



# Corporate Social Responsibility of Four-and-Five Star Hotels in the Vietnamese Northern Economic Triangle

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## Abstract

### Research purpose:

This paper aims to investigate corporate social responsibility (CSR) activities that are being implemented in four-and-five-star hotels in the Vietnamese “northern economic triangle”.

### Research motivation:

Facing the challenges for sustainable development, the debate on CSR in the hospitality industry has been continuing for several decades in both academia and business society. In the mean time, the hospitality industry has been chosen as one of the top prioritized for economic growth in Vietnam. Nevertheless, CSR in the hospitality industry in Vietnam has not yet adequately studied to clarify the actions needed to promote CSR in this industry.

### Research design, approach, and method:

The six CSR measurements were adapted from existing literature to use in our study. A self-administered questionnaire survey was conducted at 64 four-and-five-star hotels in Hanoi, Hai Phong, and Quang Ninh, which are called the “northern economic triangle”. After four months, we received 483 valid responses from employees and managers from the surveyed hotels. The SPSS software was employed to analyze the data.

### Main findings:

Research results show that this study shows that, in general, the implementation of CSR is quite fully implemented in the hotels located in the “northern economic triangle” of the Vietnam. In terms of the hotel’s CSR implementation, CSR to suppliers (SUP) is being evaluated as being performed at the best level with a value of 4.37 points. Then, the two following aspects are CSR to customers (CUS) and CSR to the environment (ENV), with the same score of 4.36 points. The remaining CSR scales also have slightly different scores. Among six CSR topics, CSR to the community (COM) is assessed as having the lowest level of implementation with a minimum average value of 4.23. Meanwhile, CSR to the government or other actors are higher. This result implies that four-and-five star hotels in Vietnam have a CSR strategy that focuses on important actors, namely customers and suppliers.

### Practical/managerial implications:

We suggest that four-and-five star hotels in Vietnam should continue to use CSR as a differentiation strategy. Compared to other businesses, the hospitality industry is still at its embryonic stage. There are many things to pay attention to, from theory to practice, to improve CSR in this industry. CSR can act as a means to achieve sustainable development goals. This is because CSR is about the attitudes that hotels adopt towards “stakeholders” such as employees, consumers, the community, the environment or even future generations. The hotel that implements effective and practical CSR will not only make the business sustainable but also contribute progressive values to society, contributing to social improvement. This also shows that CSR is the self-responsibility of businesses and is always associated with society through specific expressions of responsibility to employees, partners, consumers, law, community, and the environment.

Implementing CSR aims to improve efficiency in the hospitality industry, create competitive advantages for hotels, contribute to improving the quality of the tourism industry, and create prerequisites for sustainable tourism. In other words, the CSR of four-and-five star hotels will contribute to tourism performance, ensuring that all tourism economic activities will not have negative consequences on the environment and society (including the economic) and future tourism environment.

**Keywords:** corporate social responsibility, hotels, hospitality industry, Vietnam

## 1. INTRODUCTION

The hospitality industry is one of the most crucial sectors in the global economy, contributing significantly to GDP, employment, and social cohesion. It is a significant contributor to the world's GDP. As per the World Travel and Tourism Council, the global travel and tourism industry contributed 10.4% of global GDP in 2019. It also stimulates other sectors of the economy, like agriculture, retail, and manufacturing, creating a ripple effect of economic growth. Moreover, the industry provides vast employment opportunities. From hotel staff, chefs, and event planners to travel agents, it covers a broad range of jobs. This industry provided 330 million jobs globally in 2019, representing 1 in 10 jobs. However, it is also important to recognize and address the challenges of this industry, such as environmental impacts, labor rights, and the consequences of over-tourism.

In 2011, Asia had the highest increase in visitor arrivals when compared to other regions (World Tourism Organization, 2012). As a result, the hospitality and tourist business has grown to be one of the most attractive in this region (Cherapanukon & Focken, 2014). The Pacific Asia Tourism Association (2011) stated that the luxury hotel business in Asia has grown rapidly during the last two decades. These hospitality businesses, in particular, have been developing in the majority of Asian nations, with the highest growth rates in terms of sales and profits (Poretti & Heo, 2022). Increased intraregional mobility, particularly by Chinese visitors, is fueling growth.

Many of these luxury hotels are located in major cities, historic towns, and tourist destinations such as mountains, lakes, and beaches, drawing more visitors and imposing a larger ecological and socially responsible footprint (Chung & Parker, 2010). According to these writers, the social and environmental implications of the hotel business have not gotten the same amount of attention in Asia as the mining, chemical, and manufacturing industries, but this situation appears to be changing. It is time for the hospitality business to take the initiative and live up to the expectations of being welcoming and caring for the environment (Holcomb et al., 2007; Sheldon & Park, 2011).

Vietnam has integrated into the international community and established close trading ties with the rest of the globe. In the worldwide society, a rising number of firms are aware of the idea and norms of CSR and place a greater emphasis on CSR concerns. Although the idea of CSR has been acknowledged in Vietnam in recent decades, its implementation is still in its early stages (Nguyen & Le, 2008; Pham, 2010). In Vietnam, the most typical company reaction to CSR concerns is still altruistic gestures and gifts, rather than building strategies for interacting with various stakeholders (Nguyen, 2008; Pham, 2011). Furthermore, many businesses continue to disregard their social duties in order to maximize profits at the expense of other stakeholders in society. As a result, issues such as environmental pollution, employee working conditions, workplace safety, information disclosure, and the like, cast doubt on Vietnamese enterprises' worldwide reputation. CSR has evolved into a challenge for Vietnamese businesses. The hospitality industry is not an exception.

Along with the development of the tourism industry in Vietnam, the system of hotels has developed rapidly in both quantity and quality. The strong growth of hotels has not only brought great revenue to the tourism industry in general but also contributed to solving the problem of goods consumption and creating jobs in these localities. However, not outside of the general development trend, the hotel sector has been causing potential negative impacts on the environment, culture, and society due to the consumption of a large amount of energy and water, goods, and materials, creating a lot of waste including solid waste, wastewater, emissions, and noises. Therefore, it is required that hotels comply with not only standards in production relations and environmental protection but also community development activities, social security implementation to develop sustainably.

The present study aims to investigate how four-and-five star hotels in three provinces including Hanoi, Hai Phong and Quang Ninh are implementing their CSR activities. We choose these locations as they are identified as the "northern economic triangle" that might be the focus of tourism and resort in the northern key economic region because of the enormous and unique potentials of these localities. All three vertices of the "northern economic triangle" are located in prime locations with many potentials that need to be strongly exploited. Hanoi is the political, economic, social and cultural center with the attraction of a thousand-year-old capital. The port city of Hai Phong is recognized as a tourist highlight in the Northeast region with distinct nuances that is likened to a "miniature Vietnam". Quang Ninh fully converges the typical topography of sea and islands, plains and midlands and mountains, so that it becomes a fertile land, a "gold mine" in the field of resort tourism. The vertices of the "golden triangle" are now fully connected thanks to the high-speed traffic routes Hanoi - Hai Phong, Hai Phong - Ha Long, Ha Long - Van Don, which has put into use, creating favorable conditions for tourism development of the Northern dynamic economic region. It is likely that this "northern economic triangle" area will be the focal point of tourism development of the northern provinces on the tourist map of Vietnam.

## 2. LITERATURE REVIEW

### 2.1 Corporate social responsibility (CSR): concepts and measurements

The premise that managers ought to recognize their social duty was one of the early conceptions of CSR (Clark, 1916). Since that early attempt, the term CSR has evolved significantly. CSR can be understood as "an obligation to pursue policies, make decisions, and follow lines of action that are compatible with the society's objectives and values" (Bow-

en, 1953). Furthermore, CSR is described as “a process by which companies integrate social, environmental, and ethical issues into their business operations and strategy in close collaboration with their stakeholders, exceeding the requirements of applicable legislation and collective agreements” (European Commission, 2011).

Finally, because CSR is such a wide subject, various stakeholders may have differing perspectives on it. However, there is a growing awareness that the scope of CSR is not limited to altruistic initiatives. It goes beyond the more visible legal duties to encompass labor standards in supplier factories, impoverished people’s access to life-saving pharmaceuticals, and the foundation and openness of how management decisions are made. It is hard to compile a comprehensive list of CSR concerns and policies. In actuality, CSR efforts may differ for various firms and may fluctuate over time as risk and regulatory changes, reputational issues, and improvements in best practices redefine the bounds of what is acceptable and practicable, and profitable for a company.

CSR is an important aspect of modern business and can be measured in a number of ways. Many companies produce annual sustainability reports, which provide a comprehensive look at their environmental and social impacts. These reports often include specific goals and benchmarks, so they can serve as an excellent measure of CSR. Moreover, social audits can be used to measure CSR. These are systematic assessments of a company’s social responsibilities. These audits can evaluate the company’s labor practices, supply chain management, community impact, and more. Recently, the ESG score scheme has become more prominent. ESG stands for Environmental, Social, and Governance. These scores, provided by specialized rating agencies, measure a company’s overall impact in these three areas that give a quick, numeric understanding of a company’s CSR efforts.

In addition, we can use some other measurements such as legal compliance, employee satisfaction, community impact. Companies that regularly violate regulations or are involved in scandals may not be upholding their social responsibilities. Therefore, a company’s legal track record could also be used as a measure of CSR. We might also use employee satisfaction to measure CSR. Companies with a high level of employee satisfaction are often those that take their social responsibilities seriously. This can be measured through employee surveys or review sites. The impact a company has on its local communities can also be a measure of CSR. This can be assessed by looking at a company’s philanthropic activities, community programs, and local partnerships. Finally, certification and awards are also measures of CSR. Various organizations give certifications and awards for CSR. These can be a good measure of a company’s commitment to CSR.

As there are a number of ways to measure CSR, the measurements can be developed that entail all activities of the company exceeding the expectations of its various stakeholders. Several international standards have served as the foundation for the CSR measurements such as ISO26000, SA8000, ISO14001, and the like.

## 2.2 CSR in the hospitality industry

CSR practices in many industries have been examined, particularly labor-intensive sectors such as textile, healthcare, construction, and hospitality. Each industry has prominent characteristics that drive how companies implement their CSR practices. For example, hospitality is a service-based and labor-intensive industry. Therefore, customers and employees are two main groups of stakeholders that trigger CSR practices in hospitality industry. Today’s consumers are informed, conscious and expect businesses to be socially responsible. They are more likely to patronize hospitality businesses that are transparent, ethical and contribute to societal good. In the age of social media and online reviews, a single misstep can lead to a PR disaster. Being socially responsible helps build goodwill and trust with stakeholders. Moreover, the hospitality industry relies heavily on natural resources. Therefore, it’s critical for this sector to adopt sustainable practices to preserve these resources for future generations. This is both a social responsibility and a necessity for the long-term viability of the business.

Previous research has investigated the CSR practices implementation in hotels in different national contexts. Levy and Park (2011) identified and analyzed current CSR practices and benefits gained from implementing these activities in the United States (US) lodging industry. The two authors found that environmental practices such as energy saving, waste and water management are most popular in US-based hotels. Furthermore, Farmaki (2018) examined the influence of stakeholder interest and influence on CSR implementation in hotels in Cyprus. Farmaki (2018) confirmed that stakeholder influence on CSR in hotels is not corresponding to stakeholders’ perceived saliency, indicating that stakeholder analysis needs to move beyond the consideration of salient stakeholders’ interests. CSR communication is also an attractive topic for researchers. Coles et al. (2013) posited that environmental CSR is easier to implement than socio-cultural CSR practices. Ettinger et al. (2017) examined how CSR-certified hotels communicate CSR on their websites and how they respond to reviews by the customers.

Claveras (2015) identified some main factors affecting a hotel’s decision to adopt (or not) and to what extent socially and environmentally responsible business practices in the Balearic Islands. This author found that CSR is likely to be part of a hotel’s differentiation strategy. Meanwhile, Abram and Jarzabek (2016) described CSR activities that have been implemented in Polish hotels. They explored the CSR good practices of some large hotels in Poland and found that these hotels focused mainly on the health and safety of employees and guests, reducing the negative impact on the environment and respecting the social and ethical norms in the company.

Similarly, Nwokorie and Obiora (2018) investigated CSR practices of 15 hotels in Ogun State, Nigeria. They surveyed 350 employees of hotels and residents of the community. Their research results showed that these hotels have not embraced CSR practices in the host community. They suggested these hotels to use a systematic approach, which in-

cludes creating a synergy between hotels and the host community with a view to improving the well-being of the local people. In the mean time, Kabir (2011) in a study of CSR activities in Swaziland hotel industry insisted that community involvement has been implemented than other categories of CSR. Notably, there was no specific legislation to enforce companies to practice social responsibility.

Furthermore, Cherapanukorn and Focken (2014) investigated how Asian luxury hotels communicate about their corporate social responsibility policies, procedures, and standards. According to the report, the incentive for CSR is geared on preserving the foundation for their operations. Abaeian et al. (2014) investigated CSR efforts implemented by Malaysian hotels. The authors discovered that most hotel managers participated in CSR activities for both endogenous and exogenous reasons. Horng et al. (2017) developed an assessment model of CSR practice in the tourist business. The approach has five dimensions: economy, environment, society, culture, and consequences. Horng et al. (2017) determined that the most significant dimension in the model is Environment.

In addition, Rahmawati et al. (2018) conducted a qualitative study to examine the influence of spirituality-inspired CSR on tourism companies in Indonesia. Research findings showed that spirituality plays an important role in three dimensions: (1) a key element of the broader social and cultural context to create a conducive external environment for CSR, (2) as a CSR driver to inspire business leaders, and (3) as a complement to CSR governance.

### 2.3 Hospitality industry in Vietnam

In Vietnam, the hospitality industry is one of three main economic sectors in the 2016-2020 timeframe, as well as in the 2021- 2030 implementation phase of the country's development strategy. Although it is a young business that has only just emerged, Vietnam's hospitality industry has swiftly blended into the growth trend of other economic sectors. This industry has progressively established itself and is critical to the development of the country's economy. According to a 2019 study by the Vietnam National Administration of Tourism, tourism in Vietnam has expanded at a pace of more than 17% each year between 1990 and 2017.

As mentioned in the WTTC Report (2018), during the period from 2011 to 2017, Vietnam ranks number 21 among the top 30 highest-performance countries in the Travel and Tourism sector of the world in terms of absolute growth for four indicators: total Travel & Tourism GDP, foreign visitor spending (visitor exports), domestic spending and Travel & Tourism capital investment. The annual growth rate usually reaches double digits, especially from 2015 to 2019. It achieved a growth rate of 22.7% per year, ranked among the highest in the world by the World Tourism Organization. Revenue in the hotels market is expected to show an annual growth rate (CAGR 2023-2027) of 7.32%, resulting in a projected market volume of US\$1.98billion by 2027. The average revenue per user (ARPU) is expected to amount to US\$158.20 (Statista, 2023).

Besides the positive impact of the Travel and Tourism sector on economic growth, the sector's development also significantly influences the natural and social environments. Tourism activities are claimed to break the balance of the ecosystem in destinations if they are not adequately controlled (Budeanu, 2005). However, after more than 30 years of transition to a market economy and international economic integration, the perception of hotels on CSR is still low, even one-sided. Therefore, the implementation of CSR has not yet come out of the passive and coping situation. Facing the challenges for sustainable development, the debate on corporate social responsibility (CSR) in the hospitality industry has been continuing for several decades in both academia and business society. Nevertheless, few studies in Vietnam clarify the actions needed to promote CSR in this hospitality industry.

## 3. METHODOLOGY

### 3.1 Measurements

In this study, we adapted the CSR measurements from previous studies and international CSR standards such as ISO26000. We applied the stakeholder theory and classified CSR measurements into six elements as described in Table 1 below.

**Table 1.** Measurements of CSR

Measurement	Coding	Number of item	Source
CSR to employees	LAB	5	Aguilera et al. (2007); Turban & Greening (1997); Turker (2009); Bhattacharya et al. (2008); Nguyen (2015), OHSAS18001; ISO26000.
CSR to customers	CUS	4	Maignan & Ferrell (2001); Sen & Bhattacharya (2001); Vietnamese Green Lotus Standard 2014
CSR to sup-	SUP	5	ISO 26000; Zhang et al.

Measurement	Coding	Number of item	Source
pliers			(2021)
CSR to the government	GOV	4	ISO26000; Turker (2009)
CSR to the community	COM	4	Sharma & Kiran (2012); Rettab and Brick (2009); Turker (2009)
CSR to the environment	ENV	5	Vives (2006); Rodríguez & Cruz (2007); Vietnamese Green Lotus Standard 2014

### 3.2 Sampling and data analysis methods

In this study, we chose 3 survey locations which are Hanoi, Hai Phong and Quang Ninh. These locations are called the “northern economic triangle” of Vietnam. According to a report by the Vietnam National Administration of Tourism, as of December 2019, the whole country has 30,000 tourist accommodation establishments with 650,000 rooms, of which there are 64 four-and-five star hotels in Hanoi, Hai Phong and Quang Ninh, accounting for 15% of the total number of four-and-five star hotels in the country. Hotels which are ranked four-and-five stars are equipped with high quality facilities and service that meet their own design standards and are outstanding, meeting the diverse needs of tourists in terms of food, vacation, living and entertainment according to international standards. In addition, these hotels are all businesses with abundant resources (human and financial). Therefore, they should have better conditions to implement CSR (specific actions and proactive in implementing CSR) compared to other hotels with a lower number of stars.

For the above reasons, we sent out 640 questionnaires to 64 four-and-five star hotels in 3 areas of the “northern economic triangle”. For each hotel, we sent 10 survey questionnaires to the hotel’s general administrative or human resources department. After that, the department will send a random ballot to the managers or employees currently working at the hotel to get feedback about CSR activities.

The list of hotels participating in the survey is selected from the list of 4-and-5 star hotels that have registered their business activities with the Departments of Planning and Investment of Hanoi, Hai Phong and Quang Ninh. These hotels are also controlled and supervised by the General Office of Tourism. After that, to ensure the response rate, we continued to call and sent dispatches to businesses to ask for assistance in providing information.

The questionnaire was designed using six CSR measurements, as mentioned in section 3.2. Potential respondents were asked to express their opinions of 27 CSR practices. The Likert-five-point scale was used with “1 = No policy to implement”, “2 = Has a policy but not yet implemented”, “3 = Partially implemented”, “4 = Almost fully implemented,” and 5 = Fully implemented”.

We sent the Google Form link of the questionnaire to the hotels’ email and followed up with a phone call to encourage the hotel managers to participate in our survey. After two months of the survey, we received 438 valid responses. All valid responses were treated with complete confidentiality. Thus, the personal information of respondents was not requested.

To analyze the data, we used SPSS software to run the reliability test, exploratory factor analysis, and calculate the mean values of CSR measurements.

## 4. FINDINGS AND DISCUSSIONS

### 4.1 Sample demographics

Regarding working positions, most of the respondents were the head of the department, accounting for 45%, followed by the deputy manager, accounting for 21.30%. The number of respondents who are deputy directors accounted for 16.9% of the respondents were employees, accounting for 11.2%, and finally, directors and presidents accounted for only 5.3% and 0.7%, respectively. Regarding ownership of the hotels, the majority (57.1%) of respondents come from Vietnamese hotels, followed by international hotels with 27.4%, and finally, joint venture hotels with 15.5%. The details are shown in Table 2 below.

**Table 2.** Sample demographics (n = 438)

Classification		Number	Frequency (%)
Working position	Employee	49	11.2
	Deputy Head	92	21.0
	Head	197	45.0
	Deputy Director	74	16.9
	Director	23	5.3
	Chairman	3	0.7
Type of hotel	Vietnam	250	57.1
	Joint-venture	68	15.5
	International	120	27.4

(Source: Own elaboration)

#### 4.2 Preliminary test results

Our preliminary analysis included the tests of reliability and validity of the measurement instruments. The reliability of measurements was checked in SPSS using several criteria, including Cronbach's alpha and corrected item-total correlation. The validity of the measurements was evaluated based on the factor loading in the exploratory factor analysis test. Table 3 showed that all corrected item-total correlations were higher than 0.3. Six measurement scales have Cronbach's alpha values ranging from 0.614 to 0.898, reporting good internal consistency reliability. Furthermore, the factor loadings in EFA were above 0.5, so convergent validity was achieved. Table 3 below shows the details.

**Table 3.** Reliability and validity test of measurements

Constructs	Items	Corrected Item - Total Correlation	Factor loading	Cronbach's alpha
CSR to employees (LAB)	LAB1	0.401	0.644	<b>0.743</b>
	LAB2	0.594	0.779	
	LAB3	0.638	0.831	
	LAB4	0.434	0.719	
	LAB5	0.457	0.523	
CSR to customers (CUS)	CUS1	0.661	0.900	<b>0.860</b>
	CUS2	0.595	0.873	
	CUS3	0.566	0.787	
	CUS4	0.528	0.823	
CSR to suppliers (SUP)	SUP1	0.673	0.783	<b>0.898</b>
	SUP2	0.773	0.864	
	SUP3	0.799	0.881	
	SUP4	0.780	0.865	
	SUP5	0.720	0.822	
CSR to the government (GOV)	GOV1	0.387	0.693	<b>0.624</b>
	GOV2	0.571	0.825	
	GOV3	0.411	0.690	
	GOV4	0.370	0.523	
CSR to the community (COM)	COM1	0.335	0.608	<b>0.614</b>
	COM2	0.319	0.589	
	COM3	0.491	0.772	
	COM4	0.457	0.757	
CSR to the environment (ENV)	ENV1	0.649	0.785	<b>0.884</b>
	ENV2	0.763	0.900	
	ENV3	0.647	0.787	
	ENV4	0.689	0.817	
	ENV5	0.653	0.841	

(Source: Own elaboration)

To check the potential problem of common method bias, we ran Harman's single factor test. All items were subjected to exploratory factor analysis using principal components with varimax rotation. The result showed that the extraction cannot be done. Thus, it is concluded that common method bias did not appear to be a potential problem in this study.

#### 4.3 Results and discussions

##### 4.3.1 CSR to employees

For the CSR to employees, 5 criteria were used to evaluate the performance level of the hotels (see Table 4).

**Table 4.** CSR to employees in surveyed hotels (LAB)

Item	Description	Mean	Std. Deviation
LAB1	The hotel pays salary and reward higher than the average of the industry	4.31	0.783
LAB2	The hotel has the policy to promote my skills and professionalism	4.37	0.793
LAB3	The hotel provides safe working conditions for employees	4.41	0.771
LAB4	The hotel helps employees to achieve work-life balance	4.32	0.785
LAB5	The hotel has a transparent promotion policy	4.22	0.826

(Source: Own elaboration)

As shown in Table 4, CSR to employees of the hotels is evaluated based on 5 criteria. The survey results show that the level of consensus with the criteria is quite high with the average score of all 5 items reaching over 4.2 on a 5-point scale. The item “The hotel provides safe working conditions for employees” (LAB3) was rated the highest with 4.41 points, followed by LAB2 with 4.37 points. Meanwhile, the item “The hotel has a transparent promotion policy” (LAB5) was rated the lowest with a score of 4.22 points.

Findings from data analysis showed that hotels in the “northern economic triangle” has paid attention to their employees. During the COVID-19 pandemic, the hospitality industry in Vietnam was severely affected. Many hotels were closed and had to lay off their staff. Labors in this industry had to find jobs in other industries and do not have to intention to come back to their old job. Thus, in the post-COVID-19 context, CSR to employees in the hospitality industry seems to be more critical to attract and retain employees to work for the longer term. This type of CSR activities should be enhanced to meet various needs of the employees. Previous study in the hospitality industry also share similar findings with our study such as the studies of Abaeian et al. (2014), Abram and Jarzabek (2016).

#### 4.3.2 CSR to customers

CSR to customers was measured using 4-item-scale. Data from the survey show the detailed evaluation in Table 5 below.

**Table 5.** CSR to customers in surveyed hotels (CUS)

Item	Description	Mean	Std. Deviation
CUS1	The hotel always keeps customer information confidential	4.34	0.756
CUS2	The hotel respects the rights of guests beyond the legal regulations	4.35	0.750
CUS3	The hotel provides complete and accurate information about products and services to customers	4.45	0.748
CUS4	The hotel considers the safety of customers right in the design of rooms and providing accommodation services	4.32	0.808

(Source: Own elaboration)

At the same time, the survey results show that the level of agreement with the contents was quite high with the average score of all 4 items reaching over 4.2 on a 5-point scale. The item “The hotel provides complete and accurate information about products and services to customers” (CUS3) was rated the highest with an average score of 4.45. On the contrary, the item “The hotel considers the safety of customers right in the design of rooms and providing accommodation services” (CUS4) with 4.32 points. The average score above 4 shows that the hotels have well implemented CSR activities for customers.

It is undeniable that customers play a critical role in the growth of the hospitality industry. Therefore, hotels should exert more effort in fulfilling the CSR to customers. Some previous studies have shown that successful companies have done quite well in responding to the customers’ needs and exceeded their expectations, including the studies of Calveras (2015), Abram and Jarzabek (2016), Abaeian et al. (2018).

#### 4.3.3 CSR to suppliers

Regarding the level of CSR implementation for suppliers, according to the criteria that have been developed and verified for the reliability of the SUP scale, the survey respondents in this study gave a score on a 5-point scale to all items of SUP scale. The results are presented in Table 6 below.

**Table 6.** CSR to suppliers in surveyed hotels (SUP)

Item	Description	Mean	Std. Deviation
SUP1	The hotel prioritizes local suppliers	4.42	0.760
SUP2	The hotel clearly publishes the supplier selection criteria and process	4.31	0.752
SUP3	The hotel ensures transparent information in the contract with the supplier	4.31	0.746
SUP4	The hotel always has a positive attitude in resolving disputes arising with suppliers	4.43	0.791
SUP5	The hotel has an anti-corruption policy in dealing with suppliers	4.41	0.738

(Source: Own elaboration)

The CSR of the surveyed hotels was assessed based on 5 items. The survey results showed that the level of agreement with these items was quite high with the average score reaching over 4.3 on the scale of 5 levels. Among the 5 items, the item “The hotel always has a positive attitude in resolving disputes arising with suppliers” (SUP4) was rated the highest with an average score of 4.43, followed by “The hotel prioritizes local suppliers” (SUP1) with 4.42 points.

Establishing a good relationship with suppliers is very important for hotels, indicating their responsibilities in a business network. This issue is more critical in the Vietnamese context when the hospitality industry needs a lot of synergy to recover after the COVID-19 pandemic. Our findings confirmed the significance of CSR to suppliers in the hospitality industry and are in line with the studies of Farmaki (2018) and Cherapanukorn and Focken (2014).

#### 4.2.4 CSR to the government

Concerning CSR to the government, Table 7 below shows the research results in the present study.

**Table 7.** CSR to the government in surveyed hotels (GOV)

Item	Description	Mean	Std. Deviation
GOV1	The hotel complies with the regulations on operation of the State and local authorities	4.36	0.793
GOV2	The hotel pays taxes and fees as prescribed	4.28	0.797
GOV3	The hotel complies with international legal regulations in its dealings with external partners	4.32	0.835
GOV4	The hotel complies with regulations on fair competition during its operation	4.37	0.730

(Source: Own elaboration)

When considering the level of performance of activities, based on the average value of each criterion, we find that the criterion of fair competition in the operation (GOV4) had the highest score (4.37) and was closely followed by the compliance with state and local government regulations (4.36). In addition, the remaining 2 criteria on international transactions and tax payment also have an average value of over 4 points. This shows that the hotels have well implemented CSR to the government.

Previous studies have not yet discussed much about to what extent a company should respond to the expectations of the government. Nevertheless, the role of the government is very essential in forcing and promoting company to comply with the laws and regulations. In the case of Vietnamese hospitality industry, it is observed that most luxury hotels are complying well with the local laws. Findings from the study of Kang et al. (2010), Bello et al. (2017) and share similar results with our study.

#### 4.2.5 CSR to the community

CSR for the community was assessed through 4 criteria describing the activities that hotels can participate in to support and develop the community. The results of the evaluation are shown in the following Table 8.

**Table 8.** CSR to the community in surveyed hotels (COM)

Item	Description	Mean	Std. Deviation
COM1	The hotel contributes to campaigns and projects t	4.23	0.804

Item	Description	Mean	Std. Deviation
	o promote social welfare		
COM2	The hotel joins to solve pressing social issues	<b>4.21</b>	0.840
COM3	The hotel strengthens volunteer activities to contribute to social welfare	<b>4.20</b>	0.911
COM4	The hotel encourages employees to participate in volunteer activities	<b>4.15</b>	0.862

(Source: Own elaboration)

CSR to the community of the surveyed hotels was evaluated based on 4 items. The survey results showed that the level of agreement with the CSR activities was quite high with the average score of all 4 of these items reaching over 4.1 in the scale. The item “The hotel contributes to campaigns and projects to promote social welfare” (COM1) was rated the highest with an average score of 4.23, followed by “addressing pressing social issues” (COM2) with 4.21 points. The lowest score was given to “policy to encourage employees’ participation in volunteer activities” (COM4) with 4.15 points.

Our findings are attributed to the fact that hotels depend a lot on the reviews of customers who are informed and affected by the online platform to get to know and select the hotels for their stay. In this regard, published information about CSR to the community is very important, and most hotels want to spread their community-based CSR good practices. Our findings are in line with the studies of Kabir (2011), Abaeian et al. (2018), Bello et al. (2017). However, some studies in South Africa such as Nwokorie and Obiora (2018) did not share the same findings with our research.

#### 4.2.6. CSR to the environment

The level of CSR implementation for the environment of hotels is shown through 5 evaluation criteria and presented in the following Table 9.

**Table 9.** CSR to the environment in surveyed hotels (ENV)

Item	Description	Mean	Std. Deviation
ENV1	The hotel engages in activities to protect and improve the quality of the natural environment	<b>4.34</b>	0.766
ENV2	The hotel uses energy-saving devices (automatic lights, magnetic cards, etc.)	<b>4.39</b>	0.741
ENV3	The hotel has instructions to encourage customers to save energy	<b>4.32</b>	0.765
ENV4	The hotel uses some recycled items such as paper bags and cups	<b>4.40</b>	0.749
ENV5	The hotel always pays attention to preserving the surrounding landscape, environment, and campus	<b>4.37</b>	0.769

(Source: Own elaboration)

As shown in Table 9, all items in this measurement scale has the mean value higher than 4.0 points, indicating the good performance of the surveyed hotels in these CSR activities. The highest rated item is ENV4 (4.40 points) while the lowest one is ENV3 (4.32 points). It is reasonable that the hotels were recognized to performance better on ENV4 because this is the activity related to “recycling”, which is a popular solution towards sustainable development.

The finding indicates that four-and-five star hotels in our survey have put a lot of effort in addressing environmental issues. In the context of Vietnam, this type of CSR activities is more critical as Vietnam is among the top 10 countries that will be severely affected by climate change.

Our finding is different from the research results in the study of Sucheran (2013) and Nyide (2019) that found the hotel managers in Africa were enthusiastic about environmental management but were unable to implement environmental programs and actions due to a number of challenges and constraints. However, our finding is in line with the study of Coles et al. (2013) and Horng et al. (2017). These previous studies have confirmed the essential role of CSR to the environment and showed evidence of good environmental CSR in their countries. Furthermore, Levy and Park (2011) also shared the similar findings with our present study.

## 5. IMPLICATIONS AND CONCLUSION

The importance of CSR in the hospitality industry is clear. It is not just an ethical necessity, but also a business imperative. By implementing CSR strategies, hospitality businesses can realize benefits such as improved brand image, increased customer loyalty, better employee satisfaction, risk mitigation, and long-term sustainability (De Grosbois, 2012). CSR can lead to differentiation and competitive advantage. A hotel that recycles, contributes to the local community, or reduces energy consumption can attract customers who value these practices. CSR can help mitigate risks related to reputation. In the age of social media and online reviews, a single misstep can lead to a PR disaster. Being socially responsible helps build goodwill and trust with stakeholders. In a response to explore CSR practices in the Vietnamese hospitality industry, our study has some implications as follows.

Firstly, this study shows that in general, the implementation of CSR is quite fully implemented in the hotels located in the “northern economic triangle” of Vietnam. The results of descriptive statistics of the scales show that these hotels really care about stakeholders with all 6 CSR scales have an average value of more than 4.00 points. This means that the surveyed hotels have developed policies related to each CSR topic and have implemented those activities well. This result quite accurately reflects the actual picture of CSR implementation in the hospitality industry in Vietnam because over 80% of the respondents managers in hotels from the level of deputy head of department and higher position. These managers are believed to have full information and are directly involved in the process of building a management system, so the information they provide is reliable.

Secondly, in terms of the hotels’ CSR implementation, CSR to suppliers (SUP) is being evaluated as being performed at the best level with a value of 4.37 points. Then, two following aspects are CSR to customers (CUS) and CSR to the environment (ENV) with the same score of 4.36 points. The remaining CSR scales also have slightly different scores. These findings imply that as the economy develops, the educational level and level of awareness of consumers increase, the pressures or expectations they place on the services of hotels are increasing. Thus, it is understandable why CSR to customers (CUS) is performed better than other activities. The development of Vietnamese tourism and hospitality industry in recent years also shows that the number of foreign tourists is increasing. Especially, for four-and-five star hotels, the number of foreign tourists accounts for a fairly large proportion. . With the positioning of four-and-five star hotels aiming at the upper class of customers, who are willing to spend a lot of money on accommodation services, the fact that these hotels focus on doing good CSR to customers is both a requirement and a good competitive strategy. In addition, the results of the CSR scale for the environment are a good sign for Vietnamese tourism industry in the context that sustainable tourism is posing an urgent need today. CSR to the environment has been well implemented by the surveyed hotels, in which the best activities that the hotel does are the use of recycling products (4.40) and the use of energy-saving devices (4.39).

Thirdly, among 6 CSR topics, CSR to the community (COM) is assessed as having the lowest level of implementation with the minimum average value of 4.23. Meanwhile, CSR to the government or other actors are higher. This result implies that four-and-five star hotels in Vietnam have a CSR strategy that focuses on important actors, namely customers and suppliers. This result is similar to some prior studies of Cherapanukorn and Focken (2014), Farmaki (2018).

For the above-mentioned implications, we suggest that luxury hotels in Vietnam should continue to use CSR as a differentiation strategy. Compared to other businesses, the hospitality industry is still at its embryonic stage. There are many things to pay attention to from theory to practice to improve CSR in this industry. CSR can act as a means to achieve sustainable development goals. This is because CSR is about the attitudes that hotels adopt towards “stakeholders” such as employees, consumers, the community, the environment or even future generations. The hotel that implements effective and practical CSR will not only make the business sustainable, but also contributes values to the society, contributing to social improvement. This also shows that CSR is the self-responsibility of businesses and is always associated with society through specific expressions of responsibility to employees, partners, consumers, law, society, and the environment.

Implementing CSR aims to improve efficiency in the hospitality industry, create competitive advantages for hotels, contribute to improving the quality of the tourism industry and create prerequisites for sustainable tourism. In other words, the CSR of four-and-five star hotels will contribute to tourism performance ensuring that all tourism economic activities will not have negative consequences on the environment and society (including economic) and future tourism environment.

Although this study has some findings and thorough implications for the Vietnamese hospitality industry, it still has some limitations. Regarding the scope of research by space, this paper is limited to four-and-five star hotels in Hanoi, Hai Phong, Quang Ninh. Therefore, the research results may not fully reflect the current status and trends of CSR implementation of all hotels across the country. Regarding the sampling method, we applied convenience sampling and therefore, representativeness may be affected to some extent. The method of collecting information is a combination of sending survey questionnaires directly and via email. This may affect to a small extent the reliability of the information. In addition, due to not using a multi-dimensional approach, we only uses one survey for two groups of internal hotel audiences including employees and managers. Although this form overcomes the bias in the assessment of the two survey groups, it might limit the specific findings on the CSR views of the two groups of respondents. This study has not carried out deep analysis of CSR activities that can be classified by ownership or by working positions of respondents. Furthermore, this study has not examined the relationship between CSR implementation in the surveyed hotels and

some variables such as customer loyalty or stock value.

For the mentioned limitations, future research can be carried out applying different approaches to CSR. In addition, future research needs to expand the scope of research on types of hotels and research area to have better information about the overall population, and to use probability sampling method.

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