ACHIEVING A GREAT REPUTATION FOR CORPORATE SOCIAL RESPONSIBILITY: STUDY FROM THE CZECH HOSPITALITY INDUSTRY

Petr Čech, Irena Jindřichovská, Jiří Neubauer

Abstract: Corporate Social Responsibility (CSR) can be understood as an investment that will bring stability and prosperity to a company in the long-term. We investigate the notion that social initiatives will help companies to expand business through an excellent reputation in CSR and, thus, gain the conditions for profitable and sustainable growth. We employed questionnaire survey data and used statistical analysis of the results to identify possible links between social activities and other hotel characteristics, namely, a set code of ethics, hotel independence, hotel class, hotel size and managerial position of the respondent. According to the results, respondents considered socially responsible business practices as the most important. The Cause Promotion initiative was considered as less important than corporate philanthropy and volunteer work by hotel employees. The lowest importance was attributed to Cause-Related Marketing. A set ethical code has an impact on assessing the significance of all social initiatives. We have determined that managers of independent hotels pay less attention to social activities than managers of hotel chains. The hotel class did not affect responses in the categories of Cause Promotion and Social Marketing. Furthermore, hotel size did not affect assessed the significance of socially responsible business practices.

Keywords: Corporate Social Responsibility, Hospitality Industry, Hospitality Management, Statistical Analysis, Sustainable Growth, Prosperity.

JEL Classification: M14.

Introduction

With the world continuing to steadily recover from the losses of the financial crisis sustained a decade ago, the European hospitality industry has started to benefit from increased levels of economic sentiment (European Commission, 2018). Most tellingly, EU year-over-year revenue per available room (RevPAR) surpassed US levels in 2015, at 6.9%. Overall, in the Czech Republic (CR) GDP grew by 4.7 in 2016 and the unemployment rate is the lowest in the EU (2.9 per cent in August 2017), because about 40 per cent of the Czech labour force is working in manufacturing (which is a record percentage of any EU member). According to STR (n.d.) Prague experienced the third highest RevPAR growth rate of any city in 2015 – 14.6% – behind Dublin (23.3%) and Milan (30.3%). Occupancy rates in the Czech capital have also progressively increased to 78% in 2017, up from 68% in 2012 (Statista, 2018). This growth can be directly linked to the overall rise in tourism with a yearly increase of 7.1% more visitors booking overnight stays in 2016 (Thompson, 2016). This upturn is occurring in conjunction with the exponential growth of the industry’s greatest perceived external threat, Airbnb. The industry is keenly aware that even its traditional bastion is under threat – 10% of Airbnb bookings are now business travellers (Jennings et al., 2016). In response, it is likely Europe will follow the example of the
US hospitality industry by encouraging initiatives to increase regulation of these disruptive new sharing platforms (Benner, 2017). CSR can be seen as an investment which will bring stability and prosperity to the company in the long-term. This does not, though, necessarily mean prosperity in the financial sense (Pavlík et al., 2010).

According to Philip and Milton Kotler (2013) there are eight ways leading to sustainable corporate growth. One of these is expansion through achieving an excellent reputation in social responsibility. Referencing a publication (Kotler, Hessekiel, Lee, 2012), they enlist six categories of social initiatives (CSI): Cause Promotion – providing resources or material help to raise public awareness of a specific social issue; Cause-Related Marketing – depending on sales, adequate financial or material support is given to a chosen charity; Social Marketing – supporting a campaign aimed at a specific change of behaviour to improve the health or safety of society or to help the environment; Corporate philanthropy – direct donation of financial resources, grants or material services to a charity or a cause; Employee voluntary work – encouraging employees to work as volunteers for organisations supporting the local community or a specific cause; Socially responsible business practices – decisions about the financial support of the local community through reduced use of energy or other measures with a positive environmental impact.

The first theoretical concept of CSR emerged in the second half of the 20th century in the USA. The European Union also expressed its first concern in the 1990s. The evolution of Corporate Social Responsibility covers three phases (Jones, 2012). The first phase, called the “age of image”, spans approx. from 1990 to 2000. There was growing interest in how corporate subjects act, in their practices and what they stand behind, especially on environmental issues. Companies used this concept to form new communication strategies changing their corporate image in the eyes of their consumers rather than pursuing real change in company processes and behaviour. Subsequently, the voice of unsatisfied consumers with access to increasingly improved technologies grew louder. Then came the “age of advantage” (2000-2010). Some companies started behaving more responsibly towards society and tried to differentiate themselves from their competition. Today, social networks represent a new effective instrument supporting social responsibility and positive changes. Today’s consumers prefer companies which do not just care about profit. The only way to understand social media is to take an active part in them: to publish statements, blogs, to share, to listen. A company should use social media in all areas it is active on – to listen through them to their customers, to employees and competitors, to communicate with all important subjects and groups, to share information and to sell products or services. Forward looking companies include corporate social responsibility in their business strategy which, in turn, aids their growth. If a company is more socially responsible, it implements changes at all levels – employment policy, attention to the local and global environment, communication and sharing of information with its local and global public. CSR is, therefore, being perceived as an investment, which can bring corporate stability and prosperity in the long term, without any insistence that this prosperity must necessarily have a financial effect (Pavlík et al., 2010).

The specialised section of Social Responsibility and Sustainable Development of the National Quality Council of the CR set its goal to align Czech and international standards. In 2015, this specialised section produced a strategic document entitled
“National Action Plan of Corporate Social Responsibility in the CR”. This was later passed as Government Resolution no. 199 on the 2nd of April 2014 (Vláda ČR, 2014). The goal was to introduce the concept of socially responsible behaviour to all companies and organisations in the CR and, thus, lead them to socially conscious entrepreneurship and responsible provision of services.

The engagement of another Czech organisation – the Association of Social Responsibility was also important (2015). Their common goal was to establish a national network Global Compact Czech Republic, which came into existence in 2015. This network supports local companies as well as branches of international companies engaged in the UN Global Compact through implementation of its basic principles and encourages sharing experiences, opportunities for learning, collective action and partnership. It enables its members to actively influence CSR policy in the CR through dialogue (including political). The host organisation of the Czech National Network is the Association of Social Responsibility. Alongside professional interests, hotels and hotel chains under The Czech Association of Hotels and Restaurants intend to undertake entrepreneurial activity in accordance with commonly recognised ethical principles of commercial action and interpersonal relationships in a democratic society. These principles are clearly stated in the Ethical Code (2006). The protection of the health of customers is a priority. Because of this, hygiene norms and regulations are strictly adhered to in both catering and hospitality services.

Managers of hotels and hotel chains must understand that, in the current intensely competitive environment, it is not enough to just compete with rival companies on quality, price or innovation of services. The reputation of any company, regardless of where it operates, is also important and is composed of quality services and products and its brand. By improving the reputation of a company, it is possible to be distinguished from the competition, to gain customers who dislike wasting resources, and to approach costumers who care about the environment and harmony in society. Another opportunity is to co-operate with more socially conscious suppliers or with human resources recruiters which can lead to increased interest in work positions by potential young, talented employees for whom the company’s values are important.

As to international experience, in recent history, various aspects of CSR have called for researchers to present both conceptual and empirical papers on CSR. Amongst others, Caulfield (2013) concentrated on the development of strategic corporate social responsibility centred on community involvement. Sponsorship in customer related marketing and CSR as a leveraging strategy was investigated by Polonsky and Speed (2001). This was further discussed by Sheikh and Beise-Zee (2011), focusing on the impact on customer attitudes; and Persuit (2017) discussing the potential for community partners. Employee volunteers and employee satisfaction was analysed by do Paco and Nave (2013) and Nave and do Paço (2013), who concluded that the most motivational category for people to be engaged in volunteering is motivation through the success of their company. Further influence of CSR on employees was discussed by Park and Levy (2014) in the US market and Li (2014) who also researched the links between corporate politics, philanthropy and governance in China, Singapore and Hong Kong. The authors have found that corporate governance affects a firm’s performance and foreign direct investment decisions.
Corporate philanthropy and CSR in CEE region countries was researched by Elms (2006), who claims that corporate responsibility would not develop in the CEE without stakeholder responsibility. Corporate strategy and impact on corporate profit in the retail segment was investigated by Baddache and Nicolai (2013) and by Schramm-Klein, Morschett and Swoboda (2015). The authors revealed that while CSR generally has positive effects on retailer performance – despite the cost associated with CSR implementation, diverse dimensions have different effects. Also, both downstream (customer-oriented) as well as upstream (suppler-oriented) activities count. Also, CSR communications, thus talking about what good a retailer does, is of high relevance.

The challenges and conflicts of CSR in SMEs were researched by Fenwick (2010) who focused on practicing social responsibility (SR) in small businesses. Cause-related marketing was the topic of a paper dealing with the leading role of dominant companies in their industry (Baddache and Nicolai, 2013). The authors conclude that corporations need to keep up with these changes through initiatives that are driven by themselves, or through indirect input from stakeholders or through a contractual process defining relationships between stakeholders, driving a decision-making process which sets commitments between business and society.

1 Statement of a problem

The research on CSR in tourism and hospitality gains increased attention abroad, however, few studies in this area have focused on CSR in the Czech Republic. CSR could be seen from many perspectives, for instance, Wells (2016) in her research explores the consolidative model of CSR, mainly via employees. Ettinger (2018) examines how certified hotels communicate CSR on their websites and concentrates in this work on small hotels. Hyelin (2017) describes links between CSR and its internal consequences using the hotel employees’ CSR perception, quality of working life, affective commitment, organizational citizenship behaviour, and job performance. The authors concentrated on Kotler’s theory (2013) to prove if and how CSI enable to achieve an excellent reputation in social responsibility, in the Czech hotel industry.

A company can gain an excellent reputation in CSR through the realization of one, or a combination of social initiatives, and it can sustain that reputation for a long period. Today’s customer expects and attributes great value to the fact that the company is socially engaged and that it cares about the environment and reflects the values of its customers and stakeholders and wants to be perceived as such, in the future. Therefore, top managers in all sectors, including the hotel industry, should consider how to improve the social standing of the company for which they work to secure more respect and support from both the public and stakeholders. The authors emphasize that the social initiatives will help companies to expand business through an excellent reputation in CSR and, thus, gain the conditions for profitable and sustainable growth.

The major novelty of the paper is the focus on this research-analysis-of CSR in the hotel industry in the CR, one of the transformational economies of the CEE. The remainder of this paper has been organized as follows. In the next section we provide the research methods together with the process of data collection and related descriptive statistics. Then, in part three, the authors describe and clarify their
outcomes with regards to problem solving. The main findings are discussed in part four. The conclusions and future research directions are drawn in the final section.

2 Methods

This article aims to analyse the opinions of top and middle managers of hotels and hotel chains in the hotel industry that are members of the Association of Hotels and Restaurants in the CR, on CSR. Data was acquired through manually distributed questionnaires. In our analysis we have used non-parametric methods. The following research question was set: “Do managers assign any impact to individual CSI on hotel reputation? If yes, how much importance do they assign?” The authors formulated and tested relevant hypotheses concerning the impact of several features: (1) the existence of an ethical code, (2) the independent status of the hotel or it being part of a hotel chain, (3) the hotel size, (4) hotel class (number of stars) and (5) the managerial position of the respondent to evaluate the importance of the six CSI. The following hypotheses have been set:

1. The respondents evaluated the individual CSI as being of the same importance.

2. Specific features and social initiatives: the existence of an ethical code (the independence of the hotel or its belonging to a hotel chain, hotel size, hotel class (number of stars) and the managerial position of the respondent) were tested for their importance for contribution to hotel reputation.

Cluster sampling was used to choose the respondents and, subsequently, the data for testing the hypotheses were assembled through a questionnaire survey. The managers who were personally handed the questionnaire were selected randomly using the following criteria: Our method of sample selection was like stratified random sampling, but it was not so narrowly specified. The authors have formed a natural group of respondents (cluster), from which representatives were randomly selected for research. The cluster was composed of managers on top or mid-level positions of independent hotels and hotel chains. All the hotels were members of the Association of Hotels and Restaurants of the CR.

The questionnaire was composed predominantly of closed questions, which were either multiple-choice or yes/no in nature. Scale and comparative questions were also used where respondents assigned a score to the answer from a scale of 1 to 10. The questionnaire survey took place in November 2016. The field staff used for the ground work was previously trained by the research coordinators. They personally handed the questionnaires to the respondents and collected them upon completion. The questionnaires were collected by the coordinators in several stages, and a running check of adhesion to the selected characteristics was performed. The work of the field staff and the contents of the answers were further checked for logical consistency. Of the total number of 650 distributed questionnaires, 319 were filled out and handed in by the respondents. The response rate was therefore 49.1%.

Descriptive characteristics were determined for the analysed data and the data results, and the data features were graphically depicted. Correlation coefficients were used to test significance. For data analysis, a non-parametric approach was used due to the character of the data (scale 1-10). When evaluating the influence of hotel class
(number of stars), hotels with one and two stars were considered one category. To test the hypotheses, the following research methodology was used:

1. The correlation between answers on a scale of 1-10 (social initiative), was evaluated using the Spearman rank correlation coefficient. Its statistical significance was tested at the level of 0.05 throughout the whole contribution.

2. The first hypothesis – that respondents evaluate all the CSI as being the same – was tested by a Friedman test with a follow-up post-hoc multiple comparison analysis aimed at finding out which items were evaluated differently.

3. Correlation between the answers to individual categories of social activity and other characteristics (ethical code, the independence of the hotel or its belonging to a hotel chain, hotel size, hotel class and the managerial position of the respondent) was analysed according to the type of sorting variable either through a Wilcoxon or with use of a Kruskal-Wallis test.

3 Problem solving

Tab. 1 contains the average and median respondent evaluation of individual initiatives in the question “How important are these CSI for your hotel/hotel chain – Cause Promotion, Cause-Related Marketing, Social Marketing, Company philanthropy, Voluntary work, Socially responsible business practices?” Respondents indicated the chosen value on the scale of 1 – the least important to 10 – the most important. Tab. 1 further contains the median value and the ranking based on the average and the median. In the case that the median value is identical to the ranking set on average (the median value is 5 for categories 3-5, the average ranking of all 5 values is 3).

Tab. 1: Evaluation of the importance of individual categories of social initiatives

<table>
<thead>
<tr>
<th>Category of social initiative</th>
<th>Average</th>
<th>Median</th>
<th>Ranking by average</th>
<th>Ranking by median</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cause Promotion</td>
<td>4.318</td>
<td>4</td>
<td>5</td>
<td>5.5</td>
</tr>
<tr>
<td>Cause-Related Marketing</td>
<td>4.203</td>
<td>4</td>
<td>6</td>
<td>5.5</td>
</tr>
<tr>
<td>Social Marketing</td>
<td>4.770</td>
<td>5</td>
<td>4</td>
<td>3.0</td>
</tr>
<tr>
<td>Company philanthropy</td>
<td>5.307</td>
<td>5</td>
<td>2</td>
<td>3.0</td>
</tr>
<tr>
<td>Employee volunteering</td>
<td>5.072</td>
<td>5</td>
<td>3</td>
<td>3.0</td>
</tr>
<tr>
<td>Socially responsible business practices</td>
<td>7.588</td>
<td>8</td>
<td>1</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Source: (own research)

From the data presented in Tab. 1 it is clear that the highest importance was assigned to socially responsible business practices and the least importance was assigned to Cause-Related Marketing, which means the provision of financial or material support to a specific charitable organisation depending on the amount of a specific product sold in a given time frame. This corresponds to the specifics of the hospitality industry, which offers mainly accommodation and gastronomic services.
The dependence between individual answers to the question “How important are these CSI for your hotel/hotel chain?” was assessed using a correlation coefficient. Given the nature of the answers (answers on a scale); the most suitable method is to use the Spearman rank correlation coefficient.

**Tab. 2: Spearman rank correlation coefficient values**

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>1.000</td>
<td>0.583</td>
<td>0.571</td>
<td>0.295</td>
<td>0.343</td>
<td>0.053</td>
</tr>
<tr>
<td>B</td>
<td>0.583</td>
<td>1.000</td>
<td>0.470</td>
<td>0.381</td>
<td>0.349</td>
<td>0.056</td>
</tr>
<tr>
<td>C</td>
<td>0.571</td>
<td>0.470</td>
<td>1.000</td>
<td>0.368</td>
<td>0.408</td>
<td>0.155</td>
</tr>
<tr>
<td>D</td>
<td>0.295</td>
<td>0.381</td>
<td>0.368</td>
<td>1.000</td>
<td>0.469</td>
<td>0.292</td>
</tr>
<tr>
<td>E</td>
<td>0.343</td>
<td>0.349</td>
<td>0.408</td>
<td>0.469</td>
<td>1.000</td>
<td>0.300</td>
</tr>
<tr>
<td>F</td>
<td>0.053</td>
<td>0.056</td>
<td>0.155</td>
<td>0.292</td>
<td>0.300</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Notes for Tables 2-6: (A) Cause Promotion, (B) Cause-Related Marketing, (C) Social marketing, (D) Company philanthropy, (E) Voluntary work, (F) Socially Responsible Business Practices. Statistically significant correlations (significance level of 0.05) are in bold.

Source: (own research)

All correlation coefficients in Tab. 2 are statistically significantly different from 0 except for the correlations between social initiatives A-F and B-F. Correlation measured by the Spearman correlation coefficient cannot be found between evaluations A-F and B-F. The highest correlation of 0.583 was found between the initiatives A-B, which can be understood in the sense that respondents who perceive the initiative Cause Promotion as significant see also the initiative Cause Related Marketing as significant, and vice versa. Most of the correlation coefficients are statistically significant at a level of 0.05 – due to high number of valid responses, but their values are not very high. Due to the correlation between the answers, a Friedman test (Hollander, Wolfe, 1973) was used for testing the hypothesis that all CSI are evaluated as of the same importance. The resulting test statistic has the value of 338.16, p-value < 2.2 · 10^-16. It is therefore possible to conclude from the test results that the difference in evaluation is statistically significant. This means that individual categories were not evaluated as the same. A further post-hoc analysis was conducted based on the Friedman test, which finds the groups of data differing from each other based on multiple comparison analysis (Demsar, 2006). The calculated p-values are shown in Tab. 3, including the correction using the Bonferroni method.

**Tab. 3: p-values of the post-hoc test using the Bonferroni method**

<table>
<thead>
<tr>
<th></th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>1.00000</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>C</td>
<td>1.00000</td>
<td>1.00000</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>D</td>
<td>0.00005</td>
<td>0.00002</td>
<td>1</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>E</td>
<td>0.00027</td>
<td>0.00011</td>
<td>1</td>
<td>1</td>
<td>--</td>
</tr>
<tr>
<td>F</td>
<td>0.00000</td>
<td>0.00000</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: (Own research)
It is clear from Tab. 3 that the answers to the sub-question (F) Socially responsible business practices differ significantly from all the others. A further distinction can be seen in the couplings A-D, A-E, B-D and B-E. It is clear, and confirmed by the tests, that initiative F is seen as most important (it differs statistically significantly from all other social initiatives). Based on the test results it is possible to say that initiatives (A) Cause Promotion and (B) Cause-Related Marketing are understood as less important than (D) Company philanthropy and (E) Voluntary work of employees. These results correlate with the ranking according to the average and median in Tab. 1.

Data from previous tables, showing the arithmetic average and median of the individual answers of the respondents were used when testing hypotheses concerning the influence of the existence of an ethical code, the independence of the hotel or its belonging to a hotel chain, hotel size, hotel class (number of stars) and the managerial position on the answers. A hypothesis that the evaluation of individual CSI is not influenced by the chosen sorting variables was tested by the Wilcoxon or Kruskal-Wallis test. The results of these tests (p-values) are shown in Tab. 4. The p-values smaller than the significance level of 0.05 are highlighted in bold. It indicates that the sorting variable (a factor) has a statistically significant impact on the analysed category of social initiative. It is clear, from the table, that the managerial position of the respondent has no influence on the answers.

**Tab. 4: p-values of Wilcoxon or Kruskal-Wallis tests**

<table>
<thead>
<tr>
<th>Category of social initiative</th>
<th>Existence of an ethical code</th>
<th>Hotel/hotel chain</th>
<th>Hotel class</th>
<th>Hotel size</th>
<th>Managerial position</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>0,00002</td>
<td>0,00392</td>
<td>0,23362</td>
<td>0,00006</td>
<td>0,24617</td>
</tr>
<tr>
<td>B</td>
<td>0,00022</td>
<td>0,00389</td>
<td>0,02701</td>
<td>0,00038</td>
<td>0,88077</td>
</tr>
<tr>
<td>C</td>
<td>0,00001</td>
<td>0,10239</td>
<td>0,34544</td>
<td>0,00358</td>
<td>0,13944</td>
</tr>
<tr>
<td>D</td>
<td>0,00002</td>
<td>0,00918</td>
<td>0,00104</td>
<td>0,004</td>
<td>0,23428</td>
</tr>
<tr>
<td>E</td>
<td>0,00006</td>
<td>0,04487</td>
<td>0,00402</td>
<td>0,00301</td>
<td>0,83047</td>
</tr>
<tr>
<td>F</td>
<td>0,02744</td>
<td>0,04038</td>
<td>0</td>
<td>0,23413</td>
<td>0,05628</td>
</tr>
</tbody>
</table>

*Source: (Own research)*

The fact that a hotel has an ethical code has an influence on all CSI. By the comparison of hotels with and without an ethical code, we can conclude that hotels with an ethical code see all CSI as more important. The influence of the independence of hotels was evident only in the use of Social Marketing, to which the managers of independent hotels paid less attention than managers of hotel chains. The influence of hotel class was not significant for the category Cause Promotion and for Social Marketing. The rank of managers (whether the managers work on a top or mid-level position) had no influence on the evaluation of the importance of any of the initiatives (Tab. 5).
Tab. 5: Averages (\( \bar{x} \)) and medians (\( \bar{x}_{\text{med}} \)) according to categories – existence of an ethical code, hotel type, managerial position

<table>
<thead>
<tr>
<th>Category of social initiative</th>
<th>Existence of an ethical code</th>
<th>Hotel/hotel chain</th>
<th>Managerial position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( \bar{x}_{1} )</td>
<td>( x_{2} )</td>
<td>( \bar{x}_{3} )</td>
</tr>
<tr>
<td>A</td>
<td>4.73</td>
<td>5</td>
<td>3.41</td>
</tr>
<tr>
<td>B</td>
<td>4.57</td>
<td>4</td>
<td>3.47</td>
</tr>
<tr>
<td>C</td>
<td>5.21</td>
<td>5</td>
<td>3.69</td>
</tr>
<tr>
<td>D</td>
<td>5.76</td>
<td>6</td>
<td>4.33</td>
</tr>
<tr>
<td>E</td>
<td>5.49</td>
<td>6</td>
<td>4.02</td>
</tr>
<tr>
<td>F</td>
<td>7.72</td>
<td>9</td>
<td>7.27</td>
</tr>
</tbody>
</table>

Notes: The existence of an ethical code (1 – yes, 2 – no), hotel type (1 – hotel, 2 – hotel chain), managerial position of respondent (1 – top manager, 2 – mid-level manager).

Source: (own research)

Based on the results summarized in Tab. 6, we can conclude that, with an increase in the star rating, the evaluation of the importance of the researched indicators of social initiative has increased. Hotel class did not influence the answers in the category (A) Cause Promotion and (C) Social Marketing. The size of the hotel in which respondents were working did not have any impact on their opinion regarding socially responsible business practices. A certain tendency can be tracked when looking at the remaining initiatives, in which the evaluation of the importance of social initiatives increases with increasing hotel size.

Tab. 6: Averages (\( \bar{x} \)) and medians (\( \bar{x}_{\text{med}} \)) according to categories – hotel class and size

<table>
<thead>
<tr>
<th>Category of social initiative</th>
<th>Hotel class</th>
<th>Hotel size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>( \bar{x}_{1} )</td>
<td>( \bar{x}_{2} )</td>
</tr>
<tr>
<td>A</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>B</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>C</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>D</td>
<td>3.6</td>
<td>3</td>
</tr>
<tr>
<td>E</td>
<td>1.8</td>
<td>2</td>
</tr>
<tr>
<td>F</td>
<td>3.4</td>
<td>3</td>
</tr>
</tbody>
</table>

Notes: Hotel class (index corresponds to number of stars), hotel size (1 – small, 2 – mid-size, 3 – large).

Source: (Own research)

4 Discussion

With the change of the global economic situation, globalization trends, and the corresponding change in the economic situation in the CR, most hotels and hotel chains are initiating some sort of development strategy. Achieving an excellent reputation in CSR is one way of securing growth. While it is true that managers usually focus, mostly, on the bottom line, many of them increasingly realise that in the
global entrepreneurial environment an excellent reputation can be a factor helping to differentiate their hotel from the competition.

This research has shown that managers of hotels and hotel chains perceive socially responsible activities connected to the financial support of local communities, reduced use of energy and other measures aimed at environmental protection as the most important. To the other hand, the least importance was attributed to Cause-Related Marketing. This implies that the provision of financial or material support to a specific charitable organisation (depending on the amount of a specific product sold in the given period) was not perceived as an efficient and valid initiative to increase reputation.

The assumption that if a hotel has an ethical code, its managers see all CSI as more important has been proven as correct. The influence of the independence of a hotel was proven only for the use of Social Marketing and it can be said that managers of independent hotels see all CSI as less important than managers of hotel chains. The managerial position of the respondent on the evaluation of the importance of the individual categories had no influence. Hotel class had some impact only on the evaluation of the importance of the categories of Cause Promotion and Social Marketing. Hotel size did not have any influence on the opinions of the managers regarding socially responsible business practices. However, it can be concluded that, with a higher hotel class (higher number of stars) and a growing hotel size, the evaluation of observed categories increases.

**Conclusion**

Achieving an excellent reputation in CSR is used as a way of achieving higher growth mainly by large hotels with a high number of stars. In the CR, these are mostly owned by large multinational companies. If the potential of CSR is to be fully achieved and if it is to become common practice for the industry, it needs to be embraced by the entirety of the hospitality business, including small and mid-sized hotels with a lower number of stars. The Czech Association of Hotels and Restaurants should also take in consideration this finding by adjusting its ethical code (2006), in which the protection of health of customers seems to be the main priority. This, however, is only a small component of CSR. Recommendations for further research are broad. Nevertheless, the authors would like to examine how industry managers use standards related to CSR issues. We also recommend focussing on how hotels and hotel chains use social networks and public media to report their achievements in CSR.

**References**


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