# CSR Reporting in Locally Owned Hotel Chains in Malaysia

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**Abstract**

This study explores the corporate social responsibility or CSR reporting of the top 8 Malaysian owned and operated hotel chains. Using content analysis this report examines what and how do the local hotel chains report their CSR activities. This study finds CSR reporting to be limited and primarily focused on community based initiatives. And despite its growth and popularity especially among the young, CSR reporting on websites remain minimal. As such, several recommendations have been made to encourage more reporting and more reporting on websites.

**Keywords:** CSR, reporting, websites, Malaysia, hotels

## 1. Introduction

### 1.1 Background to the Study

Customers, investors and governments are increasingly aware of the social and environmental consequences of unrestrained businesses activities. They are now placing more demands on the business community to be socially and environmentally responsible for their actions (Hsieh, 2012). As a result CSR or corporate social responsibility has been pushed to the forefront of many corporate conversations today.

There is no universally accepted definition of CSR. Different people understand CSR differently (Holcomb, Upchurch & Okumus, 2007). As such a number of definitions have surfaced. Robbins and Coulter (2005) define CSR simply, as the company's plans to go beyond its legal and economic responsibility to do what is good and right for the communities around them.

The World Business Council for Sustainable Development (WBCSD, 1999), in turn, describes CSR as the organization's commitment to long term development and improvement in the economy, environment, employees, families and communities around them. The European Commission, on the other hand, views CSR as the incorporation of the company's interest in the community and environment into their everyday business operations (CEC, 2001).

### 1.2 Significance of the Study

CSR comes from the belief that businesses have a larger responsibility to society other than making money. Some writers like Carrol (1979) are of the view that businesses should be responsible to the greater community around them and should therefore attend to their concerns. Other authors, like Friedman (1970) insist that the organization should only focus on the economic and legal requirements of doing business and not be distracted by other non- core. Today, Carrol (1979) more inclusive perspective has caught on in both industry and academia.

The demand for companies to be more socially and environmentally responsible is not limited to their CSR policies and practices. There is also demand by various stakeholders on companies to report on them (Holcomb et al., 2007; Hsieh, 2012). CSR reporting is critical as it can help stakeholders in making socially and environmentally responsible decisions. Conscientious customers, investors and governments can use the information, to decide what to buy, where to invest in and whom to support.

Despite the attention on CSR, there is scant research on CSR and CSR reporting in the hospitality industry (Holcomb, Okumus, & Bilgihan, 2010). The lack of research is especially evident in the emerging economies of Asia. Various authors note the limited research on CSR activities in the hospitality industry in regions outside of Europe and the United States (Hsieh, 2012; Tsai, Tsang, & Cheng, 2012).

*1.3 Objectives of the Study*

This study aims to address this research gap by investigating CSR reporting by the local hotel chains in Malaysia. This study examines what and how do the local hotel chains report their CSR activities in their annual reports and websites. This study focuses on 8 locally owned and operated hotel chains in Malaysia namely, Avillion, Berjaya, Boustead, GCE, IGB, Oriental, Sunway, and YTL. The 8 hotel chains have several key common features.

First, all the hotel chains have been operating for a number of years and have a minimum of 5 domestic hotel properties each. Second, they are all owned by large and established public listed companies in Malaysia. The listing status allows the companies access to capital from Malaysia's burgeoning financial markets. Third, several of the hotel chains have already expanded overseas and established a name for themselves in their own right.

This research on the hotel industry is relevant because of the importance of the industry to the Malaysian economy. The local tourism and hospitality industry is the third largest contributor to Malaysia's economy (WTTC, 2017). It, directly and indirectly, contributed more than 40 billion USD or nearly 13.7% of Malaysia's total GDP in 2016. The industry also, directly and indirectly, generated more than 1.7 million jobs or 12% of total employment in Malaysia (WTTC, 2017).

To date, there is no research made on CSR reporting by the local hotel chains in Malaysia. Joseph, Lin, Nichol and Jussem (2014) made a quantitative inquiry on sustainability reporting in 300 city hotels in Malaysia. Their study included both international and domestic hotel chains. This study, however, is more qualitative, more inclusive and focused on Malaysian owned and operated hotel chains. The primary aim of this paper is to investigate what and how the local hotel chains report of their CSR activities.

This research paper is organized along the following lines. The first section introduces the aim of the paper and the research gap. The following section, reviews the literature on CSR and CSR reporting in the hospitality sector. Next, the methodology section details the research approach and the research method. The results section discusses the findings of the study based on the literature review. The final section concludes the research study.

## 2. Literature Review

Whilst the hotel industry affords many economic and social benefits such as job creation, skills building and property development, it can also be a tremendous drain on scarce resources and a source of effluence. Hotels consume vast amounts of energy and water resources. They also generate all kinds of waste products that degrade the socio-environment around them. They include wastewater, food waste, discarded linens, cleaning chemicals and others (Kasim, 2007; de Grosbois, 2012). As such, there is increasing demand for hotel companies to engage in socially and environmentally responsible behaviors or CSR.

Following closely behind that, is the growing demand for more CSR reporting. Previous studies indicate that there is considerable interest in CSR reporting by stakeholders (Hsieh, 2012, Font et al., 2012). Conscientious customers, shareholders and suppliers want more information on a company's CSR activities so they can make an informed and responsible decision. Accordingly, governments have urged for more CSR reporting. For most countries, CSR reporting remain a voluntary exercise. Nevertheless, several countries like Malaysia and Singapore have put in place CSR reporting as a requirement for listed companies (Abaeian et al., 2014).

Industry responses, however, has been more mixed. Holcomb et al. (2007) studied the top ten hotels in the world listed in the Hotels magazine. They found that CSR reporting amongst the hotels varied widely. Some of the hotels readily provided details on their CSR activities. Other hotels were less forthcoming. Going further, De Grosbois (2012) explored the CSR reporting practices of the top 150 hotel in the world and found that most of the hotels would report their commitment and plans for CSR. Nevertheless, a much smaller number of them would actually report any details on implementation and goal achievement.

De Grosbois (2012) study findings led Font, Walmsley, Cogotti, McCombes and Hausler (2012), to closely examine the CSR disclosure - performance gap of ten international hotel chains. Through in depth interviews and observations, Font et al. (2012) found significant gaps between what the companies promised and what they actually implemented and achieved. Clarkson et al. (2011) in their study on hotel companies in Australia, similarly noted the frequent discrepancy between disclosure and actual performance for environment based CSR programs and accordingly called for more compulsory reporting.

The gap or discrepancy is so prevalent, particularly amongst larger hotel companies (Font et al., 2012), that it has been given a special name, greenwashing. According to Lyon and Maxwell (2011) greenwashing is all about companies selectively disclosing positive over negative information on their social or environmental responsibilities. The purpose of the selective disclosure is to present the companies in a favorable light. Holcomb

(2007) notes that companies often report their CSR activities in order to 'look good' which begs the question, is CSR a public relations exercise or a legitimate avenue for companies to do good.

Holcomb et al. (2007) initial study also found that the hotels investigated mostly focused their CSR reporting on community and employees. Over 80% of the hotels studied reported on contribution to the community. Another 60% reported on initiatives to improve employee wellbeing. Environmental initiatives, on the other hand were mostly neglected. Since then, considerable progress has been made on the environment front. Font et al. (2012), De Grosbois (2012), Cherapanukorn and Focken (2014), Hsieh (2012) have all reported active engagement and reporting by hotel companies in both community and environment based CSR activities. There is greater awareness today, on the part of the hotels to engage in environmentally responsible behaviors due to its purported benefits.

Previous studies enumerated numerous benefits to CSR engagement. The most compelling is cost savings. CSR initiatives, particularly environmental based practices such as water and energy management can reduce overall hotel operating expenses (Sprinkle & Maines, 2010; Levy & Park, 2011). Equally compelling is CSR impact on customer and employees. CSR has been linked to improved brand image and loyalty (Martinez, Perez, & DelBosque, 2014) and greater customer satisfaction (Martinez & Del Bosque, 2013).

CSR is also said to facilitate employee motivation (Kim & Scullion 2013), organizational commitment (Brammer, Millington & Rayton, 2007) and employee recruitment and retention (Sprinkle & Maines, 2010). Further CSR has been shown to encourage investor relations (Petersen & Vredenburg 2009) and competitive advantage (Kramer & Porter, 2006). Overall, Sinha, Dev and Salas (2002) notes that CSR activities can contribute positively to the hotel companies' bottom line. And the contribution for a hospitality company often outweighs that of a non-hospitality company.

There are a number of channels that hotel companies can communicate their CSR activities. Traditional means for communicating CSR includes the annual reports, advertisements and press releases. However, rapid advances in technology and the exponential increase in internet users have pushed the internet as an important channel for CSR communication. Jose and Lee (2007) and Hsieh (2012) note that the internet affords companies the opportunity to inform and interact with their stakeholders their CSR policies and practices and at very little cost.

Websites, in particular, has become a very popular internet tool for companies to share their CSR information. More companies are now also using the corporate websites to showcase their efforts to improve the socio - environment around them. Basil and Erlandson (2008) made a longitudinal study on CSR in 159 Canadian corporate websites. They found that 67% of the companies had some form of CSR reporting in 2006 compared to only 27% in 2004. Gomez and Chalmeta (2011) studied fifty US corporate websites and found that 80% of them had dedicated pages to CSR activities.

Very few studies have been made on what and how companies in Malaysia report their CSR activities. Even fewer studies have been made on CSR reporting on the local hotel chains. Ahmed Haji (2013) made a longitudinal study on CSR reporting for public listed companies in Malaysia. They found a spike in the extent and quality of reporting in the period of study from 2007 to 2008. The spike incidentally coincided with the government's requirement for compulsory CSR reporting in 2007. Nevertheless, Ahmed Haji noted that the quality of reporting remains low, with the major focus on narrative stories rather than strategy, objectives, targets and performance data.

Joseph et al. (2014) made a study on sustainability reporting, which remains a core component of a comprehensive CSR program, in the websites of 300 hotel companies in Malaysia. They opined that the hotels did not do enough to utilize their websites for creating awareness on sustainability. Only 14.7% of the companies actually included any information on sustainability reporting. Most of the websites only focused on marketing and promotional activities. Additionally, the vision and mission statements in the websites focused on economics rather than on the social and environmental aspects of business.

## 3. Methodology

This study is focused on the CSR reporting of Malaysian hotel chains. The aim is to investigate, the content and nature of CSR reporting by local hotel companies. This study uses content analysis to identify and describe patterns emerging from the data samples. Neuman (2007) describes content analysis as a very useful research technique for gathering and analyzing text based content.

A number of researches have already been made on CSR reporting in the hotel industry using content analysis. They include, Holcomb et al. (2007) study on CSR reporting by 10 international hotel chains, Font et al. (2012) research on CSR disclosure and performance gap and Hsieh (2012) examination of sustainability policies and

practices of 50 hotel chains based in US, Europe and Asia. These studies only confirm the reliability and validity of content analysis as a research technique.

Table 1. List of sample companies

| Hotel | Listed Company | Properties |
|---|---|---|
| Avillion hotels | Avillion group | 5 domestic |
| Berjaya hotels | Berjaya group | 10 domestic, 6 international |
| Bayview hotels | Oriental group | 5 domestic, 7 international |
| Cititel hotels | IGB group | 11 domestic, 6 international |
| Grand Continental hotels | GCE group | 6 domestic |
| Royale hotels | Boustead group | 7 domestic, 1 international |
| Sunway hotels | Sunway group | 10 domestic, 2 international |
| YTL hotels | Ytl group | Large portfolio of domestic and international hotels under different brand names |

With content analysis, a set of categories and related concepts must first be identified. The categories and concepts, in turn, must come from a review of the literature and a preliminary investigation of the data. In their studies, Holcomb et al. (2007), Levy and Park (2011), De Groisbois (2012) identified 5 categories of CSR activities that hotels regularly engaged in, including community, environment, workplace, marketplace and mission. After reviewing a sample of the local hotel companies' websites, the author finds that only the 4 CSR categories of community, environment and marketplace to be immediately applicable and relevant and included them in the coding schema.

Sample data comes from the hotel and corporate websites, annual financial statements and sustainability reports of 8 Malaysian owned and operated hotel chains. Only the 2015 and 2016 financial and sustainability reports were reviewed. Data from the websites were taken in the month of November 2017. From the data set, the presence of corporate commitments, initiatives and achievements on the 4 CSR categories of community, environment, employees and marketplace were identified, recorded and tallied. Commitment refers to the company's stated goals on CSR. Initiatives on the other hand relates to CSR programs aimed at achieving the goals. Achievements, in turn, refer to the company's evaluation of goal performance.

The hotel chains are part of a larger group of companies that are publicly listed. Table 1 shows the names of the hotels, the listed companies they are part of and the number of hotel properties they have. The rationale for using the listed companies for sample data is because of its relevance. Various studies note that larger companies, in terms size and capital, are more likely to   recognize the benefits of CSR initiatives and therefore more likely invest in and report on them (Hsieh 2012). On the main, listed companies in Malaysia are much bigger, as it has ready access to the burgeoning capital market in the country.

The other reason for including listed companies is the accessibility of the companies' annual reports and websites. Listed companies are required by law to make their reports public. They are also required to disclose their CSR activities in the annual reports under the KLSE listing requirements. The reports are a credible source of data. The KLSE or Kuala Lumpur Stock Exchange requires all listed companies annual reports to be audited. And it is the auditor's responsibility to ensure that the annual statements provide a true and fair account of the company affairs.

The globally recognized, Malaysian owned Resorts World hotel have been excluded because they are focused on managing and operating large scale holiday resorts that includes hotels, service apartments, shopping centers and casinos. The other globally recognized, Malaysian owned, Shangri-la hotels have been excluded because it is operated and managed from Hong Kong. Tune hotels with a substantial portfolio of hotel properties were also excluded because they are not public listed and their annual reports are not readily accessible.

The focus of this study is to find out what and how the local hotel chains in Malaysia report their CSR activities. Additionally comparisons will be made with their international counterparts. This study utilizes content analysis to analyse the websites and annual reports of the hotel companies, specifically with regards the content and nature of their CSR reporting. The results of this study will be presented according to the themes or categories identified earlier, namely, environmental issues, community affairs, employee welfare and market place interest.

## 4. Results

The presence of commitments, initiatives and achievements on the four CSR categories of community,

environment, employees and marketplace on the sample hotel company's websites, annual financial and sustainability reports were identified, recorded and tallied. The results are presented in Appendix A.

All the hotel companies provided information on CSR. Nevertheless what information was provided and how it was presented differed greatly. The sample hotel chains are all subsidiaries of larger holding companies listed on the local bourse. As such there's almost always a website for the hotels and a website for their holding companies. Several of the hotel companies had multiple websites, with a website for each and every individual hotel property.

The hotel websites are mainly focused on sales and marketing. Attractive pictures on hotel rooms and facilities are frequently posted to promote the properties to the customers. The corporate sites on the other hand are mostly focused on financials to cater to the demands of investors and shareholders. Histograms, pie charts, expense schedules, cash flow statements, and ratios dominate the corporate sites.

CSR information on the hotels' website are scarce. Only Avillion and YTL hotel websites included some details on their CSR activities. For the other hotels, CSR information was only located on the corporate websites of the holding company and their annual reports. Although available, CSR information on the corporate websites was often inconspicuous and therefore difficult to find. Further, the CSR activities described were mostly related to the group of companies businesses rather than to any specific hotel properties.

The hotel chains and their holding companies are all listed. As such they are required to make available their annual reports. Locating the annual reports, however, were cumbersome. For the most part the annual reports remain deeply buried within the corporate site amongst the financial numbers. Whilst difficult to access, the annual reports are still available for download or viewing.

Dedicated reports to CSR or sustainability were harder to come by. Of the 8 hotel groups only Sunway, YTL and the Oriental group had special reports dedicated to sustainability. Notably, the Oriental group printed their first sustainability report in 2016, whilst the Berjaya group will publish their first sustainability report in 2018.

Similarly, CSR information in the company's annual reports was difficult to find. Accounting and finance dominated the annual reports. Whilst financial matters often take up to a hundred pages or more of the annual reports, social and environmental concerns only fills up to two or three pages each. Additionally the CSR activities reported were broad based. They were related to the group of companies many business activities, such as plantations or property development rather than just their hotel investments.

*4.1 Community Affairs*

All of the hotels expressed their commitment to the community on their websites and annual reports. They understood the importance of 'giving back' to the community. Typical commitments includes,

*'IGB believes that our success is intrinsically linked to the success of our communities and we must support one another and invest in our joint futures to thrive,' IGB group.*

*'To Sunway Group, the philosophy of giving to society is never an afterthought, but a steadfast commitment embedded in the very fabric of its past, present and future,' Sunway group.*

Additionally, all the companies' annual reports and websites were often peppered with community outreach activities conducted. Typical CSR community activities include providing for bursaries to poor students, donating to the local orphanage and hospices, and giving to the marginal and disadvantaged groups such as single mothers, orphans or victims of AIDS. Performance indicators however were much harder to come by. Only 3 companies clearly articulated their objectives, targets and performance indicators on their community based CSR program on their reports and websites.

*4.2 Environmental Concerns*

Most of the hotels articulated their commitment on the environment on their websites and annual reports. They recognized that their business activities can have an adverse impact on the socio-environment around them. The following commitments were made by the two companies that are leading the charge on environment conservation efforts.

*'We recognise the adverse impacts of environmental degradation, pollution and climate change, and strive to pursue purposeful measures in ensuring our businesses that are genuinely sustainable and in compliance with legal and regulatory environmental requirements,' YTL group.*

*'We have reinforced our commitment to green growth across our operations to ensure that our precious environment and natural legacy is conserved and protected for present and future generations,' Sunway group.*

Most of the companies also reported their CSR initiatives on the environment. Common environment based CSR initiatives include waste reduction, water management and energy conservation. Examples of waste reduction initiatives include paper and plastics recycling program. Energy conservation efforts invariably consist of energy efficient led lights and automatic lighting system that switches off when not in use. Whilst, water management activities include fitting water taps with sensors, and installing the dual flush toilet system.

Nonetheless, the extent of their disclosure and reporting varied widely, from a couple of paragraphs in the annual reports expressing environmental commitment to a full blown 80 page plus dedicated report that includes plans, policies, goals, initiatives and achievements. The YTL group, in particular, sets the standard when it comes to CSR reporting on the environment. They outlined the framework from which their CSR approach, policies and initiatives come from. They also detailed environmental goals such as emission and carbon footprint levels, and provided facts and figures on what has been achieved. Additionally they provided comprehensive plans in the future to better achieve stated goals.

*4.3 Employee Welfare*

Several of the hotels outlined their commitment on employee welfare. They recognize the importance of employees to the long term growth and prosperity of the business. Hence they are focused on improving the quality of lives of their employees. The belief is, if the business takes care of its employees, the employees will take care of the business, in terms of higher employee contribution and engagement. Typical commitment to employees' welfare include,

*'OHB Group recognises that success and growth of the Group over the years has been built on the foundation of a skilled and talented workforce. Therefore, motivating and developing the workplace is very important ...' Oriental group.*

*'To ensure that all our employees receive the support they need to be the best that they can be, we provide equal opportunities for training and development, and reward them based on performance, contribution, and experience.' IGB group.*

Various employee based CSR initiatives were outlined by the companies in the annual reports and websites. Typical CSR based employee initiatives sighted include diversity and inclusiveness, health and safety concerns, fair and equitable benefits and salaries and training and development opportunities. Again, the extent of the disclosure or reporting varied widely amongst the companies.

Here, the Sunway group sets the standard for CSR reporting. For example, together with their stated commitment and goals on diversity at work, Sunway provided figures and charts detailing their achievements including their current workforce' age, gender and racial, mix in various management and non-management positions.

With regards to their commitment on employee health and safety, Sunway outlined detailed goals and policies to ensure that the workplace remains a safe environment to work in. They also recorded the frequency of safety related issues occurring in the past year on their premises and awarded cash prizes and trophies to the business section with the lowest scores.

*4.4 Marketplace Interest*

Only a few of the hotels outlined their commitment to marketplace CSR. YTL the leader in marketplace interest outline the reason for their commitment,

*'At YTL, our customers, partners and communities are the quintessential elements of our success. None of our business units can thrive without the equitable treatment of these important stakeholders,' YTL group.*

Even fewer marketplace CSR initiatives were displayed. Some the marketplace CSR activities includes sourcing for locally produced or green products, ensuring supplier diversity, promoting fair and transparent trade, instituting strict code of conduct and corporate governance, avoiding conflict of interests and complying with government regulations.

## 5. Discussion

CSR reporting by the local hotel chains remains limited. Only three of the hotel companies, namely, Oriental, YTL and Sunway provided very comprehensive reports on their CSR activities. Most of the companies investigated, however, were less forthcoming. Typically, the companies would outline their commitments and policies on CSR. However, details on its implementation, including the initiatives developed and achievements made, was more difficult to obtain.

The limited reporting, however, is consistent with previous research findings, even in more developed countries.

Previous studies done by de Grosbois (2012) and Font et al. (2012) similarly found CSR reporting by international hotel companies often lack details on implementation and performance. Ahmed Haji (2013) found the same with Malaysian public listed company. He noted that CSR reporting remain focus on narratives rather than objectives, targets and performances.

The limited reporting may reflect the lower than expected levels of CSR activities which may be attributable to a number of factors. First, is the negative perception of CSR. The hotels may just see CSR as just another cost of doing business (Sprinkle & Maines, 2010). To businesses, CSR activities may just be an unnecessary expenditure to comply with the legal requirements of a public listed company, or an unavoidable cost in order to 'look good' in the eyes of its customers, shareholders and governments (Holcomb et al., 2007).

The other factor that may contribute to the lower levels of CSR activity is lack of awareness. Hotel management may not be aware of the benefits that CSR affords. They are not aware that CSR can actually add value to the hotel operations and bottom line. Tsai et al. (2012) noted this lack awareness when interviewing hotel employees in Hong Kong hotels. Kasim (2009) similarly observed this lack of awareness, particularly in small and medium sized hotels in Malaysia. This lack of awareness and understanding can often hinder any CSR initiation and implementation (Scanlon, 2007).

The hotels reported the 4 major categories of CSR initiatives to varying degrees. The most popular CSR category, however, appeared to be community. All the companies reported community based CSR initiatives. The hotels appeared more focus on the community than on the environment or employees. Holcomb et al. (2007) observed a similar pattern in international hotels a decade ago, with more than 80% of the hotels studied emphasizing community based CSR activities.

The company's emphasis on community is reflective of Asian cultural priorities. Welford (2005) referred to CSR being closely tied to culture. And Asian culture, in particular, is all about families and communities. Sharma (2012) notes that, the concept of obligation and responsibility is very strong in Asian cultures. The belief is, businesses do well because of the help and support of the communities around them. Hence in difficult times businesses have the responsibility and obligation to 'give back' to the community.

A growing but still nascent CSR category amongst the hotel companies is environment. Only Sunway, YTL and Oriental group devoted a substantial segment of their sustainability or annual reports on the environment. Other hotels, however, were much less generous. Sharma (2012) observed the same. Referring to an earlier report indicating that 25% of listed companies in Malaysia do not have any CSR reporting on the environment, Sharma (2013) expressed surprised over the low level of activity and reporting given the world's concern on energy and water scarcity, climate change and pollution.

What is more concerning is, by not investing more on the environment, the local hotels is missing out on its many   benefits. Other than customer loyalty, brand image and employee engagement, there are cost savings to be had by focusing on the environment. Levy and Park (2011) study on 613 hotel executives in the United States showed that they favored CSR initiatives on the environment most because of its ability enhance the hotel brand and at the time save costs.

Similarly, Font et al. (2012) in their study on the CSR activities of large international hotel chains, detected a strong emphasis on the environment, particularly energy and water management which can bring in immediate gains on the bottom line. On the main, the international hotel chains have embraced environment causes to their benefit. The domestic chains, however, are lagging behind their international counterparts to their detriment.

Finally, there is the limited use of websites to report CSR activities. There was not a lot of CSR information available on the hotel or corporate websites. Most of the information was located in the annual financial and sustainability reports. Only Avillion and YTL had some CSR information on their hotel websites. The other hotel groups had some of their CSR information located on their corporate websites. Much more can be done to highlight the companies CSR initiatives on their websites.

CSR reporting on websites is a relatively recent phenomenon (Holcomb et al., 2007). However websites are increasingly playing an important role. Websites are used by various companies to disclose details about themselves. Websites are also used to update customers of important information and to interact with them (Shin, Pang & Kim, 2015). Well-crafted websites can generate positive brand image and customer loyalty (Cyr, 2008). Poorly designed websites on the other hand can potentially build user distrust and dissatisfaction.

The inability of customers to access CSR information through the company websites may build distrust and adversely impact business. Customers today are more proactive. They are ready to take action on what they believe in. Vassilikopoulou, Siomkos and Mylonakis (2005) surmised that consumers today are more than

willing to support businesses that meet their expectations.At the same time they will not hesitate to punish businesses that they deem as socially and environmentally irresponsible.

As such, more work needs to be done to initiate and report on the hotel's CSR activities on company websites. Increased attention on the hotels commitment and implementation on CSR on publicly available websites will not only help in brand recognition but will also drive more guests demand.

## 6. Conclusion and Limitations of Research

The dominant theme emerging from this study is the limited reporting of CSR related activities by the local hotel chains. For the majority of the hotel companies investigated, the focus of reporting is on commitments and plans, whilst details on actual implementation and achievements were often left out. The limited CSR reporting may just reflect the social and economic development in Malaysia. Welford (2005) notes, that there is a close link between CSR and economics. Thus, CSR awareness and reporting in Malaysia, like its' economy is still developing.

The limited reporting also raises the issue of greenwashing. That is, CSR activity and reporting is seen primarily as a way to make the company look good. Authors such as Holcomb (2007) and Hsieh (2012) notes the tendency of companies to regard CSR merely as a public relations exercise to cultivate a positive image or to deflect negative criticisms. Although greenwashing is not criminal, it can blind companies from the true purpose and benefit of CSR. Here, the government can play a part in encouraging more CSR reporting and at the same time avoid greenwashing.

To spur more detailed reporting the requirements for public listed companies could be reviewed. Kasim (2009) opined that one of the key drivers of CSR reporting is regulation. Until 2016, the Bursa Malaysia Securities Berhad, or the local stock exchange, laws and regulations only requires listed companies to provide a general description of their CSR activities (Chek et al., 2013). Generally, a narrative statement on how companies manage their socio-environmental surroundings would suffice. This may explain the less than comprehensive CSR reporting of many of the listed companies observed in earlier studies.

Nonetheless, recent amendments to the listing requirements of Bursa Malaysia Securities Berhad in paragraph 9.45(2) and paragraph (29), compels listed companies to disclose any economic, environmental and social issues impacting the business (Sustainability Reporting Guide 2015). The companies are also required to explain how they are managing them and present what they have achieved including some performance indicators. The new regulation appears sufficiently rigorous to stave off greenwashing. To add further bite, however, the regulation should be followed up by strict enforcement. The authorities should regularly monitor and enforce compliance to avoid greenwashing.

The companies studied also disclosed very little CSR information on their websites. To promote more CSR reporting, the Bursa Malaysia could provide more guidelines on website reporting for CSR. Regulation on CSR reporting currently only applies to annual reports (Sustainability Reporting Guide, 2015). There is no specific requirement applicable to websites. Nonetheless websites remain the go to place for obtaining pertinent information on companies, particularly among for the digital savvy generation y and z. The company websites is also often the public face of the company. As such the local bourse could set some more rules on what and how the companies could present pertinent CSR information on their websites.

To encourage both CSR activity and reporting, the local bourse could help with education. Kasim (2009) notes the lack of knowledge and the importance of raising awareness and appreciation of the benefits of CSR, particularly among smaller hotels enterprises in Malaysia. The local bourse, together with local activist and NGO's can organize seminars and workshops for the local firms, on the benefits of a comprehensive CSR and CSR reporting regime in the annual reports and websites. True appreciation of the benefits of CSR will ensure the hotel companies organize and report CSR activities beyond just complying with listing requirements.

Finally, various studies on companies listed on the New York stock exchange indicates that the financial performance of companies that practice corporate social responsibility and sustainability often surpasses that of companies that don't (Kasim, 2009). Just as important, these companies are also strongly supported by investors in the financial markets. The findings only reiterate the increasing importance of CSR in today's fast changing world. It also presents a warning to companies who choose to ignore the significance of CSR and its reporting.

This study contributes to the literature on CSR in the hotels industry in a number of ways. It provides a close up picture on how the local hotel chains in Malaysia report their CSR activities. This study also provides information on some of the more popular CSR initiatives conducted. It further provides insights on the CSR activities that the local hotels deem as most important and the reasons for it. Finally this study identified the

companies that provided useful and informative CSR reporting that other companies might want to model after.

In terms of limitations, a small number of sample companies was used for this study. Only 8 local hotel chains were included. As such the findings cannot be generalized to all the hotel companies in Malaysia. A more comprehensive study with a larger sample size that incorporates international hotel chains should be conducted so findings can be generalized and proper comparisons can be made.

Only publicly available information on companies' websites and annual reports has been used in this study. The hotels may have more information on their CSR activities that have not been disclosed for various reasons. Thus a more comprehensive study, incorporating staffs interviews and the company's internal documents is needed to give a better picture of the companies CSR activities.

Additionally the findings are based on information posted on the respective hotel companies websites in the month of November 2017. Generally, information on corporate websites are dynamic, it can change at a moments notice. As such, a longitudinal study that looks at how CSR reporting have changed over the years for the local hotel chains in Malaysia may be a more appropriate study for the future.

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**Appendix A**

CSR in annual reports and websites

| Environment | Commitment | Initiatives | Achievement |
|---|---|---|---|
| Water savings | 6 | 5 | 2 |
| Energy management | 6 | 4 | 3 |
| Waste recycling | 6 | 4 | 2 |
| Green products | 4 | 4 | 2 |
| Nature conservation | 5 | 5 | 2 |
| Employee | | | |
| Health and safety issues | 7 | 4 | 2 |
| Fair and equitable wages | 2 | 2 | 1 |
| Employees assistance program | 6 | 4 | 1 |
| Opportunities for training and development | 8 | 5 | 3 |
| Diversity and equal opportunity | 5 | 4 | 2 |
| Work life balance | 6 | 4 | 0 |
| Community | | | |
| Scholarship and grants | 7 | 5 | 2 |
| Blood donation | 7 | 5 | 0 |
| Community giving | 8 | 4 | 3 |
| Gifts to disadvantage groups | 8 | 4 | 1 |
| Marketplace | | | |
| Quality products | 3 | 3 | 2 |
| Supplier diversity | 2 | 2 | 2 |
| Ethical behaviors | 2 | 2 | 0 |
| Fair trade and negotiations | 1 | 1 | 0 |

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