

# A literature review of interaction between local communities and CSR towards sustainable tourism.

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## **Abstract:**

To aim the societal goals prevailing in this world, various organizations and companies are coming up with an idea of sustainable tourism so as to tackle the societal problems with the development of the organization itself. These sustainable tourism activities actually empower the organization and help to increase their face and brand value as well. Now a day's various sustainable tourism measures are taken into consideration to tackle the societal problems in very unique and lucrative way. According to the New Company Act-2013 it has been mandate by the government to utilize 2% of their net profit in the sustainable tourism activities. Thus the objective of this study is to focus on various sustainable tourism activities and measures taken into consideration by different organizations and archive those in a proper bibliographic format, so as to gain insight in the various sustainable tourism activities followed by the organizations. To achieve the objectives, a bibliographic data of sustainable tourism activities in the industry is archived. This study will also help determine the loop holes in the preexisting sustainable tourism activities and this study will also help to set a base for further study related to sustainable tourism activities.

**Keynotes-** Corporate social responsibility, societal goals, societal problems, bibliographic review, New Company Act-2013

## **1. Introduction:**

Social responsibility is not new to our Hindu/ Indian Culture. The concept of Corporate Social Responsibility is already mentioned in our Vedas since ages. As per the Vedic Darshan- whenever globalization happens, the society suffers and to compliment this text it is said that “Sarva Loka Hitam” meaning “well-being of the society or whole nature” and it is also written in the Vedas that the King had to work more for the well-being of the state and a King of the state is To the people and for the people. In the past scholars studied on the CSR study keeping in view the leadership, marketing campaigns, face and brand value of the organization. But this study will focus more on the bibliographic archive of those CSR activities which are best followed by the organizations all over India. (Carroll 1979, p. 500) Has told:

- Companies should always obey societal regulations and laws as a legal responsibility.

- Above the legal requirement of the organization social problems and its expectations should be considered which will eventually describe the ethical responsibility.
- The roles for Corporate Social Responsibility is voluntary and it is the decision of organization to conduct any CSR activity which explains the philanthropic responsibilities of an organization.

Maignan and Ferrell (2004) have suggested two main organizational CSR activities-

- Managers have to claim the needs of CSR for their stake holders which is considered as an Instrumental Approach.
- There should be no interests or benefits over another in any organization which is considered as Moral Perspective Approach.

Thus it is prominent that for any organization it is not just making profit but to also contribute to the societal well-being and to achieve this, every organization have to plan some good initiatives to overcome the societal problems. CSR begins from the leadership and has to be flown towards the lower management in an effective manner. There has to be a structure for a proper CSR plan by which the organization should not only increase their brand's face value but they should also recognize various problems in the society and should interpret the legal or nominal ways to overcome those problems.

## 2. Review of Literature:

If we compare the studies that are being conducted on the topic, it is prominent that over the decade a lot of research and new practices have been conducted on CSR, thus it is essential to conduct a review of literature to find out what other researchers have already contributed in the field of the same.

CSR has become a major challenge for the organizations in the terms of societal development, thus to control the negative effects of globalization, organizations have to take some preventive measure to provide some positive attributes to the society. Author has conducted a bibliographic review of the research done on the CSR activities and conceptualize a framework by the extensive review of literature. CSR has been emerged from the "Vedic Period" in the period where the history was not actually recorded in India. So in that period it was the duty of the Kings to do the social responsibilities and it has been recorded in many scholarly articles in the past. According to the author CSR is basically regarded as "SOFT" in the organizations and it is a voluntary activity adopted by the organization to improve their organizational aspects. CSR nowadays has become a fundamental in practices of business and it has also been recognized by various international organizations. According to author CSR has been considered an epicenter for all the socio- economic development in the countries. Author have highlighted various concepts and policies that govern the CSR activities in the organization and archived various cases of CSR as well in India including various Indian forms including the role of SME's in the CSR as well. In developed countries the CSR activities are working as full-fledged system to resolve the societal

problems but more concern is from developing countries still, author have identified certain gaps in CSR activities and have provided the solutions for the rectification of the same. Author conducted this study to present taxonomical classification of literature on Corporate Social Responsibilities (CSR) with some guidelines on future research and a detailed bibliography. Author discusses the opportunities in research in the field of assurance of CSR and author reviews five papers and archived different methods and opportunities in the field of CSR. Future CSR activities in accounting is also a terminology used to measure the number of CSR in an organization related to CSR. Author conducted a review in basically four parts (1) the different factors of CSR (2) a relative study between CSR and financials of an organization (3) significances of CSR (4) CSR roles prevalent to an organization. Author gathered the information of literature in this format and suggested future implications of CSR activities. Corporate reputation is also seen as per the terms of CSR activities. Author has identified various gaps in the study of CSR and have applied Empirical literature to do the same. As an outcome, it has been said by the author that corporate reputation can be easily developed with the help of CSR activities and transparency, and quality and quantity of information is crucial in CSR activities. Practical advice on CSR is also being provided. These practical practices will help HR to find out the strategic value of CSR on the face value of an organization and it has been said that policies for the people and people management are the base for CSR and cultural diversity. The significance of CSR is derived as internal publicity. Organizational commitments can also be derived from the CSR activities. Author have used the web-based survey method on different dimensions of the effects of CSR on organizational commitment. The research shows that a significant factor of organizational commitment is the ethical-legal dimension of CSR and not the economic factor of CSR. Since liberalization in India, globalization happened at a faster rate thus research on CSR plays a prominent role in the field of ethics. Author identified the different dimensions of CSR activities amongst different dimensions viz. organizations present in urban or rural areas. Author has suggested that CSR is the driving force for the change in organizational behavior for an organization to maintain its unique position in the market.

Thus after reading the literature that the topic chosen- “A Systematic review of CSR in Indian Hospitality Industry” is likely prominent and more of the research can be done on the same. The Gap that is identified within the literature is that more research is needed to be carried out in the field of CSR as it is a growing and vast topic. We have to identify some innovative and good practices in the field of CSR so as to give a boost to Organizational Behavior and to cover the societal problems that is persistent in the market. Organizations need to more rigorous in CSR because the although their primary motive is to earn profit but the negativities that they are producing after getting profit should also be curtailed by taking care of the society. Moreover, the steps taken by the government on the topic are very less. Government have to be more vigilant in the terms of CSR as we have to return back the society, whatever we are taking from it. Government have to take key necessary steps to promote CSR amongst all the organizations depending upon their cadre.

**Objectives of the study:**

- To identify and fill the gap in the past reviews related to corporate social responsibility
- To identify various developments in the field of corporate social responsibilities and to develop an understanding related to corporate social responsibility.
- To define a way to motivate organizations for practices and study of Corporate Social Responsibility

**Methodology of the Literature Review:**

Content analyses is done on the literature review with other qualitative methodologies and the findings are noted in a bibliographic tabular format.

The journals and articles used in the study are selected as per the observation of their impact factors.

**Current scenario of Corporate Social Responsibility in India:**

Section 135 of Companies Act, 2013 have given the details of Corporate Social Responsibilities by company and this section says that-

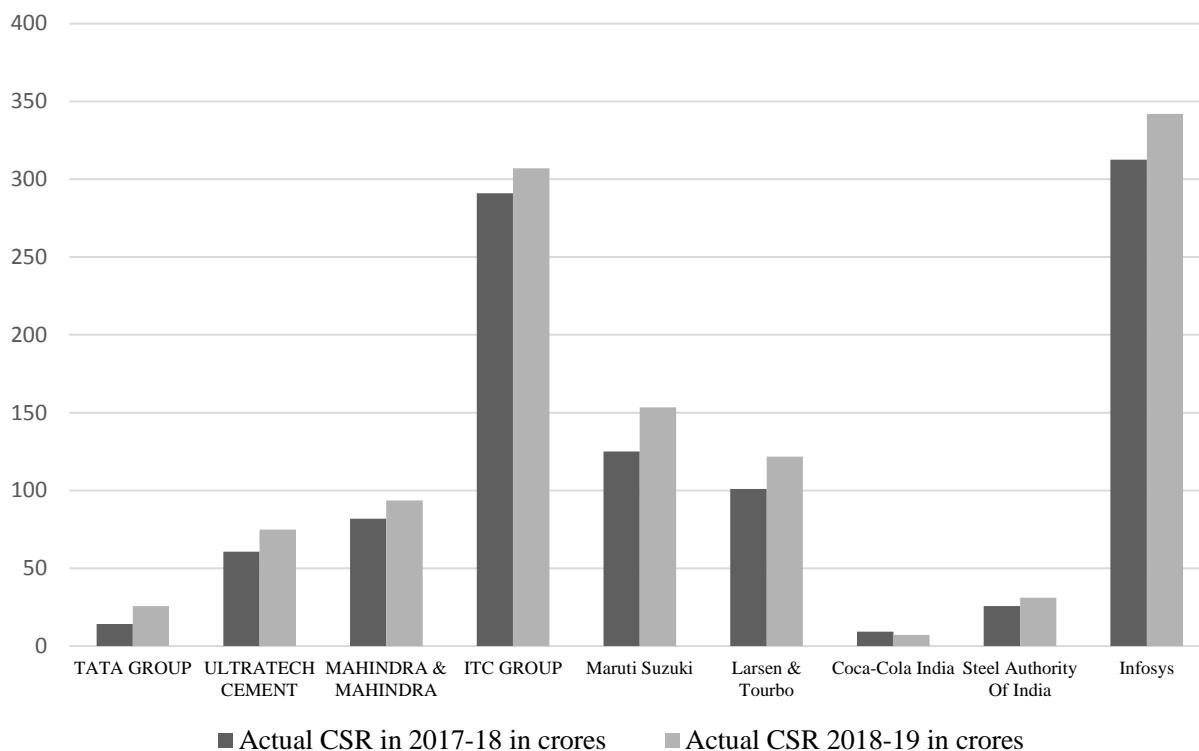
1. Companies with net worth more or equal to 500 crore, turnover more or equal to 1000 crore or net profit more or equal to 500 crore in a financial year have to form a committee/ board of 3 or more directors for the CSR activities.
2. CSR committee's composition have to be disclosed by the committee/ board.
3. The CSR committee shall:
  - a. Make a CSR policy
  - b. Monitor and recommend the expenditure on CSR activities.
4. The board of CSR should:
  - a. Recommend the suggestions of CSR, approve policies and disclose it on public platform.
  - b. The activities that that are included in CSR policy are taken care by the company.
5. Company or the organization have to spend at least 2% in the CSR activities.

Activities to be performed under CSR:

1. Promotion of healthcare and sanitation, solving hunger and malnutrition, making safe drinking water available.
2. Promotion of education and enhancing employment amongst children, women, differently abled and elders.
3. Promotion of women empowerment, equality in gender, setting up old age homes, hostels for women, or day centers for elderly people.

4. Protection of plants and animals, sustainability in the environment, conserving natural resources, and enhancing the quality of water, air and soil.
5. Conservation and art protection, culture and natural heritages, foundation of public libraries and marketing of arts and handicrafts.
6. Benefits for army and war widows.
7. Marketing of sports (rural) and Paralympics as well.
8. Funding in Prime Minister Relief fund.
9. Marketing of the products developed in rural areas.

COMPARISON OF ACTUAL CSR BETWEEN 2017-18 &amp; 2018-19



### Impact of Corporate Social Responsibility on the local economies for sustainability in tourism:

With the significant increase in the areas of CSR activities, the organizations can ultimately improve their brand image and brand value. If we talk about Indian market, the impact of CSR can be more visible as our Indian society have to be improved at a very fast rate. If all the companies conduct CSR activities at a faster rate, then our economy and social conditions of rural areas can be enhanced at a significant pace. Our GDP can also be increased if more and more organizations step into the area of CSR. The most significant impact can be seen on the education and health care systems where students or people can easily take the advantage of CSR that will be going on in the field. The next significant impact can be on research activities as well where people will be privileged to get the opportunities to utilize maximum of the CSR organized by the various organizations in the field of research.

## Conclusion:

Corporate Social Responsibility or CSR is a platform where companies in spite of their profits or net worth they take into consideration of society and development of society. As detailed by the Company's Act of India it is mandate for the organizations to contribute at least 2% of their net profit in the CSR activities for different benchmarked organizations. CSR activities increases with the increase of Globalization, we took the examples of 10 corporates in the above study and find out that most of the companies are slowly increasing their net worth in CSR activities which in general is increasing the impact on society and finally the problems in the society are decreasing. Additionally it is suggested that Government should also promote some good schemes for the organizations which are conducting good CSR activities, because it will increase the interest of companies in the CSR activities and thus the societal issues will get impacted in positive way.

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