeholders (Bowen, 1953). Also, CSR has been defined as activities that protect and improve both the welfare of society as a whole, and the interest of the organization (Davis and Blomstrom, 1966). Other definitions have been put later on (Maignan and Ralston, 2002; Michael, 2003), But in general, CSR takes into account managing and balancing economic, social and environmental impact of firms' activities (PJC, 2006).

Organization stakeholders' are "a group or individual who can affect, or be affected by, the fulfillment of the objectives of the organization" (Friedman and Miles, 2006). They can be divided into internal (who are inside the company as board members, executives, managers, employees and who benefit directly from their contributions to the growth of the company) and external (such as customers, suppliers, industry associates, general public, media, politicians, public authorities, education, Non-governmental organizations, unions and lender that influences and is influenced by the organization but is not a member of it) (Hermann, n.d.).

CSR has various benefits that affect both internal and external stakeholders' satisfaction such as customers' patronage, government support, risk management, acceptance of the surrounding society, retention of talented employees and cost reduction (Brine, et al., 2007). Therefore, CSR has been considered as an efficient management strategy and a crucial factor in the enterprise's success (Baron and David 2001). So it must be planned specifically, supervised carefully, and evaluated regularly. Therefore, CSR must be operated from two perspectives, from an outside perspective of companies, it is widely recognized that positive relationships are made with the government and general public. From an inside perspective of companies, good reputation is necessary to attract, retain, and motivate quality employees (Trevino and Nelson, 2004).

## **2.2 Hotels perspective and hospitality undergraduates.**

Nowadays, it is no longer sufficient for undergraduates to have excellent knowledge and skills. Especially many new technologies became necessary since some specific skills and knowledge become rapidly outdated. Therefore, in order to enjoy the benefits of education, individuals need to be aware of the changing nature of the labor market and to acquire and maintain competences needed in the world of work. As a result, employers are seeking for graduates who have the ability to generate new ideas to meet the challenges of knowledge-based market (Craft , 2006).

Hotels as a part of hospitality industry should maintain its competitive edge by partaking of responsibilities for the development of the industry. Moreover, the role of Hotels employers' in developing hospitality education must be continuous, especially when this role concerns graduates needed Competencies'. As the nature of hospitality field is built on employees with a wide range of Competencies, CSR could be a key driver for such purposes (Garay and Font, 2011).

On the other hand, hospitality educational institutions also should be aware of hotels labor needs as they are receptors of institutional final product (Horng and Lu, 2006). Therefore, the "voice of the customer" process which helps in closing the gap between customer expectations and the institution's offerings can be used as a tool for continuing this relevance, This process is effective in involving the hotel employers perspective into the institutions policies'. i.e creating a mutual link with stakeholders, gathering and integrating data, Web-data based, and other data and information that affect stakeholders' enrollment and relevant decisions (Friedman and Miles 2006) .

## **2.3 CSR Measurement tools**

CSR is measured by different ways depending on the field that works on, such as sustainability report for indicating the willingness of CSR in environmental field. Or, by using the corporate social responsible investment fund criteria (Brine et al., 2007). Other authors developed their own measurement tools of CSR such as a questionnaire (Aupperle et al., 1985) and adopted or adapted from others (Mulyadi and Anwar,

2012). In addition, the disclosure in the annual reports of social activities (Munasinghe and Kumara, 2013) and the use of CSR announcement as a proxy for CSR (Clacher and Hagendorff, 2012).

### 3 METHODOLOGY

The research was conducted on a sample of 51 Egyptian five star hotel human resource managers. The data obtained for this study were collected using a questionnaire developed by the researchers. All items in the questionnaire were adapted from existing questionnaires that were taken from various journals with appropriate adjustments and that have been reported valid and produced reliable results.

The questionnaire was divided into five sections; Section A consisted of five (5) items that captured demographic variables of the respondents such as gender, age, education, experience and management pattern. For the purpose of this research, nominal scale and ordinal scale were used to measure the variables. Section B consisted of five (5) items that were used to measure perception towards CSR while Section C consisted of five (5) items which were used to measure satisfaction with hospitality graduates and academic programs. Section D consisted of eight (8) items that were used to measure the gap between importance and performance of CSR practices for improving performance of hospitality undergraduates. Finally section E consisted of two (2) items that were used to measure willingness of hotels managements for enhancing performance of hospitality undergraduates.

The questionnaires used a five point likert-type scale ranging from “1=strongly disagree” to “5= strongly agree” to score the responses. Social Package for Social Sciences (SPSS 17) software was used to analyze the data from the questionnaire. The analyses examined in the study include Descriptive analysis, Spearman’s Correlation Analysis, Mann-Whitney U Test, Importance and Performance Analysis (IPA).

### 4 RESULTS AND DISCUSSION

The questionnaires used a five point likert-type scale to score the responses. The SPSS 17.0 (Statistical Package for the Social Sciences) software was used to analyze the obtained data.

#### 4.1 Descriptive Statistics

The samples involved in this present study consisted of 51 respondents who work as human resources manager in hotel industry, in Egypt. Out of 51 respondents, 49 respondents (96.1%) were male while the remaining 2 respondents (3.9%) were female respondents. This shows that the majority of human resources managers in hotel industry are dominated by male. Also, based on the data collected, it is identified that the majority of respondents was from the middle-aged group between 30 to 45 years old (51%), followed by those aged above 45 years old (27.5%). The smallest group was those below 30 years old (21.5%). According to the educational background of managers, the majority of managers graduated from colleges (80.4%) of managers and only (19.6%) of them held postgraduate degree. As depicted in Table 1, the majority of respondents have had work experience of less than 10 year (68.6%), while 13 respondents (25.5%) from 10 to 15 years and only 2 respondents (3.9%) have had work experience more than 15 years. According to the pattern of hotel's management, (58.8%) were managed as chain management and 41.2% of hotels were owner-management hotels.

Table 1: The respondents' demographic profile

Demographics	Characteristics and Classification	Frequency (n)	Percentage (%)
<b>Gender</b>	Male	49	96.1
	Female	2	3.9
<b>Age</b>	Below 30 years old	11	21.5
	30- 45 years old	26	51
	Above 45 years old	14	27.5
<b>Educational level</b>	College	41	80.4
	Postgraduate	10	19.6
<b>Experience</b>	Less than 10 years	36	70.6
	10- 15 years	13	25.5
	More than 15 years	2	3.9
<b>Type of management</b>	Owner-management	21	41.2
	Chain	30	58.8

Descriptive statistics computed the mean scores and standard deviation for each item that has been assessed through the questionnaire as presented in the Table 2 to 4.

Table 2 demonstrates that the overall mean score for the statements of the perception were 4.19. In other words, the hotel managers were between agree and strongly agree that "Social responsibility practices are very important to hospitality organizations" (4.27), "The organization should have responsibility to develop the local community" (4.14), "The success of the organization is linked to social responsibility practices" (4.04), "Social responsibility practices are important to the competitiveness of the organization" (4.25) and "Social responsibility practices are important to achieve long-term profitability to the organization" (4.25). These findings indicated that hotel managers had positive perception towards CSR.

Table 2: Perception of hotel management towards CSR

No.	Statement	Mean	Std. deviation
1	Social responsibility practices are very important to hospitality organizations.	4.27	.961
2	The organization should have responsibility to develop the local community.	4.14	1.114
3	The success of the organization is linked to social responsibility practices.	4.04	1.199
4	Social responsibility practices are important to the competitiveness of the organization.	4.25	1.074
5	Social responsibility practices are important to achieve long-term profitability to the organization.	4.25	1.036

<b>Overall Mean</b>	<b>4.19</b>	<b>1.076</b>
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Note: Scale range from “1=strongly disagree” to “5=strongly agree”

Table 3 displays the mean scores and standard deviation of the hotel management attitude towards hospitality graduates and academic programs. According to the findings, human resources managers in hotels were unsatisfied with hospitality graduates and academic programs (M= 2.32, SD= .9), These results imply that hospitality undergraduates need more improvements and academic programs enhancements are required.

Table 3: Satisfaction with hospitality graduates and academic programs

No.	Statement	Mean	Std. deviation
1	There is satisfaction with the performance of hospitality graduates.	2.47	1.027
2	Hospitality graduates have the ability to promote the industry through the current scientific and technical skills that they have.	2.02	.883
3	Academic plans and training programs are able to meet the requirements of the hospitality labor market.	2.25	.913
4	Academic plans of hospitality education focus on the practical part like the academic one.	2.61	.802
5	There is a linkage between hospitality academic programs and the industry.	2.29	.879
<b>Overall Mean</b>		<b>2.32</b>	<b>.900</b>

Note: Scale range from “1=strongly disagree” to “5=strongly agree”

Table 4 presents hotels management willingness to enhance the performance of hospitality undergraduates. The overall mean score was 4.43, which shows that hotels have a responsibility for enhancing performance of hospitality undergraduates (M= 4.39, SD= .777) and they are willing to cooperate and coordinate with hospitality educational institutions to improve their undergraduates quality (M= 4.47, SD= .731).

Table 4: Willingness for enhancing performance of hospitality undergraduate students

No.	Statement	Mean	Std. deviation
1	There is a social responsibility for hotels to enhance performance of undergraduate hospitality students.	4.39	.777
2	Organization is willing to cooperate with the hospitality education institutions to improve the quality of their undergraduates.	4.47	.731
<b>Overall Mean</b>		<b>4.43</b>	<b>.754</b>

Note: Scale range from “1=strongly disagree” to “5=strongly agree”

#### 4.2 Correlation Analysis of CSR

The Spearman correlation was used to calculate the correlation between perception towards CSR and the importance of improving hospitality students, also to test the relationship between perception towards CSR and willingness for enhancing performance of hospitality undergraduate students.

Table 5 shows that spearman correlation equals (0.795) was obtained between the hotels managers' perception towards CSR and their understanding of the importance of improving hospitality students. This result indicates a high significant at (0.01) level. In addition, the correlation was relatively high. This result shows that hotels must participate in improving the quality of hospitality undergraduates as a part of their CSR activities.

Table 5: Relationship between perception towards CSR and the importance of improving hospitality students

		Variables	Perception towards CSR	Importance of improving hospitality students
<b>Spearman</b>	Perception towards CSR	Correlation	1.000	.795**
		Sig. (2-tailed)		.000
		N	51	51
	Importance of improving hospitality students	Correlation	.795**	1.000
		Sig. (2-tailed)	.000	
		N	51	51

\*\* Correlation is significant at the 0.01 level (2-tailed).

Table 6 shows the result obtained from the correlation test and the variables were significantly inter-correlated. From the analysis, it is noted that perception towards CSR is positively and significantly related with willingness for enhancing performance of hospitality undergraduate students (0.634). This result completes the aforementioned one, as it clears that hotels are willing to take part in improving hospitality undergraduates as a part of their CSR activities.

Table 6: Relationship between perception towards CSR and willingness for enhancing performance of hospitality undergraduate students

		Variables	Perception towards CSR	willingness for enhancing performance of hospitality students
<b>Spearman</b>	Perception towards CSR	Correlation	1.000	.634**
		Sig. (2-tailed)		.000
		N	51	51
	willingness for enhancing performance of hospitality undergraduate students	Correlation	.634**	1.000
		Sig. (2-tailed)	.000	
		N	51	51

\*\* Correlation is significant at the 0.01 level (2-tailed).

### 4.3 Differences between hotels according to management pattern

The Mann-Whitney U Test was used to identify the differences among hotels according to their management pattern regarding CSR perception, opinions of managers about the performance of hospitality graduates and

academic programs, and Willingness of hotels for enhancing performance of hospitality undergraduate students.

Table 7 clears that there were a statistically significant differences among hotels in their perception towards CSR, The P. value was (0.00), and this value is less than 5%. This result implies that chain hotels managements realize CSR more than those owner-managed. Also the data obtained from Table 7 clears that there is a significant difference among hotels according to management pattern in their willingness for enhancing performance of hospitality undergraduate students, The P. value was (0.00). This result shows that management performance towards CSR is more systematic and organized in chain management hotels rather than independent ones.

On the other hand, Table 7 shows that there is no significant difference among hotels regarding the management pattern in opinions about the performance of hospitality graduates and academic programs, The P. value was (0.457), and this value is more than 5%. This means that both chain and owner-management hotel managers are unsatisfied with the performance of hospitality graduates and academic programs.

Table (7): Differences between hotels according to management pattern

Variables	Type of Management	N	Mean Rank	Sig.
CSR perception	Owner-management	21	14.57	<b>.000</b>
	Chain	30	34.00	
	<b>Total</b>	<b>51</b>		
Satisfaction with graduates and academic programs	Owner-management	21	24.17	<b>.457</b>
	Chain	30	27.28	
	<b>Total</b>	<b>51</b>		
Willingness for enhancing performance of hospitality undergraduate students	Owner-management	21	14.50	<b>.000</b>
	Chain	30	34.05	
	<b>Total</b>	<b>51</b>		

**4.4 Importance and performance analysis (IPA)**

The following table shows The importance means, the performance means, their standard deviation, their gap and t-values regarding the perception toward CSR practices for improving performance of hospitality undergraduate students by hotels human resources managers.

Table 8: The Gap between importance and performance of CSR practices for improving performance of hospitality undergraduate students

Statement	Mean IM	Mean PE	St.D. of IM	St.D. of PE	Mean Difference MD	t-Value	Sig.
Contacting with stakeholders to determine the specifications that must be met in hospitality graduates.	4.60	2.66	0.69	1.17	1.94	13.00	.000
Coordinating with the hospitality education institutions to develop the educational process.	4.54	2.45	0.78	1.20	2.09	12.80	.000
Participating in conferences and workshops held by stakeholders to discuss the educational process development and linking it with the industry.	4.41	2.45	0.77	1.31	1.96	12.38	.000
Conducting mutual visits with hospitality education institutions to discuss and develop ways for improving undergraduates' performance.	4.50	2.66	0.75	1.22	1.84	12.35	.000
Organizing courses and training programs for students to develop their skills and prepare them for the labor market.	4.70	2.82	0.46	1.21	1.88	11.76	.000
Participating in summer training for students of hospitality education institutions.	4.62	4.47	0.59	0.70	0.15	2.06	.044
Providing feedback and suggestions to improve the quality of undergraduates.	4.54	3.88	0.70	0.93	0.66	6.68	.000
Seeking to conclude a cooperation protocols and partnership with educational institutions.	4.54	3.60	0.80	1.40	0.94	7.09	.000



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**Overall Mean****4.55 3.12**

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According to the paired-mean sample t-tests between the means of importance and performance, CSR practices for improving performance of hospitality undergraduate students showed that there are statistically significant difference at (0.05) level.

The five statements for the largest GAP scores were; "Coordinating with the hospitality educational institutions to develop the educational process" (MD= 2.09, P< 0.00), "Participating in conferences and workshops held by stakeholders to discuss the educational process development and linking it with the industry showed" (MD= 1.96, P< 0.00), "Contacting with stakeholders to determine the specifications that must be met in hospitality graduates" (MD= 1.94, P< 0.00), "Organizing courses and training programs for students to develop their skills and prepare them for the labor markets" (MD= 1.88, P<0.00) and "Conducting mutual visits with hospitality education institutions to discuss and develop ways for improving undergraduates' performance" (MD= 1.84, P< 0.00).

The above results indicate that there is a significant gap between hotels human resources managers' perception towards CSR importance and their CSR practices for improving hospitality undergraduates.

In this study, the mean scores of CSR practices for improving performance of hospitality undergraduates are presented in Table (8). Vertical and horizontal lines were used to separate the derived factors into four quadrants. The graphical representation of the perceived importance and perceived performance ratings for the perception toward CSR practices for improving performance of hospitality undergraduate students are shown in Figure (1).

The four quadrants derived in the IPA grid are known as: "possible overkill" which hotel human resources managers consider these practices to be performed well, but they are not important; "keep up the good work" which managers consider these practices to be performed well and they are important; "low priority" which the managers consider these practices are not important and they are not performed well; and the most critical, "concentrate here" which the managers consider these practices are important but they are not performed well. In this study the collected data indicate that there are only two quadrants: "keep up the good work" and "concentrate here".

#### *Quadrant 2: Keep Up the Good Work*

As shown in figure (1), the three CSR practices that fell into quadrant two are; (6) "Participating in summer training for students of hospitality education institutions", (7) "Providing feedback and suggestions to improve the quality of undergraduates", and (8) "Seeking to conclude a cooperation protocols and partnership with educational institutions". This quadrant gives a clear idea about hotels strength points towards CSR activities as the findings in this quadrant considered these three practices as important ones, and performed well.

#### *Quadrant 4: Concentrate Here*

Five perception towards CSR practices fell into quadrant four are; (1) "Contacting with stakeholders to determine the specifications that must be met in hospitality graduates", (2) "Coordinating with the hospitality education institutions to develop the educational process", (3) "Participating in conferences and

workshops held by stakeholders to discuss the educational process development and linking it with the industry", (4) "Conducting mutual visits with hospitality education institutions to discuss and develop ways for improving undergraduates' performance", and (5) "Organizing courses and training programs for students to develop their skills and prepare them for the labor market". This quadrant is the most critical one and shows the hotels weaknesses points as human resources managers considered it important but not perform well.

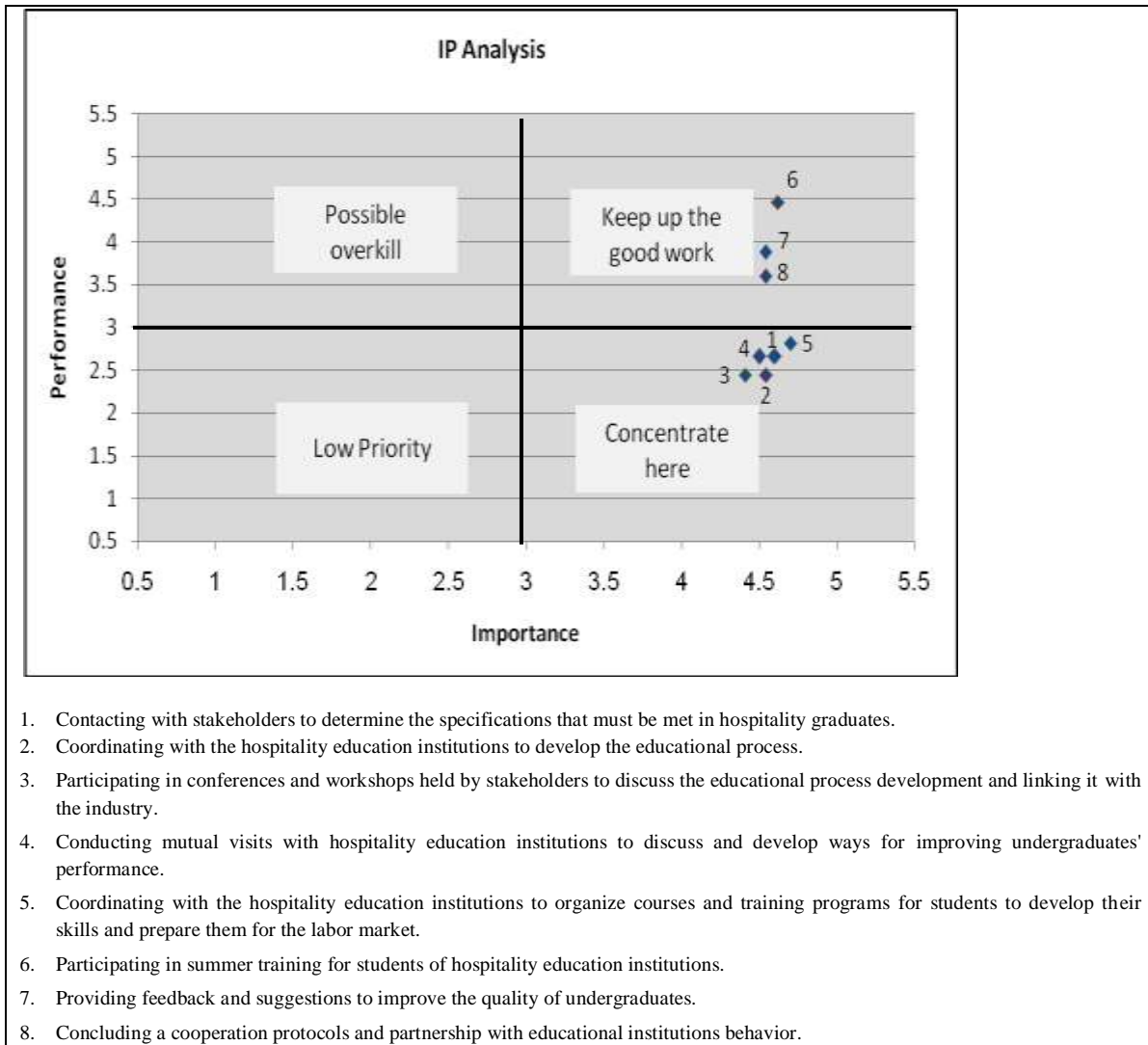


Figure (1): The Quad chart of IP analysis

## 5 CONCLUSION AND RECOMMENDATIONS

Based on the obtained results, there is a gap between hotels and hospitality institutions. This gap negatively effects on the specifications required in institutions graduates. Moreover, although hotels managements'

realize the importance of CSR activities, they are not doing their best to improve the quality of hospitality institutions graduates.

For enhancing their responsibility towards hospitality educational institutions, Hotels should organize a framework to be adopted through the following practices:

- Contacting with stakeholders to determine the specifications that must be met in hospitality graduates
- Coordinating with the hospitality education institutions to develop the educational process
- Participating in conferences and workshops held by stakeholders to discuss the educational process development and linking it with the industry
- Conducting mutual visits with hospitality education institutions to discuss and develop ways for improving undergraduates' performance
- Organizing courses and training programs for students to develop their skills and prepare them for the labor market
- Participating in summer training for students of hospitality education institutions
- Providing feedback and suggestions to improve the quality of undergraduates
- concluding cooperation protocols and partnership with educational institutions

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