Article

CSR Communication among Tourism SMEs through Their Websites

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Abstract: Small and Medium Enterprises (SMEs) in tourism are increasingly communicating their Corporate Social Responsibility (CSR) initiatives via their websites to build a positive image and promote customer relationships. This study examined such CSR engagement and communications by tourism SMEs in Nepal based on qualitative analysis of website content and in-depth interviews. Google search engine was used to select SMEs, and textual data were extracted from their websites. Following data saturation, a review of twenty-five websites was initially compared, and the obtained information was subsequently evaluated with information provided through individual interviews. Overall, CSR activities were largely practiced at a philanthropic level, and to some extent, at an ethical level. SMEs were primarily focused on activities related to social and environmental issues within the communities in which they operate. The results of this exploratory study provide an initial assessment of CSR among tourism SMEs in Nepal and could assist tourism associations/organizations with initiatives.

Keywords: CSR; small and medium enterprises; travel; tourism; developing country; Nepal

1. Introduction

The adoption of Corporate Social Responsibility (CSR) by Small and Medium Enterprises (SMEs) in the tourism industry has been growing [1], as it encompasses social and environmental responsibilities [2]. Previous studies have largely focused on practices of SMEs, owner-manager mindset and its benefits, along with obstacles and motivators of CSR [3]. There is a paucity of research about the role and medium of communication by SMEs with regard to CSR practices [4].

In recent years, CSR communication has adopted a progressive online approach in lieu of traditional print media [5]. Most companies are engaged creating in visually appealing websites to communicate their CSR undertakings, and accordingly build their social image. Similarly, for SMEs, CSR websites represents a formal communication channel [6,7], which is generally affordable and an effective way to disseminate information to a broader audience. As a result, the evaluation of CSR website content has drawn attention among academics but is still in the nascent stage [8]. In addition, the focus has largely been among industrialized nations with limitations in the applicability of practices to developing countries [9].

This study offers an exploratory overview of SMEs in Nepal with respect to CSR engagement and communication based on information accessed from their key promotional platform--website. Nepal is a small developing nation in the Himalayan region that is highly reliant on tourism. Currently, SMEs largely orchestrate CSR in the tourism industry, but engagement has been reactive and conducted due to customers' pressure and demand [10]. In this study, three major questions were formulated with respect to SMEs. First, what is the level of understanding of CSR and actual practices? Second, which types of CSR activities
are involved? Finally, what is the quality of the content on CSR websites? The findings contribute to the literature along with practical implications for tourism-related SMEs in the country. The results could also be utilized for appropriate strategies to ensure convergence on understanding, implementing, and disseminating CSR standards and guidelines.

Currently, research about the role of tourism SMEs in CSR among developing countries is limited despite their significant contribution to the industry [1]. This study generates an understanding of CSR engagement of tourism SMEs based on a combination of website information and interviews. Furthermore, this study adds to the current comprehension of engagement among tourism SMEs by assessing the CSR pyramid concepts’ convergence, programs’ engagements, and website communications.

1.1. CSR and Tourism SMEs

The most widely accepted definition of CSR has been noted by [11], who conceptualized in terms of four distinct levels of responsibilities that businesses have towards society—economic, legal, ethical, and discretionary (philanthropic). The economic responsibility relates to the idea that firms should engage in activities of producing and selling goods/services at a fair price to create actual value. For legal responsibility, firms should adhere to the fair practices as noted by the society’s lawmakers. For ethical responsibility, corporations should endeavor to follow norms, values, standards, stakeholders’ expectations, and be consistent with moral rights. Finally, discretionary or philanthropic responsibilities involves voluntary initiatives by the business to serve society, which is part of being a good corporate citizen [11]. With these four levels of responsibilities, businesses can holistically engage in CSR.

CSR has been widely examined and embraced with respect to large companies [12]. However, the interest in its application among developing countries has surged in recent years [13,14], along with its approaches [15]. Additionally, CSR has been growing in importance in the tourism industry, primarily due to its close linkage with society and environment [2]. Overall, CSR practices have evolved as a tool for the tourism industry to prevent and reduce its negative impacts and generate benefits [16].

Among tourism SMEs, CSR is generally not integrated into their core business in a socially and ecologically responsible manner [17], especially in developing countries. This can be attributed to their lack of knowledge, expertise, and budget for employing long-term planning that CSR strategies demand [18]. Conversely, SME owner/managers’ lack of skill and knowledge prevents them from undertaking CSR along with comprehending its importance and potential benefits [19]. However, it is understood that CSR could be used for marketing and to create a competitive advantage [18]. Collectively, there is a need for SMEs to be sustainable through CSR as they comprise a significant volume of the broader tourism industry, especially in developing countries.

1.2. CSR Communication through Company Websites

The goals when adopting CSR are to engage in the social process and build close alliances with stakeholders. However, success is contingent on quality communications of CSR practices and activities. For this reason, corporations that participate in CSR communications via the circulation of reports share their philosophies and activities, and respond to public inquiries [20]. Furthermore, globalization and the increased information needs of firms’ stakeholders [21] also push companies to report their CSR activities. Additionally, pressure from competitors is another crucial reason [22], which has now become an essential factor for corporations’ CSR engagement.

Accordingly, websites have become an indispensable platform for reporting CSR activities, which include economic, environmental, and social initiatives [23]. Additionally, the information provides support from stakeholders and enhances the company’s reputation [24]. Websites have become the prevalent tool for sharing CSR activities and are an especially vital medium for SMEs due to the fact that they provide an inexpensive, secure, and flexible approach to communicate openly with stakeholders [25]. In this con-
text, this study is focused on tourism SMEs’ websites as they are an essential medium for communications and generating consumer demand [3].

2. Materials and Methods

Google search engine was used to randomly select tourism SMEs in Nepal. The criteria were that they had to be a tourism SME with a dedicated webpage for their CSR activities. Related textual data from the entire website were extracted. The level of repetition and lack of new information was evidenced after review of twenty-five SMEs’ websites, indicating data saturation. Directed qualitative content analysis was utilized as it is a systematic process to categorize textual data from webpages into predetermined codes to identify themes and patterns based on prior research findings [26]. This study employed [11] the CSR pyramid rooted in four dimensions (i.e., economic, legal, ethical and philanthropic responsibilities) to assess engagement in practice. Subsequently, the activities were categorized based on [27]. Following a pretest, five identified CSR topical categories were compiled and modified into four (see Table 1). Additionally, the quality of the CSR webpages was evaluated based on three key criteria—usefulness of data, ease of navigation, and overall presentation of the data [28]. The study employed qualitative methods with deductive orientation as demanded by the research questions.

| Categories                     | Society/Community                  | Environment                                      | Sponsorship/Volunteerism                           | Employees                                      |
|--------------------------------|------------------------------------|--------------------------------------------------|---------------------------------------------------|------------------------------------------------|
| Contains CSR company actions, activities, and policies. | Community and social issues and causes. | Positive environmental impacts beyond legal requirements. | Provide financial assistance, benefits or service to a person/organization with no benefits sought. | Impact the well-being of employees beyond legal requirements. |

The web content analysis was further followed by in-depth interviews. Interview participants were selected from travel and tourism SMEs with dedicated CSR webpages on their company website. Purposive sampling was employed as it aids in recognition of contributors that have suitable information to match the study’s need [29]. The benchmarks for the participants’ selection were based on minimum professional work experience of 3 years in tourism SMEs in a leadership position. Accordingly, representatives selected ($N = 7$) were directors, line managers, and owners of the enterprises. In-depth semi-structured interviews were performed to obtain information from participants.

The interview comprised of six questions devised to assess CSR in regard to its understanding, motivations, activities, communications, and resource allocations by their respective SMEs (Table 2). The questionnaire was developed organically based on a CSR literature review, research questions outlined previously and website content analysis tourism SMEs. The interviews ranged from 15–30 min and included probing questions for additional insights. Upon consent, interviews were audio-taped and transcribed. Data were analyzed employing open, axial and selective coding. The authors familiarized themselves with the data, assigned preliminary codes, evaluated for patterns or themes, appraised and defined themes, and finally generated the results. Further, the validity of the findings was substantiated via interview notes, reflections, and codes [29].
Table 2. Semi-structured interview questions.

| 1. | What does the term Corporate Social Responsibility (CSR) mean to you? |
| 2. | What is the main motivation behind the CSR activities you have undertaken? |
| 3. | What type of CSR activities you/your institution undertake normally and why? |
| 4. | How do you communicate about your CSR efforts? Do you make conscious effort to communicate about CSR with other stakeholders? Please explain. |
| 5. | Can you elaborate in your investment on CSR communication in terms of time, financial resources and human resources? |
| 6. | What is the motivation behind communication CSR with your customers? |

3. Results

The following results were obtained from the analysis of websites of tourism SMEs.

3.1. CSR Website

The contents were dominated by descriptions of their philanthropic deeds along with visual images. Nearly one-third of the SMEs shared descriptions of their CSR philosophy, but the reported activities indicated an inconsistent focus. Overall, the CSR webpages were neither organized nor visually appealing, as it was difficult to comprehend their philosophy, interests, and intentions. The webpages rated on a lower rank in terms of their performance with respect to the usefulness of data, ease of navigation, and overall presentation of the data. Essentially, it was apparent that reporting of CSR related information via their webpage was not a main goal, and accordingly they did not appear to invest adequate emphasis and effort.

3.2. CSR in Practice and Convergence

Based on the four dimensions of CSR (i.e., economic, legal, ethical, and philanthropic responsibilities) in [11], the SMEs reported varying levels of involvement and engagement. SMEs significantly participated in philanthropic activities and reported extensively in their website’s CSR section. The activities were categorized under several headings primarily restricted to their local communities—education for the underprivileged, environmental activities, health checkups, environmental preservation, creating welfare for society, educating less privileged children, health posts, programs for women. Some SMEs also pledged the allocation of a certain percentage of their revenues or profits (10% to 22%) for philanthropic causes. However, they did not provide actual data and investments in activities on their CSR webpage.

A similar scenario was observed for legal responsibility and compliance with regulations. Only one reported payment of taxes as per the law, and two vaguely mentioned their compliance based on the allocation of 1% of annual profit for CSR programs. SMEs did not consider legal responsibilities, except for one who mentioned they paid wages as per government rules. This lack of reporting did not allow us to infer non-compliance with legal responsibilities. Nevertheless, the ethical responsibility was higher, as there were more frequent reports of practices such as fair treatment of their employees (participate in ecotourism and sustainable practices), refraining from having adverse environmental impacts, contributing to schools and educations, and operating local health clinics. Collectively, SMEs partially comprehended the ethical dimension, but their activities were mostly related to philanthropic responsibilities.

It was evident from the analysis that a wide gap existed between the framework suggested by CSR pyramid [11] and its practical implementation by tourism SMEs. While [11] underscored that all four responsibilities (i.e., economic, legal, ethical, and philanthropic) need to be fulfilled, only philanthropic and, to some extent, ethical undertakings were reported. Additionally, CSR activities’ implementation and reporting by SMEs lacked depth and consistency.
3.3. CSR Activities

The CSR activities of tourism SMEs were compiled and categorized under Society/Community, Environment, Employees, and Sponsorship/Volunteerism [27]. The primary activities were largely oriented towards society/community, followed by the environment and sponsorships/volunteerism. The least emphasized category was related to employees. The specific types of activities for each category are illustrated in Table 3. More specifically, SMEs were involved in multiple CSR activities indexed under four distinct categories, with priority towards society/community followed by the environment.

| Society/Community | Environment | Sponsorship/Volunteerism | Employees |
|-------------------|-------------|--------------------------|-----------|
| • Local employment, local product use, local welfare and heritage within the community. | • Waste and garbage management, plastic-free initiatives. | • Donations for schools and children—tuition, clothes, meals, and shelters. | • Medical supplies, insurance, food, equipment, training, and insurance. |
| • Schools and children—physical facilities, sponsorship of fees, and provision of school resources. | • Conservation programs—protect local flora and fauna, eco-tours, nature and wildlife conservation, forestation. | • Disaster-related contributions—post earthquake rebuilding activities, building monasteries, libraries, and restrooms. | • Guide and porter policy, fair wages for employees. |
| • Health posts, clean drinking water, medical checkups, individuals with disabilities. | • Proactive programs against prostitution, rehabilitation, child protection, and human trafficking. | • Sponsor local charities. | |

3.4. CSR Interviews

Based on the analysis, the majority of participants expressed CSR as voluntary engagement. Some expressed their unfamiliarity with the term, irrespective of the engaged activities. It was evident that CSR was understood as ‘giving back to society’ and altruistic endeavors. In terms of motivations, two types were clearly expressed. A slight majority shared that their CSR activities were intended to help others and continue to the next generation. The common expression reflected by one respondent was reiterated by others as “It is the responsibility towards society where the business is conducted.” Conversely, less than half of the respondents expressed that business’ engagement in CSR was undertaken for image creation and fulfilling the changing green demands of customers. Furthermore, there were various CSR activities pertinent in their locality and community. Key engagements consistently reported were to prevent child labor, support the education of the children, tackle waste management, and promote environmental activities (i.e., plant tree saplings).

With regard to CSR communications, the majority felt it was necessary to communicate with their stakeholders, especially their customers. One respondent expressed “Contributing to those in need, plus creates a good image for the company as it helps to sell trips and packages. Beneficial to both the company as well as for the community. As we build this image of working with the social sector, it helps business.” Others noted the lack of communication was due to the lack of resources. The primary medium of communicating their CSR activities were social media, especially their websites and blogs. These were typically aimed at foreigners who could be potential target customers. In addition, while some SMEs have allocated a certain percentage of their profit for CSR activities, almost all did not invest any resources in CSR communication. In fact, the staff were voluntarily engaged in updating CSR activities on their websites. Overall, CSR communications were weak and mostly ignored.

In comparison, there was alignment between the findings obtained from the two sources—website content analysis and interviews. It was notable that the SMEs understood CSR as a philanthropic activity which was in response to the issues present in their vicinity. CSR communication garnered the least attention, which was reflected in their websites.
Additionally, there was a wide disconnect with the holistic approach to CSR as proposed by [11].

4. Discussion

This study explored tourism SMEs’ focus on CSR engagement and communication based on evaluation of their websites and in-depth interviews. The results identify a lack of convergence of CSR principles and actual practice. Predominantly, SMEs targeted one or more aspects, with an emphasis on philanthropic activities, while others focused on ethical responsibilities. However, the economic and legal responsibilities were not realized as CSR obligations. This mindset seems to be common in developing countries such as Nepal, as CSR is equaled to philanthropy (Visser, 2008). This was also noted by [30], as CSR is linked with business giving or corporate philanthropy, while other levels of responsibilities are not deemed to be part of CSR. A plausible reason could be attributed to a lack of awareness, understanding, and skills to employ a holistic CSR concept as proposed by [11]. As evidenced, tourism SMEs in Nepal primarily fulfilled CSR responsibilities by practicing what they knew and understood—i.e., philanthropy.

Furthermore, the assessment CSR activities among the tourism SMEs showed an overwhelming focus towards social and community-related activities. Since CSR was mostly related to philanthropy, it was invariably expected to be focused on localized community activities. Additionally, SMEs are mainly ingrained in the local community, and their physical proximity to patrons may convert into ethical closeness that can inspire owners/managers to exhibit socially responsible conduct [31]. Consequently, SMEs generally held strong sentiments towards their community and society, and the CSR related activities reflected more ad hoc engagements pertinent to local issues.

The contents obtained from the webpages were disorganized and lacked specifics and visual appeal, which limited the communication of their engagement and activities. Additionally, the CSR information was informal and lacked the needed professionalism. This may be due to a lack of CSR engagement activities and human and financial resources to formulate an informative and appealing web platform for information dissemination. The lack of sufficient human and financial resources is a significant challenge for SMEs [32]. The CSR webpage communications can be attributed to either lack of resources, weak intention, awareness of its promotional usage, or loyalty towards their informal communication style.

The findings further imply that while CSR webpages are an essential means of communication, as they can be used for motivation [33]; tourism SMEs should invest to improve their outlook, content, and accessibility. CSR webpages can help SMEs to maintain the right social image and communication with stakeholders. Finally, while CSR activities are associated with the issues within their vicinity, it would be prudent to expand the scope and services to a broader region given the reach of SMEs within the travel industry.

5. Conclusions and Future Research Directions

This study identified that CSR activities were largely practiced at a philanthropic level and, to some extent, at an ethical level. SMEs primarily focused on activities related to social and environmental issues within the communities that they operate in. Despite using websites for CSR communications, tourism SMEs did not properly invest resources, resulting in poor quality CSR communications. Hence, there are multiple avenues for improvement regarding tourism SMEs and CSR. This study has implications insofar as the lack of convergence between CSR framework and practice by tourism SMEs further creates the need to understand the underlying reasons, especially from the practitioners’ point of view. In sum, given the lack of such research in Nepal, this study provided an initial assessment of CSR communications among tourism SMEs and CSR. The findings could help to communicate further CSR principles and implementation initiatives among SMEs in Nepal. Finally, it is acknowledged that this study is exploratory and delimited to a small sample and should be generalized cautiously. Additionally, it utilized website content data and prompted interview data to compare the findings. This methodology could be
replicated in other, similar developing countries to conduct initial assessments coupled with other data sources such as surveys and focus group sessions.

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