

# CSR: A MYTH OR REALITY IN INDIAN TOURISM INDUSTRY

**Dr. Silbert Jose S. V.**

Assistant Professor,  
Mar Ivanios College, Thiruvananthapuram.

**Abstract:** For past many years' corporate social responsibility and sustainable development has been the primary agenda of governmental and non governmental agencies this should be adopted as a turning point to preserve ecosystem and biodiversity. It creates limit growth and improves the quality of host population. Tourism plays a vital role for the development of host community as a way to gain income and market opportunities for handicraft, cottage and village industries as well as medium enterprises, especially developing countries like india.CSR in tourism means a triple line concept i.e., economically, ecologically and socially responsible from the stakeholders as well as the tourist who visit the destinations.ITB Berlin and World Bank charted CSR most needed entity for the growth of tourism and it was marked as the need of the hour .OECD guide lines for multinational corporations can help to ensure corporate social accountability for corporate companies not for tourism services.

**Key Words:** Social Responsibility, Accountability, Fragile, Multinational, Holistic, Environmentally, Sustainable, Supernatural.

## I Introduction

Developing Countries like India tourism is seen as a pivotal option for economic growth but unsustainable tourism practice can impact environmental, cultural,economic and health related issues pulls down the apt scenario in tourism. To avoid or minimize this dilemma. CSR can play a vital role to cut down negative impacts on the environment, society, culture and in economy. Corporate social responsibility standards and practices have been developed by Public as well as private sector for the smooth functioning of allied services in tourism. CSR concept is depends on codes of conduct it is reflected on the conservation of our natural, Cultural and aesthetic resources, protection of our environment the spirit of welcoming among our enterprises, employees, host communities leads to a country with potential conditions for sustainable tourism.

## II Literature Review

Singh and Ahuja (1983) made content analysis of 40 annual reports of public sector companies 25 years back. It covered 33 items of social disclosure. The authors attempted to examine the relationship between corporate social reporting and company size, age, profitability and industrial grouping.

Cowen *et al* (1987) reported that 123 companies out of 202 provided some information in their Director's report concerning some areas of social responsibility.

Gary and Gray (1988) concluded that corporate social responsibility is a part of value added statements (VAS) and shall promote cooperation among various stakeholders though there is some ambiguity regarding the inclusion of some parties as genuine stakeholders.

**Research Objectives**

- To finding the CSR initiatives in service industry
- To analyze the myth and reality characteristics of CSR in service/tourism industry
- To figure out the holistic approach in tourism industry
- To analyze overall CSR activities carried out Indian service Industry.

**Research Methodology**

This paper is prepared upon secondary data. The data required is collected from the necessary published and unpublished information and from the internet sources wherever necessary

**CSR a myth**

CSR having mythical sense from Indian sastra deals the ultimate aim of creating wealth is said to be giving donations and on enjoying Atarva Veda (XII) stated that 'whatever I dig from Earth may that have a quick growth again. O purifier, may we not injure your vitals or your heart. Prithivi Suktha verse 12 262 says "May the Earth bring us closer to her through her middle portion, and the energy which resides throughout her body. This land is my mother; I am the son of the Earth. May she nourish, protect, and maintain us in an appropriate manner. The Father is the sky who sustains us with rain"

**CSR and Tourism growth**

CSR is a concept which suggests that commercial and public corporations must fulfill their duty of providing care to the society. For the past many years corporate social responsibility and sustainable development has been the primary agenda of governmental and non governmental agencies this should be adopted as a turning point to preserve ecosystem and biodiversity .It creates limit growth and improves the quality of host population. Tourism plays a vital role for the development of host community as a way to gain income and market opportunities for handicraft, cottage and village industries as well as medium enterprises, especially developing countries like India.

Ethical behaviour of CSR means towards society promoting activities like engaging directly with local communities, identifying their basic needs, and integrating their needs with business goals and strategic intent it also integrates social and environmental concerns in the tourism business and their interactions with the stake holders on a voluntary basis.

**Sustainable and Social Responsibilities**

Sustainable development means development that meets the needs of present and next regions while protecting and enhancing opportunities for the future. It requires a holistic integrated perspective for the absolute growth of tourism and tourism allied industries the principles of sustainable tourism are

- Preserve, protect and conserve sustainable resources.
- Sustainable approach must be multi stake holder.
- Environmentally responsible.

- Local population are benefited or involvement of host population.
- Provide fairly remunerated employment for the local people.
- Economic sustainable.
- Strategic planning.
- Social responsibilities must be triple-bottom approach (environment, social, economic)
- Leadership role must be played by the government.
- Optimum guest satisfaction and educate tourist about environmental, social and cultural concerns.

### CSR benefits in Tourism

1. Recognition in the local, national and global market place for sustainable tourism practices.
2. Attract more tourist, wants to support recreation, tourism organization are compliance with the most progressive sustainability standards and practices in travel and tourism industry.
3. Bonded bottom line approach for environmental social and economic compliance to be cost effective and can reduce a tourism company operating cost.
4. Preserve the culture and nourishes the cultural diversity with the participation of host population.
5. To create environmental responsible awareness to guest and host.

### Caroll's CSR Responsibility relate with tourism.



*Source: Carolls Pyramid of Corporate Social Responsibility*

Philanthropic responsibility defined as the voluntary responsibility of the enterprises in tourism it reflect the current expectations of the public towards the enterprise and it are “wanted”. In philanthropic responsibilities the activities engaged as what the society expect from a tourism enterprise i.e., charitable society expectation, participant in cultural

engagements, benefits to the local community the project improving the quality of community.

Ethical responsibilities are including the new values and norms that the society expects and fulfilled by the tourism enterprises. Such values and norms are reflect higher performance standards by law it must be reflect the concern towards the consumers, employees, share holders and the community consider to be correct fair and in compliance with protection of the moral rights of stake holders it is 'expected'. Legal responsibility means the requirements that are placed on it by the law. Legal responsibilities can range from securities regulation to labour law, environment law and criminal law. Economic gain means the enterprises primary concerned with turning a profit for making the profit the enterprises should be focus on healthy competition with maintaining ethical standards of business with profit making legal and economic responsibility are "requested".

### **Indian Companies Act and CSR**

In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013, which was passed by both Houses of the Parliament, and had received the assent of the President of India on 29 August 2013. The CSR provisions within the Act is applicable to companies with an annual turnover of 1,000 crore INR and more, or a net worth of 500 crore INR and more, or a net profit of five crore INR and more. The new rules, which will be applicable from the fiscal year 2014-15 onwards, also require companies to set-up a CSR committee consisting of their board members, including at least one independent director.

The Act encourages companies to spend at least 2% of their average net profit in the previous three years on CSR activities. The ministry's draft rules, that have been put up for public comment, define net profit as the profit before tax as per the books of accounts, excluding profits arising from branches outside India.

Clause 135 of the Act lays down the guidelines to be followed by companies while developing their CSR programme. The CSR committee will be responsible for preparing a detailed plan on CSR activities, including the expenditure, the type of activities, roles and responsibilities of various stakeholders and a monitoring mechanism for such activities. The CSR committee can also ensure that all the kinds of income accrued to the company by way of CSR activities should be credited back to the community or CSR corpus

### **Findings and suggestions**

- CSR is not a myth it is a reality in tourism and allied services.
- CSR in tourism to improve performance of the products like (new environmentally and social products)
- Support values and ethical bases of tourism in Companies.
- CSR is to gain customers and employee loyalty.
- Local community should be benefited through CSR activities like Brand building.
- Proper CSR initiatives plays significant role in poverty alleviation through tourism by creating employment both directly and indirectly.

### III Conclusion

CSR and sustainable tourism help to overcome negative impacts associated with tourism development. CSR could help in the number of issues facing tourism with regard to promoting sustainable tourism practices for that industry must expect government involvement and support for the successful implementation. Government should focus their capacity building efforts on suppliers, and as legislated compliance, increase public private partnership of training for environmental and social awareness offer incentives to the tourism sector in order to support and sharing best practices. Encourage industry associations to make adherence to sustainable or responsible tourism policies to become progress in tourism. Make policies for reporting CSR practices by tour operators, airlines, cruises, hotels and destination and also make sure to be implementing the CSR regulations.

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