

Corporate social responsibility for tourism Malaysia

Fareeha Zafar¹, M. Shafiq²

¹ PhD, University of Derby, England currently working in GCU, Lahore, Pakistan

Dr.F.Zafar@gcu.edu.pk

²MBA (Continue) Institute of Business & management, UET Lahore, Pakistan

mohsinaroma@hotmail.com

ABSTRACT

This review paper will be concerned with corporate Social Responsibility in Tourism sector in the context of Malaysia. It presents a critical review of recent progress in research on corporate social responsibility (CSR) in tourism management. It will highlight impacts which tourism has on economy, society, culture and environment of a host country and issues of tourism on residents. It is also concerned with the condition of tourism in the Malaysia, how they have benefited from tourism industry in developing its economy.

KEYWORDS—*Corporate Social Responsibility, Malaysia, Tourism.*

INTRODUCTION

Tourist has performed a crucial role in global economic activity and the industry that many countries make effort to develop is the tourism industry. Tourism industry is expanding very fast and a lot more is expected in the near future. To keep getting advantage from this highly profitable industry the countries around the world have to take responsibility to make this activity highly pleasing for the tourists.

CORPORATE SOCIAL RESPONSIBILITY

CSR is actually an advanced term particularly defined as the voluntary assistance of organization to social, economic and environmental improvement. CSR is a process with the aim to embrace responsibility for the company's actions and inspire a better impact through its activities on the environment, community, stakeholders, consumers, employees, and all other members of the public sphere. CSR might be further characterized as, “activities that seem to some social profit, past the investment of the firm and that which is needed by law” [1]. It's not enough to only produce extreme quality products and adequate consumer service, although it's also essential to obtain customer satisfaction. Furthermore, CSR exercises are also vital to maintain company stable in the market on long-term sustainability. CSR as “a perspective of the company and its role in society that expects obligation among corporations to achieve goals in addition to profit maximization and an obligation among a corporation's stakeholders to hold the corporation responsible for its strategies” [2].

The CSR exercises related to operations like relation with employees (firms involved in safety, health, and benefits of employees) and goods quality in general, may help companies improve their financial performance because these CSR exercises have direct results of

saving cost or performance improvement. On the other side, non-operation-related (Non-OR) CSR tasks not related to operations like those directed towards the community like educational initiatives, charity giving or environment like recycling programs, help firms improve corporate financial performance (CFP) by reputation and brand image of the company.

When companies bring out CSR exercises, the adoption will promote the reputation of the company and increase purchasing behaviors of customers [3]. Company activities which promote employee relations have a positive effect on organizations effectiveness. This is because the implementation of modern human resource practices allows firms to accomplish high efficiency, less absenteeism, reduce turnover and increased organizational commitment among workers. In the view of Creyer & Ross, CSR is the head component for purchase intentions of customers [4]. Execution of CSR activities by companies will be supported by customers. [5].

CSR is firms understanding of the part it play in the society and in the environment in which it conducts. Based on this understanding every firm will have certain obligations towards society that it recognizes and expects willingly. First of all a firm is accountable to itself and internal stakeholder (owners, managers, employees) [6]. Further a firm is accountable to external stakeholders (Suppliers and Customers). CSR is a dynamic process that develops overtime, according to changes in the environment, shifting external demands and the moral capability of firms itself [7].

In an economic recession when firms aim to reduce costs as well as risk, CSR can be well win-win strategy on the ground that a higher amount of CSR activities provides a firm with chance to differentiate itself from competitors, easy entrance into new markets or establish a competitive position. Likewise companies offering socially beneficial products and services can withhold dedicated workers and enhance brand name through positive word-of-mouth. In view of some researchers, Owners who were not much focusing on CSR activities were less profit oriented while those who expect financial benefits from CSR activities were more willing to adopt it [8].

TOURISM

Tourist means person traveling for amusement, recreation or maybe business purposes. The World Tourist Organization defines holidaymakers as people "traveling to and remaining in places outside their own usual environment for only one consecutive year for leisure, business along with other purposes". The tourism services industries include hospitality services such as hotels; vehicles services, such as airlines, cruise ships and taxicabs; entertainment, such as shopping malls, amusement parks, music venues, theatres and casinos.

Tourism is an activity undertaken by individual or several individuals, which leads to a motion from a place to yet another. From a nation to other nation for performing a specific task or it is a visit to the place with the aim of entertainment which leads to an awareness of civilization, culture and history.

IMPACT OF TOURISM:

The impact of tourism could be analyzed from different perspectives: economic, social, cultural, and environmental.

A. ECONOMIC IMPACT

The tourism has impact on economy both positively and negatively. With respect to positive economic impact of tourism, the tourism helps improve the lifestyle, increases investment and boosts business activity. However the negative impact of tourism suggests that property taxes increase due to tourism, the prices of land, products and services also increases.

B. SOCIAL IMPACT

There is view of social tourism impact, both positive in addition to negative. The negative social impact in of tourism includes traffic congestion problems, crowdedness in public places areas. On the other hand positive social impact includes that tourism brings more chances to upgrade facilities such as outdoor recreation features, parks and roadways.

C. CULTURAL IMPACT

The culture view of tourism also impacts both positively in addition to negatively. In terms of negative impact, the tourism is really a “culture exploiter” (e. h., Pearce, 1996). Tourism has generally been criticized for the distortion of traditional cultural structures in addition to behavioral patterns. In terms of positive impact tourism has been viewed as a technique of revitalizing civilizations.

D. ENVIRONMENTAL IMPACT

Environment plays a key as it is practically the primary attractions for visitors. With regards to the positive tourism impact, tourism helps develop better attention to preserve the natural beauty for tourist reasons and also increasing investments in the developing environmental infrastructure. Tourism is regarded as a clean industry; with less pollution problems this “clean” industry helps improve physical appearance of the community. Environmental negative effects include over using natural sources especially water; inefficient utilization of energy and inadequate waste management.

TOURISM IN WORLD

Tourism is vital, and in some cases, crucial for many people countries. Tourist activity has played a worthwhile role in global economic activity and tourism industry has been the important industry that many countries make effort to develop. Tourism brings in a lot of income in terms of payment for goods and services readily available; it also generates opportunities of employment for people. The World Tourism Organization (UNWTO) forecasts that international travel and leisure will continue increasing with an normal annual rate of 4%.

TOURISM AND FINANCIAL GAINS

According to United Nations World Tourism Organization (UNWTO), international tourist visits throughout the world have climbed from 675 million from 2000 to 940 million in 2010, and tourism market contributes 9% regarding global gross domestic product (GDP). Inside Taiwan, domestic travel boosted from 79 million in 2000 to help 120 million in 2010, and tourism market contributes 4.7% towards GDP. In contrast the environment problem of tourism industry hasn't yet been identified.

International tourism receipts grew to US \$1.03 trillion inside 2011, corresponding to an increase of 3.8% from 2010. In 2012, China became the largest spender in international tourism globally having US \$102 billion, surpassing United States and Germany. China and emerging markets have dramatically increased their spending over the past decade like Italy and Brazil, the more they spend in tourism the more they will get from it.

Travel & Tourism could be the genuine global financial industry; it is amongst the world largest companies or economic sectors that provides trillions of dollars annually for the global economy, generates exports, generates prosperity, raises taxes and stimulates capital investment (Travel & Tourism 2011, World Travel & Tourism Council, 2012).

QUALITY TOURISM

The residents of tourism destinations can be an important part of the tourism product; resident behaviors have a sizable influence on the triumph or disappointment of any destination. It is essential for government vacation departments as well as agencies to understand how people in a host community perceive the huge advantages and disadvantages of tourism because of unfriendly response to tourists on the off chance that equalization isn't attained.

The quality of tourism services is one of the main segments positively affecting the success of vacation destinations and many countries are embracing an approach of quality service in order to strengthen their position in this highly competitive market [9]. Tourism brings in foreign currencies which could be used to import capital goods and service providers, favoring economic growth [10]. In association with tourism market, transportation and amusement businesses can have more deliberations to upgrading budgetary development, and shows tourism industry has ability to increase employment rate and increases country wide income.

For tourism industry to be supportable, which means to satisfy the requirements of travelers as well as local people of community whilst protecting and enhancing future opportunities, everybody involved (transportation firms, tour workers, hospitality firms, travel organizations, governmental organizations, tourism companies, modern society, NGOs) must cooperate to address all the concerning social as well as environmental issues that negatively affect overall industry (Kasim, 2006).

The effects on residents from tourism activities around the world depend on the following factors:

1. Distance of residents from tourist activity
2. Use of facilities by residents and tourists

3. Level of contact with tourists
4. The ratio of tourists to residents

CSR FOR TOURISM:

A larger number of tourism organizations are consolidating the idea of CSR into their strategies and business models, with the intention of improving the the quality of life of local communities, environment, or the betterment of their employees [17]. It must not be disregarded; regardless that tourist can supply a much needed infrastructure, work and profits opportunities which support economies of destination and standards concerned with living. CSR has a valued commitment for making sustainable tourism development, the worth of which are demonstrated to be progressively valued.

In the formation of buyer's choice and perception the good corporate image is very vital to many companies; it turns especially crucial for firms working in service industries including tourism and hospitality. Consumers make purchase decisions for service or product based on all entreties to its attributes otherwise characteristics, weighted in conformity with personal values and preferences [18]. Recently, the significance of CSR to tourism companies has further increased [19]. Today, these sectors face difficult tasks to satisfy more socially conscious travelers which are focused on CSR issues and consequently has adopted various socially accountable activities to respond to their customer base' requirements [20]. Tourism-related corporations currently take part in numerous CSR exercises; some examples of these exercises include the environmental management, local community involvement, client relations, along with employee relationship [21].

A. INFORMATION:

Customers ought to be informed concerning the quality and also price of the product or service and exactly what is included inside it. Even prior to customers reach place of destination, tourism organizations must indicate responsibility inside their marketing methods including distribution, pricing and also communication. This means e. g. no concealed charges and also no false promises.

B. QUALITY:

There are various ways of monitoring program quality including surveys from customers regarding satisfaction, assessments. In order to realize and guarantee the products services offered, a quality system determined by four elements of intervention may be developed: implementation of top quality manuals, instructions, survey and also administration of suggestions and complaints.

I. ISSUES OF TOURISM

1. Some issues can make destinations less attractive to tourists for example loss of traditional economic culture, displacement of local people, commercialization of arts and also crafts and increased crime.
2. Once a region becomes a tourist attraction, the lives of residents in that region become impacted by tourist activities [11].
3. The variety of shops available and the timing for which they remain open often increase as the number of tourists to that community increase [12].
4. With tourists coming to the region, residents and tourists may 'fight' for the current parking accessibility causing frustration and clash [13].
5. Overall crime rates are mostly expected to increase due to tourists in the region. Crimes are often associated with unruly conduct, drug and alcohol abuse [14].
6. Residents may think that tourism activity results in more litter that effects the beauty of the natural environment and bring about expanded expenses to have the litter taken away [15].
7. The framework that is created in backing of tourism and the exercises that are undertaken by tourists can bring about changes to the physical manifestation of the area, which local people may not like [16].
8. As the triumph of tourism in various regions can be so much dependent on the assistance of the host region, it is crucial that tourism's impact on the local community will be understood, monitored and managed. To handle the impression of tourism on the host community, it is important that its impact not exceed limits deemed as unsatisfactory from the host community. Understanding reasons why certain tourist's behaviors and outcomes impact members of the local community should be applied so that appropriate management strategies are usually incorporated. This analysis can play a vital role in helping to attain this outcome.

II. CSR FOR TOURISM: MALAYSIA

Tourist Malaysia's latest advertising campaign is entitled Malaysia Truly Asia display the country's multicultural heritage and natural attractions together with more contemporary attributes of sporting events and a modern day capital city. Tourism has been an essential industry in Malaysia for several years [22]. The development of attractions for tourists such as shopping malls and theme parks proves that Malaysia meets the variety of needs of a wide range of tourists. Global arrivals reached 24.71 million and 25.03 million respectively in year 2011 and 2012, when compared to 10.5 million in year 2003. Fig. 1.1 shows the tourist arrivals in Malaysia in the last fifteen years. Tourist arrivals have increased dramatically from 5.56 million in 1998 to 25.03 million in 2012.

In an effort to make Malaysia's economy less depending on exports the government pushed to increase tourism in Malaysia. As result tourism has grew to be Malaysia's third largest income source of from foreign exchange, and accounted for 7% of Malaysia's economy by 2005. In 1999, Malaysia launched an international marketing



Fig. 1.1 Tourism arrivals in Malaysia

campaign referred to as “Malaysia, Truly Asia” which was largely successful in bringing over 7.5 million tourists. The economic crisis involving in 2008 was supported by additional revenue which was recently attained by tourism industry. However, tourism can be Malaysia’s major government regulation of the economy which enabled it being barely affected through the recent 2008 global financial crisis. In recent years tourism have been threatened by the uncomfortable side effects of the growing commercial economy. Due to large amounts air and water pollution along with deforestation, tourism activities decreased in impacted areas.

Growth rates have averaged all around 5% since 2007, but slowed in 2011 because of adverse financial circumstances globally. Malaysia's popularity is usually attributed to a rich natural and cultural heritage and also the diversity of attractions inside the different states that make up the federation. Essentially the most visited states is actually Penang which recorded under 6 million hotel guests in year 2010.

A. DOWNFALL OF TOURISM IN MALAYSIA

Tourism in Malaysia has been usually and unfavorably affected by a couple of crisis which hit the tourism industry in previous two decades. Included in this are the 1997 Asian financial disaster, 2003 SARS (Severe Extreme Respiratory Syndrome) crisis, the 2004 Indian Ocean tsunami, the threat and incidents of regional conflicts, subsequent outbreaks of Avian influenza (bird flu) and swine flu. In several cases, these ended up in huge decline in international tourist arrivals and threatened the stability of some tourism destinations and organizations

B. BOOST OF TOURISM IN MALAYSIA

The Seventh Nationwide Plan (1996–2000) boosted tourism and also the National Economic Healing Plan, to help deal with the Asian financial disaster, as tourism being regarded as a vital segment in earning foreign trading. Government invested around US \$505 million on the market in 1999 when there were clearly 7.9 million international arrivals, which increased to over 10 million in 2000 and estimation of 12 million in 2001[23]. Many of these are from

Eastern side Asia, notably Singapore and Thailand; Australia, Europe and also the USA are comparatively small, but worthwhile, markets.

Even though CSR is quickly being a worldwide wonder, in Malaysia, many public companies are slow in responding the issue of CSR, such as upkeep and protection of the environment and the social welfare of the communities in that they operate. Furthermore, in line with the New Straits Times Newspaper (2010), the Malaysian Government’s deliberation to market CSR are however not taken critically by many companies because a few of the international corporations and big corporations included in Malaysia are the only ones really linked to CSR projects. Furthermore, the Malaysian businesses are far driving international criteria when it comes to executing CSR [24].

III. MODEL:

After detailed study, I develop this model Fig. 2.1

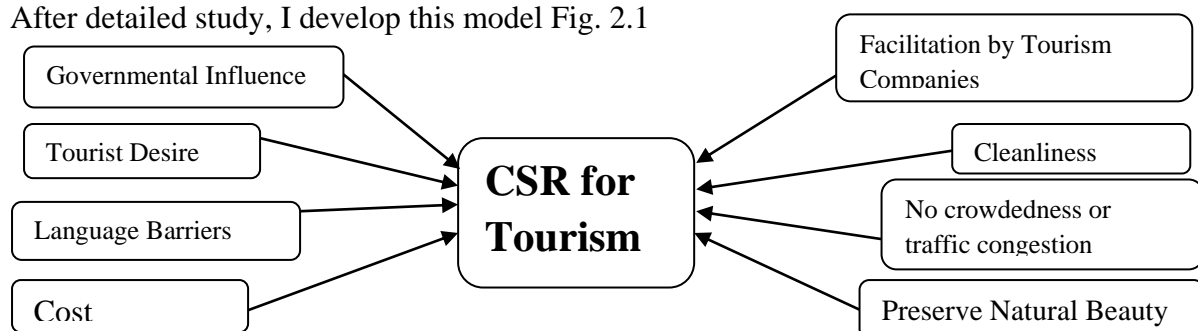


Fig. 2.1

1. CSR for tourism depends on the governmental influence on the tourism companies. Government should make policies which have to be followed by the tourism companies to provide better tourism opportunities to tourists.
2. Tourist desires also shape CSR for tourism. Tourist desires helps the tourism companies to understand what CSR activities they have to focus on.
3. The language barrier has a negative effect on the tourist destination. There is no common world language, so tourist entering in nation of different language will have problem in communication, so there should always be someone to help them.
4. High cost has a negative effect on tourism. The cost which may be paid by one may not be paid by other. So cost for tourism activities should be reasonable.
5. Tourism companies should provide better facilities to tourist so they don't have to face any problem on tourist destination.
6. The government of destination must concentrate on cleanliness in the area especially related to tourists. No one would like to use their earnings in an area where in particular their lives and also the lives of their dear ones would end up being under possible risk.
7. More tourists mean more crowdedness and traffic congestion which can negatively affect the tourists. Better infrastructure should be developed to tackle this problem.
8. The government of tourist destination should take steps to preserve the natural beauty of the tourist destination as this is one of the main reasons why tourist come to the destination,

IV. SUGGESTIONS

1. In Malaysia, emphasis should be placed on improving the CSR arranging and managing in the future
2. The visit operators will have to monitor in great depth their particular company performance so they can get hold of on just about any possible market.
3. Malaysia local people of community must assist with good support and hospitality for instance transport, accommodation and also other to the visitors traveling to their country.
4. The federal government must incorporate the services to the tourists which come for tourism to this state for example accommodation, transport, travel guide and so on. The prices should be pretty reasonable so as not to burden them excessively.
5. Tourists enjoy shopping in their holiday everywhere in the world. Unfortunately, many local businessmen take this opportunity and charge exorbitant rate whenever tourist goes shopping. Many tourists fell deceived and never want to return to that country again. This can tarnish the standing of Malaysia as a holiday spots worldwide.
6. Tourist entering in Malaysia should not face language barriers; there should always be someone to guide them. .
7. Everybody involved in tourism activity (transportation firms, hospitality firms, tour workers, travel organizations, tourism companies, governmental organizations, tourists, modern society, NGOs) must work together to address all the social as well as environmental issues that negatively affect industry overall.

V. CONCLUSION:

This paper has given details of corporate social responsibility for tourism industry. The industry of tourism guarantees a lot and yet delivers over a long duration. The findings indicate there is requirement for close participation and coordination amongst the various stakeholders in the tourism industry, both public and private. Well designed and executed crisis management plans under the official tourism agencies are crucial to lessen risks and harming effects of the crises which are likely to occur in the future. In the light of globalization, cross border tourism could be utilized as a effective tool for the economic enhancement of Asian countries.

In Malaysia tourism has been affected by a lot of crisis and due to loosen ends of cooperation between industry and government sector. But in 1999 marketing campaign “Malaysia Truly Asia “really boosted the tourism in Malaysia. However many companies in Malaysia are not taking the CSR activities very seriously which is the reason they are far behind the international accepted standards required for CSR.

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