

THE PERCEPTION AND ADOPTION OF CORPORATE SOCIAL RESPONSIBILITY IN TOURISM BUSINESSES IN A FAST GROWING DESTINATION – A CASE OF PHU QUOC ISLAND VIETNAM

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ABSTRACT:

IN THE PROCESS OF WORLD ECONOMIC INTEGRATION AND DEVELOPMENT OF VIETNAM, CORPORATE SOCIAL RESPONSIBILITY (CSR) BECOMES AN URGENT ISSUE. ESPECIALLY FOR THE TOURISM INDUSTRY, CSR PRACTICE IS ALSO A METHOD TO GAIN THE SUSTAINABILITY AND THE DEVELOPMENT FOR VIETNAM. THE OBJECTIVE OF THIS PAPER IS TO ASSESS THE CSR PERCEPTION IN TOURISM BUSINESSES IN PHU QUOC ISLAND - A FAST GROWING DESTINATION OF VIETNAM. THE STUDY EMPLOYS A SEQUENTIAL MIXED METHOD OF QUALITATIVE EXPLORATORY STUDY FROM VARIOUS DATA INCLUDING JOURNALS, BOOKS INCLUDING GREY PUBLICATIONS, INTERNAL POLICY REPORTS, MARKETING BROCHURES AND NEWSPAPER REPORTS OF THE ORGANIZATION AND QUANTITATIVE METHOD BY SEMI-STRUCTURED INTERVIEWS CONDUCTED IN 20 COMPANIES ARRANGING FROM TOUR OPERATOR BUSINESSES, HOTELS, TRAVEL AND TOURISM COMPANIES, CRAFT VILLAGES, ETC. THE FINDINGS AND RECOMMENDATIONS ARE APPLIED TO PHU QUOC ISLAND. FURTHERMORE, ITS LIMITATION ON SAMPLES AND STUDY SCOPE CAN BECOME THE ROOT FOR FURTHER RESEARCHES

KEY WORDS: CORPORATE SOCIAL RESPONSIBILITY (CSR), VIETNAM (PHU QUOC ISLAND), TOURISM, PERCEPTION, ADOPTION

INTRODUCTION

The current customers pay attention not only to the price and quality but also to production conditions and environments of the goods and products, especially in the context of

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globalization and international integration³. The role of business is to create sustainable value for stakeholders. CSR is the growing trend in the world, it has become important for businesses to act responsibly⁴. In recent years, CSR has become an crucial issue⁵. With all of the business productions and operations, their stakeholders' interactions, the society and the environment will completely be impacted⁶. CSR concepts have often been criticized for running fast and loose⁷. Although, as in international scope and in the tourism industry, there are many researches emphasizing on CSR⁸. Sharma & Talwar⁹ point out due to dynamic changes of the business world generated by governments, employees, consumers, investors, technology, environment and attitudes, businesses must adapt with those changes.

CSR becomes an urgent issue in Vietnam especially for the integration and development process. As known, CSR practice is one of the methods to reach the sustainability and the development for Vietnam, especially in tourism industry, also to improve their business efficiency, create competitive advantage, enhance the quality and develop in a sustainable way. Phu Quoc island of Kien Giang Province in Vietnam – a very fast growing destination meets difficulties and several hidden drawbacks such as unplanned and spontaneous development with overall ineffectiveness, inadequate exploitation, transportation, infrastructure, human resources, landscapes' protection and conservation, polluted environment, etc. (<http://baotintuc.vn/anh/dao-ngoc-phu-quoc-doi-mat-o-nhiem-moi-truong-20150929223525437.htm>) and (<http://www.vietnamtourism.com/index.php/news/items/15167>). Therefore, the study of CSR practice is an urgency requirement to be done and the assessment on CSR perception to Phu Quoc is necessary to gain a holistic view which formulate recommendations to the tourism industry on CSR practices with a hope that the CSR positive impacts to the tourism can lead to the

³ Cone Communications. *Cone Cause Evolution Study*. Boston, 2012; Nielsen. "Global consumers are willing to put their money where their heart is when it comes to goods and services from companies committed to social responsibility." Accessed at June 12, 2016 <http://www.nielsen.com/us/en/press-room/2014/global-consumers-are-willing-to-put-their-money-where-their-heart-is.html>

⁴ Reputation Institute. "The 2012 global RepTrak 100: Results and report." Accessed at June 12, 2016 http://www.rankingthebrands.com/PDF/2012%20RepTrak%20100-Global_Report,%20Reputation%20Institute.pdf

⁵ Basu, Kunal, and Guido Palazzo. "Corporate Social Responsibility: A Process Model of Sensemaking." *The Academy of Management Review* 33, no. 1 (2008): 122-36. <http://www.jstor.org/stable/20159379>; Burton, Brian K. and Goldsby, Michael. "Corporate Social Responsibility Orientation, Goals and Behaviour: A Study of Small Business Owners." *Business & Society*, 48 (2009): 88-104; Reputation Institute. "The 2012 global RepTrak 100: Results and report." Accessed at June 12, 2016 http://www.rankingthebrands.com/PDF/2012%20RepTrak%20100-Global_Report,%20Reputation%20Institute.pdf

⁶ Fox, Tom. *Small and Medium-Sized Enterprises (SMEs) and Corporate Social Responsibility*. London: International Institute for Environment & Development (IIED), 2005. <http://pubs.iied.org/pdfs/9541IIED.pdf>

⁷ Barnett, Michael L. "Stakeholder Influence Capacity and the Variability of Financial Returns to Corporate Social Responsibility." *The Academy of Management Review* 32, no. 3 (2007): 794-816. <http://www.jstor.org/stable/20159336>.

⁸ Holcomb et al. "Corporate social responsibility: What are top hotels reporting." *International Journal of Contemporary Hospitality Management*, 19 (2007): 461-475; Sheldon, Pauline. J. and Park, Sun-Young. "An exploratory study of corporate social responsibility in the US travel industry." *Journal of Travel Research*, 50 (2011): 392-407.

⁹ Sharma, A.K. and Talwar, Balvir. "Insights from practice. Corporate social responsibility: modern vis-à-vis Vedic approach." *Measuring Business Excellence*, 9 (2005): 35-45. <http://dx.doi.org/10.1108/13683040510588828>

sustainable manner. Any prior study has not been examined. It is against this background that this study assesses the perception of CSR in Phu Quoc island in Vietnam.

LITERATURE REVIEW

CSR definitions

It is really challenging to define what CSR is in the corporate and academic world due to diversities of business sectors and the industry¹⁰. According to BSR organization (www.bsr.org) definition, CSR is a kind of “decision-making in business relating to ethical values, legal compliance and respect for people, communities and the environment that reaches or exceeds requirements and expectations of the society on the ethics, legal, commerce in which businesses operates”. On the basic, CSR concerns to activities voluntarily including social and environmental involvement in business operations and with stakeholder interactions¹¹. World Business Council for Sustainable Development - WBCSD (1999) states that CSR is the businesses’ ongoing commitment to express the ethnical behaviours and economic development contribution and workforce life quality increase and their families in the local community as a smaller scale and in the society as a larger scale. In addition, Commission of the European Communities (2001) defines CSR as a concept relating to social and environmental matters run by businesses in their operations voluntarily. In Europe, many leading businesses used this term and considered as a foundation for CSR Policy¹². Richardson et al¹³ identify in businesses, CSR is also their continuing commitments affirming ethnical factors to their operations/ management and organizational structure.

Also, CSR is defined as terms of economic, legal, ethical and discretionary activities of any businesses which contribute to the social values and expectations¹⁴. According to McWilliams et al.¹⁵, CSR is the integration of social concerns into business operations, good human resource management and environmental performance through recycling and pollution abatement as well as their increased goals towards the community. Therefore, CSR can be defined as the corporate engagement to go beyond compliance and actions to make social issues besides their interests and legal requirements¹⁶. CSR is generally for the obligation for

¹⁰ Whitehouse, Lisa. "Corporate Social Responsibility: Views from the Frontline." *Journal of Business Ethics* 63, no. 3 (2006): 279-96. <http://www.jstor.org/stable/25123709>; Martínez, Patricia and Del Bosque, Ignacio Rodríguez. "Measuring corporate social responsibility in tourism: Development and validation of an efficient measurement scale in the hospitality industry." *Journal of Travel & Tourism Marketing*, 30 (2013): 365-385.

¹¹ Van Marrewijk, Marcel. "Concepts and Definitions of CSR and Corporate Sustainability: Between Agency and Communion." *Journal of Business Ethics* 44, no. 2/3 (2003): 95-105. <http://www.jstor.org/stable/25075020>

¹² Ellerup, Nielsen A. and Thomsen, Christa. "Reporting CSR - what and how to say it?." *Corporate Communications: An International Journal*, 12 (2007): 25-40. <http://dx.doi.org/10.1108/13563280710723732>

¹³ Richardson et al. "Managing Capital Market Reactions to Corporate Social Responsibility." *International Journal of Management Research* (1999): 17- 43.

¹⁴ Joyner et al. "Building Values, Business Ethics and Corporate Social Responsibility into the Developing Organization." *Journal of Developmental Entrepreneurship*, 7 (2002): 113 – 131; Coldwell, David A. L. "Perception and Expectations of Corporate Social Responsibility: Theoretical Issues and Empirical Findings." *South African Journal of Business Management*, 32 (2001): 49- 54; Grunig, James E. "A New Measure of Public Opinions on Corporate Social Responsibility." *The Academy of Management Journal* 22, no. 4 (1979): 738-64. <http://www.jstor.org/stable/255812>

¹⁵ McWilliams et al. "Corporate social responsibility: Strategic implications." *Journal of management studies* 43, no.1 (2006): 1-18.

¹⁶ McWilliams, Abigail, and Donald, Siegel. "Corporate Social Responsibility: A Theory of the Firm Perspective." *The Academy of Management Review* 26, no. 1 (2001): 117-27.

businesses to integrate social and environmental concerns into their operations and long-term development policies¹⁷. With analysis of Brian et al.¹⁸ from various CSR definitions, some following CSR essentials are believed as the community and social involvement, philanthropy, corporate governance, corporate citizenship, quality commitments to products and services, good human resource management practices and the environment, etc.

Regarding to CSR activities, Carroll¹⁹ shows four dimensions for the CSR concept such as economic, legal, ethical, and, respectively, discretionary (philanthropic) responsibilities and they are compulsory to businesses to achieve long long-term relationships with stakeholders. In addition, Martínez et al²⁰ present the CSR approach raised from the sustainable development concept is a three-dimensional structure, of course, including economic, environmental and social. Therefore, businesses will consider to society's well-being and manage their impacts to the economy, environment, and society. More of that, Freeman et al²¹ develop a CSR framework in relation with stakeholder management and classified it based on their stakeholders including shareholders/ investors, employees, customers, suppliers, the environment, the society, the local community etc. Main fields of CSR activities have built up by Mandl & Dorr²² are four concerns of workplace, community, environment, and market which is included customers and business partners.

Martinuzzi, Gisch-Boie et al.²³ cited in Martinuzzi et al in ESDN Quarterly Report N°23, the CSR activities are as follows:

- *Economic topics* such as sound corporate governance practice and performance, transparency through economic, social & environmental reporting, fair competition engagement; innovation development; prevention of the bribery and corruption; Socially Responsible Investment; protection of intellectual property rights; safe and high-quality products/services provision; sustainable consumption & production and sound risk management systems implementation.
- *Environmental topics* such as the air/ water protection, land biodiversity; toxic minimization, emissions, sewage and waste; natural resources conservation, renewable

<http://www.jstor.org/stable/259398>

¹⁷ Martínez, Patricia and Del Bosque, Ignacio Rodríguez. "CSR and customer loyalty: The roles of trust, customer identification with the company and satisfaction." *International Journal of Hospitality Management*, 35 (2013): 89-99.

¹⁸ Brian et al. "Corporate irresponsibility and corporate social responsibility: competing realities." *Social Responsibility Journal*, 5 (2009): 300 – 310. <http://dx.doi.org/10.1108/17471110910977249>

¹⁹ Carroll, Archie B. "A Three-Dimensional Conceptual Model of Corporate Performance." *The Academy of Management Review* 4, no. 4 (1979): 497-505. <http://www.jstor.org/stable/257850>.

²⁰ Martínez, Patricia and Del Bosque, Ignacio Rodríguez. "CSR and customer loyalty: The roles of trust, customer identification with the company and satisfaction." *International Journal of Hospitality Management*, 35 (2013): 89-99.

²¹ Freeman et al. *Stakeholder theory: the state of the art*. Cambridge: Cambridge University, Press, 2010. <http://dx.doi.org/10.1080/19416520.2010.495581>

²² Mandl, Irene and Dorr, Andrea. *CSR and Competitiveness: European SMEs' Good Practice. Consolidated European Report*, Austrian Institute for SME Research, 2007.

<https://pdfs.semanticscholar.org/e696/8d6486052d4db8082416c0e73a5ac8777d75.pdf>

²³ Martinuzzi et al. *Focus CSR: The New Communication of the EU Commission on CSR and National CSR Strategies and Action Plans*, ESDN Quarterly Report No. 23, 2011. Accessed at 10 November 2016 http://www.sd-network.eu/quarterly%20reports/report%20files/pdf/2011-December-The_New_Communication_of_the_EU_Commission_on_CSR_and_National_CSR_strategies.pdf

energy application and & avoidance to use of raw materials; climate protection; efficiency innovation, etc.

- *Social topics* such as sound human resource management and indiscrimination; employment safety, occupational health and security; association operation freedom; and diversity encouragement and consumer interests' privilege, etc.
- *Global topics* such as enhancement of stakeholders' awareness for social & environmental issues, sound stakeholder management; applications to sustainable supply chains and human rights; poverty reduction and public policies development involvement

CSR and its benefits to businesses

Porter & Kramer²⁴ confirm CSR could create strategic competitive advantages due to its enlightened self-interest, moral and ethnic address, operation management, and rotation enhancement. Carroll & Shebana²⁵, the competitive advantages as cost and risk reduction, reputation and legitimacy generation, and synergistic value are created in the CSR-applied businesses in their operations. In addition, Vitaliano²⁶ addresses CSR can reduce turnover, enhance employer's attractiveness²⁷, and gain job satisfaction²⁸. According to Aamir et al²⁹, CSR contributes to sustainable development and gains the long term success not only for the businesses and also for the society". In businesses, CSR has a strategic importance and numerous benefits can be gained by adopting and implementing CSR policies as sound employees' attraction and retention³⁰; customers' loyalty increase³¹, reputation and market performance enhancement, industry leadership position, employee commitment generation, etc³². The final cause for businesses adopting with CSR is to deal better with some of societal

²⁴ Porter, Michael E. and Kramer, Mark R. "Strategy and society: the link between competitive advantage and corporate social responsibility." *Harvard Business Review*, 84 (2006): 78-92.

²⁵ Carroll, Archie. B., and Shabana, Kareem. M. "The Business Case for Corporate Social Responsibility: a Review of Concepts, Research and Practice". *International Journal of Management Reviews*, 12 (2010): 85-105.

²⁶ Vitaliano, Donald F. "Corporate social responsibility and labour turnover, Corporate Governance." *The international journal of business in society*, 10 (2010): 563 – 573.
<http://dx.doi.org/10.1108/14720701011085544>

²⁷ Albinger, Heather. S., and Freeman, Sarah. J. "Corporate social performance and attractiveness as an employer to different job seeking populations." *Journal of Business Ethics*, 28 (2000): 243-253; Turban, Daniel B., and Daniel W. Greening. "Corporate Social Performance and Organizational Attractiveness to Prospective Employees." *The Academy of Management Journal* 40, no. 3 (1997): 658-72.
<http://www.jstor.org/stable/257057>.

²⁸ Wang, Yau-De. and Hsieh, Hui-Hsien. "Toward a Better Understanding of the Link between Ethical Climate and Job Satisfaction: A Multilevel Analysis." *Journal of Business Ethics*. 105 (2012): 535-545.

²⁹ Aamir et al. "The role of corporate social responsibility to create positive positioning in the branding of a country and particular to Pakistan". Ms thesis, Blekinge Institute of Technology School of Management Ronneby, Sweden, 2008. Accessed 17 September 2016 <http://www.diva-portal.org/smash/get/diva2:830226/FULLTEXT01.pdf>

³⁰ Kim, Soo-Yeon, and Hyojung Park. "Corporate Social Responsibility as an Organizational Attractiveness for Prospective Public Relations Practitioners." *Journal of Business Ethics* 103, no. 4 (2011): 639-53.
<http://www.jstor.org/stable/41476049>

³¹ Sen, Sankar and Bhattacharya, C. B. "Does doing good always lead to doing better? Consumer reactions to corporate social responsibility." *Journal of marketing Research*, 38 (2001): 225-243.
<http://dx.doi.org/10.1509/jmkr.38.2.225.18838>; Pelozo, John and Shang, Jingzhi "How can corporate social responsibility activities create value for stakeholders? A systematic review." *Journal of the Academy of Marketing Science* 39, no. 1 (2011): 117-135.

³² Ogilvy Public Relations Worldwide. "Communicating Corporate Responsibility." Accessed at June 12, 2016 www.ogilvypr.com/files/CSR-chap1-7.pdf

problems. Fernando³³, in the competitive market, businesses are normally dealing with society's problems better than governmental or non-governmental organizations because of their unique competency development.

CSR in tourism industry

Tourism industry is one of the largest and fastest growing economic sectors in the world³⁴, crucially impacting the people, the society, and the environment. Pursuant to Smith & Ong³⁵ posit that tourism businesses have strong relationships with local communities and influence the socio-economic development of the regions. In addition, World Tourism Organisation³⁶ suggests that the tourism industry contributes to economic, environmental, social, and culture by creating jobs, improving infrastructures, cultural exchanges and reducing poverty. And oppositely, negative impacts like pollution, biodiversity, inequalities generation, water/ energy waste, and other socio-economic or ecological issues are also created³⁷. As a consequence, Code of ethics has been created for the tourism industry to guide to employees when making decisions³⁸. The Global Code of Ethics for Tourism developed by WTO in 1999 contributes critically by reinforcing previous recommendations and declarations towards the sustainable tourism. The purpose of the code of ethics is to protect the world's natural resources and cultural heritage against the disruption of tourist activities and to guarantee fair and equitable benefits arising from tourism for residents of tourism destinations (Constanta, 2007).

CSR's operations and activities in businesses vary according to industry³⁹. According to Martinez et al.⁴⁰, in the tourism industry, CSR has been considered as an important part of strategies for businesses, especially from the perspective of the sustainable development such as environmental protection, sound working conditions or welfare contribution to local communities. The CSR implications in the tourism industry require managers should adopt and

³³ Fernando, Mario. "Corporate Social Responsibility in the Wake of the Asian Tsunami: A Comparative Case Study of Two Sri Lankan Companies." *European Management Journal*, 25 (2007): 1–10.

<http://dx.doi.org/10.1016/j.emj.2006.12.001>

³⁴ WTO (World Tourism Organization). "WTO Tourism Highlights 2012 Ed." Madrid, Spain, 2012. <http://mkt.unwto.org/sites/all/files/docpdf/unwtohighlights12enhr.pdf>

³⁵ Smith, Russell A. and Ong, Jackie Lei. T. "Corporate Social Responsibility and the operationalization Challenge for Global Tourism Organizations." *Asia Pacific Journal of Tourism Research*, 20 (2014): 487-499. <http://dx.doi.org/10.1080/10941665.2014.918555>

³⁶ WTO (World Tourism Organization). "WTO Tourism Highlights 2012 Ed." Madrid, Spain, 2012. <http://mkt.unwto.org/sites/all/files/docpdf/unwtohighlights12enhr.pdf>

³⁷ Martínez, Patricia and Del Bosque, Ignacio Rodríguez. "CSR and customer loyalty: The roles of trust, customer identification with the company and satisfaction." *International Journal of Hospitality Management*, 35 (2013): 89-99; Harrison, David. "Pro-poor tourism: a critique." *Third World Quarterly*, 29 (2008): 851-868.

³⁸ Malloy, David. C. "Codes of Ethics and Tourism: An Exploratory Content Analysis." *Tourism Management*, 19 (1998): 453-461; Cleek, Margaret Anne, and Sherry Lynn Leonard. "Can Corporate Codes of Ethics Influence Behavior?" *Journal of Business Ethics* 17, no. 6 (1998): 619-30.

<http://www.jstor.org/stable/25073109>; Stevens, Betsy. "Hospitality Ethics: Responses from Human Resource Directors and Students to Seven Ethical Scenarios." *Journal of Business Ethics* 30, no. 3 (2001): 233-42. <http://www.jstor.org/stable/25074495>

³⁹ Campbell, John. L. "Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility." *Academy of management Review*, 32 (2007): 946-967.

⁴⁰ Martínez, Patricia and Del Bosque, Ignacio Rodríguez. "CSR and customer loyalty: The roles of trust, customer identification with the company and satisfaction." *International Journal of Hospitality Management*, 35 (2013): 89-99.

add ethical principles and values to the environment, communities, entrepreneurs, and tourists⁴¹. Nevertheless, most of tourism businesses considered CSR as a type of charitable donations, and CSR are not mentioned in their business vision or mission statements⁴². Furthermore, Garay & Font⁴³ show some studies examined motives of the tourism businesses on CSR adoption and engagement and that main cause is for responsible action in altruistic, for competitiveness issues and also they believe the CSR practices will make consumer decisions in the long term endeavour⁴⁴. Therefore, it can be said that tourism businesses will gain the higher success if their sensitivities to economic, social, and ecological responsibilities are recognised.

CSR and sustainable tourism development

Tourism is growing on global level steadily for many decades. In many countries and regions, it has been chosen as a priority for their prosperity⁴⁵. Especially in poor, less developed countries, tourism is captured as a lifebuoy for developing, maintaining or improving the economy. Herrmann⁴⁶ argues that sound CSR practices and policies are keys to sustainable development⁴⁷. In her opinion, CSR is a comprehensive concept relating to economic, social, and environmental matters and also protects interests of all stakeholders by greater transparency requirements. The Organization for Economic Cooperation and Development (2001) also agrees that CSR is “business’s contribution to sustainable development”. As for them, corporate activities are not only to ensure profits to shareholders, incomes to employees, and products and services to customers, but also to protect societal issues and values. As a consequence, to create benefits to society and businesses, CSR is seen as a “holistic approach”; (OECD, 2001).

STUDY OBJECTIVES AND METHODOLOGY

From the reviews of the CSR concepts, benefits to the tourism industry and businesses and its relations with the sustainable tourism development, this study aims to examine the perception of the CSR practice with the tourism businesses in Phu Quoc island of Vietnam. the study result is to create recommendations to strengthen and increase the CSR awareness/perception leading to CSR practice in Phu Quoc island of which can help Phu Quoc island (destination) become more competitive, ideal and sustainable.

The study employs a sequential mixed method. The first is a qualitative exploratory study. Secondary information from various databases including internet pages, publications, internal policy reports, marketing brochures and newspaper reports of the organization are used. The

⁴¹ Ryan, Chris. “Equity, management, power sharing and sustainability – issues of the new tourism.” *Tourism Management*, 23 (2002): 17-26. [http://dx.doi.org/10.1016/S0261-5177\(01\)00064-4](http://dx.doi.org/10.1016/S0261-5177(01)00064-4)

⁴² Holcomb et al. “Corporate social responsibility: What are top hotels reporting.” *International Journal of Contemporary Hospitality Management*, 19 (2007): 461-475.

⁴³ Garay, Lluís and Font, Xavier. “Doing good to do well? Corporate social responsibility reasons, practices and impacts in small and medium accommodation enterprises.” *International Journal of Hospitality Management*, 31 (2012): 329-337. <http://dx.doi.org/10.1016/j.ijhm.2011.04.013>

⁴⁴ DLA Piper. *Europe hospitality outlook survey*, 2010. http://www.dlapiper.com/files/upload/HL_2010_Survey_Report.pdf

⁴⁵ WTO (World Tourism Organization). “WTO Tourism Highlights 2012 Ed.” Madrid, Spain, 2012. <http://mkt.unwto.org/sites/all/files/docpdf/unwtohighlights12enhr.pdf>

⁴⁶ Herrmann, Kristina K. “Corporate Social Responsibility and Sustainable Development; The European Union Initiatives as a case study.” *Indiana Journal of Global Legal Studies*, 11 (2004). Accessed <http://www.repository.law.indiana.edu/cgi/viewcontent.cgi?article=1286&context=ijgls>

second is the quantitative method by semi-structured interviews and questionnaires to aid/ gain insights. The 100 questionnaires are sent to employees who employ in the tourism businesses/ companies through google form with helps of corporate owners/ managers...however, the people who work in the places without the internet services such as craft villages, local restaurant staff, other services providers, etc. they were interviewed directly. Later, 10 interviews were conducted with human resource managers, general managers, and corporate owners, managers in 20 companies arranging from tour operator businesses, hotels, travel and tourism corporations to gain deep insights and also have cross-checks because they are highly involved in CSR activities. Last, the collected data is processed with the statistical technique. The interview questions are as follows:

1. Have you ever heard the term “CSR”?
2. With your simplest understating, what is CSR?
3. As for you, what followings are for CSR? (based on the above mentioned items - Martinuzzi, Gisch-Boie et al. (2011) cited in Martinuzzi et al in ESDN Quarterly Report N°23,) (*Economic topics* such as sound corporate governance practice and performance, transparency through economic, social & environmental reports, fair competition engagement; innovation development; prevention of the bribery and corruption; socially responsible Investment; protection of intellectual property rights; safe and high-quality products/services provision; sustainable consumption & production and sound risk management systems implementation; *Environmental topics* such as the air/ water protection, land biodiversity; toxic minimization, emissions, sewage and waste; natural resources conservation, renewable energy application and & avoidance to use of raw materials; climate protection; efficiency innovation, etc. and *Social topics* such as sound human resource management and indiscrimination; employment safety, occupational health and security; association operation freedom; diversity encouragement and consumer interests’ privilege, etc.
4. Does your business have policies on discrimination prevention, suitable health, and safety employment conditions for employees and adaptable practice with Vietnam labour law? If yes, please provide evidences. Do you practice (follow) it in your employment?
5. Does your business have policies on energy consumption, waste minimization and recycling, pollution prevention, etc., especially in producing and developing new products with the consideration of potential environmental impacts? If yes, please provide evidences. Do you practice (follow) it in your employment?
6. Does your business have policies on quality services for customers and partners, timely payment, complaints/ feedback solving and product information (including aftersales)? If yes, please provide evidences. Do you practice (follow) it in your employment?
7. Does your business any plans (or strategies) to support financially and non-financially to minimize our negative effects (e.g. discomfort) on the local community? If yes, please provide evidences. Do you practice (follow) it in your employment?
8. Are your business’ employees encouraged to participate in local community activities? If yes, please provide evidences.
9. Is the Trade Union operated actively and freely in your business?
10. Does your business have any training program and/or meetings or notice board to inform to employees concerning CSR activities?

FINDINGS AND DISCUSSIONS

Findings and discussions:

In a broad meaning, the tourism industry consists of all businesses which directly provide goods or services to promote business, pleasure and leisure activities away from the home environment. Weaver & Lawton⁴⁷ states that “a tourism sector includes accommodation, transportation, food and beverage, tour operations, travel agencies, commercial attractions and merchandizing of souvenirs, and the sum of industrial and commercial activities that produce goods and services mainly for tourist consumption”. In context of Phu Quoc island, many of the tourism businesses are very small – (private and family owned businesses), in spite of this, the industry is dominated by a few large corporations (including FDI businesses). The main service providers such as food providers (local food restaurants), inland transportations, souvenirs merchandisers, craft villages are of the local inhabitants (inside Phu Quoc island). Therefore, the result of the survey reaches a considerable difference. The result is arranged in two groups of the respondents. The first group consists the large sized enterprises such as 3 to 5-star hotels and famous tourism corporates. The second group includes the small (private and family owned) businesses like craft villages, small tour operators, transportation agencies, restaurants, accommodation rental services, souvenir merchandizers, etc.

With questions from 1 to 3 relating to the perception and understanding examination of “CSR term”, with the first group, 60 percent recognised this term in which most of them are leaders or managers of the businesses and remaining others realised this term because of “the meaning of the word”. Also, they show their good knowledge in the express of “the simplest meaning of the CSR”.

Regarding to questions from 4 to 7, the result shows only 10% of the number of businesses possess these written policies clearly such as customer quality services, policies on energy consumption, waste minimization and recycling, pollution prevention, employment, etc. which are holding in the first group. In fact, some of policies are not considered as exact policies, they are as notices which content information to all staff in the organisation to be followed. The policies that they used to have suitable health - and safety employment conditions for employees, energy consumption, waste minimization and recycling, quality services for customers and partners. However, only 65 percent of respondents applies them in their employment. On the side of Vietnamese labour law, 80 percent of the business are strictly following. As for the second group, the written policies are not existed. It seems all staff are supposed to own this basic knowledge. Especially for the craft villages and local food restaurants, because of household business characteristics, such policies seem to be new. And the labour law is surely not applied and worked well. It is especially true that all businesses (both groups) have no plans or strategies for CSR.

Concerning questions 8 – 10, 100 percent of businesses in the first group encourage their employees to participate in local community activities and Trade Union organisations operates actively and freely in their businesses. Besides, businesses have any training program and/or meetings or notice board to inform to employees concerning CSR activities. All information is updated through the notice board or email, especially for the charity – donation programs which help local community and corporate staff who are in helps or support. In addition, all staff (including managers, owners) of the businesses are really positively and actively joining to those

⁴⁷ Weaver, David and Lawton, Laura. *Tourism management*. Milton, Australia: John Wiley & Sons, 2006.

programs. For the second group, as the specific feather of business, they don't establish the Trade Union organisation as per law stipulation due to its small size and family essence. However, any problems arisen are solved quickly and satisfactorily Because of the Vietnamese long-term culture and habits, those programs are always participated fervently.

In general, the application and implementation of CSR in businesses have not been highly appreciated, although the concept of CSR has been in place for more than 50 years. CSR seems to be new and develop it in consistent with the business strategy in tourism businesses in Phu Quoc destination. There are many different causes such as insufficient understanding or misconceptions about CSR, the shortage of financial resources, or even the unwillingness. The unwillingness is come from the fear that it can decrease the profits. Therefore, implementing CSR is not paid much attention and a difficult problem. In case, CSR is done in the businesses, it is also on a single scale, fragmented, spontaneous, inefficient. Many businesses claim that they have implemented social responsibility through community activities and programs such as housing construction for the poor, study encouragement funds, etc. That is great however, CSR contains much wider meaning and it can be understood as self-responsibility of economic, legal, ethical and human responsibility.

Recommendations

CSR in tourism businesses in Vietnam in general and in Phu Quoc island in particular is really necessary in the integration process. From the above analysis, some recommendations are made as follows:

For the businesses, first and foremost, businesses especially for management level, owners are urgently required to be aware of CSR. In the short term, along with the governmental support, businesses should have plans to update, improve and train to all staff on the CSR issue because, as stated, CSR brings many benefits to the businesses such as employment quality improvement, community development, stakeholder satisfaction, customer loyalty, etc. with the long term, CSR should be a crucial part of the operation and development strategies of the businesses. Regarding to financing issue to CSR investment, businesses need to develop strategies that are tailored to their resources and strengths, and to implement them in concrete ways. More of that, to have a best and throughout CSR implementation in the businesses, the training programs should be provided and conducted regularly to whole staff.

For the related authorities: In Vietnam, there are many legal documents related to labor protection, consumer protection, food hygiene and safety regulations, environmental pollution, etc. but they are not adaptable with the currents of the businesses and working well in practice. This is one of the causes which CSR are not strictly executed. The State and/or related authorities need to strengthen the legal bases which lead to the higher CSR awareness and to adopt policies to encourage and support the CSR implementation in businesses. Apart from encouragement and honor to businesses owning good achievements in CSR implementation, the State should also have strong measures and remedies to deal with violators. To reach a long-term and sustainable achievement, the CSR training programs should be done from the elementary to higher education which helps to have a better sense of CSR.

CONCLUSIONS

The benefits of CSR implementation have been widely recognized around the world but the perception and adoption of CSR in tourism businesses in Phu Quoc island are still limited

because of many different causes. Therefore, this paper is to raise ideas and formulate recommendations which aim to help tourism businesses increase CSR perception and adoption which both benefit the businesses, the society and also the environment. However, this study limits in the scope because the survey is implemented only in Phu Quoc and the sample collection in the convenience method. Therefore, it is not a representative for the whole industry. Further research can be done to cover the limitations.

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