

## The Engagement of Hotels in CSR Program for the Host Community Based on United Nations, Sustainable Development Goals (UN SDG) 2030

ความผูกพันของธุรกิจโรงแรมในด้านความรับผิดชอบต่อสังคมและสิ่งแวดล้อมขององค์กรเพื่อประโยชน์ของชุมชนโดยอาศัยหลักการพัฒนายั่งยืน ค.ศ. 2030 ขององค์การสหประชาชาติ

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### Abstract

Hotel business is one of the key resources of tourism and hospitality industry that has the essential connection to the quality and well-being of the destination and host community in term of economic, social and environmental aspect. CSR program becomes a regular practice of hotels showing the ethical responsibilities to the public sector as well as creating the positive image of the business. Hotels could engage themselves in designing the remarkable and effective CSR program by applying the global commitment of United Nations, Sustainable Development Goals (UN SDG) 2030 in order to create the worthy understanding and relationship between hotels and host community. The goals of UN SDG 2030 aim to stop poverty, improve quality of people's life and preserve the natural resources which are the main structures of sustainability. The objective of this article is to present the good CSR practice of Sampran Riverside hotel in Nakornpatom, Thailand as they achieve the positive consequences for the key players in tourism and hotel industry.

**Keywords:** Hotel Engagement, CSR, Host Community, UN SDG 2030

### บทคัดย่อ

ธุรกิจโรงแรมเป็นหนึ่งในทรัพยากรที่เป็นปัจจัยหลักของอุตสาหกรรมการท่องเที่ยวและอุตสาหกรรมบริการซึ่งถือว่ามีความสัมพันธ์ที่สำคัญต่อคุณภาพและความเป็นอยู่ของสถานที่ท่องเที่ยวและชุมชนในด้านของเศรษฐกิจ สังคมและสิ่งแวดล้อม ความรับผิดชอบต่อสังคมและสิ่งแวดล้อมขององค์กรได้กลายเป็นการปฏิบัติตามปกติทั่วไปของธุรกิจโรงแรมเพื่อแสดงถึงความรับผิดชอบต่อหลักจริยธรรมที่มีต่อส่วนรวมอีกทั้งยังสามารถ

สร้างภาพลักษณ์ในเชิงบวกให้กับธุรกิจ ธุรกิจโรงแรมสามารถออกแบบโครงการความรับผิดชอบต่อสังคมและสิ่งแวดล้อมขององค์กรที่มีความโดดเด่นและมีประสิทธิภาพโดยใช้ข้อตกลงร่วมกันในระดับโลกขององค์การสหประชาชาติในเรื่องของเป้าหมายการพัฒนาที่ยั่งยืน ค.ศ. 2030 เพื่อสร้างความเข้าใจและความสัมพันธ์ที่มีคุณค่าระหว่างโรงแรมและชุมชน วัตถุประสงค์ของการพัฒนาที่ยั่งยืน ค.ศ. 2030 ที่มีจุดมุ่งหมายเพื่อจัดความยากจน มุ่งเน้นการพัฒนาความเป็นอยู่ที่ดีของชุมชนและการอนุรักษ์สิ่งแวดล้อมทางธรรมชาติซึ่งถือได้ว่าเป็นโครงสร้างหลักของการพัฒนาอย่างยั่งยืน บทความนี้จะได้นำเสนอการการปฏิบัติการที่ดีในด้านความรับผิดชอบต่อสังคมของโรงแรมสามพรานริเวอร์ไซด์ในจังหวัดนครปฐม ประเทศไทยที่บรรลุผลในเชิงบวกสำหรับผู้มีส่วนได้เสียหลักในอุตสาหกรรมท่องเที่ยวและอุตสาหกรรมโรงแรม

**คำสำคัญ :** ข้อผูกพันของโรงแรม ความรับผิดชอบต่อสังคมและสิ่งแวดล้อมขององค์กร ชุมชน การพัฒนาที่ยั่งยืน ค.ศ. 2030

## Introduction

Travel and tourism is one of the fastest growing economic sectors in the world (WTTC, 2017). Many destinations with abundant natures in terms of geographic location such as mountains, national parks, beaches, islands, historical sites, and cosmopolitan cities are very well-known among tourists. With the increasing number of tourist visiting popular destination, there are a bigger chance that the environment and community in those destinations will be damaged. Sustainable development is considered as a key concept in preserving the destinations and the locals.

Comparing all hospitality sectors, the hotel industry has been recognized as the most damaging sector to the environment regarding its severe use of resources (Rahman, Reynolds, & Svaren, 2012). In that way, the hotels should provide assistances to the destination and community since the success of their business depends on the quality of the surrounding areas and the guest experience during their visit. Furthermore, hotel developers should seriously consider the proper management of economic, cultural and social impacts in order to be successfully sustainable, as sustainable tourism development is not only about improving the environment or product quality or flourishing the old tradition and culture of community (Masa'deh, Nasseef, Sunna, Suliman, & Albawab (2017).

Golja and Nizic (2010) mentioned that the hotel organizations should give the essential concern on environment, respect the community's culture and diversity, as well as to be open-minded for any discussion in order to bring distributed resolution.

The negative impacts of tourism are the concerns in the environment and local cultural sides and the destinations' lifestyle from the incoming culture through tourists that may influence the host community to adopt the incoming culture and lifestyle, and forget its own culture and tradition (Poudel, 2013).

In order to protect and preserve the authenticity of the host community, some serious actions need to take place from both public and private sector. Therefore, the government should set new policies in applying new sustainable concept such as the 17 goals of UN SDG 2030 which main concern is to focus on both, the undeveloped and developing countries in order to improve the quality of life of the host community, and give a positive impact on tourism industry (Transforming our World: The 2030 Agenda for Sustainable Development, 2015).

The hotel can apply sustainable concept via Corporate Social Responsibility (CSR) program, it is the practice by the business companies which is a voluntary activities with the external factors and stakeholder management; social and economic responsibilities arrangement, in consideration of practices and values as well as practicing CSR activities in a way that beyond the benevolence (Hamidu, Haron, & Amran, 2015).

### **Literature Reviews on CSR Program**

There are many academic research papers in a contemporary world about the CSR with the intention to explain its perspectives and a framework used for the tactical drives and suggestions of CSR consideration (Golja & Nizic (2010).

CSR is a summative form of ethics and responsibilities which allows organizations to study and examine their impact on society and in considering their responsibilities toward both stakeholders and society (Khazaeli, 2012).

Casado-Diaz, Nicolau, Ruiz-Morena, and Ricardo (2014) mentioned that CSR practice is considered as a new business management model which companies increasingly agree to put in their plan and strategy in which can be used to increase the economic productivity. The purpose of CSR from a stakeholder's viewpoint is to "maximize shareholder value and benefit under the working environments, to make it fair to all its stakeholders, employees, customers, the community, governmental and non-governmental parties, as well as the environment" (Goyal, Saini, & Singh, 2010).

Usually, the key factors affecting the buying intent and actual performance of hotel customers are geographical location, room rate and word of mouth, however the service

quality, hotel culture, chain branding and image, loyalty membership campaigns and web page approachability also affect the variation of hotel types as well as an increasing number of customers (Kuan, 2013). In order for the hotels to develop and enrich their brand image by using CSR program, they need to take into consideration that the more their policy create the emotional and social aspects such as ethical support to local community, responsible behavior for environment, and fair management to employees, the more their policy is effective; however they need to excellently communicate this strategy to their customers since the mentioned influences will happen when customers aware of the actual hotels' CSR performance (Martínez, Pérez, & Bosque, 2014).

Hotels create a significant volume of waste, energy and water consumption, however, the tourism companies which include hotels and tour operators can provide positive impact to the social and economic development of the area they run their business in (Golja & Nizic, 2010).

In addition, Reshma (2016) studied that hotels have a positive influence to CSR engagements in which the hotel business plays a crucial role in the connection with local businesses that promotes the better local economy, contribution to local employment as well as the donations to local community development with the intention of minimizing social and economic inequality of local people; nevertheless hotel business needs to realize that CSR accomplishments can offer a dominant public relations strategy that lead to company's competitive advantage and financial value and benefits.

## **Literature Reviews on United Nations, Sustainable Development Goals (UN SDG) 2030**

The 17 Sustainable Development Goals 2030 is adopted at the United Nations Sustainable Development Summit on 25 September 2015 (UN, 2015) in order to encourage actions from all stakeholders in hospitality and tourism sector by focusing on People, Planet, Prosperity, Peace and Partnership.

The aims of improvement according to the agenda are to end poverty and hunger, to ensure that all human beings can satisfy their potential in dignity and equality and in a healthy environment, to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations, to ensure that all human beings can enjoy prosperous and fulfilling lives and that economic,

social and technological progress occurs in harmony with nature, to raise peace and safety, for people in the societies to feel that they are free from fear and violence, to get participation from the Global Partnership by focusing on the poorest and most vulnerable and with the participation of all countries, all stakeholders and all people, with the intention to better the world (Transforming our World: The 2030 Agenda for Sustainable Development, 2015).

UN SDG 2030 is cohesive and united as well as balances the three dimensions of sustainable development: the economic, social and environmental aspects and they aim to encourage the potential action and committed to achieve the goals over the next fifteen years in areas of critical importance for humanity and the planet (UN, 2015).

As mentioned in the Sustainable Development Goals High Level Political Forum United Nations, New York, 18 July 2017 that one of the many challenges which various countries are facing in the execution of the UN SDG 2030, is how to certain the appropriate authority, control and coordination structures across official ministries and levels of government. However, UN SDG 2030 has been developed to provide flexibility and choice of application to countries and organizations similar to improving the action plans to achieve the aimed targets (First Sustainable Development Goals Summit 2017, India).

In order for hotels to design the operative CSR program by using a pattern of UN SDG 2030, they need to understand the clear objective and area of development as there are some similarities in term of activities to accomplish the goal of both CSR and UN SDG 2030 (First Sustainable Development Goals Summit 2017, India) as well as the understanding of the dependent relationship that the hotel sector and local community need to rely on each other as “win-win” partners.

As Carneiro and Eusébio (2015) stated in the study that the locals can gain more secured feeling towards the tourist activity and its possible consequences if they have the interaction with the visitors in terms of information exchange or the regular contact of tourism activity.

By itself, the good understanding and relationship among all stakeholders will create the safety at the destination which is essential for hotels, visitors as well as the locals, as Mawby, Tecău, Constantin, Orcid, Chitu and Tescasiu (2016) indicated that a high level of safety and security standard is a necessity of the development of tourist destination.

There are three main components in tourism which are destination, host community and tourists; this brings people from various and diverse cultural, social, and economic backgrounds

together (Boz, 2017) and with the nature of hotel business, it has the involvement with all components.

### **Relationship of Hotels & Host Community**

The hotel industry is considered to be one of the most important components of the hospitality industry because of the ever-increasing demand from national and international visitors. The hotel industry has generally been recognized as being in a position to contribute positive impacts to all stakeholders by creating more job opportunities for local people, improving the quality of life of residents, forming a multiplier effect to economic sector, generating more tax income to country, creating a better Gross Domestic Product (GDP), developing international understanding towards diversity for both service providers and tourists, increasing self-esteem of locals, promoting the beautiful nature in its location, making the destination more popular through a strong positive image among locals and visitors.

Additionally, sustainable concepts have been promoted in all sectors of hospitality business so that they can take the right action based on these. There are studies mentioning that sustainable concept is one of the main interests of travelers nowadays. Accordingly, mass tourism has the possibility to create negative impact to host community if the hotel business does not develop the right strategy and management about the destination beforehand.

Building a good relationship between hotels and host community is the key factor for creating sustainable practice and benefit to all stakeholders in a long-run. In addition, the influence of the UN SDG 2030 can be applied by hotels in performing CSR program as both of them have relationship with the destination in term of environment, society and economic aspect. The hotels have many ways to engage themselves throughout the guest cycle and CSR program is an interesting choice to create business value and a positive image. Using CSR can help the hotel engage with the destination and host community in new ways because the main concern delivered is about doing “good”, it can be the way to communicate to public, as well the good marketing tool.

The Sampran model has been created in order to help the farmers to overcome their unfair and miserable situation through teaching them about the negative environmental impacts of using toxic chemicals with their crops and to encourage them to convert to organic agriculture. Moreover, Sampran model also aims in helping all farmers in selling their

product directly to the end users through new market channels such as Sampran Riverside, Sookjai Weekend Farmer's Market, Sookjai Market Roadshow and the Sookjai Organics Website. Through these supports, the farmers will be able to sell at reasonable price as vice versa to the consumer who will have organic product at fair price.

Besides, Pulido-Fernández and López-Sánchez (2016) stated that the tourists who have high awareness, obligation, attitude and/or activities in connection with sustainable concept and practice are willing to pay extra charge to visit a tourism destination that have high concern to sustainability.

The hotels have an opportunity to get better guests' satisfaction and their repeat purchase intention in the future by building a good relationship with the local community as they create more job opportunities for local people, respecting value and authenticity of local culture and tradition, performing helpful activities for the local community (Kuan, 2013). Moreover, the local community turns out to be a key component of hotel's surrounding area as well as a very important basis to support the daily operations of the hotel business (Kuan, 2013).

Therefore, having the hotel business in the destination should not bring any social, environmental and economic degradation to the destination as well as local community; ethically the hotels should emphasize on creating programs and activities for the advantage of the residents intended for the long-term relationship that would benefit both parties.

### **Engagement of Hotels in CSR Program**

Therefore, setting CSR program and activity in hotel's strategy and keep habitually practicing for the benefit of their own reputation and financial outcome as well as the better quality of life of local community is one of its major roles.

Furthermore, hotel sector with the practice of CSR activities create positive advantages to all stakeholders in terms of (1) the better health quality for both employees and customers since the hotels use environmental-friendly biological supplies and food ingredients; (2) the increasing income for the community from the hotel and visitor support in buying local products and this could lead to a better quality of life of residents; (3) more revenue to governmental organizations in form of tax due to the growing number of visitors and the better development of local companies; (4) providing good visitor experience both at the hotel and the destination especially once having a good interaction with locals. The good

relationship of all stakeholders in tourism, hotel and community with the responsible maintenance and improvement of the environment, social and economic is preferable.

The engagement of hotel in CSR program for the advantages of the destination and host community is obligatory as it is now the prime concern in global level stated in UN SDG 2030 with the purpose of minimizing the poverty and to improve people's standard of living.

The good practice of Sampran Riverside can well-describe the mentioned relationships and benefits as the hotel has been engaged in Organic Social movements that aimed to bring wellness and more balance to people's life had been working closely with local farmers in Nakornpatom, universities, government agencies, and private enterprises to promote organic agriculture under the 'Sampran Model', a sustainable business format based on fair trade and the Sufficiency Economy Philosophy.

Sampran Model project operates under Bliss Foundation with funding from Thai Health Promotion Foundation and Thailand Research Fund. As Thailand is well-known for being an agricultural country in which farming contribute to one third of Thailand's population, farmers never have the chance to dictate their favorable price as the middlemen were the people who were in control of price. As the middlemen control the market price and gain good profit out of the farmers' hard work and misery, the farmers' debt problems worsen because of health problem from being exposed to toxic chemical fertilizer everyday, which not only deteriorate the environment but prolonged the use of even more agrochemicals at the same time. Finally, because of the high expense but low income, farmers were having more and more debt by mortgaging their land and because of the increasing price of chemicals fertilizer in order to maintain the crops healthy.

As the social movement and trend nowadays is becoming more concerned about their health and beauty, these organic vegetables and products are being more and more consumed by people who are health concerned and at the same time like to eat clean food free from toxic chemicals.

## **United Nations Sustainable Development Goals (UN SDG) 2030 and Hotel Engagement**

The contact and relations between the locals and visitors can strengthen the feeling of having a better life among locals, possibly by reason of the concerns such as the chances for

socialization, which may contribute to a healthier socio-psychological well-being, at that point, the mentioned contact and relations should be promoted.

In addition, not only economic advantages, but social and environment benefits as the pride in local cultural, tradition, festival and natural heritage which could bring a respectable preservation of those valuable cultures and resources from both the residents and visitor perspectives.

Once the host community becomes conscious about benefits gained from hotel sector, they have high tendency to ensure good relationship with tourism. However, hotels have the important role and responsibility to educate their guests to perform as responsible visitors as visiting the destination and to respect the authenticity as well as to preserve the environmental resources of the host community.

In adopting the Sampran model, farmers do more than just farming, but are involved in production planning, post-harvest activities, processing, logistics, marketing and branding. They form groups of organic farmers who are self-reliant and could undertake the complete business model themselves.

In order to build awareness among youngsters, the Sampran model also provides activity such as organic farming at public schools and temple schools, by preparing organic vegetable plots on their schools grounds. The students were taught about organic farming and its health benefit, as well as the environmental benefits of organic farming. Through this activity provided by Sampran Riverside, students are able to harvest and eat for their own consumption at school and are able to sell any of the surpluses of crops at local market.

Sampran Riverside also engaged with the local community by providing them with a weekend farmers market place name Talad Sookjai that open every weekend for the farmers to sell their organic products directly to the public. Furthermore, in order for the local people to acquire more knowledge or skills about organic farming, Sampran Riverside also created a learning center with the help of Kasetsart University and Ministry of agriculture name Sookjai Foundation and funded by the Thai Health Promotion Fund with a goal for Sampran District to become a producer of organic fruits and vegetables.

## Conclusion

Hotel business depends on the environment and local community in order to create the quality destination for their guests and good income for their business, and if considering the hotel sector as one of tourism development organizations, they should implement strategies

which are able to stimulate and support the host-visitor interactions as Carneiro and Eusébio (2015) identified in the study that the tourism development organization should create the approaches to encourage more interaction between the visitors and community. This even become more valued in giving motivations to the locals when performing their traditional activities and presenting the authenticity of the community, as such, getting the appreciation from the visitors could help building a good relationship between the two parties, and there is an opportunity that tourism can get the better support in tourism services from the locals.

The successful engagement and contribution of hotels for the locals by application of CSR practice to attain the objectives of UN SDG 2030 could also coach local community to manage their own destination effectively and efficiently.

CSR policy is not just only the ethical responsibility that hotels could do, also providing a dependent significance of economic, social and environment, also a friendly relationship among hotels, host community and visitors in a long-run basis as well as enhancing positive impacts and minimizing undesirable effects to key stakeholders and resources by the application of the CSR program that based on the platform of UN SDG 2030.

Consequently, the host community in Nakornpatom that take parts in the CSR project of Sampran Riverside potentially has a better quality of life and standard of living from the tourism and hotel business while the hotel gains more reputation, income as well as good relationship with local people and visitors.

## **Recommendation**

As seen in the practice of Sampran Riverside, the hotels should have a long-term plan in building good relationship with the destination and host community in order to co-exist successfully together since they have mutual benefit in the tourism and hospitality industry. All key players can form an official team of committees to work closely and have more power when dealing with external partners. Additionally, hotels should create CSR program that encourage the visitors to understand and respect the culture and the way of life of the local people as the host community's authenticity represents the uniqueness of the destination. Furthermore, hotels should participate in UN SDG 2030 mission and objectives that improve people's value and make the world a better place. Also, the hotels should have an effective assessment and risk management in order to evaluate the taken actions if

there is any improvement or additional practice for the greatest outcome. Lastly, the hotel should apply value-base in CSR program to guarantee the positive result for stakeholders.

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