Atttitude, Motivation and Barriers for CSR Engagement among Travel and Tour Operators in Nepal

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Abstract
The surging interest of tourists in responsible business practices and their global popularity is making CSR imperative for tourism SMEs, including TTOs of Nepal. Consequently, there has been a rise in CSR engagements among tourism SMEs in developing countries. Nonetheless, due to limited attention by researchers, knowledge about their CSR engagement is scant. The same is also true for TTOs residing in Nepal. In such a scenario, it is prudent to generate an understanding of CSR engagement of Nepali TTOs. For this reason, this exploratory study investigated various dynamics of CSR engagement among TTOs (n=141) registered in the National Association of Tour and Travel Agents through a paper-based survey. The results showed that half of TTOs claimed that they had incorporated CSR in their mission and strategy; they exhibited positive attitudes about the benefits of CSR to businesses, customers’ favorability towards businesses implementing CSR, and the need for a higher value to CSR within the tourism industry. Societal benefits and well-being, and the opportunity to market their image among customers motivated them to engage in CSR, whereas lack
of resources and knowledge restrained them. Three fourth of them claimed to practice CSR of some sort, and most of them intended to continue their CSR engagement in the future. Collectively, TTOs had a positive outlook towards CSR. However, there are some deterrents for them to engage in CSR. This study provides valuable baseline insights to formulate the right plans and policies to influence CSR employment by TTOs, ultimately leading to sustainable tourism.

Introduction

Tourism has gained the reputation of being a mainstay industry in Nepal (Thapa, 2012), a small southeast developing country between India and China. Moreover, over the years, Nepal has witnessed growth in its tourism industry, which has a significant contribution to its national economy in various economic fronts like income generation, foreign exchange gain, and employment opportunities, etc. (Turner & Freiermth, 2017). Consequently, on the negative side, the high infl ow of tourists also generated multitudes of environmental and social problems like deforestation, loss of biodiversity, pollution, crowding, litter, waste disposal and sanitation, cultural modification, and youth migration. (Banskota & Sharma 1996; Nepal, Kohler & Banzhaf 2002; Nepal, 2000; Nyaupane & Thapa, 2006; Panta & Thapa, 2018). Amidst this situation, the general consciousness about the adverse effects of tourism and the possibilities of alternative sustainable tourism practices have also grown. This has led to positive traction towards Corporate Social Responsibility (CSR) and sustainable practices among public, private, and non-governmental organizations of Nepal (Baniya, Thapa & Kim, 2019).

Understandably, Travel and Tour Operators (TTOs) in a developing country like Nepal are small and medium enterprises (SMEs) in terms of their scopes and sizes. Furthermore, these tourism SMEs are the key stakeholders in the industry due to the reasons that they occupy a relatively large share of the industry (Pikkemaat, Peters & Chan, 2018) and play a critical facilitation role in its successful running (Baniya, Thapa & Kim, 2019). Besides, SMEs are well-known to benefit job generation and poverty reduction in developing countries (de Kok et al., 2011). Additionally, in the scenario where Nepal has not fully embraced the web economy, TTOs are providing the much-needed linkage between tourism suppliers like hotels, transports, etc. and the tourists. They can often be a strong influence in both the demand and supply side of the tourism industry (Buhalis & Law, 2008; Pennington-Gray, Reisinger, Kim & Thapa, 2005; Sigala, 2008). Due to their relevance and importance, TTOs’ role in destination sustainability (Budenau, 2005; Tepelus, 2005; Van Wijk & Persoon, 2006) and CSR implementation across the industry is unquestionable (Van Wijk & Persoon, 2006).

Moreover, in recent years, encouragingly, TTOs have started getting involved in CSR activities due to various reasons like - increasing customer’s receptiveness
towards the environment, recognizing their responsibilities for the negative impact of tourism and increasing global initiatives to promote sustainable tourism (Budeanu, 2005; Wijk & Peersoon, 2006; Baniya, Thapa & Kim, 2019). At the TTO level, there is some evidence of their CSR engagements like giving a certain percentage back to the community for a social cause, supporting environmental causes, and being part of conservation and cleaning campaigns (Shrestha, 2012). Hence, the notion that SMEs are increasingly involved in CSR is genuine.

Despite the importance of TTOs in the tourism industry and their growing engagement in CSR, in-depth studies regarding it disclosing relevant aspects (like perception, motivations, barriers, etc.) are inadequate. Furthermore, literature shows that CSR engagements of SMEs in developing countries have gained the least attention among researchers (Jamali, Lund-Thomsen, & Jeppesen, 2017). More specifically, in the context of Nepal, the primary research and information about CSR from the participant stakeholders are lacking (Adhikari, Gautam, & Chaudhari, 2016), and the tourism sector is not an exception. For these reasons, it is prudent to explore the CSR engagement of TTOs in Nepal. The study can generate invaluable benchmark insights that can assist in formulating programs and policies to influence TTOs to practice CSR to attain the overarching goal of making the whole tourism industry sustainable.

Thus, responding to the gap in the literature, this exploratory research devised five interconnected questions to collect baseline data about TTOs CSR engagement – 1) What is the current understanding of the term ‘CSR’ among travel and tour operators? 2) What is the attitude of TTOs regarding CSR? 3) What are the motivations and barriers to CSR implementation? 4) What kind of CSR activities are they prefer? 5) What is their future intention regarding CSR practices?

**Literature review**

**CSR in Nepal and Nepali tourism industry**

Despite the term ‘CSR’ was coined by Bowen in 1953 only, responsible actions from Nepali businesses had been visible since the past 100 years (Adhikari, 2012). There were several pieces of evidence of business communities donating wealth to educational institutions, temples, and large inns for religious purposes (Adhikari, Gautam & Chaudhari, 2016). These sporadic but responsible activities by businesses have always existed in the Nepali society. More distinctively, the notion that prospering businesses should contribute to societal welfare had its roots in the religious belief that human will suffer in ‘Narka’ – the hell for all the sins and wrongdoings, and will enjoy ‘Swarga’ – the heaven for all the good works that includes social or religious contributions (Legal, 2006). Hence, the socially responsible practices and charities by Nepali business communities can be attributed more to ‘fear and greed’ than to the
real sense of responsibility. Also, in most accounts, the evidence showed that these activities were mostly philanthropic (Adhikari, 2012). Hence, even with such a rich history of responsible behaviors by the Nepali businesses, their CSR mindsets did not move beyond philanthropy.

Over the years, various types of businesses have established themselves in Nepal. Among them, family-owned businesses and entrepreneurial establishments have predominantly taken center stage (Adhikari, 2012). These businesses are run either by family philosophy or by owner’s conviction. Further, these businesses are typically governed by two main objectives – ‘gaining profits’ and ‘protecting the family brand image.’ The widespread presence of these businesses consequently shifted the focus of CSR from ‘following religions belief’ to ‘instituting owner or family’s images.’ In simple terms, CSR of these businesses was guided by the notion of creating, maintaining, and establishing their owner or main stockholding family’s image. Still, for them, CSR remained random philanthropic goings-on (Adhikari, Gautam & Chaudhari, 2016).

With further advancement, foreign-based companies also appeared in Nepal, which was guided by basic work standard norms, employee rights, safety measures, pleasant working environment (Welzel, 2006). Foreign organizational cultures guided these practices that the Nepali businesses follow. They displayed significant philanthropic contributions in CSR, but its institutionalization, management, and conceptualization remained equivocal (Adhikari, 2012). Conclusively, businesses in Nepal have an unmethodical and ad hoc approach to CSR, making its presence among business communities conceptually immature and primitive and heavily focused on the economic domain of CSR (Adhikari, Gautam & Chaudhari, 2016).

From the side of government and CSR promoting independent organizations, there have been some positive efforts to promote CSR among Nepali businesses. For instance, the National Business Initiative (NBI) was established from non-government initiatives in July 2003 to enhance businesses’ responsibility and contribution to Nepal’s future. NBI has been conducting seminars to generate awareness about CSR among business communities. Furthermore, 18 points Business Code of Conduct was publicized by the Federation of Nepal Chambers of Commerce and Industry (FNCCI) in 2004 that provides basic guidelines for the Nepali business to follow. At the government level, Nepal has provisioned several acts and laws like Labor Act: 1992, Child Labor Act: 2000, Trade Union Act: 1992 (Adhikari, Gautam, & Chaudhari, 2016). These are instances of organized efforts to introduce and institute CSR in the business community. Still, on the weaker side, Nepali businesses are struggling to comply with these standards, and government and CSR promoting institutions like NBI have not been adequately successful in monitoring and implementing these standards (Adhikari, Gautam, & Chaudhari, 2016).
In totality, Nepali businesses are carrying out CSR predominantly to fulfill “moral minimum” or “preserve their brand image” or “barely to fulfill legal responsibilities” (Chapagain, 2010). The strategic approach to CSR lacks in general, and businesses are undertaking CSR as a non-essential luxury. More often, it is seen that businesses fail to practice the holistic CSR, and the voices from other stakeholders like government, pressure groups, and customers, etc. are not strong enough to influence them. Both legal and ethical domains of CSR are deficient among Nepali businesses, and with a lack of transparency and accountability, often, even the mandatory CSR standards are not appropriately followed (Chaudhary, 2017). Hence, despite growing CSR among Nepali businesses is limited to random philanthropic endeavors mostly guided by economic motives (Adhikari, Gautam, & Chaudhari, 2016).

In the context of the tourism industry, the scenario is not different. Guided by customer’s demand and global influence, more tourism SMEs are practicing CSR (Baniya, Thapa & Kim, 2019). However, it suffers from similar issues regarding CSR like philanthropic driven, lack of strategic approach, often failing to follow the set standards, guided by for short term gains, etc. Furthermore, the fact remains, there is severe lacking primary research and information regarding CSR in Nepal (Adhikari, Gautam, & Chaudhari, 2016), including the tourism sector. Conclusively, CSR engagement of the Nepali tourism sector is an uncharted domain with a dearth of research on the topic.

TTOs as SMEs and CSR

TTOs as SMEs have their own difficulty to partake in CSR undertakings. Still, they are progressively engaging in CSR activities as permitted by their abilities (Norbit, Nawawi, & Shalin, 2017). It is traditionally assumed that there are lots of barriers for SMEs to implement CSR like lack of budget, time, and capacity (Jenkins, 2006). For those practicing CSR, the primary reason is gaining social capital (Sen, 2011). Further, they are also guided by values, pragmatism, and owners’ role (Murillo & Lozano, 2006; Sarbutts, 2003) and influenced by customers’ pressure and demand (Baniya, Thapa & Kim, 2019). Notably, the mounting preferences of customers towards sustainable consumption founded upon responsible business practices (Leal Filho, Pociovalisteau, & Al-Amin, 2016) are putting pressure on SMEs to be responsible. Consequently, in recent years, the adoption and implementation of Corporate Social Responsibility (CSR) by SMEs in the tourism industry have been rising, especially in developing countries (Baniya, Thapa & Kim, 2019).

However, the focus and priority of CSR debates among the researchers in most studies are based on large firms. There are some misbeliefs that SMEs are “little big companies”; thus, particular attention to SME’s CSR engagement is unnecessary (Tilley, 2000). Accordingly, it is presumed that CSR concepts and theories based on
large corporations should seamlessly adapt to SMEs. Nevertheless, in reality, SMEs have their motivation, challenges, and engagement issues, that might not be the same as those of large companies (Venkatasubramanian, & Ramanakumar, 2018). Thus separate researches for understanding detail conditions and strategies of SMEs to adopt CSR is required. As Spence & Schmidpeter (2003) rightly put it: “...we contend that an improved understanding of current CSR practices in SMEs has the potential of stimulating a high impact on the global economy and society as well as for the SMEs themselves.” Furthermore, the fact that the local expression of CSR is not the same in developed and developing countries demands context-dependent exploration (Jamali & Karam, 2018). Conclusively, CSR engagement of SMEs of developing countries has its unique characteristics, which are context-specific and worthy of investigation.

Within this context to fulfill the existing gap, this study embraced the exploratory research to examine CSR engagement of tourism SMEs of Nepal. At a more specific level, the purpose of this study is to investigate the attitude, motivations, and barriers for TTOs to adopt and implement CSR. Such an assessment is beneficial in devising the right approach to assist the tourism SMEs to practice sustainable tourism.

Methodology

Data collection

The sampling frame for the study comprised of 472 TTOs registered in National Association of Tour and Travel Agents (NATTA). Among them, 148 TTOs located in Kathmandu were randomly selected. Kathmandu was primarily chosen for having the significant presence of TTOs and being the first point of tourist entry with access to the only international airport of the nation. A trained fieldworker used a self-administered paper survey to collect the data on the spot or two to three weeks later after leaving the questionnaire in the TTOs office during the summer of 2018. The face validity of the questionnaire was ascertained through an expert judge (Hardesty, & Bearden, 2004). The survey took approximately 15 minutes to complete. Altogether, 141 usable responses were received, making the response rate of 95%. No compensation was provided to the respondent.

Operationalization of the variables

The study utilized both open-ended and close-ended questions as guided by its exploratory nature. The demographic details of the TTOs were captured using questions related to gender, age, position in the organization, nature of organizations, primary business, number of employees, and years in operation. Further, TTOs’ understanding of CSR was assessed using the open-ended questions. The perception of travel and tour operators about CSR was assessed using three constructs 1) industry comparisons 2) benefits of CSR 3) perception of customers regarding CSR practicing organizations. Each statement was measured using a 7-point Likert scale with 1 =
strongly disagree to 7= strongly agree. The two open-ended questions were asked to identify their viewpoint about motivation and barriers of engaging in CSR for them. To understand TTOs preferences regarding the type of CSR activities, six most prominent types of CSR activities were provided, and they were asked to rate from 1 to 7 were with 1 = not necessary at all to 7= highly important. Their current practices were revealed by questions related to their investment in any CSR activities and allocation of any individual to manager CSR within their firm. Finally, to know about their future intention, three questions were asked about their intention to practice at least one CSR activity, their expectation to get involved in CSR in the next five years, and their thought on implementing any CSR activities. The instrument was adapted from a similar study conducted by Sheldon and Park (2011).

Data analysis

There were two stages in data analysis. Initially, descriptive statistics were generated to describe the data and reveal the data configuration. Then in the subsequent stage, content analysis of the qualitative data was performed to develop an understanding of TTOs’ standpoints. MS Excel and SPSS 21 was used for data analysis.

Results

Respondent's profile

Among 141 respondents, females encompassed 30% and males 70%. The age groups of the respondents were - 28% in 18-25, 43% in 26-35, 15% in 36-45, 12% in 46-60, and 2% above 60 years old. The majority of the respondent were owners, followed by officers, managers, and assistants. 26% of the businesses were family-run, 68% were independently established, and 6% were start-up institutions in their early years. The average number of employees in the travel and tour operators was 8, and the average number of years in the operation was 11. All the TTOs contacted fell into SME status as designated by the Nepali government. Also, interestingly 60% of them had assigned employee(s) responsible for CSR. This was the general outlook of the sample respondents.

Awareness about CSR

Regarding ‘top of the mind awareness’ majority 73% defined CSR as ‘contributing back to society,’ 15% stated that CSR is ‘to treat the customer right and provide quality service,’ 8% expressed it as ‘following government rules and regulations like paying taxes,’ and only 4% termed it as ‘philanthropy.’ The understanding of CSR by TTOs was in contrast to their practice and the general assumption that TTOs comprehend CSR as philanthropy only. The awareness level of CSR among travel and tour operators was promising and in the right direction, though not holistic. Nearly half (52%) of the travel and tour operators claimed to have CSR incorporated into their mission statements and strategy, which was also encouraging.
Attitude towards corporate social responsibility

On a 7-point Likert type scale, TTOs expressed their attitude towards CSR through 17 statements related to CSR (See Table 1). These statements were grouped into three categories: the perceived importance of CSR in the travel industry versus other industries, perceived customer attitude towards CSR practicing companies, and perceived benefits of CSR. TTOs agreed that CSR is particularly essential for the travel industry (M = 5.3, SD = 0.98). TTOs believed that CSR provided benefits to the business (M=5.1, SD = 1.07). Also, TTOs approved that customers favor CSR practicing institutions (M = 4.9, SD = 1.02). All these are indicative of the fact that TTOs’ attitudes towards CSR were positive. They believed that as being part of the tourism industry, they should be more responsible, CSR would bring excellent benefits to their businesses, and customers favored those companies which practiced CSR.

Table 1: TTO’s attitudes towards CSR

<table>
<thead>
<tr>
<th>Perceptions toward CSR by the Travel and Tour Operators</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel Industry – Comparative</td>
<td>5.3</td>
<td>0.98</td>
</tr>
<tr>
<td>CSR is more important now than ever before.</td>
<td>5.70</td>
<td>1.40</td>
</tr>
<tr>
<td>In the future, more companies will be conducting CSR activities.</td>
<td>5.57</td>
<td>1.25</td>
</tr>
<tr>
<td>CSR is particularly crucial for the travel industry because it is so dependent on the destination’s environment and society.</td>
<td>5.28</td>
<td>1.56</td>
</tr>
<tr>
<td>The travel industry has a moral obligation to practice CSR activities.</td>
<td>4.96</td>
<td>1.57</td>
</tr>
<tr>
<td>The travel industry is participating in CSR activities as much as other industries are.</td>
<td>4.91</td>
<td>1.52</td>
</tr>
<tr>
<td>Benefits of CSR</td>
<td>5.1</td>
<td>1.07</td>
</tr>
<tr>
<td>CSR is essential for our company’s strategic competitive advantage.</td>
<td>5.40</td>
<td>1.44</td>
</tr>
<tr>
<td>Advertising our CSR practices is an excellent way to market our company.</td>
<td>5.39</td>
<td>1.40</td>
</tr>
<tr>
<td>The potential environmental benefits of CSR are more important than the potential social benefits.</td>
<td>4.98</td>
<td>1.56</td>
</tr>
<tr>
<td>CSR is essential for our company’s bottom line.</td>
<td>4.95</td>
<td>1.49</td>
</tr>
<tr>
<td>Travelers will pay more to support travel industry organizations that practice CSR.</td>
<td>4.58</td>
<td>1.76</td>
</tr>
<tr>
<td>Perceived Customer Perception of CSR</td>
<td>4.9</td>
<td>1.02</td>
</tr>
<tr>
<td>Involvement in CSR activities also increases the company’s reputation before customers</td>
<td>5.39</td>
<td>1.51</td>
</tr>
<tr>
<td>Consumer supports socially responsible business</td>
<td>5.09</td>
<td>1.49</td>
</tr>
</tbody>
</table>
Perceptions toward CSR by the Travel and Tour Operators

<table>
<thead>
<tr>
<th>Statement</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of CSR activities increases customer loyalty</td>
<td>5.09</td>
<td>1.37</td>
</tr>
<tr>
<td>The motivation for implementing CSR comes from customer concern towards businesses being socially responsible</td>
<td>5.06</td>
<td>1.48</td>
</tr>
<tr>
<td>Consumer are more likely to purchase from the business involved in CSR activities</td>
<td>4.79</td>
<td>1.36</td>
</tr>
<tr>
<td>Our organization tend to involve in CSR activities because of pressure from external stakeholders especially customers</td>
<td>3.53</td>
<td>1.86</td>
</tr>
<tr>
<td>Involvement in CSR activities make the business competitive</td>
<td>5.06</td>
<td>1.56</td>
</tr>
</tbody>
</table>

Note: Each statement was measured on a 7-point scale, where one means strongly disagree, and seven means strongly agree. CSR = corporate social responsibility;

Drivers of CSR

In open-ended questions, TTOs expressed their views about the drivers of CSR, which were categorized into six main topics (See Table 2). As per TTOs, the main driver for CSR engagement was dominantly societal betterment and well-being (45%), followed by marketing and brand image among customers (23%). Similarly, 12% of TTOs believed that getting involved in CSR would have financial implications for them like growth, profit, and cost-saving, and 8% of them believed it would maintain and enhance customer satisfaction and loyalty. 7% of them expressed they got satisfaction from getting involved in CSR, and 5% believed it would enhance employee satisfaction and motivation. Thus, there were a variety of reasons TTOs to get involved in CSR activities, and the top two reasons were for societal reasons betterment and well-being, and promoting and branding their image among customers.

Table 2: TTOs’ opinion about barriers of CSR

<table>
<thead>
<tr>
<th>Drivers of CSR</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Societal betterment and well being</td>
<td>45%</td>
</tr>
<tr>
<td>Marketing and brand image among customers</td>
<td>23%</td>
</tr>
<tr>
<td>Financial implication like growth, profit and cost-saving</td>
<td>12%</td>
</tr>
<tr>
<td>Maintain customer satisfaction and loyalty</td>
<td>8%</td>
</tr>
<tr>
<td>Internal satisfaction by being involved</td>
<td>7%</td>
</tr>
<tr>
<td>Enhance employees satisfaction and motivation</td>
<td>5%</td>
</tr>
</tbody>
</table>
Inhibitors of CSR

Similarly, 141 responses were received about the inhibitors of CSR (See Table 3). Those 141 responses were grouped into four distinct categories (See Table 3). The primary constraint to participate in CSR activities as 44% TTO expressed was lack of resources (money, time, and staff), followed by a lack of knowledge about CSR and its benefits as 36% expressed. A small portion of TTOs (13%) would not engage in CSR due to lack of government support and motivation, and finally, 8% of them said they were profit-oriented, which acted as a barrier for them. Hence the top two reasons for not engaging in CSR for TTOs were lack resources and knowledge. Some of them expected government support and motivation to engage in CSR activities.

Table 3: TTOs’ opinion about inhibitors of CSR

<table>
<thead>
<tr>
<th>Inhibitors of CSR</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of resources (money, time and staffs)</td>
<td>44%</td>
</tr>
<tr>
<td>Lack of knowledge about CSR and its benefits</td>
<td>36%</td>
</tr>
<tr>
<td>Lack of government support and motivation</td>
<td>13%</td>
</tr>
<tr>
<td>Profit orientation as a barrier</td>
<td>8%</td>
</tr>
</tbody>
</table>

Importance of CSR activities and TTO's CSR practices

Furthermore, six different types of CSR activities were presented to TTOs and were asked to rate their importance, as well as questions were asked about their resource allocation to those activities (See Table 4). TTOs provided the highest importance to environmentally responsible business practices: recycling and energy saving, pollution minimization, clean-up programs ($M = 8.66, SD = 1.70$), and the secondary importance to socially responsible practices: community educational and social programs ($M = 8.28, SD = 1.73$). Similarly, third-ranking in the importance was cause-promotion: increasing the awareness of and concern for social causes or disadvantaged populations ($M = 7.93, SD = 1.75$) and fourth was (corporate social marketing: Behavior change campaigns such as education of travelers ($M = 7.91, SD = 1.98$). Community volunteering: Employees donation of their time and talents for social or environmental programs in the destination ($M = 7.88 SD = 1.69$) was second last, and the last place in terms of importance was taken by value-based programs within your firm: Human resource and CSR accounting practices ($M = 7.77, SD = 1.86$). It should be noted that all six types of CSR activities had above-average ranking from TTOs, which showed their positive inclination towards these programs.
Table 4: TTO’s rating of importance of CSR activities and their current engagement

<table>
<thead>
<tr>
<th>Importance of CSR activities</th>
<th>Resource Allocations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environmentally responsible business practices: Recycling and energy saving, pollution minimization, clean-up programs</td>
<td>8.66 1.70 69.1%</td>
</tr>
<tr>
<td>Socially responsible practices: Community educational and social programs</td>
<td>8.28 1.73 61.6%</td>
</tr>
<tr>
<td>Cause promotion: Increasing the awareness of and concern for social causes or disadvantaged populations</td>
<td>7.93 1.75 46.4%</td>
</tr>
<tr>
<td>Corporate social marketing: Behavior change campaigns such as education of travelers</td>
<td>7.91 1.98 55.1%</td>
</tr>
<tr>
<td>Community volunteering: Employees’ donation of their time and talents for social or environmental programs in the destination</td>
<td>7.88 1.69 61.6%</td>
</tr>
<tr>
<td>Value-based programs within your firm: Human resource and CSR accounting practices</td>
<td>7.77 1.86 44.2%</td>
</tr>
</tbody>
</table>

Note: Each Importance of CSR statement was measured on a 10-point scale, where one means not at all important and ten means highly necessary, and resource allocation was measured as 'Yes' and 'No.'

Table 4 also showed the gap in the importance-resource allocation match up related to CSR activities. TTOs gave the highest importance to environmentally responsible business activities and provided the highest resource allocation (69.1%) to the same. The second highest resource allocation for CSR activities by TTOs was for recycling and energy saving, and community volunteering (61.6%), although community volunteering was given lesser importance. The resource allocation reflected their current CSR engagements.

Current CSR engagement and future intentions

78% of the TTOs claimed to have engaged in some sort of socially responsible practices. Among the ones who claimed to engage in CSR, 39% of the plan to increase CSR practices, and 31% of them plan to continue their current practices in the next five years. However, 10% of them were not sure, and only 1% planned to reduce their CSR practices in the next five years. Among the TTOs who had not implemented
any CSR activities, 38% of them were considering implementing CSR activities, 30% were planning to undertake some socially responsible behavior, 15% were not sure, and 5% were not thinking of implementing any such activities. This demonstrated a positive stance of TTOs about CSR engagement in the current as well as future context. Most of them were already engaged in some kind of socially responsible activities, and among those who have not engagement in CSR activities, most of them planned to engage in the future.

Discussion and conclusion

The main objective of this study was to investigate the mindset of Nepali TTOs related to CSR. As a rare attempt to explore the topic in the context of Nepal, it intends to excite further investigation of CSR in the travel industry, primarily in the context of SMEs in developing nations. The findings of the study are affirmative that draw a baseline regarding the outlook of CSR among tourism SMEs’ of developing countries. The result showed that nearly half of TTOs believed they had integrated CSR in their mission and strategy, and most of them understood CSR as a contribution to societal goods and wellbeing. They conveyed positive attitudes towards the outcome of CSR engagement. Being part of societal good and being able to do their brand promotion were two primary reasons for them to engage in CSR. However, lack of knowledge and resource hindered their willingness to undertake CSR. Most of them claimed that they were currently engaged in CSR, and substantial of them showed their intention to continue. These findings confirmed with the recent study by Baniya et al. (2019) that is tourism SMEs in Nepal are progressively engaging in CSR.

More specifically, results showed that nearly half of TTOs thought they incorporated CSR into their mission statement and strategy. This aligned with previous studies that showed that a sizeable number of tourism companies are integrating the concept of CSR in their business models, spearheading different agenda like attempting to recuperate the environment, enhancing local community’s quality of life and ensuring employee welfares (Bohdanowicz & Zientara, 2008; Font, Walmsley, Cogotti, McCombs, & Häusler, 2012). Hence, TTOs in developing countries appeared in par with other tourism businesses from developed countries. This result is encouraging since TTOs have finally begun to understand the business-case argument of CSR that says, ultimately, CSR activities will be rewarded by economic and financial terms (Carroll & Shabana, 2010). However, the way TTOs were integrating CSR in their mission and strategy can be a matter of inquiry.

On the contrary to the general belief that TTO only understands CSR as philanthropy, they considered CSR as ‘contributing back to society,’ ‘treating the customer right and providing quality service,’ ‘following government rules and regulations’ and finally ‘philanthropy.’ This finding is similar to Sweeney’s (2007)
study, which mentioned that Irish SMEs have a variety of definitions for CSR. Sweeney (2007) further mentioned that SMEs tend to describe CSR vaguely as responsibly conducting business. In the case of Nepal, TTOs loosely defined CSR as giving back to society. Conclusively, the understanding of CSR among TTOs is not uniform, but it is beyond philanthropy.

The three attitudes of TTOs towards CSR were measured; firstly, for being part of the tourism industry, they held more responsibility towards CSR. Secondly, CSR would provide benefits to them, and third that customers prefer companies that practice CSR. TTOs expressed their positive attitudes in all three contexts with a higher than average rating for all three propositions. Similar sentiments regarding higher responsibility towards CSR for being part of the tourism industry was expressed in a study by Kalisch (2002). Further, the benefits of CSR beyond financial benefits like reduced employee turnover, customer satisfaction had been registered by Galbreath, (2008).

Moreover, previous studies also indicated that companies were influenced by customers' preference for responsible companies (Fassin & Rossem, 2009; Helming, Sprau, & Ingenhoff, 2016). Conclusively, TTOs had a positive attitude towards CSR, which was consistent with previous studies. This is promising because attitudes are often thought to play an essential role in determining people's behavior (Kroesen, Handy, & Chorus, 2017).

The main governing reason for TTO to undertake CSR was 'societal betterment and wellbeing.' Previous studies showed that most often, CSR engagement by SMEs was driven by managers’ and owners’ values and ethical orientation (Vives, 2010; Leopoutre & Heene, 2006; Hsu & Cheng, 2011; Freisleben, 2011), which aligned with the finding of the study. Also, Iyang (2013) identified 'better business returns,' 'improved customer loyalty,' and 'reliable identification with the community' as driving forces for SME's engagement in CSR activities. This was similar to another reason for TTOs to engage in CSR, which was marketing among the customers. Similarly, previous studies have found several obstacles that disallowed SMEs to participate in CSR activities. This study concurs with Murillo and Lozano (2006), who quoted a lack of awareness and financial resources inhibited SMEs’ participation in CSR. The motivation and inhibitors for TTOs to implement CSR were consistent with existing literature, showing that they shared similar issues with other SMEs at another part of the world for CSR implementation. These insights can assist in creating an enabling environment and reducing barriers for TTOs to adopt and implement CSR.

Environmentally responsible business practices and socially responsible practices were the two most favored CSR activities among TTOs. This was not surprising due
to the nature of the tourism industry and its close association with environment and society - ‘wide... impact on the socio-economic and ecological development of regions and nations’ (Girard & Nijkamp, 2009). The other reason can be that TTOs are increasingly aware of burgeoning environmental and social costs that tourism brings to society. They might feel responsible for it and look for ways to minimize the adversity. Also, it has been noticed that SMEs are deeply connected to their local community, which can inspire them to solve issues available in their vicinity (Spence, 2004). For these reasons, the issues pertinent to developing countries like Nepal were in the priority of TTOs, as reflected in the study.

Finally, the majority of TTOs, i.e., nearly three fourth of them, claimed to engage socially responsible behavior, and most of them intended to increase or continue their current CSR activities. The finding is assuring and consistent with the growing popularity of CSR among tourism SMEs worldwide (Baniya, Thapa & Kim, 2019; Jamali, Lund-Thomsen & Jeppesen, 2017; Netaji & Azlan, 2009). CSR is likely to get more traction among tourism SMEs in the future, which demands a deeper understanding of the field. This can be fulfilled by more research and investigation on the topic. Collectively, the study provided an overview of the CSR mindset and circumstances of TTOs in Nepal, which was similar to those of SMEs of developing countries. This can be effectively used to formulate necessary strategies to influence tourism SMEs of developing countries to further engage in CSR to achieve the overarching goal of sustainable tourism.

Limitations and suggestions for future research

The study has some limitations which can be corrected in future studies. Firstly, the study had smalls sample size, i.e., 141 registered members of NATTA. Future studies can be conducted with higher sample size. Secondly, the study could be expanded beyond TTOs; there are other SMEs within the tourism industry, like in accommodation, transportation, and hospitality. They might provide similar or different opinions on CSR. Also, being an exploratory study employing mostly descriptive analysis and qualitative content analysis, future studies can take an empirical route with a robust confirmatory study. Despite these limitations, the study holds merit in providing an overview to understand the way Nepali TTOs view CSR. The findings from the study can effectively lead to meaningful interventions.

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