



A RESEARCH PAPER ON CSR PRACTICES OF HOSPITALITY SECTOR IN INDIA: A CASE STUDY OF INDIAN COMPANIES

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ABSTRACT

India's vast population offers a consideration growth potential for the hospitality industry. The travel and tourism industry is a major contributor to the country's economic growth and employment generation. A growing middle class, rising disposable incomes and shift from foreign to domestic tourism are few macro growth enablers for the industry. To perform the analysis, top 10 Indian hotels have been selected based on their profitability and past performance. Annual reports had been thoroughly examined to know their spending on CSR activities. It has been found that Taj is the only hotel which is spending in all the fifteen sub areas covering all the factors of People (workforce), Planet (Environment) and Community. Out of these ten hotels the least number of activities (i.e. 7) are being done by Westlife DEV, Taj GVK and EIH Associated Ltd. Moreover, it is also observed that 'training' and 'energy management' are the two areas wherein all the hotel companies are investing their CSR funds. The second most covered areas are 'recruitment' and 'water conservation'. In addition to this, it is also seen that 'disaster management' is the most ignored area. In this area, only Taj hotel is investing. 'Pollution control' and 'cultural heritage' are also not very popular among the hotel companies as only 50% of these companies are covering these areas.

Keywords: *CSR, Hospitality, People, Planet, Community.*

INTRODUCTION

Society and business have a direct relationship. In today's scenario no business can ignore the needs and wants of workers, customers and other stakeholders which includes society as well. Keeping this in mind Indian government in 2013, made it compulsory to spend 2 percent of net profits on Corporate Social Responsibility (CSR) activities. Almost five years are over after this change was introduced in Companies Law Act.

The concept of Corporate Social Responsibility (CSR) was first introduced by Bowen (1953) in his book Social Responsibilities of the Businessman. Since then, it has become a popular topic in the corporate world and as such, many studies have been conducted based on the concept.

Additionally, Hopkins (2007) affirms that CSR is about the integrity with which a company governs itself, fulfils its mission, lives by its values, engages with its stakeholders, measures its impacts



and reports on its activities. For any business operation to thrive, it has to satisfy its stakeholders by considering the needs of the broader community at large and act in a socially responsible manner.

This innovative line involves three key aspects which are profits, planet and people. Therefore, companies ought to achieve sustainable profits, while reducing environmental footprint (planet), and balancing these objectives with people involved, from employees to the overall community (Mattera & Melgarejo, 2012).

Thus, the hospitality industry must give back to the communities and satisfy all stakeholders by fully engaging in CSR practices. Nevertheless, only companies which have the legal creation view embrace the triple bottom line whereas the question of profitability remains at the forefront of the companies with the legal recognition view. Thus, if CSR is to contribute to changing a company's modus operandi, it is safe to say that it needs to be more than a commitment; hence it should above all, be a strategy (Hediger, 2010).

Earlier researchers have shown that knowledge of companies CSR activities positively affects both attitude and purchase intent of consumers (Wingley, 2008). Adopting CSR allows companies to build brand values and costs of building brand value through social responsibility initiatives are usually cheaper than trying the same effect through advertising and public relation. (Joshi and Gao, 2009). The basic objective underlying CSR is maximization of societal benefits from business and whereby organizations consider the interests of society by taking responsibility for the impact of their activities on consumers, employees, shareholders, communities and the environment in all spheres of their operations. (Ramchandran, 2010).

Corporate Social Responsibility involves achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment.

CSR growth in India-recent development

Indian corporates have upped their corporate social responsibility spending, which has seen a 14 per cent rise over the last two fiscals, despite a moderate growth (5%) in net profits, says the survey (Economic Times, Mar. 22, 2018). The findings were based on an analysis of 1,186 eligible and listed companies by CRICIL Foundation. It said a greater number of corporates are using non-government organisations (NGOs) as implementing agencies for CSR spending.

Indian Hospitality Industry

India's vast population offers a consideration growth potential for the hospitality industry. The travel and tourism industry are a major contributor to the country's economic growth and employment generation. A growing middle class, rising disposable incomes and shift from foreign to domestic tourism



are few macro growth enablers for the industry. The industry contributed 8% of the total employment (both the direct and indirect) in 2017, and was the fastest growing among the G20 countries, growing by 9.4% in 2017.

The tourism and hospitality industry has shown significant growth trends from 2018 to 2024. The market expanded by direct tourism, infrastructure, development, and disposable income where it contributed to GDP of 247.37 to 191.30 in 2019, followed by sharp decline in GDP to 121.90 due to pandemic in the year 2020 with direct contribution and market recovery of approximately \$199.6 billion in 2022 with government support and initiatives and increase in domestic and international travel. In 2024, the market showed strong growth with expansion of projects in hotel, government schemes and upgrade in infrastructure. This represents around 9-10% of the GDP between 2019-2030. In 2021, the GDP was \$178 billion expected to reach \$512 billion by 2028. It is expected to contribute 53 million jobs. (Hospitality Sector, Tourism in India | IBEF, 2024b).

India, after China, is considered as one of the most lucrative hotel markets in the world and has the second largest construction pipeline in Asia. Growing affluence, potential for economic growth, increases in disposable incomes and the burgeoning middle class are expected to drive both leisure and business travel in the coming years.

The industry has witnessed robust growth in recent years on the back of increased traffic of domestic travellers, rising commercial development and foreign tourist arrivals, a growing airline industry and government-led initiatives by the government of India have bolstered prospects of the sector.

LITERATURE REVIEW

Narwal and Singh (2013) conducted a survey to find the difference in CSR practices of Indian companies and MNCs in India. By applying factor analysis the extracted four major factors named as, ‘environmental marketing’, ‘sustainable development’, ‘local community support’ and ‘transparency and accountability’. Moreover it was found that there was no major difference in CSR practices of MNCs and Indian companies as MNCs are adhering to the prevailing practices in host countries.

Corporate social responsibility requires organisations to demonstrate responsible business conduct that does no harm in the marketplace, in the marketplace, in the community they operate in, and to the natural environment (Roberts, 2007). The actions of business impact the local, national, and global community, so businesses have a responsibility to ensure that the impact is positive (Paton, 2007).

Corporate social responsibility involves “achieving commercial success in ways that honor ethical, communities, and the natural environment” (Clark, 2006; Porter & Kramer, 2006).



Strategic CSR, involves choosing philanthropic activities that will also benefit the company and help to reach its strategic goals. Caring corporate community service activities can enhance consumers' perception of the business and attract more customers (Lantos, 2002).

Business provides jobs, products, and taxes while society provides workers, consumers, and policies. It makes sense for society and business to work together by aligning business decisions and social policies (Porter & Kramer, 2006).

Social, cultural and environmental aspects that companies choose to address vary depending on the sector in which companies operate (Whitehouse, 2006). That is the reason why recent researchers define CSR as a custom-made process, so that, each company should choose which concept and definition is the best option, matching the companies' aims and intentions and aligned them with the company's strategy, as a response to the specific circumstances in which it operates (van Marrewijk & Werre, 2003).

Thirty hospitality and travel brands listed in the Fortune Corporate Reputation Index were found to have a strong positive correlation between CSR and profitability and this study had also revealed that larger companies benefitted more from CSR ratings (Brands that do Good, 2003).

Improvements in corporate citizenship result in strong financial performance and methods to measure the effects of CSR were in the early stages of development (Roberts, 2007).

A good reputation can draw new customers and workers and help to raise staff morale (Redford, 2005). Doing business with companies that have good CSR reputations is becoming a preference for many consumers (Brands that do Good, 2003; Act responsibly, 2003; Clark, 2006).

Organisational commitment to CSR is becoming an important issue for prospective employees, and a good CSR track record may be necessary to recruit top level candidates (Cotterill, 2007).

Singh et al. (2023b) review and synthesizes 57 studies on CSR practices in Indian hotels between 2003 to 2023, categorizing them into 3 sections, CSR practices, reporting, and impacts. The study highlights challenges such as financial constraints, engagement and strategic implementation. Focusing on Three Bottom Line (3BL) approach, it identifies a gap between CSR initiatives and financial performance, suggestion areas for further research and improvement.

Moyeen and Mehjabeen (2024) synthesize 230 studies from Scopus journals through content analysis, identifying key themes to address gaps in the intersection of CSR and SDGs. This paper critically explores the evolving sustainable practices of hotel industry's CSR initiatives, emphasising the sector's shift towards comprehensive reporting, stakeholder influence and sustainability efforts. It highlights how these practices are integral to achieving SDGs by 2030. The Study provides valuable insights into the future trajectory of CSR in the hospitality sector.



Radwan and Russo (2024) conducts a systematic literature review of 119 studies, employing content analysis to examine web-based CSR disclosure practices. The paper thoroughly explores and emphasises key theoretical frameworks, including stakeholder, legitimacy, institutional, and media - richness theories. It identifies significant methodological gaps, particularly mixed-method approaches. Furthermore, the study highlights future research directions, advocating for investigations into ESG performance score, cultural dimension and corporate governance mechanism. It underscores the pressing need for establishing effective standards for quality, consistent and relevance of web-based disclosure across industries and sectors.

Recent studies highlights strategic implementation of CSR initiative and practices is a tool to meet challenges of financial performance, to achieve Sustainable Development Goals and improve their ESG scores.

METHODOLOGY

To perform the analysis, top 10 Indian hotels have been selected on the basis of their profitability and past performance. Annual reports had been thoroughly examined to know their spending on CSR activities. Annual reports of 2017-18 had been considered the main basis of analysis.

Tables, percentages and ratios have been exclusively used to know the performance of companies during the recent years. Histograms and pie charts have been used to make the data more understandable.

On the basis of review of literature, the researchers have identified 3 major areas- workforce, environment and community. Further fifteen sub areas have been identified under these three categories as shown in Table-1.

Objectives of the Study

The basis objective of the study is to identify the areas in which the top Indian companies (Hotels) are spending their CSR funds. The study will identify the areas which are comparatively the ignored ones by these top companies.

- To identify the barriers to CSR adoption by the hospitality establishments and
- To investigate the extent CSR practices are adopted by hotel companies.

ANALYSIS AND DISCUSSION

Table 1 and Chart 1 show the number of areas (major and sub areas) in which the top hotel companies are spending their CSR funds. It has been found that Taj is the only hotel which is spending in all the fifteen sub areas covering all the factors of People (workforce), Planet (Environment) and

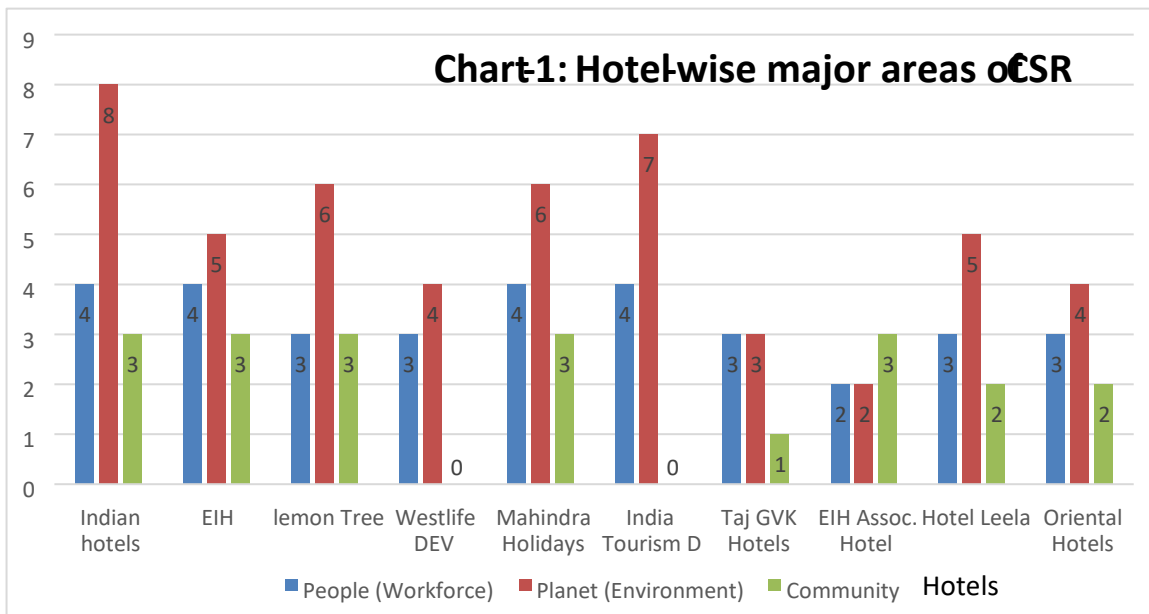
Community. Out of these ten hotels the least number of activities (i.e. 7) are being done by Westlife DEV, Taj GVK and EIH Associated Ltd.

Moreover, it is also observed that ‘training’ and ‘energy management’ are the two areas wherein all the hotel companies are investing their CSR funds. The second most covered areas are ‘recruitment’ and ‘water conservation’. In addition to this, it is also seen that ‘disaster management’ is the most ignored area. In this area, only Taj hotel is investing. ‘Pollution control’ and ‘cultural heritage’ are also not very popular among the hotel companies as only 50% of these companies are covering these areas.

Table 1: Number of areas being covered (*Source: Authors’ own creation*)

		Hotel 1	Hotel 2	Hotel 3	Hotel 4	Hotel 5	Hotel 6	Hotel 7	Hotel 8	Hotel 9	Hotel 10
	CSR Activities	The Indian hotels Co.Ltd.	EIH Ltd.	lemon Tree	Westlife DEV	Mahindra Holidays	India Tourism D	Taj GVK Hotels	EIH Assoc. Hotel	Hotel Leela	Oriental Hotels
	People (Workforce)	4	4	3	3	4	4	3	2	3	3
CSR1	Recruitment	1	1	1	1	1	1	1	0	1	1
CSR2	Training	1	1	1	1	1	1	1	1	1	1
CSR3	Diversity / equal opportunity	1	1	1	0	1	1	0	1	0	0
CSR4	Health and safety	1	1	0	1	1	1	1	0	1	1
	Planet (Environment)	8	5	6	4	6	7	3	2	5	4
CSR5	Energy management	1	1	1	1	1	1	1	1	1	1
CSR6	Water conservation	1	1	1	1	1	1	0	1	1	1
CSR7	Waste management	1	1	1	1	1	1	0	0	0	1
CSR8	Pollution control	1	0	1	1	0	1	0	0	1	0
CSR9	Disaster management	1	0	0	0	0	0	0	0	0	0

CSR10	Sustainability	1	1	1	0	1	1	0	0	1	1
CSR11	Cultural heritage	1	0	0	0	1	1	1	0	0	0
CSR12	Cleanliness programs	1	1	1	0	1	1	1	0	1	0
	Community	3	3	3	0	3	0	1	3	2	2
CSR13	Community/Social welfare	1	1	1	0	1	0	0	1	1	1
CSR14	Education	1	1	1	0	1	0	1	1	0	1
CSR15	donations	1	1	1	0	1	0	0	1	1	0
Total		15	12	12	7	13	11	7	7	10	9
%		100.00	80	80	46.67	86.67	73.33	46.67	46.67	66.67	60.00

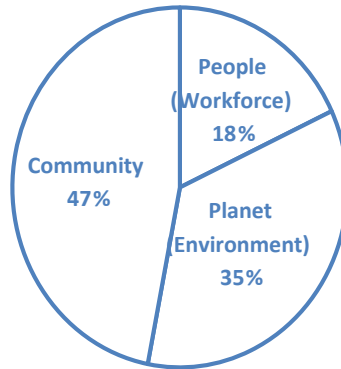


(Source: Authors' own creation)

Table -2: Total CSR Spending by Top 10 Companies (Source: Authors' own creation)

Major area of CSR Activities	The India n Hotels Co. Ltd. Actual amt Spent	EIH Ltd. Actual amt Spent	Lemon Tree Actual amt Spent	Westl if e DEV Actual amt Spent	Mahin dr a Holidays Actual amt Spent	India Tourism Actual Amt Spent	Taj GVK Actual amt Spent	EIH Assoc Actual amt Spent	Hote l Leel a Actual amt Spent	Orie nta l Hotel Actual amt Spent	Total CS R Spending by Companies
People (Workforce)	173.11	0	0	0	0	0	0	0	0	0	173
Planet (Environment)	237.06	2.48	0	0	43.12	29.8	22.42	1.44	0	0	336
Community	117.17	23.97	0	0	297.08	0	0	12.1	0	0	450
Total CSR Amt Spent	527.34	26.45	0	0	340.2	29.8	22.42	13.54	0	0	960
People (Workforce) %	32.83	0	0	0	0	0	0	0	0	0	18
Planet (Environment) %	44.95	9.376	0	0	12.675	100	100	10.64	0	0	35
Community %	22.22s	90.62	0	0	87.325	0	0	89.36	0	0	46.9

CHART -2: CSR SPENDING BY TOP 10 COMPANIES



After having the overall examination of annual reports of 2017-18 of these ten hotels, it was realised that an in-depth analysis of their individual reports will also serve the purpose of study. We have identified the major activities in 2017-18 were performed in the following areas of People, planet and community. The major points are being presented here:

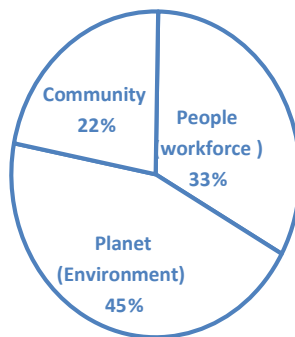
1. The Indian Hotels Company Limited

- The prescribed CSR Outlay (2% of the average net profit as per annual report) of the Company is 5.23 crores and CSR spent during the financial year is 5.27 crores.
- The company now has 79 EarthCheck certified hotels, of which 67 are Gold Certified, 9 are Silver certified and 3 are Bronze Certified. This is the highest number of EarthCheck Gold certified hotels for any hospitality company in the world.
- The Company's hotel Taj Krishna Hyderabad won the CII National Award for Excellence in Energy Management 2017, in the Buildings Category. In the CDP India Climate Change Report 2017, your Company has achieved a score band C, ranking among India's top 200 companies across 10 sectors.
- Taj major focus areas for 2017-18 have been Building Livelihoods by Vocational skilling, being a responsible neighbour by promotion and development of traditional arts and handicrafts, environmental sustainability,
- In Community welfare the company provides educational scholarships to students through the 'Golden Threshold Programme', offering a Bachelor's degree in vocational education. It is run in partnership with Tata Institute of Social Sciences. Over 100 students are currently undergoing training as a part of this three year in-house training programme at select Taj Hotels.



- In other initiatives, the company established the Taj Public Service Welfare Trust in December 2008 in the aftermath of the 26/11 terror attack to provide relief to individuals and families affected by terror attacks, natural calamities and other tragic events in the future.
- In 2017-18, through the Taj Public Service Welfare Trust, Indian Hotel Company has enabled:
 - 136 children from terror-affected families to continue their education
 - 23 survivors of terror attacks to access life-saving medical care
 - 107 widows, senior citizens and persons in severe poverty to live with dignity after surviving the 26/11 and 13/7 attacks
 - 72 disabled and injured soldiers to learn skills that will secure a dignified livelihood through the Unsung Heroes Programme
 - More than 20,000 flood-affected families in Gujarat, Bihar and Rajasthan to access emergency relief, including safe drinking water, medical attention, emergency shelter and basic amenities.
 - Going Forward in 2018-19, the Company intends to focus on developing direct farm to market solutions in partnership with Tata Trusts to increase our outreach and impact on livelihoods. As a part of its ongoing skill training endeavours, the Company plans to offer special scholarships for training and industrial exposure for deserving youth from remote regions and low-income families, aimed at enabling the inclusion of less-privileged women, Dalit and tribal youth. Spoken English, soft skills and work readiness trainings shall be offered to increase these youth's access to opportunities for employment in the ever-growing hospitality and service industry.

CHART -3: THE INDIAN HOTELS COMPANY LIMITED CSR SPENDING

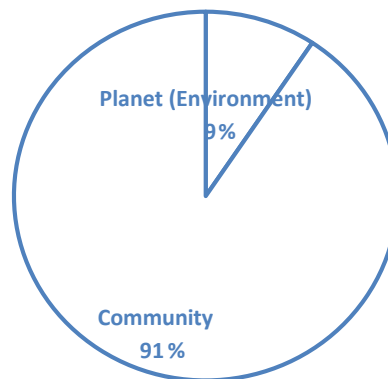


It can be observed from the above chart-3, that ‘Indian hotels company’ is spending 33% on People, 45% on Planet and 22% on community. The company spends more on environment related activities for which company has also been recognised and awarded which can be seen from the major activities mentioned above for the company.

2. EIH

- The CSR Committee and the Board have approved that the balance unspent amount of 3.93 million, be carried forward to the next Financial Year 2018-19 to be spent on the ongoing CSR projects and/or any other CSR activity that may be identified by the CSR Committee.
- In case the Company has failed to spend the two percent of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board Report.
- The CSR Committee states that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the Company.
- EIH has been promoting social, economic and educational needs of the marginalised underprivileged children and Swachh Bharat Abhiyan sanitation program.

CHART -4: EIH CSR SPENDING



It can be seen from the above chart-4, that EIH company is spending nil on people, 9% on Planet and 91% on Community. The company spends most of the funds on community related activities.



3. Lemon Tree Hotel

- In terms of CSR policy, the company plans to undertake CSR activities/ programs but due to unavailability of average net profit calculated in terms of section 198 of the Act, the company not required to spend on the CSR activities mentioned in the schedule.
- But the Company has been taking initiative to perform activities in area of people for which the company has been ranked 12th in Asia's best large workplaces in 2018 by the Great Place to Work Institute and they are the only Indian company in the top 15.
- Lemon Tree Hotels has its own benchmark at 20% and growing it to by 40% by 2022 whereas Government directive to all government bodies/PSUs is to earmark 3% of staffing for disabled people.
- Company has also received National Award for the empowerment of Persons with Disability in 2011, 2012, 2016.
- Moreover, the fact that the Company has no profits, the company has also been performing activities related to planet and community to remain connected.

4. Westlife DEV Hotel

- Total Spending on Corporate Social responsibility (CSR) as percentage of profit after tax (%) is nil and list of activities in which expenditure in above has been incurred is nil.

5. Mahindra Holidays

- During the year under review, the Company has spent 340.20 lakh on CSR activities. The amount equal to 2% of the average net profit for the past three Financial Years is 340.00 lakh.

Manner in which the amount spent during the financial year is detailed below:

- Promotion of Education: NANHI KALI – Provides educational support (material & academic) to underprivileged girls in India through an after-school support program. 4,670 girls were supported by your Company.
- Promoting education & enhancing the vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects including renovation of school buildings and classrooms.
- Ensuring Environmental Sustainability: Conservation of natural resources, Swachh Bharat, Environment Sustainability
- Health Care including preventive health care

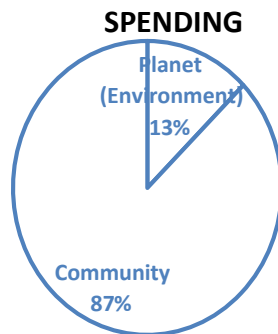


- Rural Development and promoting gender equality: Rural Development, promoting gender equality, empowering women and Supporting orphanages & underprivileged children

Award :

- As defined in the Company’s CSR Policy, it continues to focus its CSR efforts towards girl child education, empowering women, health, environment, community welfare and skill development. Mahindra Holidays won the ET NOW Rise with India – CSR Leadership Award for ‘Regulation of Corporate and Environmental Behaviour 2017 – 2018’.
- It also received ‘Good Corporate Citizen’ Award from the Bombay Chambers of Commerce & Industry in the Social Development category.
- Apart from working with NGOs, foundations and trusts, and contributing resources for socially relevant projects, the Company also encourages community service by its employees by involving them through its ‘Employee Social Options Program’.
- During the year, 4,946 employees volunteered 17,386-man hours on CSR initiatives. Overall, the Company carried out around 372 different initiatives, which directly benefited over 36,600 people during the year.
- During 2017-18, 22 resorts participated in sustainability reporting of the Group. In recognition of its efforts in sustainability, Mahindra Holidays received the prestigious ‘Golden Peacock Award for Sustainability 2017’.

CHART -5: MAHINDRA HOLIDAYS CSR



It can be analysed from the above chart-5, that Mahindra Holidays is spending nil on people, 13% on Planet and 87% on community. The company spends more on community related activities. The company has been recognised by different awards as mentioned above in manner in which the amount spent during the financial year.

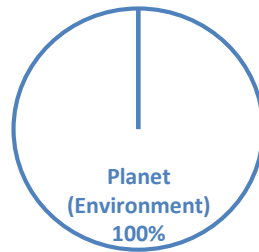


6. India Tourism

ITDC has undertaken the following activities under CSR:

- Community based skill development programmes and sanitation and hygiene for Swachh Bharat Swachh Paryatan Project undertaking cleanliness and maintenance of Qutub Minar, Red Fort and Purana Quila.
- Expenditure on above activities during 2017-18 (upto 30.11.2017) was approx. Rs 29.80 lakh, subject to payments released.
- To encourage State/ UT Governments to maintain the tourist place clean, a new award category titled “Swachhta Award” has also been instituted by the Ministry for best maintained tourist place in the country in the National Tourism Awards. Govt. of Telangana has been selected for the Swachhta Award for the year 2016-17.

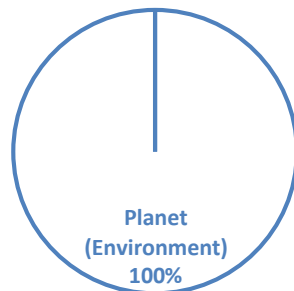
**CHATRT -6: INDIA TOURISM
CSR SPENDING**



It is found from the above chart-6, that ITDC is spending nil on people and community and 100% on planet. The company spends all CSR amount on environment related activities in financial year 2017-18.

7. Taj GVK Hotels

CHART-7:TAJ GVK CSR SPENDING



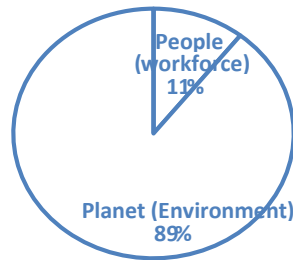


It is obvious from the above chart-7, that Taj GVK is spending nil on people and community and 100% on planet. The company spends all CSR amount on environment related activities. The CSR Committee discussed and approved to spend amount towards contribution to rejuvenation of Lake at Bengaluru.

8. EIH associated hotels limited

- Prescribed CSR Expenditure (two percent of the amount) in 2017-18 was 14.04 Million (including 3.46 Million unspent CSR amount relating to Financial Year 2016-17) and amount unspent was 0.50 Million.
- Manner in which the amount spent during the Financial Year is on CSR projects Promoting social, economic and educational needs of the marginalised under-privileged children of the society and ‘Swachh Bharat Abhiyan’ Sanitation Programme.

CHART-8: EIH ASSOC. CSR SPENDING



It can be observed from the above chart-8, that EIH Assoc. is spending 11% on people, 89% on planet and nil on community.

9. Hotel Leela

Since the Company does not fall within the criteria of turnover and/or profit, due to continuous losses in the preceding financial years the Company is not required to form a CSR Committee nor required to contribute to the CSR activities as mandated under the provisions of section 135 of the Companies Act 2013. However, the Company continues to undertake CSR activities for the benefit of the local communities nearby its hotel properties.

Major activities



- The entire Leela family across all nine hotels in major cities and resorts around the country, has taken great pride in renewing its commitment towards protecting environment.
- The World Environment Day was commemorated by planting myriad tree saplings at The Leela properties as well as adjoining areas to promote greening and benefit surrounding communities. The efforts were further bolstered with destination-specific activities, such as The Leela Udaipur's team helping local authorities clean up the country's oldest artificial Lake Pichola to initiating week-long Leela cleaning drives of the popular Mobor beach by The Leela Goa.
- Participated in Earth Hour 2018, an initiative of the World Wildlife Fund (WWF), the worldwide movement where all signages and non-essential lights at The Leela properties around the country were turned down and the essential lights were dimmed to safe level.
- On the social sustainability front nurturing underprivileged communities, conducting donation drives for children as part of charitable giving, continuing skill-based training for the youth, and providing on-going support to local artisans while promoting traditional craftsmanship.
- Each property further strengthened partnerships with local NGOs for charitable donations, including, daily meals, clothing, shoes and books to underprivileged children. Additionally, The Leela Mumbai implemented an innovative soap-recycling educational program in partnership with the Sundara foundation.

10. Oriental Hotel

- The Company does not fall under the category of companies required to spend the prescribed amount towards CSR activities due to inadequate profits.
- Company works towards facilitating sustainable livelihoods by providing adequate opportunities to the youth of rural and less-privileged sectors of society. The Company hotel units, which are in smaller cities, are engaged in community initiatives such as education and nutritional awareness.
- However, the Company had spent 45 lakhs during the financial year 2017 – 18 on a voluntary basis, through its various hotel units towards education and other social welfare measures which includes payment of school fees, distributing rice to the fisherman's family during the non-fishing period etc.

IMPLICATION AND FURTHER SCOPE OF THE STUDY

Survey by CRISIL Foundation indicated that almost two-thirds of the respondents had less than five dedicated personnel for CSR activities, indicating companies have underinvested in building their own capacity to provide strong oversight. It said the stipulation that overhead costs cannot exceed 5 per cent of the total CSR spend could be one of the key drivers for companies dedicating a small team for CSR. An increase in the limit can ensure a more direct involvement of companies by helping them build



bigger teams for CSR. Also, as the use of implementing agencies is inevitable for execution, steps can be taken to promote benchmarking of NGOs to gauge their execution capability and usher in standardisation. A further study can also be taken up to do a comparative analysis between Indian companies and MNC's in the hospitality sector.

CONCLUSION

With growing market size of hospitality industry Corporate Social Responsibility has become essential for hospitality industry. It is evident from analysing the programs and practices of the top 10 hotels, the Indian hospitality industry is actively participating in CSR activities despite their financial constraint which proves that this is the need of the hour. CSR practices in Indian tourism and hospitality industry in 2024 emphasise sustainability, stakeholder engagement, and integration of ESG with persistence of challenges like financial constraints and strategic implementation of CSR practices. Future direction of research should focus on standardised reporting, mixed method research and aligning CSR initiatives with SDGs. Community involvement and innovative technologies will play a pivotal role in sustainability in long term and will help companies to achieve competitive advantage.

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