School of Accounting

Corporate Social Responsibility of Hotels in Bali – Indonesia:
Practices, Drivers and Barriers

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Declaration

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgment has been made.

This thesis contains no material which has been accepted for the award of any other degree or diploma in any university.

Signature:

Date: 22 June 2016

Abstract

Guided by the theory of planned behaviour (Ajzen 1991), this thesis investigates Corporate Social Responsibility Practices (CSRPs) and factors that explain CSRPs of hotels in Bali – Indonesia. A mixed methods approach is used. First, the nature and level of CSRPs and factors that influence managers in making CSRPs decisions are explored through in-depth interviews with 19 top level hotel managers in Bali. Then, the relationship between CSRPs and its predictors is empirically examined by using survey data from 117 top level hotel managers in Bali. The validity of the CSRP self-reported responses is verified by comparisons with independent valuations from a certification organisation.

The findings of this thesis indicate that CSRPs of most local hotels are not advanced. Corporate Social Responsibility (CSR) is practised as charitable contributions and/ or merely as a means to maintain business survival. A few international hotel chains practise more advanced CSR (i.e., CSRP with long-term commitment and better alignment with business strategies). An integrative analysis of survey data using Partial Least Square – Structural Equation Modelling (PLS-SEM) shows that the internal factors of managers (i.e., socially responsible attitudes and values of caring for others) and the external forces (i.e., stakeholders' influence and degree of authority in making decisions) significantly and simultaneously influence CSRPs decisions.

The role of the owners is found to be dominant in influencing CSRPs decisions. This is particularly true for local hotels. Certification organisations also play a significant role in shaping CSRPs. These organisations are important in guiding managers to put CSR into practice and to link CSR with business practices. In general, hotel managers in this thesis are influenced more by external, rather than internal factors in making CSRPs decisions.

This thesis offers a theoretical framework that enables an integrative analysis of various factors influencing the managers in making CSRPs decisions. A new method to measure CSRPs in a survey is introduced as a contribution to the methodology. This thesis also offers an insight into how CSRPs are promoted in an unsupportive institutional framework.

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Abbreviations

BSR	Business for Social Responsibility
CEO	Chief executive officer
CER	Corporate Environmental Responsiveness
CFP	Corporate Financial Performance
CSR	Corporate Social Responsibility
CSRP(s)	Corporate Social Responsibility Practice(s)
DJSI	Dow Jones Sustainability Index
GDP	Gross Domestic Product
GRDP	Gross Regional Domestic Product
GRI	Global Reporting Initiative
ILO	International Labour Organisation
ISO	International Standard Organisation
KLD	Kinder Lydenburg Domini
MDGs	Millennium Development Goals
MNCs	Multinational corporations
NGO	Non-governmental organisation
PBC	Perceived Behavioural Control
PLS	Partial Least Square
PRESOR	Perceived Role of Ethics and Social Responsibility
RBV	Resource-based view
RTI	Responsible Tourism Institute
SEA	Social and Environmental Accountability
SEM	Structural Equation Modelling
SMEs	Small and medium enterprises
SN	Subjective Norm
SRA	Socially Responsible Attitude
THK	Tri Hita Karana
TPB	Theory of Planned Behaviour
TRA	Theory of Reasoned Action
UN	United Nations
UNWTO	United Nations World Tourism Organisation

Chapter 1
Overview of the Thesis

1.1. Introduction

This chapter provides an overview of the thesis. It begins by providing the background and motivation of study in Section 1.2. The research objective and questions are then highlighted in Section 1.3. The significance and limitations of this thesis are presented in Sections 1.4 and 1.5 respectively. The structure of this thesis is outlined in Section 1.6. This chapter is then concluded with a summary in Section 1.7.

1.2. Background and Motivation of Study

Although the principle of Corporate Social Responsibility (CSR) has been practised for centuries, the concept of CSR was arguably only first introduced and disseminated in the last six decades (Carroll 1999). Recently, the significance of CSR in academic and business discourses has been accentuated by the escalation of social problems and the public's expectation of a broader role of businesses within the society (Dawkins and Lewis 2003; Mirvis and Googins 2006; Gray, Owen, and Adams 1996; Mintzberg 2002).

The concept of CSR is central to the debate concerning the proper relationship between businesses and the society. Three major groups in the CSR debate can be delineated. The first group believes that the responsibility of businesses is limited to the pursuit of economic efficiency and profit maximisation for shareholders. It is presumed that corporations contribute to the creation of social welfare through job creation and corporate taxes (Friedman 1962; Greenfield 2004; Hetherington 1973). This view is manifested in a narrow conception of CSR as simply consisting of economic and legal responsibilities.

The second group believes that businesses have a moral responsibility towards the society (Bowen 1953; Davis 1973; Frederick 1960; Preston and Post 1975; Eilbert and Parket 1973). Although the second group has addressed the interests of the

broader group of stakeholders (besides shareholders), this view is also translated into a narrow conception of CSR as simply, moral responsibility.

The last group believes that the economic function of a business entity is interconnected with social, environment and political functions. Therefore, this group believes that to be sustainable, a company needs to incorporate concern for the society and environment into their business decisions and practices (Freeman 1984; Porter and Kramer 2006, 2002; Elkington 2002; Porter and Van Der Linde 1995). This view is translated into a broader conception of CSR as entailing economic, legal and ethical/ moral responsibilities towards the society (Carroll 1979, 1991; Schwartz and Carroll 2003).

Numerous empirical studies have been conducted to reveal how business communities perceive CSR, how various conceptions of CSR are translated into CSR practices (CSRPs), why corporations engage in CSRPs and what impacts CSRPs have on companies' stakeholders and financial performance (Aguinis and Glavas 2012; Taneja, Taneja, and Gupta 2011). According to several meta-analyses of CSR literature (e.g. Margolis and Walsh 2003; Gray and Laughlin 2012), the majority of the literature has focused on explicit CSR (i.e., the practice of CSR which gives more emphasis to public disclosures) and the consequences of CSR on financial performance. Moreover, CSR empirical studies are predominantly conducted in developed countries (Gerde and Wokutch 1998; Belal 2001).

According to Teoh and Thong (1984), the development of CSR implementation happens through four major phases: (1) a development of the awareness of the importance of CSR; (2) an engagement in CSRPs; (3) CSR disclosure and (4) an audit of CSR performance. Referring to Teoh and Thong's (1984) phases of CSR implementation, emerging economies fall behind developed countries in terms of CSR implementation (Gugler and Shi 2009; Moon and Shen 2010; Belal and Cooper 2011; Jamali and Mirshak 2007; Jamali 2007; Visser 2009). Companies in emerging economies predominantly practise implicit or silent CSR (i.e., the practice of CSR with few or no public disclosures) (Belal and Cooper 2011; Jamali and Mirshak 2007). Several authors suggest that implicit CSR is preferred over explicit CSR in emerging economies due to several factors: (1) companies are still at the early stages of their CSR implementation (Laudal 2011); (2) disclosures of CSRPs are considered

culturally inappropriate (Shareef et al. 2014) and (3) contextual factors are less supportive for CSR disclosures (Belal and Cooper 2011).

In a country where government capabilities are still limited, businesses' roles in supporting governmental efforts to improve the living conditions of the population are expected and appreciated (Jamali and Mirshak 2007). In this regard, it is important in emerging economies to investigate the nature and level of CSRPs and to reveal the factors that drive and inhibit the managers in making decisions to engage in CSRPs. The resulting knowledge from such research could be used to assist public policy makers in formulating appropriate mechanisms to promote a wider adoption of CSRPs. Moreover, research on implicit CSR in emerging economies will contribute to the body of knowledge, which is currently still dominated by research on explicit CSR/ CSR disclosures conducted in developed countries.

The economy of many emerging countries is very dependent on the tourism industry (UNWTO 2015c, 2015d). The impact of the tourism industry on the society and environment of the host countries could be very significant. Efforts have been undertaken by various international organisations to promote CSRPs within the tourism industry (UNWTO 2016a, 2015b; Rattan 2015; Bowman 2011).

CSR research in tourism is relatively scarce (Myung, McClaren, and Li 2012; Garay and Font 2012; Coles, Fenclova, and Dinan 2013; Holcomb, Upchurch, and Okumus 2007) and less developed (King, Funk, and Wilkins 2011; Coles, Fenclova, and Dinan 2013). More theoretical and empirical research is needed to further develop CSR research in tourism, as well as to promote CSRPs in the tourism industry.

The context of Bali – Indonesia is significant for the empirical research of CSR in tourism. Bali is a popular world tourist destination and has been the main driver of the tourism industry in Indonesia (BPSIndonesia 2015). Indonesia, like many emerging countries, obtains a significant income from the tourism industry. The total contribution of the travel and tourism industry to the Gross Domestic Product (GDP) of Indonesia in 2014 was US$79.8 billion, much higher than other emerging countries, such as Malaysia: US$49.2 billion and the Philippines: US$31.8 billion (WTTC 2015a).

To further promote CSRPs in the tourism industry, it is important to investigate into the drivers and barriers of CSRPs. A meta-analysis of CSR research in tourism shows that the topic of drivers and barriers of CSRPs of tourism companies is currently under-researched (Coles, Fenclova, and Dinan 2013). The introduction of theories, conceptual frameworks and methodology established in other disciplines is important in the early stages of the literature development (Knight 1999; Myung, McClaren, and Li 2012).

The drivers and barriers (determinants) of CSRPs have been investigated either at the institutional, organisational or individual levels of analysis. Research on the determinants of CSRPs at the institutional level of analysis focuses on revealing how various external institutional forces (e.g. international organisations, government bodies, industry associations and the local society) influence CSRPs. Some theories commonly used to guide the investigation on determinants of CSRPs at the institutional level of analysis are the institutional theory (DiMaggio and Powell 1983), legitimacy theory (Dowling and Pfeffer 1975) and social contract theory (Shocker and Sethi 1973).

Research on the determinants of CSRPs at the organisational level of analysis focuses on revealing the rationale for the CSRPs that drive the initiatives from the internal organisation to engage in CSRPs. The stakeholder theory (Freeman 1984) and a resource-based view (Branco and Rodrigues 2006) are typically used to understand the organisations' motives to proactively practise CSR.

Research on the determinants of CSRPs at the individual level of analysis focuses on investigating how an individual manager, as a moral actor, uses his/ her freedom to make decisions (managerial discretion). Wood (1991) notes that the managers' actions are not completely prescribed by corporate policies and procedures. They have a certain degree of managerial discretion. Using the managerial discretion that they possess, managers analyse various alternatives and make the decisions to fulfil their responsibility as moral actors (Wood 1991).

As CSRPs are the product of a stream of decisions made by managers (Papagiannakis and Lioukas 2012), several scholars stress the importance of investigating into the factors that influence managers in making CSR decisions

(Pedersen and Neergaard 2009; Hemingway and Maclagan 2004; Dief and Font 2012).

Studies investigating into the determinants of CSRP at the individual level of analysis focus either on the internal or external factors of the managers that play a significant role in shaping CSR decisions and practices. The personal values and attitudes of the managers are suggested as internal factors that significantly shape CSR decisions and practices. For instance, Graafland and colleagues (Graafland and Van de Ven 2006; Dief and Font 2012; Garay and Font 2012; Parker 2014) suggest that in some cases the moral motives and personal values of the managers drive CSRPs more than economic motives. The relationship between the managers' attitudes and CSRPs is statistically confirmed by Frey and George (2010). Managers with positive attitudes towards CSR believe that CSR is a good deed and in line with their cultural beliefs. As such, they tend to implement more CSRPs (Yu et al. 2012).

Such studies have provided important insights into the influence of internal factors of managers on CSRPs through shaping CSR decisions. However, as the decisions are made on behalf of a company, a manager is not always able to fully express his/ her own values and beliefs into CSR decisions. The expectations of the stakeholders and other external factors could also play a significant role in shaping CSR decisions. For instance, a number of studies documented that government regulatory pressures significantly influence the managers' decisions to engage in CSRPs (Christmann 2004; Darnall, Henriques, and Sadorsky 2010; Wang et al. 2015).

The factors that influence managers in making CSR decisions are still predominantly investigated in a piecemeal fashion (Myung, McClaren, and Li 2012). An integrative analysis is needed to better understand how the internal factors of managers and external forces simultaneously influence CSRPs through shaping CSR decisions. Such an analysis could also reveal the relative importance of each factor in predicting CSRPs. A few researchers, such as Wang et al. (2015) and Papagiannakis and Lioukas (2012), have used integrative approaches to investigate into the determinants of CSRPs.

The Theory of Planned Behaviour (TPB) (Ajzen 1991), which originated from the social-psychology field of study, enables an integrative analysis of the internal and

external factors of managers that influence CSRPs. According to the TPB, an action could be driven by a combination of internal motivations and external forces.

Papagiannakis and Lioukas (2012) modify the TPB to investigate the predictors of Corporate Environmental Responsiveness (CER). It is hypothesised that CER is predicted by internal motivations (personal values and environmental attitudes) and external forces (perceived pressures from stakeholders and perceived behavioural control). All variables are hypothesised as having direct relationships with CER, except for "personal values", which is also hypothesised as having an indirect relationship through attitudes.

Guided by the TPB, this thesis explores CSRPs and the various factors that influence managers in making CSR decisions firstly through interviews. Modifications to the TPB are made based on the study of the literature and the results of the interviews. Then, the relationship between CSRPs and its predictors is examined using the survey data from the top level hotel managers in Bali.

This thesis makes several improvements to the work of Papagiannakis and Lioukas (2012). First, the measurement of CSRPs is enlarged to include all aspects of CSRPs, other than environmental. Second, the Socially Responsible Attitude (SRA) is used instead of the environmental attitude to measure attitude. Third, several stakeholder groups relevant to the tourism industry are added to measure the perceived influence of the stakeholder groups (perceived social pressures) on CSR decisions. Fourth, other types of decision constraint measures (perceived controllability) are added to replace measures that are insignificant in Papagiannakis and Lioukas (2012).

CSR literature is still dominated by research on CSR disclosures and their impacts on shareholders' value. The literature is also primarily conducted in developed countries. The institutional factors for CSR in many emerging countries are less supportive and this leads to the slow development of CSRPs in emerging countries. Implicit CSR is more dominant than explicit CSR in emerging countries.

The participation of the business sector in improving the standard of living of the population is expected in emerging economies. Efforts have been undertaken by the governments of emerging countries to promote CSRPs. Unfortunately, there is a scarcity of research on CSRPs and the determinants of CSRPs conducted in

emerging economies that can assist the governments in formulating the appropriate mechanisms to promote a wider adoption of CSRPs.

Accordingly, the motivations of this thesis are: (1) to provide public policy makers with information on the current status of CSRPs and its determinants which can assist them in formulating the appropriate approaches to promote a wider adoption of CSRPs and to further advance existing CSRPs; (2) to contribute to CSR literature by uncovering CSRPs of hotels in emerging economies that are still under-researched and (3) to offer a framework that allows an integrative analysis of the various factors that influence managers in making CSR decisions and subsequently, shape CSRPs.

1.3. Research Objective and Research Questions

The aim of this thesis is to provide empirical evidence of CSRPs and the factors that explain CSRPs of hotels in an emerging economy (Bali – Indonesia). To meet the research objective, several research questions have been formulated:

1. What is the nature and level of CSR practised by hotels in Bali – Indonesia?
2. What are the factors that explain CSRPs of hotels in Bali - Indonesia?

1.4. Significance of the Thesis

This thesis makes several contributions to the theory, methodology and practice. These are explained in the following sub sections.

1.4.1. Contributions to the Theory

This thesis provides three important contributions to the theory. Firstly, this thesis provides empirical evidence of the efficacy of the TPB (Ajzen 1991) in explaining the various factors that influence managers in making CSR decisions.

Secondly, this thesis answers Ajzen's (1991) call for the exploration of additional predictors to the TPB that could significantly improve prediction. Schwartz's (1994) proposed variable, "personal values", which has been empirically tested across cultures, is added in this thesis to the TPB model. The personal value of the managers is suggested as a significant driver of CSRPs in previous CSR studies (e.g. Agle, Mitchell, and Sonnenfeld 1999; Hemingway and Maclagan 2004; Swanson 1995; Wood 1991; Hemingway 2005; Tzschentke, Kirk, and Lynch 2008). This thesis finds that despite its small contribution to the predictive validity of the TPB

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model, the personal value of caring for others significantly predicts CSRPs indirectly through SRA.

Finally, to the best knowledge of the author, this thesis is the first to introduce the use of the TPB to enable an integrative analysis of the factors that influence hotel managers in making CSR decisions and subsequently, influence CSRPs. Previous studies have only applied the TPB in the tourism industry context to explain guests' behaviours towards responsible tourism practices (e.g. Han, Hsu, and Sheu 2010; Han and Kim 2010; Kim and Han 2010).

The topic of CSR is relatively new in the hospitality research field (Myung, McClaren, and Li 2012). Therefore, the introduction of a theoretical framework borrowed from another field of study to explain CSR decision making provides a contribution to further develop CSR research in the hospitality field.

1.4.2. Contributions to the Methodology

This thesis provides four contributions to the methodology. First, this thesis shows that the use of mixed methods allows in-depth exploration of CSR practices, drivers and barriers and empirical examination of the qualitative results. These result in thorough analysis of CSR practices, drivers and barriers.

Second, this thesis offers a measurement of CSRPs that can be applied in similar contexts to that of this thesis, such as in Thailand, Vietnam and Burma. Similar to Bali, these tourist destinations are dependent on their authentic culture and natural beauty.

The final CSRPs measurement in this thesis consists of nine items that cover various aspects of CSRPs of hotels mentioned in the literature and interviews of this thesis. It mainly covers CSRPs to the local society, to preserve the local culture, to preserve the natural environment, as well as CSRPs to the employees. Arguably, the final CSRPs measurement of this thesis could be said to be a better capture of the broad concept of CSR than the other CSRPs measurement, which relies only on one aspect of CSRPs (such as environmental practices or philanthropy practices). Nine items of the CSRP measurement meet the convergent validity criterion as indicators of CSRPs. The CSRPs construct also meets all reliability and validity criteria.

This thesis also offers a specific evaluation criterion for each CSRP item to guide the respondents in appropriately assigning a score. For instance, to measure the extent of the eco-friendly products used, five ranges of percentages of eco-friendly products used are provided: 100% (score 5), 75% to < 100% (score 4), 50% to < 75% (score 3), 25% to < 50% (score 2) and < 25% (score 1).

Previous studies that used a survey to measure CSRPs either use a "yes" (score 1) or "no" (score 0) measure (Carlsen, Getz, and Ali-Knight 2001; Font, Garay, and Jones 2014), or the extent of implementation from 1 ("not at all"/ "zero adoption") to 7 ("to a great extent"/ "complete adoption") (Krumwiede et al. 2012; Nicholls and Kang 2012). These authors did not provide any guidance or specific criteria to appropriately determine the score that should be assigned for certain practices. The questionnaire pilot tests of this thesis showed a 7-point scale for CSRPs measurement, as implemented in previous studies, provided a lack of variation in the responses. The respondents noted that without any criteria to assist them in rating, they were not sure of the score to assign.

Third, this thesis offers an alternative to identify whether the predicted variable (CSRPs) may suffer from social desirability biases. Comparisons between the respondents' self-rated CSRP scores and independently-rated CSRP scores (scores obtained from a certification organisation) were made. A similarity between the two scores was used to suggest a lack of social desirability bias.

Fourth, this thesis provides empirical evidence of the reliability and validity of Singhapakdi et al.'s (1996) Perceived Role of Ethics and Social Responsibility (PRESOR) scale to measure SRA within the TPB framework. The PRESOR scale has never been applied and tested as a part of the TPB framework to explain CSR decision making. The results of this thesis also suggest a further refinement to the PRESOR scale items to fit the CSR decision making context.

1.4.3. Contributions to the Practice

This thesis offers an insight into how CSRPs are promoted in an unsupportive institutional context. The Tri Hita Karana (THK) Foundation, a local certification organisation, plays a significant role in developing CSR awareness among hoteliers and guides the hotel managers in aligning CSR with their business practices.

This organisation convinces hotels operating in Bali to practise CSR by promoting a wide range of benefits of CSR to the success of business operations in the short and long-run. For those who have achieved a certain standard of practice, they were given the recognition and were publicised as responsible and green hotels. It is particularly important to have such an acknowledgment and publication in a context where self-publication of CSRPs is considered as culturally inappropriate.

Specifically, suggestions are offered to the THK Foundation to further improve CSRP standards by adding practices that could improve the competitive context (Porter and Kramer 2006) of the tourism industry in Bali. Furthermore, suggestions are offered to the local government of Bali and the tourism industry association to better promote a wider adoption of CSRPs in Bali.

1.5. Limitations of the Thesis

The results of this thesis need to be read with caution, as the survey data of this thesis are highly dominated by small-medium, local-owned and independently managed hotels located in the urban area. The results of the survey may be less applicable to large, foreign-owned and international hotel chains. However, this thesis also provides insights from large, foreign-owned and international hotel chains regarding their CSRPs and factors that influence the managers' decisions to engage in CSRPs. Such insights were obtained from the interviews with the top level hotel managers.

As CSR is context bounded, the results of this thesis are to some extent influenced by the specific contextual condition of Bali – Indonesia as an emerging country. The results of this thesis may be applicable to other emerging countries that share similar characteristics with the context of this thesis, but may be less applicable in the developed countries context.

1.6. Outline of the Thesis

This thesis comprises nine chapters and is organised as follows: Chapter 1 provides an introduction, including the background and motivation of study, research objective and questions, significance and limitations of the thesis. Chapter 2 introduces the context of Bali – Indonesia. Chapter 3 presents the literature review of CSRPs and its determinants. The theoretical framework, formulation of interview

questions and hypotheses development are presented in Chapter 4. Chapter 5 discusses the research design applied in this thesis. Chapter 6 reports the methods and results of the qualitative study. The methods and results of the survey are presented in Chapters 7 and 8 respectively. Chapter 9 discusses the results and provides concluding remarks.

1.7.   Summary

This chapter provides an overview of the thesis. The research objective and questions are outlined; its significance and limitations are also noted. The chapter ends with an outline of the thesis to provide a more succinct overview of its structure. The following chapter, Chapter 2, presents the context of the thesis (Bali – Indonesia).

Chapter 2
The Context of Bali - Indonesia

2.1.   Introduction

This chapter presents the research context of this thesis. The relevant background information with regards to the analysis and discussion is presented in three sections. Section 2.2 highlights the background information of Bali. The tourism industry in Bali is presented in Section 2.3, while efforts to promote CSRPs are explained in Section 2.4. This chapter then concludes with a summary in Section 2.5.

2.2.   Background Information of Bali

This section provides information related to the geography, economy, demography, values and culture of Bali.

2.2.1. Geography

Bali is one of 33 provinces in Indonesia. With a total area of only 5,636.66 km^2 (BPSBali 2015a), Bali is the third smallest province in Indonesia. As a tiny island, Bali can hardly be found on the world map. The location of Bali within the world and Indonesia is provided in Figure 2.1.

Figure 2.1. Bali within the World and Indonesia Map.
(Source: www.baliweathermap.blogspot.com).

Bali is located between the Java Island to the west and Lombok Island to the east. Administratively, the province of Bali is divided into nine regions, namely Denpasar,

Badung, Gianyar, Klungkung, Karangasem/ Amlapura, Bangli, Buleleng/ Singaraja, Tabanan and Jembrana/ Negara. Denpasar is the capital city of the Bali province. The locations of the regions are circled in Figure 2.2.

Figure 2.2. Bali Map.
(Source: www.balitravelhound.com).

2.2.2. Economy

During the last five years, the tourism industry has been the major contributor to the economy of Bali. Its contribution has been increasing significantly, from 19.12% of the total Gross Regional Domestic Product (GRDP) of Bali in 2010 to 23.08% in 2014. Figure 2.3 presents the contribution of each sector to the GRDP of Bali in 2014.
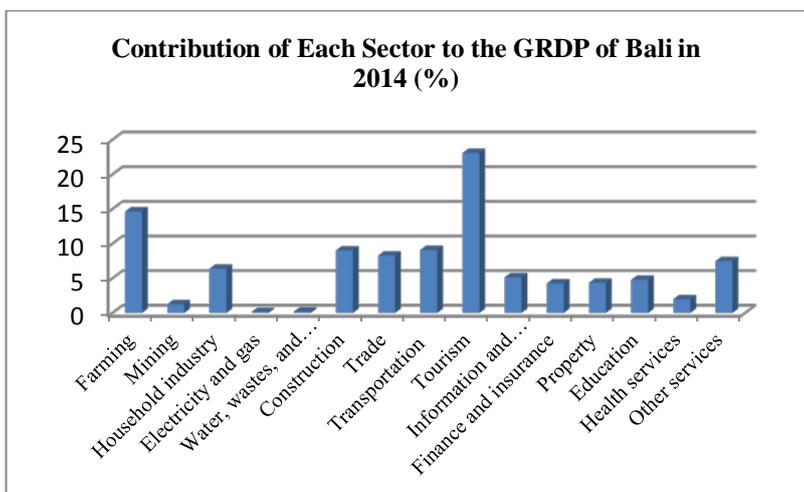
Figure 2.3. Contribution of Each Sector to the GRDP of Bali in 2014.

In contrast, the farming sector's contribution has been decreasing, from 17.17% of the total GRDP in 2010 to only 14.64% in 2014 (BPSBali 2015c). The high conversion rate of farming land to new settlements and tourism facilities has contributed to the decreasing contribution by the farming sector (BPSBali 2015c).

Together, the tourism and farming sectors provide employment for more than half (53.24%) of the total workers in Bali. The unemployment rate as of February 2015 was only 1.37% (BPSBali 2015b). The tourism industry has contributed significantly to the efforts to alleviate poverty. According to the latest statistics updated in 2013, 3.95% of the total population of Bali live under the poverty line of US$2 per day (BPSIndonesia 2013). This percentage is only one third of the national figure (11.66%).

2.2.3. Demography

With a population of 4,104,900 in 2014, Bali is home to most of Indonesia's Hindu minority. According to the latest census in 2010, 83.46% of Bali's population adhered to Hinduism, 13.37% to Islam and the remainder to Christianity, Buddhism and others (BPSBali 2015e).

More than one-third of the total population live in the urban areas (Denpasar and Badung). Denpasar is the most populated region, with 6,892 inhabitants per km^2, followed by Badung (1,473) and Gianyar (1,345). The remaining regions are less populated, with the density of the inhabitants ranging from 323 to 558 per km^2 (BPSBali 2015a).

2.2.4. Values and Culture

The values and culture of Bali are inspired by Hinduism. The core of Bali Hinduism consists of three major elements: first, *tattwa* - basic philosophies; second, *susila* - ethics of conduct and third, *upacara* – rituals (Peters and Wardana 2013). The basic philosophies consist of five basic teachings, namely (1) belief in the existence of a Supreme God; (2) belief in the existence of an eternal soul; (3) the conviction that every deed has rewards (*karmaphala*); (4) belief in reincarnation; and lastly, (5) belief in the human soul liberation or *moksha* (Jensen and Suryani 1992).

The *Tri Hita Karana* value encapsulates the ethics of the conduct of Balinese people. *Tri Hita Karana* means "the three causes of general wellbeing or the three guideposts to living a balanced existence" (Krishna 2010, 62). The three causes cannot be separated, with the first as the base on which the other two causes stand. The first cause, known as *parahyangan*, is experiencing the omnipresence of God. The second, known as *pawongan*, is living harmoniously with the members of the human society. The third cause, known as *palemahan*, entails caring for the natural environment.

The last element of the Balinese Hinduism core, an integral part of the daily life of a Balinese, is rituals. A multitude of religious offerings and ceremonies are regularly performed as an expression of devotion and gratitude to God. Such rituals occupy a relatively large portion of the time and effort of the Balinese, as well as consume a significant portion of their savings. Almost all religious ceremonies involve the participation of many people and take place in either a family's or a community's temple (Jensen and Suryani 1992). Traditional dances are performed and orchestral instruments (*gamelan*) are used during the ceremonies. The Balinese culture is embodied into religious practices and ceremonies. This is why the Balinese culture has sustained for hundreds of years (Jensen and Suryani 1992).

Moreover, the social systems that bind the Balinese together have also enforced the preservation of religious practices and culture. *Banjar*, translated as 'hamlet' or 'ward' is one of such systems. *Banjar* is the smallest social system, yet in many ways the most important of Balinese communal life (Pringle 2004). Everyone who lives in the *banjar* area is a member. Members of a *banjar* are obliged to help one another (a fellow *banjar* member) in performing a number of duties, such as preparing temple ceremonies, organising cremation ceremonies, organising wedding or child birth ceremonies (Jensen and Suryani 1992; Pringle 2004). Members are also obliged to obey the *banjar* rules. Failure to actively participate in the *banjar* activities or breaching the *banjar* rules results in various social sanctions. The most severe punishment is isolation from the community. An awareness of these sanctions drives a Balinese to conform to the *banjar* rules, strive faithfully to fulfil his/ her *banjar* duties, and firmly uphold the tradition without question (Jensen and Suryani 1992).

2.3. Tourism Industry in Bali

Bali has been marketed as 'the Island of Gods', 'Paradise Island', or 'the Island of A Thousand Temples'. In 2015, Bali was chosen as the world's second best island by world tourists (TravelandLeisure 2015). As many as 3,766,638 international tourists visited Bali in 2014 and stayed for an average of 3.60 days (BPSBali 2015f; BPSIndonesia 2015). The number of international tourists who visited Bali was almost 92% of the total population of Bali and made up 40% of the total international visitors who visited Indonesia (BPSIndonesia 2015). As such, it is clear that Bali has been the main driver of the tourism industry in Indonesia. Hence, the context of Bali is significant for tourism research in Indonesia.

As the main driver of the tourism industry in Indonesia, a huge amount of money has been invested by the central government of Indonesia and the local government of Bali to build supporting infrastructures and tourism facilities. Initially, the development of tourism in Bali followed the Bali Tourism Development Master Plan made by Societé Centrale pour I'Equipement Touristique d'Outre Mer (SCETO) (i.e., A French's firm) in 1971. It was decided that the development of the tourism facilities should be concentrated in the south of Bali, specifically at Nusa Dua, Kuta, Sanur and Denpasar, so as to minimise the negative impacts of tourism on Balinese society and its culture (Picard 1996).

However, a very high demand of cultural tourism in the rural areas has led the Governor of Bali to develop more centres of tourism of close proximity to the rural areas. Now, there are 21 centres of tourism spread all over the regions of Bali. As many as 717 hotels, villas and small establishments were legally recorded in 2013, with 54% of them located in the urban areas of Badung and Denpasar (BPSBali 2013; Tourism Office 2013). Among the rural regions, Gianyar is the region with the largest number of hotels, villas and small establishments, 15% of the total accommodation is located in this region.

The number of accommodations has been growing rapidly over the last ten years, especially at the south of Bali. A large numbers of new hotels are still being built. This situation creates fierce competition among the hotels. Despite the significant growth in the number of international tourists visiting Bali, the hotel occupancy rate has been decreasing from 64.52% in 2011 to 57.77% in 2014 (Tourism Office 2015).

Early in 2011, the Governor of Bali declared a so-called moratorium on the construction of new tourism facilities at the south of Bali (Badung, Denpasar and Gianyar). Unfortunately, the Governor of Bali did not have the authority to enforce this moratorium. The autonomy law number 22/1999 and 25/1999 provide greater authority to the regions' governments to govern their own areas. In particular, the mayors of Badung, Denpasar and Gianyar decided to ignore the governor appeal. Instead, they kept releasing permits for new tourism facilities (Peters and Wardana 2013).

To date, the 1971 Bali Tourism Development Master Plan is no longer valid. However, until now, there is no blueprint available for the development of tourism in Bali as a whole. As a consequence, many decisions were made by the mayors without considering the impacts of their decisions to the other regions and by extension, to the whole island. The overcrowding of the Badung region, for instance, has created problems to the other regions, such as traffic jams and shortages of water and energy.

Although the vast development of mass tourism in Bali brings benefits to the economy of Bali, it also creates numerous problems. The problems can be categorised as social, cultural and environmental problems. Bali has attracted large numbers of people from the other provinces in Indonesia and expatriates to set up businesses and search for employment within Bali. This condition increases the competition between the locals and outsiders. In some cases, social conflicts arise when the locals cannot compete with the outsiders.

Furthermore, mass tourism induces a transformation of high quality Balinese arts into poor quality mass arts. Specifically, dance performances are shortened and simplified as tourist attractions (Picard 1996). As such, many people are worried about the destruction of the local culture due to the over commercialisation and over exposure to outside influences (Pringle 2004).

The impacts of mass tourism to the environment include: shortages of water and energy, high conversion rate of green and farming land into tourism facilities, mangrove deforestation, coral reefs damages, land and water pollution, as well as seawater intrusion due to the overuse of coastal areas for tourism facilities (Dalem et al. 2007; Pringle 2004).

To minimise the negative impacts of tourism to the local society, culture and environment, Corporate Social Responsibility Practices (CSRPs) are promoted by the THK (THK) Foundation, the government and the tourism industry association. The following section discusses the efforts to promote CSRPs.

2.4.   Efforts to Promote Corporate Social Responsibility Practices

Several laws have been enacted by the central government of Indonesia to promote CSRPs. Some of the laws are: (1) Limited Company Act number 40/2007 regarding the obligation of natural resources exploration companies to implement CSRPs, (2) State-owned Ministry Decree number Per-09/MBU/07/2015 regarding the obligation of state-owned companies to develop partnerships with the local Small Medium Enterprises (SMEs) and to engage in environmental development program, (3) Indonesia Financial Services Authority regulation number 29/POJK.04/2916 regarding the obligation of Indonesian publicly listed companies to disclose the CSRPs, (4) Tourism Act number 10/2009, article number 26, which states the obligation of tourism companies to respect the local culture, develop partnerships with the local SMEs, provide priority to the local suppliers, employ local people and preserve the natural environment. There are also some regulations related to certain CSRPs, such as the local regulation number 5/2005 (GovernorOfBali 2005) regarding the implementation of Balinese architecture concept, Indonesia Law number 18/2008 (RepublicOfIndonesia 2008), regarding waste management and National Law number 21/2000 (RepublicOfIndonesia 2000), regarding the protection of employees' freedom of association.

In Bali, a local non-governmental organisation (NGO), the THK Foundation, actively promotes CSRPs based on the local value, *Tri Hita Karana*. The THK Foundation was established in 2000 by academicians, local artists, environmentalists, tourism workers and local journalists (THKFoundation 2012). The foundation started promoting the *Tri Hita Karana* value as the basis of CSRPs by publishing articles in the local newspapers, writing books and presenting in local seminars. In the middle of the year 2000, the foundation launched the THK Awards to guide, assist and award hotels and tourist destinations management in implementing CSRPs based on *Tri Hita Karana* value. The evaluation instrument was validated by the experts and practitioners through series of focus group discussions and seminars. Later in 2011,

the THK Awards gained legitimacy from the local government. The governor of Bali released an official letter addressed to the managements of hotels, requesting all hotels operating in Bali to participate in the THK Awards (THKFoundation 2015). Recently, government offices, schools and universities also participated in the THK Awards.

The THK Awards evaluation criteria consist of three major sections, namely spiritual, social and environmental. In the spiritual section, the participants are evaluated based on their efforts to support religious activities in their workplaces. The social section evaluates participants' efforts to build and maintain harmonious relationships with their stakeholders, as well as efforts to preserve and promote the local culture. Lastly, the environmental section focuses on evaluating participants' efforts in preserving the environment. In the 2015 Guidebook of THK Awards for hotels, there are 59 evaluation criteria in total, comprising of 15, 26 and 18 criteria for the spiritual, social and environmental sections respectively.

The participants of the THK Awards are firstly requested to do self-evaluations and score themselves 1 to 5 for each criterion. Then, the completed evaluation form, along with all supporting documents, is submitted to the THK Foundation. Following the submission of the form, a site visit and assessment are conducted by the THK Foundation's independent assessors. These assessors consist of academicians, experts and tourism practitioners. A final score is then determined by the independent assessors. The THK Awards have five award categories, listed from the lowest to the highest: bronze, silver, gold, emerald and platinum. Recently, there are 315 hotels participating in the THK Awards (THKFoundation 2015). However, this number is only 44% of all the hotels legally listed in the Bali Government Tourism Office record (Tourism Office 2013).

2.5.   Summary

The background information of Bali, the tourism industry in Bali and efforts to promote CSRPs are presented in this chapter. This information will be further elaborated upon and discussed in the analysis and discussion chapters.

Chapter 3
Literature Review

3.1.   Introduction

Scholars have been discussing about Corporate Social Responsibility (CSR) for many decades. However, it is only since the last two decades that interest in CSR has become more widespread. The number of conceptual and empirical publications on the topic of CSR has doubled from 1990 to 2005 (Aguinis and Glavas 2012). Four main focus areas of CSR research can be identified from the literature. They are: (1) meanings and definitions of CSR; (2) determinants/ predictors of CSR; (3) CSR disclosure/ practices and (4) outcomes/ impacts of CSR (Aguinis and Glavas 2012; Taneja, Taneja, and Gupta 2011).

This thesis focuses on the area of Corporate Social Responsibility Practices (CSRPs) and its determinants. This chapter reviews the various theories and empirical research explaining CSRPs and the motivations behind corporate decisions to engage in CSRPs. In addition, this chapter identifies and explains the gaps present in the literature.

This chapter is organised as follows. Section 3.2 presents the definitions of CSR offered by prominent scholars and the CSR definition adopted in this thesis. Three major perspectives of CSR (moral, economic and strategic) that underlie CSR definitions are explained in this section. Section 3.3 presents more on explicit and implicit CSR. CSRPs in the context of the tourism industry and emerging economies are reviewed in Sections 3.4 and Section 3.5 respectively. The various measurements of CSRPs are presented in Section 3.6. Section 3.7 reviews the various determinants/ predictors of CSRPs at the institutional, organisational and individual levels of analysis. This chapter concludes with a summary in Section 3.8.

3.2.   Corporate Social Responsibility (CSR): The Definition

The topic of CSR has been the focus of debate with regards to the proper relationship between businesses and the society. Two contrasting views of CSR were dominant during the era of the 1950s to 1970s; there were those who suggested a broader range

of responsibilities towards the society and those who argued that the only responsibility of a business executive is to maximize profits. In the 1970s and thereafter, there were many attempts to bridge the two contrasting views of CSR.

The literature on CSR contains a vast array of terminologies, definitions and theories. For a proper classification, it is assumed that the most relevant CSR definitions and theories are focused on one of the following aspects of the business-society relationship: moral/ ethics, economics, or a combination of moral/ ethics and economics. In this thesis, the definitions of CSR are classified according to the three major views of CSR: moral/ ethical, economic, as well as the integrative view of CSR.

Even though the foundation of the doctrine of CSR could be traced well back before the 1950s, most scholars point to the publication by Howard R. Bowen (Bowen 1953) as the first remarkable attempt to synthesise the intellectual debates surrounding the doctrine of CSR (Carroll 1999; Garriga and Mele 2004; Lee 2008). Bowen brings spiritual and ethical values to the discussion of CSR. Furthermore, Bowen argues that a moral enterprise is judged by its contribution not only to its owners, but also to the entire society in a way that conforms to the societal values. Bowen further contends that the great influences of large businesses' decisions to the life of the society obligate businesses to consider social responsibilities. Bowen (1953, 6) defines the social responsibilities of businessmen as the "obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society".

In a similar vein, several prominent scholars, such as Davis (1960, 1967, 1973), Eilbert and Parket (1973), Frederick (1960) and Preston and Post (1975) define CSR as the moral/ ethical obligations of the businesses towards the society beyond their narrow economic and technical interests. The detailed definitions can be found in Table 3.1.

The definitions of CSR under the moral view of CSR are characterised by its emphasis on broad society interests, moral/ ethical obligations and voluntary/ discretionary practices that have little coherence with the core business activities. The moral view of CSR raises business executives' awareness of their

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responsibilities towards the society, beyond making a profit. Several surveys show the support of business executives to the moral view of CSR (Holmes 1976; Bowen 1953).

Despite its appealing idea over the ideal role of business within the society, the moral view of CSR has some flaws that makes it difficult to be implemented by managers and raises the resistance among shareholders. First, the concept of CSR under the moral view is vaguely framed in macro-social terms, so the managers do not have a clear idea about the limits of CSR. Second, the term 'society' is broadly defined and no clear guidance is available to specify and choose certain groups of society that should receive special attention to. Finally, there is no established rational linkage between CSR and corporate profitability.

Table 3.1. Definitions of CSR Emphasising Moral/ Ethical Acts

Author (year, page)	Definition of CSR Emphasising Moral/Ethical Acts
Davis (1960, 70)	"Businessmen's decisions and actions taken for reasons at least partially beyond the firm's direct economic or technical interest"
(Frederick 1960, 60)	"….businessmen should oversee the operation of an economic system that fulfils the expectations of the public….a willingness to see that those resources are used for broad social ends and not simply for the narrowly circumscribed interests of private persons and firms"
(Davis 1967)	"…concern for the ethical consequences of one's acts as they might affect the interests of others"
(Davis 1973, 312)	"…..firm's consideration of, and response to, issues beyond the narrow economic, technical, and legal requirements of the firm"
(Eilbert and Parket 1973, 7)	"Perhaps the best way to understand social responsibility is to think of it as 'good neighbourliness'……On one hand, it means not doing things that spoil the neighbourhood. On the other, it may be expressed as the voluntary assumption of the obligation to help solve neighbourhood problems."
(Preston and Post 1975, 9)	"….social concerns that appears to underlie a wide variety of ad hoc managerial policies and practices….They lack any coherent relation to the managerial unit's internal activities or to its fundamental linkage with its host environment."

The opponents of CSR (e.g., Friedman 1962; Friedman 1970; Hetherington 1973; Greenfield 2004) highlight the flaws of the CSR idea and suggest that managers should focus on the efforts to earn profits for their shareholders. Milton Friedman (1962; Friedman 1970) is one famous opponent of CSR who is highly cited by

scholars. According to Friedman (1962), the only social responsibility of business executives is to serve their shareholders by gaining as much profit as possible within the legal framework. Friedman contends that corporate tax is the most effective and efficient way for a business to provide contributions to the society. Furthermore, Friedman (1970) argues that an executive's decision to engage in CSRPs is unacceptable and unjustified, since such a decision will sacrifice the shareholders' profits and prevent the executives from making the best choices in the interests of the shareholders.

Friedman's (1962; Friedman 1970) arguments represent a narrow economic view of CSR. Such arguments are grounded in laissez-faire capitalist economic theory (Wood 1991). Under such a theory, it is presumed that the self-interested pursuit of economic efficiency leads to maximum profit and thus, to maximum social welfare (Wood 1991). Proponents of the laissez-faire capitalist economic theory view the economic function of a business as separate from the social, environmental and political functions (Gray, Owen, and Adams 1996). A business attends to the economic aspect, whereas the society, environment and politics are government affairs (Friedman 1962)

The narrow views of corporate responsibility have led business executives to ignore the broader social responsibilities in favour of the shareholder value. The consequences of business activity to the society and environment are not considered and calculated. Excessive orientation towards shareholder profits results in negative consequences, such as involuntary unemployment, work stress-related illness, industrial conflict, financial scandals, frauds, wider disparity of wealth and environmental destructions (Gray, Owen, and Adams 1996; Mintzberg 2002).

Since the last three decades, businesses have been facing the escalation of the public's ethical sensitivity, pressures and expectations over a broader role of businesses within the society. Mirvis and Googins (2006) illustrate how the credibility of some companies are threatened, when merely economic pursuit and legal compliance are unable to fulfil a growing expectation of the society.

The CSR literature after the 1970s focus on bridging the two contrasting views of CSR: the moral and economic views. Efforts to rationalise CSR and to link it with corporate financial performance (CFP) are prominent in the 1970s and afterward

(e.g. Chen and Wang 2011; Oh and Park 2015; Saleh, Zulkifli, and Muhamad 2011; Wang, Dou, and Jia 2015). Carroll (1979) is mentioned by most scholars to be the first to introduce the integrative view of CSR. In particular, Caroll's (1979, 500) definition of CSR is that "the social responsibility of a business encompasses the economic, legal, ethical and discretionary expectations that the society has of organisations at a given point in time".

In 1991, Carroll revisited his definition to embrace the corporate citizenship idea. Caroll depicts the four components of CSR as a pyramid. The economic component is depicted as the base and is then built upwards through legal, ethical and philanthropic components. Caroll summarises, "The CSR firm should strive to make a profit, obey the law, be ethical and be a good corporate citizen" (Carroll 1991, 43). Carroll's CSR pyramid has been widely cited by scholars.

In 2003, Carroll and Schwartz (2003) revised the CSR pyramid. Schwartz and Caroll (2003) subsume the philanthropic component into the ethical and economic components, since philanthropy could be driven by ethical and/ or economic concerns. The authors depict the three components of CSR (economic, legal and ethical) as three overlapping circles. By doing so, Schwartz and Caroll stress that none of the three CSR components are more important in relation to the others. The authors then offer a framework to classify CSR postures into seven categories: purely economic, purely legal, purely ethical, economic/ legal, economic/ ethical, legal/ ethical and economic/ legal/ ethical. This framework embraces all the relevant aspects of CSR. However, in practice it is not easy to determine whether certain CSR activities are purely economic, legal or ethical; the reason being, the three components are all interwoven and inseparable (Schwartz and Carroll 2003).

Another ground-breaking writing on integrative CSR is the stakeholder concept, popularised by R. Edward Freeman (1984). Freeman specifies societal members who are most important to businesses. Freeman's contribution to the CSR literature is very significant. Freeman brings the CSR idea from being merely an additional responsibility to being an integral part of the total responsibilities of a company. Freeman also stresses the importance of the integrative analysis of economic and socio-political forces, since these entities are interconnected.

John Elkington (2002) further elaborates upon the importance of the integrative analysis of various relevant entities. Elkington's "Triple Bottom Line" idea is widely cited by scholars and adopted by business executives, government bodies and world organisations. The latest Global Reporting Initiative (GRI) guidelines (G4 Sustainability Reporting Guidelines) also adopts the "Triple Bottom Line" in classifying indicators of sustainability practices (GRI 2015). The "Triple Bottom Line" consists of economic (profit), social (people) and environmental (planet) bottom lines. Elkington (2002) suggests that in order to be sustainable, corporations need to pay attention not only to the economic aspect, but also to the social and environmental aspects. Elkington's writing contributes significantly to the CSR literature by expanding the CSR idea from just a predominant concern for profit and people to include concern for the environment.

Nowadays, the idea of CSR has been adopted as a part of the regulations governing business practices in several countries. World organisations have also been actively promoting the idea of CSR. The definitions of CSR proposed by government bodies and world organisations are slightly diverse. However, the components of CSR are consistently being discussed in the literature, such as concern for economics, legal, ethical, people/ stakeholders and the environment. Among those definitions, the CSR definition used by The Commission of the European Communities is the most cited (Dahlsrud 2008; Gokulsing 2011). CSR is defined as "a concept whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis" (Dahlsrud 2008).

In the tourism industry, the United Nations World Tourism Organisation (UNWTO) offers a definition of sustainable tourism as "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of the visitors, industry, environment and host communities" (UNWTO 2015a). The idea of sustainable tourism is in line with the idea of CSR. The two constructs share the same principles. That is why the term 'sustainable tourism' is frequently used interchangeably with the term 'CSR' in the literature (Henderson 2007; Manente, Minghetti, and Mingotto 2012). Other terms intrinsically associated with CSR are social and environmental accountability, corporate sustainability and corporate citizenship.

Having reviewed various definitions of CSR offered by prominent scholars and world organisations, this thesis defines CSR as the "responsibility of a company to incorporate social and environmental concerns in its business operations and in its relationships with its stakeholders and the natural environment".

3.3.   Explicit and Implicit CSR

Matten and Moon (2008) identify two types of CSR practiced by companies, explicit and implicit. Those who practice explicit CSR articulate their policies and practices overtly through corporate reporting systems, websites and the media.

On the other hand, companies with implicit CSR tend to make few or no corporate claims about their CSRPs. Parker (2014) refers to the concept of 'social accountability through action' to explain implicit CSR. Parker (2014) reveals that the British companies interviewed deliver accountability through publicly observable CSR actions and make their corporate sites accessible to the public and open for evaluation by third parties. By doing so, these companies have their CSRPs published by third party observers and commentators rather than by themselves.

Matten and Moon (2008) highlight some conditions under which companies within certain systems are more inclined to practice explicit or implicit CSR. First, in a country where the government's role is dominant in directing CSRPs, corporate discretion (i.e., corporate freedom to make decisions) will be low. Companies tend to be reluctant to articulate CSRPs as their own initiatives. Second, in a financial system which is very dependent on the stock market, companies are required to provide a high degree of accountability and transparency to their investors and are therefore more inclined to practice explicit CSR. Third, in a country where the nationwide employee federation has a strong bargaining position, employee-related CSR is negotiated and formulated at the national level, instead of the corporate level. Thus, the articulation of employee-related CSR by companies in these countries will be relatively low.

A number of studies (e.g. Jamali and Mirshak 2007; Belal and Cooper 2011; Shareef et al. 2014) suggest that the articulation of CSRPs via websites and the media is low in several countries due to several factors. First, public communication about what a company has done in relation to CSRPs is considered culturally inappropriate

(O'Dwyer 2002; Antal and Sobczak 2007; Shareef et al. 2014). Second, basic institutional prerequisites to support CSR (Matten and Moon 2008) are not met, such as a lack of legal requirement and enforcement, as well as a lack of the pressures of the civil society (Belal and Cooper 2011; Rizk, Dixon, and Woodhead 2008). Third, companies are still in the early stages of their CSR implementation. As such, they only focus on practicing CSR at the limited local context (Laudal 2011).

Teoh and Thong (1984) suggest several levels of CSR implementation. At the first level or at the very beginning of CSR implementation, companies are aware of their social responsibilities. Then, they start to be involved in CSR activities. At this second stage, no social reporting might be made. After establishing their CSRPs, the companies start to engage in social reporting. The final stage is achieved when a social audit of the CSR performance can be established.

Companies with explicit CSR have been the object of research focusing on CSR disclosures. The majority of social and environmental accountability (SEA) research in accounting discusses CSR disclosures, the motivation to disclose, as well as the impact of CSR disclosures on shareholders' value (Gray and Laughlin 2012). An excessive emphasis on shareholders' interests and values in the accounting SEA research indicates the dominance of a narrow accountability perspective embraced by accounting researchers (Deegan 2013).

Moser and Martin (2012) argue that accounting researchers could contribute significantly to the development of SEA literature and practice if they are willing to adopt a broader perspective of accountability – that is, a broader accountability to various groups of stakeholders besides the shareholders. Adopting a broader perspective of accountability in SEA research allows the researchers to obtain a more complete understanding of the motivations for corporate engagement in CSRPs and disclosures beyond the motivation to enhance shareholders' value (Moser and Martin 2012).

CSR disclosure research has revealed a prevalence of CSR within the business community. However, such research ignores the non-disclosing companies. Research on CSRPs of non-disclosing companies and the reason for the absence of CSR disclosure are still under-researched. Based on a review of SEA research published in the last twenty years, Gray and Laughlin (2012) suggest for accounting researchers to

do more investigation on CSRPs of non-disclosing companies, as well as the drivers and barriers of such practices. An understanding of CSRPs is necessary prior to further work on SEA and audit (Gray and Laughlin 2012; Teoh and Thong 1984).

Supporting Gray and Laughlin (2012), Parker and his colleagues (Parker 2014; Oakes and Young 2008) argue that the practices of social accountability through action or implicit CSR have been explored only to a limited extent by researchers. Unlike the research on explicit CSR where data is publicly available and can be easily accessed, the research on implicit CSR requires the researchers to obtain data from interviews, surveys and company visits. This could be the reason why implicit CSR is not explored as extensively as explicit CSR.

In order to promote CSRPs further, it is very important to uncover CSRPs of non-disclosing companies, the motivations behind the practices and the reasons why very low or no disclosures have been made by these companies. The knowledge built by the research investigating into implicit CSR will complement the knowledge developed by explicit CSR research. A more comprehensive understanding of CSRPs can be obtained when CSR researchers not only focus on investigating disclosing companies' CSRPs, but also the practices of non-disclosing companies. In this regard, this thesis fills the gap in the literature by investigating CSRPs and the motivations behind the CSRPs of non-disclosing companies that is still under-researched.

3.4. CSR Practices (CSRPs) in the Tourism Industry Context

The tourism industry has become one of the major contributors to the economy of many emerging economies (UNWTO 2015d, 2015c). It significantly contributes to many countries' Gross Domestic Product (GDP) through direct[1], indirect[2] and induced[3] economic impacts (WTTC 2015b).

The total contribution of the travel and tourism industry sector to the world GDP in 2014 was 9.8% (USD7, 580.9 billion) and its contribution to world employment in

[1] Direct economic impacts of tourism: tourists directly spending on transportation, accommodation, food and beverage, entertainment and recreational services.
[2] Indirect economic impacts of tourism: the tourism industry's capital investment spending, government spending to support tourism and the purchases of domestic goods.
[3] Induced economic impacts of tourism: the spending by those who are employed by the companies within the tourism industry sector.

the same year was 9.4% (276,845,000 jobs). The travel and tourism industry has also grown at a faster rate than the wider economy (WTTC 2015b). Moreover, it is one of the fastest-growing economic sectors in the world (UNWTO 2015d). As an export category, international tourism accounts for 30% of the world's services exports and it ranks fourth after fuels, chemicals and foods exports in 2014 (UNWTO 2015c).

Despite its significant contribution to the economy of many countries in the world, the tourism industry has also imposed numerous negative impacts on the society and environment of the host countries. Some of the negative impacts are air, water, land and noise pollution; the destruction of natural beauty and historic sites due to excessive tourism; as well as the large consumption of energy and water (Kirk 1995).

In order to maximise economic, social and environmental benefits while minimising its negative impacts, the UNWTO promotes responsible and sustainable tourism practices. Several efforts that have been undertaken to promote such practices include: (1) introducing the Global Code of Ethics for Tourism (UNWTO 1999); (2) encouraging tourism companies' participation in achieving the Millennium Development Goals (MDGs) (UNWTO 2016b) and (3) working with government bodies, public and private partners and international organisations to achieve the sustainable development goals (UNWTO 2015b). Recently, the UNWTO developed a partnership with the United Nations (UN) Global Compact to further promote CSRPs within the tourism industry sector. The UN Global Compact is one of the largest CSR initiatives in the world, with 8,402 signatories in 162 countries and 35,750 CSR public reports submitted to date (UN-GlobalCompact 2016a). The UN Global Compact promotes ten universally accepted principles related to human rights, labour, environment and anti-corruption (UN-GlobalCompact 2016b).

Besides the UNWTO, several certification organisations for responsible and sustainable business practices have also been playing key roles in promoting CSRPs within the tourism industry sector (Rattan 2015). A few such certifications are: (1) Green Globe (GreenGlobe 2016); (2) EarthCheck (EarthCheck 2016); (3) Biosphere Responsible Tourism Certification, developed by the Responsible Tourism Institute (RTI 2016); (4) International Standard Organisation (ISO) 14001 - Environmental Management System; (5) ISO 26000 – Social Responsibility and (6) ISO 45001 – Occupational Health and Safety (ISO 2016a). Such organisations, except for the

ISO[4], work closely with the participants to put CSR into practice. They provide guidance, assistance, assessments, as well as awards/ certificates.

Despite its contribution in assisting tourism companies to put CSR into practice, the international certification schemes have also been criticised for several weaknesses. First, it is argued that such schemes do not fit SMEs (SMEs), since the service fees to be paid are quite expensive and the standards to be met are too high (Medina 2005; Sasidharan, Sirakaya, and Kerstetter 2002). Second, international certifications have focused heavily on environment issues and provided less attention to socio-cultural issues (Font and Harris 2004). Font and Harris (2004) discover that the socio-cultural criteria are quite complex to be measured objectively and robustly, as compared to the environmental criteria. This could be the reason why there are not many certifications addressing socio-cultural issues. Third, as the criteria for international certifications are often not adapted to local conditions, needs (Medina 2005) and beliefs (Fennell 2008), it will arguably bring about little benefits for the local community and environment (Sasidharan, Sirakaya, and Kerstetter 2002).

Recently, several local sustainable tourism practices guidelines and certifications have gained growing acceptance from tourism companies, since these guidelines have been adapted to the local conditions and needs. Such guidelines and certifications are also more affordable for SMEs to undertake (Bowman 2011; Kleinrichert et al. 2012). However, such certifications suffer from a lack of funds (Font and Harris 2004). The CSR issues addressed by several international organisation bodies and certification organisations are summarised in Table 3.2.

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[4] The ISO provides the guidelines only. The certification is performed by the external certification bodies (ISO 2016b)

Table 3.2. CSR Issues Addressed by International Organisations

CSR Issues	Organisations Who Address the Issues*
A. Economic and Internal Management	
1. Implement a sustainability management system	5
2. The elimination of discrimination in respect of hiring and employment	4,5
3. Employee training	1,5
4. Employee protection	1,5
5. Recognition of employees' freedom of association	4
6. Employees and customers' health and safety	1,5
7. Monitor customer satisfaction	5
8. Communication strategy to inform guests about CSR initiatives	5
9. Accuracy of promotional material	1,5
10. Sustainable design and construction of buildings and infrastructure	5
B. Social	
1. Support initiatives for community development	5,6
2. Local employment/ recruitment	1,2,3,5,7
3. Local and fair-trade services and goods (sustainable supply chain)	2,5
4. Supporting local entrepreneurs/businesses	2,5
5. Respecting local communities	1,5
6. Implement policy against child and sexual exploitation	1,4,5
7. Eradicate extreme poverty	2,3,7
8. Charity donations	2
9. Support for education	2,3,7
10. Promote gender equality and empower women	2,3,7
11. Participate in ensuring healthy lives and promote well-being for all	2,3,7
12. Support and respect the protection of human right	4
13. Work against corruption	4
C. Cultural Heritage	
1. Establish code of behaviour to appreciate local people's cultural customs and beliefs	1,5
2. Protection of historical artefacts	5
3. Protection of historical, archaeological, spiritually important sites	5
4. Incorporation of local culture into operations and services	3,5,6,7
5. Flourishing traditional cultural products, crafts and folklore	1
D. Environment	
1. Conserving resources/ resource efficiency (consumable goods, water, energy)	1,2,3,4,5,6,7
2. Reducing pollution (noise, greenhouse gas emissions, waste water management, solid waste management (reduce, reuse, recycle), minimising the use of environmentally harmful substances)	1,2,3,4,5,6,7
3. Conserving biodiversity, ecosystems, landscapes and wildlife species	1,2,3,4,5,6,7

*Notes:
1. Global Code of Ethics for Tourism (UNWTO 1999).
2. Millennium Development Goals/ MDGs (UNWTO 2016b).
3. Sustainable Development Goals (UNWTO 2015b).
4. The UN Global Compact.
5. Green Globe.
6. EarthCheck.
7. Responsible Tourism Institute.

As seen from Table 3.2, all prominent international organisations address the environmental issues; many of them also address the social issues, but only a few

address the economic and cultural issues. The environmental issues have gained greater attention probably due to the perceived greater impact to the earth and living condition of future generations. Moreover, environmental initiatives are relatively easy to be justified compared to socio-cultural initiatives, since such initiatives could produce significant cost savings, help companies in gaining a license to operate, prevent sanctions and create a competitive advantage.

Sustainable business practices or CSR issues in the tourism sector have attained special attention from related international bodies for less than two decades. Compared to the manufacturing industry sector, the social and environmental impacts of the tourism industry sector have gained less attention from regulatory bodies and researchers (Chung and Parker 2010).

Researchers in the tourism field have recently attempted to address CSR (King, Funk, and Wilkins 2011; Coles, Fenclova, and Dinan 2013). CSR research in tourism is still at a relatively early stage (Coles, Fenclova, and Dinan 2013). It lags far behind CSR research in business (Myung, McClaren, and Li 2012; Garay and Font 2012; Coles, Fenclova, and Dinan 2013). The scarcity of CSR research in tourism requires researchers to do more exploratory research, borrow theories and conceptual frameworks established in other disciplines, as well as employ a wider variety of research methodology (Myung, McClaren, and Li 2012; Garay and Font 2012; Coles, Fenclova, and Dinan 2013; Holcomb, Upchurch, and Okumus 2007). As such, researchers' contribution in developing theory, conceptual frameworks and appropriate measurement scales is essential in the early stage of literature development (Knight 1999; Myung, McClaren, and Li 2012).

A meta-analysis of CSR literature in tourism (Coles, Fenclova, and Dinan 2013) identifies five major themes of CSR research in tourism: (1) CSR implementation; (2) business case of CSR; (3) measurement of CSR; (4) CSR and stakeholder engagement and (5) CSR communication. CSR communication and measurement are identified as two themes that have not been established yet. The general absence of CSR reporting in tourism impedes the development of CSR measurements (Coles, Fenclova, and Dinan 2013).

Within the CSR implementation theme, the topic of drivers and barriers of CSRPs of tourism companies is said to be under-researched (emerging area) and the topic of

leadership in CSR implementation is said to be absent mainly from tourism research (Coles, Fenclova, and Dinan 2013).

The environmental impact of tourism companies' operations might be less significant than those of manufacturing companies. However, since the economy of many countries is very dependent on the tourism industry, the impact of tourism companies' operations on the host country's economy, socio-cultural and environment could be very significant (Bohdanowicz and Zientara 2008). More research investigating into the CSRPs of tourism companies and its drivers and barriers is needed to further promote CSRPs in the tourism industry sector. This thesis contributes to this promising stream of research that is still relatively under-researched.

The objective of the research investigating CSR in the context of the tourism industry is varies from hotels, restaurants, meeting and convention facilities, tour operators, airlines and theme parks. This thesis chooses to focus on hotels since hotels bring a greater impact not only to the economy, but also to the environment of the host country as compared to other types of tourism companies. The majority of CSR research in tourism has also focused on hotels (Myung, McClaren, and Li 2012; Thomas, Shaw, and Page 2011; King, Funk, and Wilkins 2011).

A review of the CSRPs of hotels in the literature reveals three major CSR issues addressed by hotels (Garay and Font 2012; Carlsen, Getz, and Ali-Knight 2001; Grosbois 2012; Bohdanowicz and Zientara 2008; Henderson 2007; Hsieh 2012; Holcomb, Upchurch, and Okumus 2007; Font, Garay, and Jones 2014). They are the workforce, community and environment. The CSR issues addressed by hotels in the literature is summarised in Table 3.3.

Table 3.3. Summary of CSR Issues Addressed by Hotels

CSR Issues	Reference*
A. Workforce	
1. Provide fair wages and benefits	1,2,5,8
2. Create a safe and healthy work environment	1,2
3. Provide opportunities for employees' learning and development	1,2
4. Career planning and advancement	1,2
5. Employee assistance program	1,2
6. Provide a work/ life balance policies	1,2,5,8
7. Diversity/ equal opportunity	1,2,5,8
B. Community	
1. Charitable donations in goods and kind	1,4,7,8
2. Encourage customers to contribute to social initiatives	8
3. Improve community welfare/ quality of life	1,2,4
4. Scholarships (support for education)	1
5. Recruitment of workers from the surrounding establishment's location	5,8
6. Sourcing from the local community/ sustainable supply chain	2,3,5,7,8
7. Support of local community development	5,8
8. Heritage and local culture/ traditions protection and preservation	1,2,5,8
9. Encourage respect for local language	5,8
10. Encourage respect for local values and culture	5,8
C. Environment	
1. Energy efficiency/ energy management	1,2,3,5,6,8
2. Use of alternative non-polluting/ renewable energy sources	2,5,6,8
3. Water saving/ conservation	1,2,3,5,6
4. Use of environmentally friendly products	2,5,6,8
5. Waste management (reducing, reusing and recycling wastes)	1,2,3,5,6,8
6. Pollution (air, land, water and noise) control	1,2,3
7. Green building design and construction	2,3
8. Contribute to biodiversity/ eco-system / wildlife conservation	2,3
9. Encourage customers to be environmentally friendly	2,3,5,6,8

*Notes:
1. Holcomb, Upchurch and Okumus (2007). Major findings: the majority (80%) of the top ten world hotels analysed report CSR relating to charitable donations. The environmental category is not heavily reported.
2. Grosbois (2012). Major findings: Out of the 150 largest world hotels analysed, 31% of them do not provide any information related to CSR. Among those who report CSR, many state CSR commitments only. CSR initiatives or implementation and CSR performance measurement are reported by a small number of companies only. The number of companies which address issues related to the workforce, community and environment are similar.
3. Hsieh (2012). Major findings: Out of the 50 leading world hotels analysed, only 46% of them provide environmentally related information on their websites. This study focuses on environmental practices only.
4. Henderson (2007). Major finding: The CSRPs focus on charitable donations and efforts to improve community welfare. Sample: 2 big hotel groups in Thailand.
5. Garay and Font (2012). Sample: 394 small and medium accommodation enterprises in Spain.
6. Carlsen, Getz and Ali-Knight (2001). Sample: 198 family businesses in Western Australia.

7. Bohdanowicz and Zientara (2008). Sample: 13 world hotels.
8. Font, Garay and Jones (2014). Sample: 900 small tourism enterprises in 57 European protected areas.

The success of hotel operations in the long-run is very dependent on the support from the local society, preserved local natural beauty and preserved authentic local culture (Ritchie and Crouch 2003; Henderson 2007). The idea of CSR as a strategic means to achieve long-term success has just recently entered the discussion of hotel managers and owners. The hotel industry lags behind other sectors in implementing CSRPs (Hsieh 2012; PwC 2006).

Several empirical studies find that only a few hotels have integrated CSR into their business strategies (e.g. Bohdanowicz and Zientara 2008; PwC 2006). Many hotels practise CSR merely as charitable donations (Golja and Nizik 2010; Henderson 2007; Holcomb, Upchurch, and Okumus 2007) or environmental practices where immediate cost savings can be obtained and where they are required by regulations (Font et al. 2012).

A poor CSR reporting of hotels has also been documented in a number of studies. Many top world hotels do not address CSR issues either in their websites or published annual reports (Grosbois 2012; Hsieh 2012). Among those who address CSR issues, many of them do not explain the implementation of their stated commitments and do not provide information about their CSR performance (Grosbois 2012). The types and numbers of CSR issues and practices reported varied greatly from one company to another. This makes the comparison of CSR performance among hotels very difficult.

Several factors might explain the poor CSR reporting of hotels (Grosbois 2012; Hsieh 2012). First, unlike environmentally sensitive industries, CSR reporting in tourism is predominantly voluntary. Second, there are no guidelines from the world tourism authority (UNWTO) relating CSR reporting for tourism companies. Third, CSR information is considered irrelevant for the hotels' stakeholders. Fourth, CSR performance data is not collected properly for the companies to report in detail. Fifth, real CSR performance might be poor. Sixth, CSR might simply be used as a marketing tool with a lack of real implementation.

Corroborating Grosbois's (2012) findings of poor CSR reporting of hotels, Font et al. (2012) find that larger hotel groups have a greater gap between their published CSR policies/ commitments and the real implementations, when compared to smaller hotels. The authors then call for independent audits to ensure the validity of the CSR reporting by the hotels.

3.5. CSRPs in Emerging Economies

Although it is believed that CSR principles have been part of enlightened business practices worldwide for centuries (Jamali and Mirshak 2007), the modern concept of CSR is predominantly introduced and developed in developed countries – particularly in the United States of America (USA) (Carroll 1999). Thus, it is not surprising that the development of CSR research and practices are more advanced in developed countries than in emerging economies (Gugler and Shi 2009; Moon and Shen 2010). Moreover, CSR research and practices in the emerging economies is still relatively scant (Jamali and Mirshak 2007; Belal and Cooper 2011; Jamali 2007; Visser 2009).

Efforts have been undertaken by several international organisations and multinational corporations (MNCs) to promote CSRPs in emerging economies and harmonise CSRPs all over the world. However, several scholars (Shareef et al. 2014; Gugler and Shi 2009) criticise the efforts to impose CSR standards established in developed countries to businesses operating in emerging economies. These scholars argue that the businesses operations in emerging economies face different contextual conditions that make the standards of CSRPs applied in developed countries unsuitable for application in the emerging economies context.

3.5.1. Characteristics of CSRPs in the Emerging Economies Context

A review of CSR research conducted in the context of emerging economies, such as Latin America, the Caribbean, Mauritius, Maldives, Swaziland, Lebanon, Bangladesh, China, Malaysia and Indonesia reveals several patterns of CSRPs as follows:

1. Greater emphasis on charitable donations or philanthropy actions
It is found in many studies that CSRPs are primarily viewed as philanthropic activities to help the community (e.g. Shareef et al. 2014; Jamali and Mirshak 2007;

Jamali 2007; Gunawan 2015; Kabir and Akinnusi 2012). While businesses in the developed countries pay more attention to the environmental aspect of CSR (Lockett, Moon, and Visser 2006), those in the emerging economies give a greater emphasis on the social aspect of CSR (Schmidheiny 2006; Visser 2009).

2. Contribution to social services that are deemed to be the government's domain in developed countries

As the government budget of many emerging economies is limited, a greater participation of large and multinational companies in providing social services is highly expected (Jamali and Mirshak 2007; Schmidheiny 2006). This is why large and multinational companies in emerging economies are involved in providing social services that are considered to be the government's responsibility in developed countries (Visser 2009).

3. CSRPs are managed on an ad hoc basis and less formalised

CSR is practised as discretionary activities that are initiated by the owners or managers and managed by ad hoc committees instead of dedicated CSR officials (Jamali and Mirshak 2007). Many activities are conducted as a reactive response to the local community's calls for assistance, without proper planning and strategy. CSR performance assessment is uncommon for businesses in emerging economies (Jamali and Mirshak 2007)

4. CSRPs are less embedded in core business operations

Fulfilling social and economic responsibilities of a company are still viewed as two separate company objectives by many managers in the emerging economies. While a lot of CSR literature in developed countries discuss the business case of CSR, research conducted in emerging economies find that managers rarely link CSR with profitability (Jamali and Mirshak 2007). Profitability is certainly important, but it is not considered as an expected outcome of CSRPs. Instead, intangible and indirect benefits, such as corporate branding, public image and harmonious relationships with the local society, are mentioned as important expected outcomes of CSRPs (Jamali and Mirshak 2007). Therefore, companies in the emerging economies are still a long way from integrating CSR with their core business operations (Shareef et al. 2014; Jamali and Mirshak 2007; Jamali 2007; Gokulsing 2011).

5. Low level of CSRPs disclosure

The majority of companies are found to prefer silent CSRPs, i.e., CSRPs with few or no publications (Jamali and Mirshak 2007). Managers perceive that the exposure of positive CSRPs will bring more negative than positive impacts to their businesses operations. Several explanations mentioned in the literature are: (1) publications of positive CSRPs may attract many new requests for assistance (Shareef et al. 2014) and (2) in a society where modesty is much more appreciated, the exposure of good deeds (positive CSRPs) tends to raise scepticism about the sincerity of such a deed (O'Dwyer 2002; Shareef et al. 2014; Jamali and Mirshak 2007).

6. MNCs as CSR trend-setters

Although in general, CSRPs in the emerging economies are still at an early stage (Jamali and Mirshak 2007; Gunawan 2016; Gokulsing 2011), several studies find more advance practices among MNCs operating in the emerging economies (Belal and Owen 2007; Jamali 2010; Yin and Jamali 2016). CSRPs of such companies are relatively well-managed (they generally have written CSR policies and systematic implementation mechanisms) and more strategic (better alignment between CSRPs and business operations). CSRPs of MNCs cover a wider variety of issues besides charitable donations. MNCs also tend to report their CSRPs on their websites and use the information for marketing purposes. With more advanced CSRPs compared to other companies, MNCs have become the trend-setters of CSRPs in the emerging economies context.

3.5.2. The Influence of Emerging Economies Contextual Conditions on CSRPs

Several contextual conditions are mentioned in numerous studies as important factors that explain the unique characteristics of CSRPs in the emerging economies. Such conditions can be grouped into seven major categories: macro-economic condition, legal environment, government governance, underdeveloped civil society, less demanding consumers, media independency and ethical environment.

1. Macro-economic condition

Most emerging economies are still struggling with efforts to alleviate poverty and minimise wealth disparity between the rich and the poor. In such conditions, CSRPs that focus on contributions to advance the economy of the local people, such as

creating jobs, supporting local entrepreneurs and charitable donations, are much more expected and appreciated (Visser 2009).

Although the majority of businesses are SMEs (Kushnir, Mirmulstein, and Ramalho 2010), the economy is mostly generated by a few large local or MNCs. Large and multinational companies are frequently expected to step in to support the government in providing social services (Jamali and Mirshak 2007). In contrast, SMEs with limited resources would not be able to do much on CSR without the support from the owners.

A high involvement of the owners in decision making and day to day business operations is a common practice among SMEs (Shareef et al. 2014). This is why several studies (Garay and Font 2012; Jamali and Mirshak 2007) find that CSRPs in the emerging economies are to a large extent, catalysed by the vision, beliefs and values of the owners.

2. Legal environment

CSR is predominantly voluntary in the emerging economies. Only a few countries have regulated responsible business practices and adopted the international standards for CSRPs in their regulations, such as China (Noronha, Cynthia, and Guan 2013) and Indonesia (Hendarto and Purwanto 2012). Among those with legislation related to CSR, the law enforcement is found to be weak. In a situation where there are no common rules related to CSR and the law enforcement is weak, companies who truly implement high standards of responsible business practices find themselves undermined by less trustworthy competitors (Gugler and Shi 2009).

3. Government governance

The governments of many emerging countries are less enthusiastic about enforcing CSRPs (Singh, Jain, and Sharma 2014; Zhang et al. 2008; Massoud et al. 2010; Graafland and Zhang 2014; Belal and Owen 2007). This could be due to the problem of corruption that leads to weak law enforcement (Belal and Roberts 2010) or due to the dilemmas faced by the governments of many emerging countries related to CSRPs enforcement (Visser 2009). Some of these dilemmas are: (1) the dilemma between efforts to create as many job opportunities as possible and enforce high standards in employment practices and (2) the dilemma between efforts to attract as many foreign investors as possible and enforce high standards in environmental

practices (Visser 2009). With a lack of governmental support, companies are less motivated to implement CSR.

4. Underdeveloped civil society

The civil societies in the emerging economies are still underdeveloped (Gugler and Shi 2009; Belal and Owen 2007). They are still struggling with fulfilling their basic needs. Furthermore, the societies of the emerging economies tend to have a high dependency on the private sectors to develop their economy. Therefore, the societal role in controlling government and corporate behaviour is not as significant as in developed countries.

5. Less demanding consumers

With relatively lower purchasing power compared to the consumers of developed countries, the price of goods and services is the primary factor in the purchasing decisions of consumers within the emerging economies. Although consumers' awareness to the importance of responsible business practices have raised significantly, they are still reluctant to pay extra for such practices (Kasim 2004; Singh, Jain, and Sharma 2014). This, in turn, discourages companies in the emerging economies to practice CSR.

6. Media independency

The role of the media in controlling and pressing companies to engage in responsible business practices in the emerging economies is not as high as in the developed countries. A high dependency of the media on advertising income from businesses makes them reluctant to expose irresponsible business practices. At the same time, the media is not interested in reporting positive CSRPs, since it is considered to be providing free promotion for the businesses (Shareef et al. 2014).

7. Ethical environment

Ample evidence show that CSRPs in the emerging economies are motivated and inspired by religious beliefs, values and cultural traditions (e.g. Wang and Juslin 2009; Du et al. 2014; Jamali and Mirshak 2007; Pratten and Mashat 2009; Duarte 2010; Shareef et al. 2014; Jayasinghe and Soobaroyen 2009). Shareef and colleagues (Shareef et al. 2014; Pratten and Mashat 2009) reveal that guided by the culture and tradition of Islam, businesses in the Maldivian and Libyan context provide social

contributions without expecting to receive anything in return, except Allah's blessing.

Jayasinghe and Soobaroyen (2009) assert that in the context of non-western Buddhist and Hindu societies, organisation accountability practices are rooted in the religious spirit of Buddhism and Hinduism. The accountability is manifested as an "informal and social practice, rather than a stakeholder-oriented rational mechanism" (Jayasinghe and Soobaroyen 2009, 1023). Accountability practices are judged based on qualitative factors (e.g. trust, loyalty and harmonious relationships), rather than rational accounting numbers (e.g. profits or expenses).

Wang and Juslin (2009) argue that the CSR concepts based on Western values do not adapt well to the emerging economies with distinct ethical environments. The authors offer the harmony approach to CSR. This approach provides rationales for CSR that are rooted in Confucian and Taoist religious teachings. The harmony approach to CSR emphasises harmony in interpersonal relationships and harmony with nature. It is translated into several responsible business practices in China. A few of these practices are: win-win business relationships; creating a family atmosphere in the workplace; cultivating the virtues of righteousness; sincerity and responsibility through education; as well as the training and role modelling of the leaders.

Similar to the harmony approach to CSR, Duarte (2010) explains that in the context of Brazil, values such as respecting people and the environment are often introduced and enforced by powerful Chief Executive Officers (CEOs) as the foundation of CSR culture and practices.

3.5.3. Efforts to Promote CSRPs in the Emerging Economies Context

With a general absence of internal country drivers for CSR, such as a lack of government support and less pressure from local stakeholders, the significant drivers for CSR are more likely to come from external country sources (Belal and Owen 2007; Islam and Deegan 2008; Wang and Juslin 2009). A strong presence of MNCs significantly shapes and promotes CSRPs (Gugler and Shi 2009; Jamali 2010; Belal and Owen 2007). MNCs based in developed countries set global standards for CSRPs and require their subsidiaries, including all companies within their supply

chain, to apply the standards (Gugler and Shi 2009). Thus, the international standards for CSRPs have been diffusing to the emerging economies through MNCs subsidiaries and supply chains.

Besides MNCs, large international buyers or suppliers based in developed countries have also played a significant role in disseminating the international standards for CSRPs to emerging economies. Numerous studies find that many MNCs operating in emerging economies adopt the international standards for CSRPs to get access to international markets, to meet international buyers' requirements and to be more competitive globally (Dasgupta, Hettige, and Wheeler 2000; Belal and Owen 2007; Zhu, Sarkis, and Geng 2005).

MNCs and large international buyers/ suppliers have bridged the gap between the CSRPs of developed countries and emerging economies by spreading the international standards for CSRPs to emerging economies. While this effort may result in a higher degree of harmonisation and consistency of CSRPs across the nations, forcing the CSR standards tailored in developed countries onto emerging economies may also bring disadvantages for the host countries.

Jamali (2010) reveals that the CSRPs of the subsidiaries of MNCs operating in Lebanon are fully directed by global guidance. The MNCs in the sample do not involve local stakeholders in the CSR decision-making process. Moreover, contextual factors of the host country that determine the priority of local social issues to be addressed are not accounted for (Belal and Roberts 2010; Jamali 2010). As a result, CSRPs of the MNCs fail to address the substantial development needs of host countries and bring significant impacts to the local communities (Jamali 2010). For instance, MNCs do not do much to address the issue of poverty (Schmidheiny 2006), nor do they put in much effort to empower the civil society (Belal and Owen 2007).

The international standards for CSRPs are considered too high to be achieved by companies operating in less supportive institutional frameworks for CSRPs. This, in turn, limits the ability of companies based in emerging economies to expand their product/ service sales to international markets. Gugler and Shi (2009) argue that by imposing developed countries' CSR standards on companies operating in emerging economies, it could potentially create unfair playing grounds for companies in the emerging economies.

In order to create an even playing ground for all parties, Gugler and Shi (2009) suggest that the international standards for CSRPs need to be reformulated, to reflect not only the contextual conditions of the developed countries, but also that of the emerging economies. In this regard, various scholars (Belal 2001; Jamali and Mirshak 2007) note that more CSR research is needed within the emerging economies to reveal more information about how contextual factors influence the nature and level of CSRPs. CSR research conducted in emerging economies will also complement the existing CSR literature, which is still dominated by western centric publications (Blowfield and Frynas 2005).

3.6. Measurements of CSRPs

3.6.1. Challenges of Measuring CSRPs

The measurement of CSRPs is one of the big challenges faced by CSR researchers (Turker 2009; Waddock and Graves 1997). Several factors contribute to the difficulties of measuring CSRPs. First, CSR is a complicated construct (Carroll, Primo, and Richter 2016; Dahlsrud 2008). "It means something, but not always the same thing to everybody" (Votaw 1972, 25). The operationalisation of the CSR construct could be different from one researcher to the next. Some researchers focus on one aspect of CSR, such as environmental responsibility, while others incorporate many aspects of CSR. There is great variation in the measures used by researchers (Margolis and Walsh 2003).

Second, as a disclosure of CSRPs is not compulsory in many countries, the published data related to CSRPs is generally hard to be find, particularly for SMEs (Rahman and Post 2012).

Third, the majority of published CSRPs data are presented in qualitative terms (Abbott and Monsen 1979). To enable statistical analyses, qualitative data need to be converted into quantitative data. Due to great variations in CSR reporting and the unavailability of a standard method, two types of errors are possible in the process of conversion: (1) inappropriate categories formulation (i.e., categories that fail to fully capture the issues contained in the report) and (2) inaccuracy in the process of coding the raw data into the selected categories (Abbott and Monsen 1979). The reliability and validity of the scale could be affected by these errors.

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3.6.2. Various Ways of Measuring CSRPs

3.6.2.1. Reputation Indices and Databases of CSRPs

Given the difficulties of measuring CSRPs, many researchers rely on the reputation indices and databases of CSRPs generated by experts or rating agencies for evaluating CSRPs (Turker 2009). A few such indices and databases are Kinder Lydenburg Domini (KLD) social rating, KPMG international survey of CSR reporting, sustainAbility's list of the 100 best sustainability reports, Dow Jones Sustainability Index (DJSI), FTSE4Good Index and Global 100 (Gjølberg 2009; Huang and Watson 2015; Crisostomo, Freire, and Cortes de Vasconcellos 2011).

Among such indices and databases, the KLD social rating is arguably the most comprehensive CSRPs dataset available (Chatterji, Levine, and Toffel 2009). It captures a wide range of CSRPs indicators and covers a large number of companies over several years (Carroll, Primo, and Richter 2016). The KLD is also arguably the most widely used rating for the measurement of CSRPs (Chatterji, Levine, and Toffel 2009; Sharfman 1996).

The KLD rates the CSRPs by assigning one of the following scores: strong concern, moderate concern, blank (i.e., due to insufficient information), moderate strength and strong strength. While 'concern' is a proxy for social irresponsibility, 'strength' is a proxy for social responsibility (Carroll, Primo, and Richter 2016). Those who use the KLD databases to measure the CSRPs of certain companies assign a score of -2 to 2 (strong concern to strong strength respectively) for each practice (Sharfman 1996). The total score of CSRPs for each company is obtained by summing up the individual scores (Bingham et al. 2011).

Other researchers use reputation indices to measure CSRPs by applying a binary variable to indicate whether a sample firm is a top CSR performer according to certain indices (e.g. Huang and Watson 2015). Reputation indices and databases of CSRPs allow researchers to obtain large amounts of data and to do proper comparisons between companies or industries. However, most internationally well-known indices and databases focus highly on large and public listed companies of developed countries (Bingham et al. 2011).

3.6.2.2. Content Analysis of Published CSRPs

Other researchers (e.g. Abbott and Monsen 1979; Rahman and Post 2012; Hsieh 2012) did content analyses of published CSRPs (e.g. annual reports, corporate websites and newspaper) in order to measure the level of CSRPs. Content analysis is a data collection technique that codifies qualitative information into categories in order to develop quantitative scales (Abbott and Monsen 1979).

GRI standard disclosures (GRI 2015) is commonly used as a guideline in developing categories and indicators of CSRPs (Clarkson et al. 2008). A score of zero or one is assigned if a certain practice is absent or present in the report. The total score is then calculated for each company as a proxy for the level of CSRPs (Hsieh 2012).

Since many reports are verified by a third party (i.e., auditors), the data gathered from published CSRPs are arguably objective and reliable. Nonetheless, several empirical studies indicate that the reports may not fully or truly reflect the actual CSRPs that are performed (Font et al. 2012; Mcguire, Sundgren, and Schneeweis 1988). Waddock and Graves (1997) argue that the omission or inclusion of certain information in the reports could bias the content analysis of published reports. Therefore, the reliability of CSRPs measurement using the content analysis of CSR reporting is still debatable (Martinez, Perez, and Rodrigues del Bosque 2013; Turker 2009). The validity of CSR disclosures as a signal to differentiate between good and poor performances is also questionable (Meng et al. 2014).

Apart from its drawbacks, the content analysis of published CSRPs, as a technique to measure CSRPs, has several advantages (Abbott and Monsen 1979). First, since the data is publicly available, data collection costs could be much lower than other forms of data collection. Second, it allows researchers to obtain CSRPs scores for a large number of companies. Third, a replication of the results and reliability checks on the scale are possible.

3.6.2.3. Participation in Certification or Accreditation Organisations

As several prominent international certification or accreditation organisations gain significant popularity and credibility, several CSR researchers (e.g. Garay and Font 2012; Merwe and Wöcke 2007) infer the level of CSRPs by identifying companies' subscription into certifications or accreditation organisations. Those that participate

are assumed to have better CSRPs than those that do not. It is believed that the international certifications or accreditation organisations have performed thorough and objective evaluations of CSRPs of their subscribers. Therefore, those who are certified are believed to have CSRPs that have already met the standards set by the certification or accreditation organisations.

It is reasonable to assume that those who have been certified have good CSRPs. Nevertheless, since the subscription fees of participating in prominent certification organisations are relatively high (Medina 2005; Sasidharan, Sirakaya, and Kerstetter 2002), it is possible that those that decide not to participate also have good CSRPs. Thus, comparing the level of CSRPs of companies by identifying their participation in certification organisations may not be appropriate.

3.6.2.4. Surveys and Interviews

Numerous researchers (e.g. Krumwiede et al. 2012; Carlsen, Getz, and Ali-Knight 2001; Garay and Font 2012; Nicholls and Kang 2012) measure CSRPs using the data collected through surveys and interviews/ group discussions with managers. CSR categories and initiatives/ indicators are generated from literature reviews, global CSR initiatives (e.g. GRI) and interviews/ group discussions (Turker 2009; Martinez, Perez, and Rodrigues del Bosque 2013). The scales of CSRPs measurement are varied: from 2 categories ("yes" or "no" - Carlsen, Getz, and Ali-Knight 2001; Font, Garay, and Jones 2014) to 7 categories (the extent of implementation of certain CSRPs: "not at all"/ "zero adoption" to "to a great extent"/ "complete adoption" - Krumwiede et al. 2012; Nicholls and Kang 2012). The level of CSRPs is then inferred from the responses provided on the lists of CSRPs in the survey instrument.

The measurement of CSRPs using the data collected from surveys and interviews allows researchers to uncover silent CSRPs and CSRPs of SMEs. Nonetheless, a number of surveys suffer from a low response rate (Waddock and Graves 1997).

To sum up, measuring CSRPs is still a challenging task for many CSR researchers. Various ways of measuring CSRPs are identified in the literature: (1) measuring CSRPs using databases of CSRPs generated by the experts or rating agencies; (2) measuring CSRPs by doing content analyses of published CSRPs; (3) inferring the level of CSRPs by identifying participation of certain companies in certification or

accreditation organisations and (4) measuring CSRPs through interviews and surveys. Each approach has its respective strengths and weaknesses. The appropriateness of each approach to be applied in certain studies is influenced by its specific research objectives.

3.7. Theories and Empirical Research Explaining Determinants of CSRPs

According to a meta-analysis of CSR literature by Margolis and Walsh (2003), the majority of CSR literature have focused on the consequences of CSR on financial performance. Margolis and Walsh (2003) call for more research investigating into the driving forces behind CSRPs and the mechanisms under which CSRPs could also bring social benefits.

Recently, many streams of research investigating the determinants of CSRPs have emerged to fill this gap. Understanding the determinants of CSRPs is significant for two reasons. First, this knowledge could assist CSR researchers in predicting socially responsible behaviour (CSRPs). Second, this knowledge could assist policy makers in evaluating various mechanisms that encourage a wider adoption of CSRPs, as well as determine the effective approaches to promote CSRPs.

Research on the determinants of CSRPs remains highly fragmented (Aguinis and Glavas 2012). Various conceptual lenses have been applied by different researchers to understand the motivations of a company to engage in CSRPs. In analysing the determinants of CSRPs, Wood (1991) suggests to distinguish between three levels of analysis: institutional, organisational and individual.

At the institutional level, a company is viewed as an institution that affects and is affected by other institutions within a system. Companies within the same system are expected to bear the same obligations towards the society (Wood 1991). At the organisational level, a company is analysed as a particular organisation which has specific responsibilities towards the society. Such responsibilities are determined by the nature of its business operations. Companies are expected to be responsible to solve the problems that they have caused and address social issues related to their business operations (Wood 1991). The individual level of analysis focuses on the role of the individual manager as a social actor to decide, within the bounds of their company's constraints, what specific social issues are to be addressed (Wood 1991).

To sum up, institutional, organisational and individual levels of CSR analysis focus on understanding the generic obligations of companies within the same system, specific responsibilities of a particular company, as well as the responsibilities of an individual manager as a social actor respectively.

Several scholars (Aguinis and Glavas 2012; Athanasopoulou and Selsky 2012) encourage researchers to apply multiple perspectives to better understand CSR, since CSR is a complex and socially constructed phenomenon. In this section, the literature on the determinants of CSRPs analysed at the institutional, organisational and individual levels are firstly reviewed. Then, a review of the literature investigating the determinants of CSRPs using multiple perspectives is presented. This section concludes with an explanation of the gap in the literature that this thesis attempts to fill.

3.7.1. Determinants of CSRPs Investigated at the Institutional Level of Analysis

Some theories typically used to understand the determinants of CSRPs at the institutional level of analysis are institutional theory, legitimacy theory and social contract theory. Such theories provide a theoretical framework for analysing how various institutions shape CSRPs. The new institutional theory (DiMaggio and Powell 1983) is widely used to understand the homogenisation process (isomorphism) of organisations' practices across national boundaries or industries. It is postulated that the new practices are adopted or current organisation practices are changed because they are considered legitimate. The three mechanisms through which isomorphism occur are: (1) coercive isomorphism, (2) mimetic isomorphism, and (3) normative isomorphism (DiMaggio and Powell 1983, 150).

Coercive isomorphism results from organisations' responses to pressures, persuasions, or invitations exerted on the organisations by other organisations and the local society (DiMaggio and Powell 1983). In the case of CSR, international organisations such as the UN Global Compact, the International Labour Organisation (ILO) and the GRI set a global standard of CSRPs. Such a standard induces similar practices across national boundaries. Several studies find that companies which operate in international markets face pressures to adopt the international standards for CSRPs (Kim et al. 2012; Yin 2015). Companies across industries also adopt similar CSRPs as a response to the government mandate (Antal and Sobczak 2007).

Industry association initiatives could drive CSRPs of its members. Furthermore, companies located in the same area could practise similar CSR due to the same cultural expectations they receive from the local society. Subsidiaries of a conglomerate corporation or multinational company tend to practise similar CSR, since they are required to adopt policies and practices that are compatible with those of the parent corporation (Jamali 2010).

Mimetic isomorphism occurs due to companies' tendency to follow best practices in their field when companies face an uncertain environment, when new practices or technologies are poorly understood, or when companies' goals are ambiguous (DiMaggio and Powell 1983). Moreover, best practices may be diffused through consulting firms or certification organisations. For example, several companies adopt the ISO 14001 environmental management system to assist them in dealing with environmental issues (Chan and Wong 2006; To and Tang 2014). However, Yin (2015) proves that in the China context, the mimetic isomorphism mechanism is ineffective in driving CSRPs. This is due to the lack of socially constructed consensus on what constitutes best CSRPs. The diffusion of CSRPs among companies in China is further impeded by the preference of Chinese companies to the implicit or silent form of CSR (Yin 2015).

Normative isomorphism stems from the standard practices set by educational and professional authorities (DiMaggio and Powell 1983). Universities, professional training institutions and professional associations play significant roles in shaping organisational norms, ethics and values among professional managers. Managers from the same universities and professional association tend to approach decisions in the same way. CSRPs of several companies could be similar if those companies are led by managers who graduated from the same universities.

Similar to the new institutional theory, the legitimacy theory also informs how organisations maintain the congruence of their practices with their superordinate system's norms, values and practices, so as to become legitimate. However, while the new institutional theory assumes an organisation as a passive actor, the legitimacy theory informs how an organisation may also proactively influence its environment. Dowling and Pfeffer (1975, 127) suggest that an organisation could take three actions to ensure its continued legitimacy:

> *"First, the organisation can adapt its output, goals and methods of operation to conform to prevailing definitions of legitimacy. Second, the organisation can attempt, through communication, to alter the definition of social legitimacy so that it conforms to the organisation's present practices, output and values. Finally, the organisation can attempt, again through communication, to become identified with symbols, values, or institutions which have a strong base of social legitimacy."*

Dowling and Pfeffer (1975) stress the importance of communication in seeking and maintaining organisational legitimacy. Studies applying the legitimacy theory find that companies publish social and environmental accountability reports as a strategy to build, maintain, or recover their legitimacy (Deegan, Rankin, and Tobin 2002). While the need to maintain an organisation's legitimacy applies to all organisations, organisations that are more visible and dependent on social and political support are more susceptible to the legitimacy threat (Dowling and Pfeffer 1975).

The social contract theory is the third theory typically used to understand the determinants of CSRPs at the institutional level of analysis. The notion of a social contract is explained by Shocker and Sethi (1973, 97):

> *"Any social institution – and business is no exception – operates in a society via a social contract, expressed or implied, whereby its survival and growth are based on: (1) the delivery of some socially desirable ends to society in general, and (2) the distribution of economic, social, or political benefits to groups from which it derives its power."*

To ensure a continuous support from the society, an institution should continuously monitor and meet the changing needs and expectations of the society (Shocker and Sethi 1973). Compared to the new institutional theory and legitimacy theory, the social contract theory is more specific. It focuses on informing how an organisation maintains support from the society, reference groups and key individuals for its survival. From the social contract theory point of view, a company may use CSRPs as an important means to gain and maintain a "license to operate" from the society.

Research on the determinants of CSRPs at the institutional level of analysis has revealed various external factors (e.g. CSR standards from international bodies, government regulations, industry association initiatives and societal expectations) that influence CSR decisions and CSRPs. However, this research provides little

explanation about initiatives from the internal organisation that could also play a significant role in influencing CSR decisions.

3.7.2. Determinants of CSRPs Investigated at the Organisational Level of Analysis

Research investigating the determinants of CSRPs at the organisational level of analysis focuses on revealing the rationale for CSRPs of a particular organisation. The stakeholder theory and a Resource-based View (RBV) are used by many researchers to understand the organisations' motives to proactively engage in CSRPs.

The stakeholder theory is used to explain how a company manages its relationships with various stakeholders. Freeman (1984, 46) defines a stakeholder as "any group or individual who can affect or is affected by the achievement of the organisation's objectives". Various stakeholders have different interests in a company's operations and hold dissimilar degrees of power to influence a particular company's operations. To survive in turbulent times, managers should take into account the effect of companies' operations on various groups of stakeholders and deal with the stakeholders' concerns (Freeman 1984). According to the stakeholder theory, CSRPs could be used by a company as one strategy to manage relationships with its stakeholders. Juholin (2004) finds that the Finnish companies interviewed do analyses of their stakeholders and build dialogue with them in order to identify a list of important social issues to be addressed. These companies engage in CSRPs to "convince their stakeholders of their good citizenship" (Juholin 2004, 26).

Similar to the stakeholder theory, the RBV is also used to explain how CSRPs could be used as an important corporate strategy. According to the RBV, companies engage in CSRPs because they consider CSR an important means to develop sustained competitive advantage (Branco and Rodrigues 2006). A firm is said to have sustained competitive advantage if it possesses resources and capabilities which is valuable, unique or rare, hard to imitate and substitute (Barney 1991; Barney, Wright, and Ketchen Jr 2001).

CSRPs could contribute in developing sustained competitive advantage in several ways (Branco and Rodrigues 2006). First, CSRPs, particularly environmental initiatives (e.g. material efficiency, energy saving initiatives and waste

minimisation), enable a firm to improve its efficiency and effectiveness. Therefore, CSRPs generate valuable capabilities. Second, CSRPs could generate intangible benefits such as a publicly favourable corporate reputation, as well as employees' commitment and good relationships with external actors. All of these benefits are intangible resources, which is relatively hard to imitate and substitute.

In the same vein, Porter, Van Der Linde, and Kramer (Porter and Kramer 2002; Porter and Van Der Linde 1995) also suggest that CSRPs could be the source of a firm's competitive advantage. Furthermore, Porter and Kramer (2002, 2006) argue that CSRPs could be used as the way to improve a firm's competitive context (i.e., business environment quality). A better competitive context leads to better corporate performance in the long-run. Thus, CSRPs that address social issues that are closely related to a company's business will benefit not only the society but also the company (Porter and Kramer 2002). According to a survey conducted by Business for Social Responsibility (BSR) (BSR 2005), 67% of 400 world business executives agree or strongly agree that CSRPs have contributed to their companies' competitiveness.

The research on the determinants of CSR at the institutional and organisational level of analysis has revealed several external forces and internal organisation motives that drive CSRPs. Nevertheless, this research has paid little attention to the significant role of an individual manager in making CSR decisions. Managers' values, attitudes and perceptions might also shape CSR decisions. This topic is the focus of research investigating determinants of CSRPs at the individual level of analysis.

3.7.3. Determinants of CSRPs Investigated at the Individual Level of Analysis

Several scholars assert that the economic or strategic motive is not the only driver of CSRPs (e.g., Hemingway and Maclagan 2004; Graafland and Van de Ven 2006). In some cases, CSRPs are driven more by moral motives and personal values initiated by individual managers than by economic motives (Graafland and Van de Ven 2006; Dief and Font 2012; Garay and Font 2012; Parker 2014). Other studies find relatively weak associations between the personal values of a manager and CSRPs (Schultz et al. 2005) or indirect effects of personal values on CSRPs through environmental attitudes (Papagiannakis and Lioukas 2012).

Hemingway and Maclagan (2004) and Hemingway (2005) suggest that the extent to which managers could exercise their personal values in CSR decision-making is dependent on the amount of authority they possess in making CSR decisions and the congruence between personal and organisational values. This could be the reason why only weak or indirect relationships between personal values and CSRPs are found in several studies.

Besides personal values, the managers' attitudes towards CSR are also found to be associated with CSRPs in several studies (Yu et al. 2012; Papagiannakis and Lioukas 2012; Godos-Dı́ez, Ferna´ndez-Gago, and Martı́nez-Campillo 2011). Managers with positive attitudes towards CSR believe that CSR is good and important. As such, they tend to implement more CSRPs (Yu et al. 2012).

The fact that CSRPs could be shaped by a combination of external forces, internal organisation motives and individual managers' attributes could not be investigated in a piecemeal fashion. An integrated approach using multiple perspectives is thus needed (Aguinis and Glavas 2012; Athanasopoulou and Selsky 2012).

3.7.4. Determinants of CSRPs Investigated Using Multiple Perspectives

Wang et al. (2015) investigate whether external forces, internal organisational motives and manager attributes influence CSR decisions in the China context. Using the policy-capturing technique, Wang et al. (2015) asked 376 participants to respond to a series of scenarios manipulating pressure from stakeholders in CSR decisions. Organisational factors (industry type, ownership structure, previous company donation, firm size and age) and manager's attributes (personal values and attitudes) are incorporated as between-participant independent variables. They find that shareholder and government pressures have far greater effects on participants' CSR decisions than customer, competitor and employee claims. All organisational factors and manager's attributes have effects on CSR decisions. Managers motivated by self-enhancement value are less inclined to decide to engage in CSRPs.

Wang et al. (2015) have provided empirical evidence about the institutional, organisational and individual factors that influence a manager in making CSR decisions. However, their research does not consider the local community and NGOs as important stakeholders that could also influence CSR decisions. They also focus

on charitable donations as a measure of CSRPs. Furthermore, the constraints that a manager has in making CSR decisions on behalf of a company are not considered in Wang et al.'s study (2015).

Papagiannakis and Lioukas (2012) also investigate the external and internal factors of a manager that influence CSR decisions. They include local community and NGOs (environmental organisations) as stakeholders. In addition, they use 16 items to measure CSRPs and include variables that reflect the constraints a manager faces in making decisions (cost-benefit assessment and environmental regulation).

Papagiannakis and Lioukas (2012) apply the Theory of Planned Behaviour (TPB) (Ajzen 1991) and Schwartz's (1994) value theory to investigate the predictors of Corporate Environmental Responsiveness (CER). They hypothesise that environmental attitudes, perceived pressures from stakeholders and perceived behavioural controls (self-efficacy, cost-benefit assessment and environmental regulation) influence CER directly. Personal values are hypothesised as influencing CER both directly and indirectly through environmental attitudes. They include size and industry sector as control variables. Papagiannakis and Lioukas (2012) find that environmental attitudes, perceived pressures from stakeholders, self-efficacy, company size and industry sector influence CER significantly. In addition, personal values influence CER indirectly through environmental attitudes.

This thesis builds on the work of Papagiannakis and Lioukas (2012) to investigate factors that influence hotel managers in making CSR decisions. Several improvements to the Papagiannakis and Lioukas (2012) model are made. First, the measure of CSRPs in this thesis is enlarged to include not only environmental practices, but also the CSRPs to the society and employees. Second, socially responsible attitude is used instead of the environmental attitude to incorporate attitudes towards a broader aspect of CSRPs. Third, several stakeholder groups specific to the tourism industry that could also influence CSR decisions are added. Fourth, other types of behavioural control measures are added to replace the cost-benefit assessment and environmental regulation that are found to be insignificant predictors of CER by Papagiannakis and Lioukas (2012). Fifth, other control variables, besides size, are added.

Previous research investigating the determinants of CSRPs predominantly focused on disclosure rather than practices (Gray and Laughlin 2012); excessively emphasised the environmental aspect of CSRPs (Parker 2005); were mostly conducted in the context of developed countries (Gerde and Wokutch 1998) and paid more attention on the manufacture industry (Chung and Parker 2010). Moreover, the determinants of CSRPs were predominantly approached from one level of analysis only, either institutional, organisational, or the individual levels of analysis.

This thesis fills the gap in the literature by investigating external and internal factors that influence CSRPs decisions, in an emerging economy context. There is still limited research dedicated to understanding the external and internal factors that simultaneously influence managers in making decisions related to CSRPs. The context of an emerging economy offers a unique opportunity to investigate whether the factors that influence CSRPs decisions in the developed country context apply also to the emerging economy context.

3.8. Summary

The literature on the definitions of CSR, explicit and implicit CSR, CSRPs in the tourism industry and emerging economies context, measurement of CSRPs and determinants of CSRPs are reviewed in this chapter. This thesis defines CSR as the responsibility of a company to incorporate social and environmental concerns in its business operations and in its relationships with its stakeholders and the natural environment.

The determinants of CSRPs are predominantly investigated partially, either using the institutional, organisational, or individual levels of analysis. It is argued that CSRPs decisions could be influenced by external forces and internal motivations. Unfortunately, there is still limited research on external and internal factors that simultaneously influence managers in making CSRPs decisions. Hence, this thesis fills the gap existing in the current literature.

To investigate factors that influence hotel managers in making CSRPs decisions, this thesis applies the TPB (Ajzen 1991). Detailed explanations about the theoretical framework of this thesis are presented in the next chapter, Chapter 4 – Theoretical Framework and Hypotheses Development.

Chapter 4

Theoretical Framework, Interview Questions Formulation and Hypotheses Development

4.1.   Introduction

This chapter presents how the theoretical framework used in this thesis is built from theories and previous literature, as well as explains how the interview questions and hypotheses are developed. The Theory of Planned Behaviour (TPB) is the backbone of the theoretical framework of this thesis and is presented first in Section 4.2. Then, how previous studies applied and modified the TPB to explain pro-social and pro-environmental behaviours is reviewed in Section 4.3. Modifications to the TPB that are made in this thesis to fit the CSR decision making context are explained in Section 4.4. The theoretical framework of this thesis is presented at the end of Section 4.4. The formulation of interview questions and hypotheses development is presented in Section 4.5. The control variables included in this thesis are reviewed in Section 4.6. This chapter is concluded by a summary in Section 4.7.

4.2.   Ajzen's Theory of Planned Behaviour (TPB)

4.2.1. The TPB Model

Ajzen's (1991) TPB has been widely applied to explain deliberate decision making processes and to predict various human behaviours or actions (Armitage and Conner 2001; Conner and Armitage 1998). According to the TPB, human behaviour is driven by motivational (attitude towards the behaviour and subjective norm) and non-motivational (perceived behavioural control) factors.

Attitude towards the behaviour is defined as "the degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question" (Ajzen 1991, 188). Certain behaviours will be favoured if desirable consequences or outcomes of performing the behaviour are believed or expected to be acquired. Attitude towards the behaviour is measured by assessing a respondent's subjective

evaluation/ belief of the possible outcomes of performing certain behaviours and the strength of this subjective belief.

Subjective Norm (SN) refers to "the perceived social pressure to perform or not to perform the behaviour" (Ajzen 1991, 188). SN is measured by assessing the strength of the respondent's belief that important people would approve or disapprove of certain behaviours and by assessing the respondent's motivation to comply. While attitude towards the behaviour reflects internal motivation, SN captures the motivation stemming from the external forces.

Perceived Behavioural Control (PBC) refers to "the perceived ease or difficulty of performing the behaviour and it is assumed to reflect past experiences as well as anticipated impediments and obstacles" (Ajzen 1991, 188). Individuals, who believe that they possess more resources and opportunities, as well as anticipate fewer obstacles, would have greater PBC. PBC is seen as a continuum with perceived complete control for easily executed behaviours at one end and incomplete control at the other.

The TPB extends the Theory of Reasoned Action (TRA) (Fishbein and Ajzen 1975) by adding PBC. This factor is added to overcome the limitations of the TRA in predicting behaviours over which people do not have complete control to decide whether or not to perform certain behaviours.

The main idea of the TPB is that certain behaviours will be performed if a person has intention (motivation) and perceived ability (control) to do so. The relation between motivational factors (attitude towards the behaviour and subjective norm), intention, non-motivational factor (perceived behavioural control) and behaviour in the TPB is depicted in Figure 4.1.
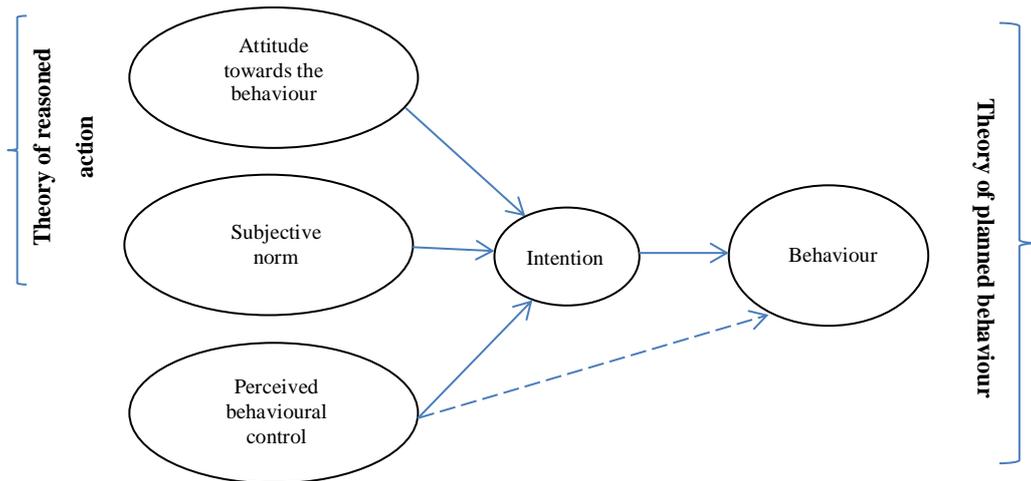
Figure 4.1. Theory of Planned Behaviour (Ajzen 1991).

Motivational and non-motivational factors jointly influence behaviour through intention. As well as indirectly, PBC influences behaviour directly. The broken arrow in Figure 4.1 indicates that the direct relationship between PBC and behaviour is expected to emerge when the person's PBC well reflects his/ her actual control over the behaviour (Ajzen 2005). In order to establish a strong relationship between exogenous and endogenous constructs in this model, the exogenous constructs must be defined and measured at the same level of specificity or generality with the endogenous constructs (Fishbein and Ajzen 1975, principle of compatibility).

A number of meta-analytic reviews of the TPB demonstrate the efficacy of the TPB in predicting various behaviours (Armitage and Conner 2001, 1999; Conner and Armitage 1998; Terry and O'Leary 1995; Madden, Ellen, and Ajzen 1992). The components of the TPB explain a significant proportion of the behaviour's variance. The multiple correlations range from 0.23 to 0.84, with an average of 0.51 (Ajzen 1991). The predictive validity of the TPB model is also found to be sustained over time (Armitage and Conner 1999).

Evidence of the efficacy of the TPB over the TRA is also found in a number of studies (Armitage and Conner 2001; Madden, Ellen, and Ajzen 1992; Ajzen 1991). These studies find that PBC, as an addition to the TRA, provides a significant addition to the prediction of intention and behaviour, over attitude and SN.

4.2.2. The Significance of Components of the TPB

The significance and relative importance of each TPB component in predicting intention and behaviour varies across different situations and types of behaviour. SN is found to be the weakest predictor of intention and behaviour in many studies (Armitage and Conner 2001). This is due to inappropriate operationalisation of the SN in these studies that lead to a failure of capturing salient social influences (Armitage and Conner 2001; Terry and O'Leary 1995). The other reason is that perceived social pressures do not influence certain types of activities such as intention to engage in regular exercise (Terry and O'Leary 1995). Armitage and Conner (2001) identify that SN which is appropriately measured with multiple-item scales shows a stronger relationship with intention than those with single-item measures.

Similar to the SN measures, the measurement of PBC is also varied among researchers. Ajzen (1991) notes that his notion of PBC is aligned most closely with Bandura's (1982) concept of perceived self-efficacy. Both are concerned with the subjective evaluation of the ability to perform certain behaviours. Empirical studies employing the TPB use question items related to perceived self-efficacy (i.e., perceived internal constraints and facilitators of behaviour) or perceived controllability (i.e., perceived external constraints and facilitators of behaviour) alone, or a combination of the two in measuring PBC.

A number of empirical studies provide evidence that perceived self-efficacy can be distinguished quite well from perceived controllability. The items measuring the two constructs load onto two different factors (Armitage and Conner 1999; Manstead and Van Eekelen 1998; Sparks, Guthrie, and Shepherd 1997; Terry and O'Leary 1995; McCaul et al. 1993). Furthermore, Terry and O'Leary (1995) find that perceived self-efficacy and perceived controllability have different effects on intention and behaviour. While perceived controllability significantly predicts behaviour directly, perceived self-efficacy emerges as a significant predictor of intention not behaviour. Therefore, it is suggested that perceived self-efficacy and perceived controllability should be treated as two separate constructs in the TPB model.

In response to the ambiguities of the PBC measurement, Ajzen (2002) clarifies the operationalisation of PBC. Ajzen explains that PBC depends on various internal and

external facilitators or inhibitors of behaviour. Therefore, conceptually, both perceived self-efficacy and perceived controllability need to be incorporated in the PBC measurement. Furthermore, Ajzen suggests analysing PBC as a higher-order construct reflected by both perceived self-efficacy and perceived controllability as lower-order constructs (Figure 4.2).
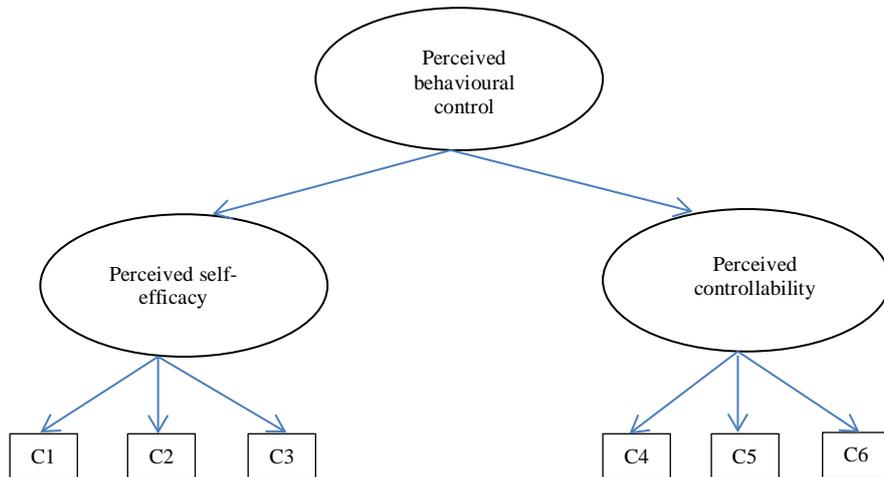
Figure 4.2. Hierarchical Model of PBC (Ajzen (2002, 679)).

This model implies that even though perceived self-efficacy and perceived controllability can be distinguished reliably, certain levels of correlation and convergence/ commonality between the lower-order constructs are expected to be found. Ajzen (2002) also notes that, depending on the research objective, separate measures of perceived self-efficacy and perceived controllability or a single overall index of the PBC measure may be more appropriate.

Research investigating into the influence of attitudes on behaviour has fascinated many researchers for decades. General attitudes have been assessed to predict specific behaviours. Many of these studies fail to establish a significant relationship between the two constructs. Ajzen and Fishbein (Ajzen 1991; Ajzen and Fishbein 2005) propose a remedy for the poor predictive validity of attitudes. First, behaviour is suggested to be measured using an aggregation of various specific behaviours, if general attitudes is used as the predictor (Ajzen and Fishbein 2005, the principle of aggregation). Second, attitude measures should be compatible with behaviour measures (Ajzen and Fishbein 2005, the principle of compatibility), i.e. the measures

of attitude should match with behaviour measures in terms of action types, context and level of specificity/ generality.

Ajzen (1991) introduces the attitude towards the behaviour in the TPB to reflect the principle of compatibility. The attitude towards the behaviour is found to be a significant predictor of intention and behaviour in many studies employing the TPB (Ajzen 1991). A meta-analysis of studies investigating attitude – behaviour relationships supports the principle of compatibility (Kraus 1995). Attitude – behaviour correlations are consistently higher when the constructs are measured at corresponding levels of specificity (Kraus 1995).

Similar to PBC, the attitude towards the behaviour is also found to predict the behaviour directly. Terry and O'Learry (1995) find that the structural model improves and fits the data better when a direct link between attitude and behaviour is added. Intention may not mediate the relationship between attitude and behaviour. This is most likely to occur in repeated behaviours or routine actions/ activities (Terry and O'Leary 1995).

A review of 88 studies on attitude – behaviour relationships reveals a significant relationship between the two constructs (Kraus 1995). More than half (52%) of the 88 studies show attitude – behaviour correlations above 0.3 and 25% are 0.5 or greater. However, the attitude accounted for only on average, 14% of the behaviour variance. This suggests that the predictive validity of attitude is weak in predicting behaviour. Other variables may also influence behaviour alongside attitude (Kraus 1995).

Even though the components of the TPB are found to explain a significant proportion of the behaviour's variance in many studies, Ajzen (2011) encourages the exploration of additional predictors to the TPB and regards the TPB as open to the inclusion of additional predictors. Several criteria are suggested as needing to be fulfilled by any proposed additional predictors (Ajzen 2011). The proposed additional predictor to the TPB should be compatible with the behaviour under study, conceptually independent of the TPB existing predictors, potentially be applicable to various behaviours and should consistently improve the prediction of intention or behaviour (Ajzen 2011).

4.3.   Application of Ajzen's TPB to Explain Pro-social and Pro-environmental Behaviour

The reasons why an individual decides to engage in certain pro-social and pro-environmental activities have been investigated using the economic model of human decision making. Such a model provides the explanations of economic motives behind pro-social and pro-environmental behaviours. A number of researchers argue that economic motives are insufficient to explain voluntary pro-social and pro-environmental activities (e.g. Graafland and Van de Ven 2006; Hemingway and Maclagan 2004; Oreg and Katz-Gerro 2006). In many cases, voluntary pro-social and pro-environmental activities are successfully explained by social-psychological factors, such as values, social norms and attitudes of the decision makers (e.g. Oreg and Katz-Gerro 2006; Kaiser, Hubner, and Bogner 2005; Papagiannakis and Lioukas 2012).

The TPB is one theory that originated from the social-psychology discipline that has been used by a number of researchers to explain pro-social and pro-environmental behaviours. A review of the studies investigating pro-social and pro-environmental behaviours using the TPB shows some variations in its application. First, various additional variables are suggested. Second, the mediation effect of intention is not investigated in several studies. Some of these studies do not even include intention in the model. Third, the behaviour construct is measured using either specific or aggregate measures of behaviour. Despite its great variation, the majority of these studies provide support for the application of the TPB in explaining pro-social and pro-environmental behaviours. The components of the TPB explain a significant proportion of variance in intentions and in pro-social and pro-environmental behaviours.

4.3.1. Proposed Additional Variables to the TPB in Explaining Pro-social and Pro-environmental Behaviours

As SN is found to be the weakest predictor of intention and behaviour in many studies (Armitage and Conner 2001), much attention has been given to improve the explanatory power of SN. Several authors argue that SN has not fully captured the important norms that influence people's intention and behaviours. Group norms (Fielding, McDonald, and Louis 2008; Fielding et al. 2008) and personal norms

(Kaiser, Hubner, and Bogner 2005; Harland, Staats, and Wilke 1999; Smith and McSweeney 2007; Dennis, Buchholtz, and Butts 2009; Kaiser and Scheuthle 2003; Manstead 2000) are suggested to complement SN in order to increase the predictive validity of the TPB in explaining pro-social and pro-environmental behaviours.

Incorporating the social identity theory to the TPB, Fielding et al. (2008) find that besides attitudes and PBC, group identification, group norms and intergroup perceptions are also significantly related to farmers' intentions and decisions to engage in sustainable agricultural practices. Those who are highly identified to a certain group of farmers (high identifiers) tend to follow their group norms and be influenced by other members of the same group in practising sustainable agricultural practices. High identifiers are also more resistant to out-group messages. Similar results are also found in Fielding, McDonald and Louis (2008). Fielding, McDonald and Louis reveal that environmental group membership is significantly related to people's intention and decision to engage in environmental activism.

Personal moral norms are also suggested to complement the SN in explaining intention and behaviour on the grounds that in a morally relevant situation, personal moral norms may be in conflict with social norms (SN). In such a situation, personal moral norms will have a great potential to add significant predictive validity to the TPB model (Manstead 2000). Personal moral norm is defined as internalised moral rule that guide the right or wrong evaluation of certain actions (Manstead 2000).

Personal moral norm is found to be a significant predictor of intention and behaviour in several pro-social and pro-environmental studies (e.g. Harland, Staats, and Wilke 1999; Smith and McSweeney 2007; Kaiser, Hubner, and Bogner 2005). It improves explained variance in intention by 4 to 10% and adds to the proportion of behaviour variance by 7% on average. Those who perceive that doing pro-social or pro-environmental activities is the right thing to do or that they have a personal responsibility to do so, show higher intention and thus engage in more pro-social or pro-environmental activities.

Personal moral norm explains intention and behaviour better than SN (Harland, Staats, and Wilke 1999; Smith and McSweeney 2007). These results are consistent with the studies investigating altruistic behaviours. Personal moral norm consistently

adds an explained variance in intention and has a higher regression weight than SN in explaining altruistic behaviours (Manstead 2000).

However, the study by Kaiser and Scheuthle (2003) challenges the significant role of personal moral norm in increasing the predictive validity of the TPB model. These authors find that despite its significant impact on intention and behaviour, the contribution of personal moral norm towards explaining the variance of intention and ecological behaviour is only marginal.

Kaiser and Scheuthle (2003) reveal that the model fit is better when personal moral norm is treated as an antecedent of people's attitude instead of intention. Personal moral norm influences people's attitudes rather than intention. This evidence supports the idea that personal moral norm is an antecedent of people's attitudes.

Kaiser, Hubner and Bogner (2005) also find the support for the role of personal moral norm in explaining attitudes. These authors document that the model fit is better and personal moral norm increases the variance explained in intention when it is treated as an antecedent of attitudes.

The other proposed additional variables to the TPB in explaining pro-social and pro-environmental behaviours are self-identity (Dennis, Buchholtz, and Butts 2009; Fielding, McDonald, and Louis 2008), personal values (Oreg and Katz-Gerro 2006; Papagiannakis and Lioukas 2012) and actions in the past that are related to the behaviours in question (Fielding et al. 2008; Smith and McSweeney 2007). Self-identity and personal values are defined and measured in a similar way as personal moral norm. Self-identity is found to be a significant predictor of intention to engage in environmental activism (Fielding, McDonald, and Louis 2008) and is significantly related to corporate philanthropy (Dennis, Buchholtz, and Butts 2009). The contribution of self-identity to the explained variance in intention and behaviour is not mentioned in these two studies.

Personal values are treated as antecedents of pro-environmental attitudes in the studies conducted by Oreg and Katz-Gerro (2006), as well as Papagiannakis and Lioukas (2012). These two studies find that personal values influence pro-environmental behaviours indirectly through pro-environmental attitudes.

The indirect influence of personal values on behaviour through attitudes has been postulated and empirically tested in a number of studies. For instance, the value-attitude-behaviour hierarchy is proposed by Homer and Kahle (1988). These authors contend that the influence should flow from the more abstract cognitions to the less abstract. Therefore, firstly, values influence attitudes. Thereafter, attitudes determine behaviours. The structural equation model analyses of 831 data collected from major supermarkets and natural food stores in the USA were performed to test the causal relationships. Evidence is found for the causal relationship between values (internal versus external), nutrition attitudes and shopping behaviours. Nutrition attitudes fully mediate the relationship between values and shopping behaviours.

The validity of the value-attitude-behaviour hierarchy is tested cross-nationally by Milfont and Duckitt (2010). Environmental attitudes are found to mediate the relationship between values (self-transcendence/ altruistic versus self-enhancement) and ecological behaviours in three countries (Brazil, New Zealand and South Africa). While the full mediation effect of environmental attitudes is only found in New Zealand, partial mediation effects are found in Brazil and South Africa. Altruistic values also have direct effects on ecological behaviour in these two countries. Milfont and Duckitt's (2010) research provides support for the validity of value-attitude-behaviour hierarchy cross-nationally.

On the contrary, Rokeach and Schwartz (e.g. Rokeach 1973; Schwartz 1994) postulate that values directly guide, drive and motivate behaviour or action. Bardi and Schwartz (2003) investigate into the correlations between ten value types (power, achievement, hedonism, stimulation, self-direction, universalism, benevolence, tradition, conformity and security) and behaviours. Strong to weak correlations are found between the value types and their corresponding behaviours. However, causal claims could not be made from their studies.

Finally, past action is added to the TPB in explaining pro-social and pro-environmental behaviours on the grounds that past action is a good predictor of future behaviour. Studies conducted by Fielding et al. (2008), as well as Smith and McSweeney (2007) fail to support any relationship between past action and future pro-social and pro-environmental behaviours.

This is contrary to what is revealed in a meta-analysis study conducted by Conner and Armitage (1998). High correlation between past action and future behaviour is found in studies investigating practices that are likely to be performed frequently. In this regard, Aarts and van Knippenberg (1998) argue that when a certain behaviour or action is performed repeatedly, it is guided by an automated rather than a deliberate decision making processes. In such a situation, past action is a good predictor of future behaviour, since past action contains information related to previous decision making process that can be automatically recalled.

4.3.2. Intention Construct in the Model Explaining Pro-social and Pro-environmental Behaviour

Intention is not always included in the studies investigating pro-social and pro-environmental behaviours. Studies which include intention in the model measure intention and behaviours at two different times (e.g. Fielding et al. 2008; Kaiser and Scheuthle 2003; Smith and McSweeney 2007). Hierarchical regression analyses are commonly performed to test the relations between the TPB constructs. The predictors are firstly regressed to intention, and then intention is regressed to behaviours.

Other studies (e.g. Dennis, Buchholtz, and Butts 2009; Papagiannakis and Lioukas 2012) do not include intention in their model. The purpose of these studies is to understand why managers decide to engage in corporate philanthropy or corporate environmental responsiveness. The behaviour (the decision making) has already happened in the past, thus the intention is not relevant to be investigated in these cases. Moreover, several studies indicate the relationships between the TPB components and behaviour without being mediated by intention (e.g. Homer and Kahle 1988; Terry and O'Leary 1995; Kraus 1995; Harland, Staats, and Wilke 1999).

4.3.3. Specific Versus Aggregate Measures of Pro-social and Pro-environmental Behaviour

A number of studies investigating into the predictors of pro-social and pro-environmental behaviours focus on specific pro-social or pro-environmental behaviours, such as donating behaviours (Dennis, Buchholtz, and Butts 2009; Smith and McSweeney 2007), the use of energy-saving light bulbs (Harland, Staats, and

Wilke 1999) and the decision to engage in a sustainable agricultural practice (Fielding et al. 2008). These studies have contributed to explaining certain pro-social or pro-environmental behaviours and in enhancing the predictive validity of the TPB.

However, studies that use specific or single item measures of behaviour have been criticised for a lack of replicability, generalisability, validity and reliability (Epstein 1983). A single item measure tends to be too narrow and unreliable to measure a broad construct. This could be the reason why many studies using a specific or single item measure fail to produce replicable generalisations (Epstein 1983). In order to reveal the more stable and broader structure of behaviour, the measures of behaviour need to be aggregated across situations, occasions or forms of action (Ajzen 1991; Epstein 1983). Such aggregations will reduce the measurement error; enhance generality; as well as increase validity and reliability.

Realising the weaknesses of using a specific or single item behavioural measure, several researchers apply multiple items to measure pro-social or pro-environmental behaviours. Oreg and Katz-Gerro (2006), for instance, measure pro-environmental behaviours with three items (recycling, refraining from driving and environmental citizenship). Although multiple items are used, Oreg and Katz-Gerro do not aggregate the three items to obtain a general measure of pro-environmental behaviour. Instead, the three items are treated as three endogenous constructs in their structural equation model analysis.

Composite or aggregate measures of multiple items reflecting pro-environmental behaviour are used in a number of studies (e.g. Papagiannakis and Lioukas 2012; Kaiser and Gutscher 2003; Kaiser, Hubner, and Bogner 2005). The items in these studies are derived from previous literature and have sufficient reliability and validity to be treated as a single dimension.

4.4. Theoretical Framework to Investigate CSR Decision Making

Having reviewed the application of the TPB in explaining pro-social/ environmental behaviours and following the suggestions of Whetten, Felin and King (2009) in applying the theories borrowed from different disciplines, several modifications to the TPB are made to fit the CSR decision making context.

First, CSRPs are used to measure CSR decision making (behaviour element in the TPB). The decisions made by managers to engage in CSRPs are reflected in their CSRPs. Therefore, CSRPs are used as proxies for CSR decision making. As the concept of CSR encompasses pro-social and pro-environmental behaviours, this thesis uses multiple items that reflect various CSRPs to various stakeholder groups. Previous studies focus either on the social element or the environmental element of CSR only. While a deeper understanding of each aspect of CSR can be revealed by these types of studies, studies that focus on one aspect of CSR are less effective in capturing a broad concept of CSR.

Second, as the focus of this thesis is on investigating factors that explain CSR decision making in the past, it is not relevant to include intention in this thesis. By revealing the factors that explain CSR decision making in the past, suggestions on how to improve CSRPs in the future are expected. Therefore, in this thesis, attitudes, SN and PBC are hypothesised as having a direct relationship with CSRPs, without being mediated by intention.

Third, Socially Responsible Attitude (SRA) is used in this thesis to measure the attitude component of the TPB. The SRA construct is defined as the degree to which a manager perceives the importance of CSR to organisational effectiveness. This thesis measures SRA indirectly by inferring the managers' attitudes from the responses they provide to a set of statements about the importance of CSR to their organisational effectiveness. Indirect measures of attitudes are less susceptible to superficial responses as compared to direct measures (Ajzen 1988). The Perceived Role of Ethics and Social Responsibility/ PRESOR scale developed by Singhapakdi et al. (1996) is adapted to measure SRA.

Fourth, the perceived importance of relevant stakeholders' influence on CSR decisions is used to measure the SN component of the TPB. As the targets of this study are the managers who make decisions on behalf of their companies, the relevant people who may influence decisions could be those who hold an important stake in the company. In the CSR decision making context, it is also important to investigate whether the manager's decisions are influenced by those who are affected by the company's operation.

Fifth, as decisions are made on behalf of the company, managers may face certain barriers and constraints that could prevent them from acting as they wish. Thus, besides perceived self-efficacy to make CSR decisions, perceived controllability that captures perceived barriers and constraints in making CSR decisions is added to measure the PBC component of the TPB.

Sixth, the decisions related to CSR to some extent, involve moral considerations, as companies are required to contribute to the society and environment beyond a profit maximisation orientation. In a morally relevant situation, the personal values of managers could play a significant role in driving managers' decisions towards CSR (Agle, Mitchell, and Sonnenfeld 1999; Hemingway and Maclagan 2004; Swanson 1995; Wood 1991; Hemingway 2005; Tzschentke, Kirk, and Lynch 2008).

Besides personal values, previous studies use personal moral norms or self-identity to capture the moral element of decision makers that could influence their decisions. Personal moral norms and self-identity have been predominantly measured by directly asking the extent to which respondents perceive that they have personal moral obligations to act socially or environmentally responsible. Constructs that are measured directly are more susceptible to artificial responses (Ajzen 2002). Moreover, since personal moral norms and self-identity are specified narrowly, these constructs are not sufficiently reliable to capture a broad moral construct.

Studies that incorporate personal values, on the other hand, infer an individual's moral orientation indirectly by identifying values that are more dominant in guiding an individual's thinking and actions. In this regard, this thesis incorporates personal values to the TPB model to capture the moral orientation that could influence managers' CSRPs decisions.

Direct and indirect relationships between personal values and CSRPs (as suggested in the previous literature) are explored in this thesis. Two contrasting Schwartz's (1994) value dimensions (self-enhancement and self-transcendence) are used to capture possible contrasting moral orientations towards CSR. Schwartz's (1994) personal values that are incorporated in this thesis meet Ajzen's (1991) criteria for proposed additional predictors. First, Schwartz's (1994) personal values have been empirically tested for their relevance and importance in driving behaviours (the principle of compatibility and predictability). Second, the values are conceptually

independent of the TPB components. Third, the values affect general behaviours across situations. Hence, Schwartz's (1994) personal values have a great potential to be applicable to various behaviours (Epstein 1979).

Finally, control variables are added to the model to incorporate factors, other than the hypothesised predictors, that could also influence CSRPs. Figure 4.3 depicts the theoretical framework of this thesis that guides the formulation of the research questions, hypotheses development, data collection, data analysis and discussion in this thesis.
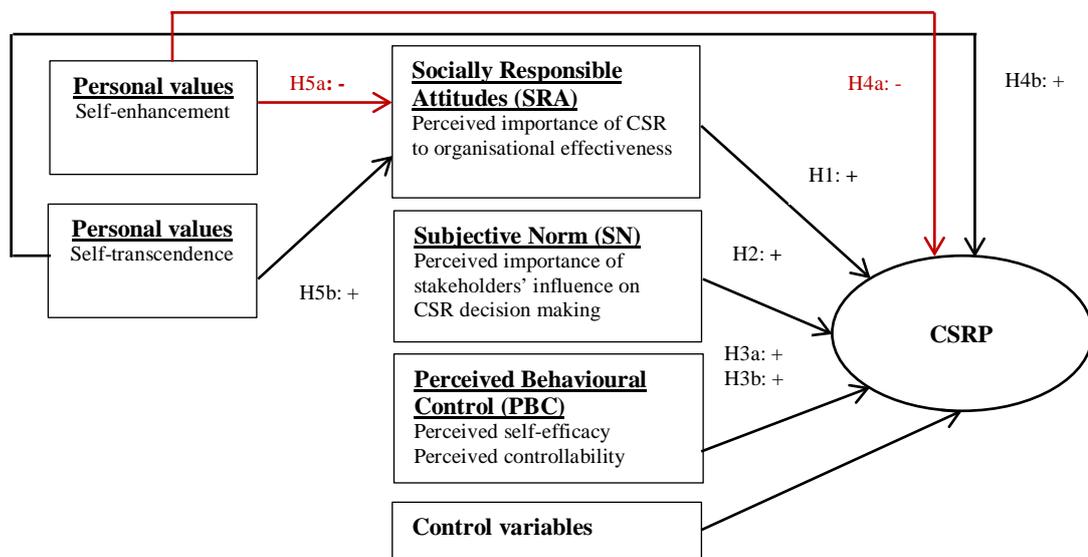
Figure 4.3. Theoretical Framework to Investigate Predictors of CSRP.

4.5.   Interview Questions and Hypotheses Development

4.5.1. Socially Responsible Attitudes (SRAs)

A number of researchers in the social psychology area have demonstrated the importance of attitudes as determinants of behaviours or actions (Terry and O'Leary 1995; Kraus 1995; Ajzen 2005; Ajzen and Fishbein 2005). A meta-analysis study of attitude-behaviour relationships reveals that the majority of 88 reviewed studies find support for the significant role of attitudes in predicting behaviour (Kraus 1995).

The influence of attitudes on behaviour has also been recognised in the business context. Yu et al. (2012) reveals that hotel managers in China are motivated to engage in CSRPs due to their positive attitudes (favourable evaluation) toward CSR.

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CSR is viewed as an important means to increase the short and long-term values of the hotels, as well as to enhance the hotels' reputations.

The positive attitudes of managers are also found to be an important driving force behind CSR implementation of various companies in India (Arevalo and Aravind 2011). However, unlike what has been found by Yu et al' (2012), the positive attitudes of the managers in Arevalo and Aravind's (2011) study are dominated by the belief that CSR is morally the right thing to do.

These two studies have uncovered the fact that managers hold positive attitudes toward CSR, which come from beliefs that CSR will bring desirable consequences or outcomes to the effectiveness of the organisations. Such beliefs, in turn, motivate the managers to engage in CSRPs. The expected outcomes of CSRPs are not only in terms of tangible benefits (profit), but also intangible benefits (e.g. the enhancement of corporate ethical values, organisational commitment and reputation).

While the explanation of how the managers' attitudes could drive CSRPs is provided in these two studies, the relationship between attitudes and CSRPs is not statistically established. The exploratory nature of these two studies means that the suggested relationship between attitudes toward CSR and CSRPs cannot be generalised.

The association between SRAs and socially responsible behaviours is tested in Hunt, Kiecker and Chonko (1990). Using the survey data of 330 American executives, they prove that SRAs are positively and significantly related to socially responsible behaviour. The correlation coefficient between the two constructs is 0.42.

SRAs construct is defined as beliefs that CSR is important in business. Four questions[5] are used to measure the SRA construct, while socially responsible behaviour is measured with four statements: 1 and (3): "I often (sometimes) place my duty to the society above the duty to my company"; 2 and (4): "I often (sometimes) place my duty to my company above my duty to the society (reverse scored)" (Hunt,

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[5] Hunt, Kiecker and Chonko's (1990, 241) measures of SRAs:
 1. The socially responsible manager must occasionally place the interests of the society over the interests of the company.
 2. The management's only responsibility is to maximise the return on their shareholders' investment (reverse scored).
 3. The fact that corporations have great economic power in our society means that they have a social responsibility beyond the interests of their shareholders.
 4. As long as corporations generate acceptable shareholder returns, managers have a social responsibility beyond the interests of shareholders.

Kiecker, and Chonko 1990, 241). Hunt, Kiecker and Chonko (1990) conclude that those who hold stronger beliefs of the importance of CSR in business show a higher socially responsible behaviour.

The SRAs measurement is further developed by Singhapakdi et al. (Singhapakdi et al. 1995; Singhapakdi et al. 1996). The PRESOR scale is proposed to measure SRAs. This scale is built on Kraft and Jauch's (1992) organisational effectiveness menu. The first PRESOR scale (Singhapakdi et al. 1995) consists of 14 items reflecting the perceived importance of ethics and social responsibility to organisational effectiveness. The 14 items are found to be loaded onto three factors: "good ethics is good business", "profits are not paramount" and "quality and communication" (Singhapakdi et al. 1995, 52).

This scale is further refined to include only 13 items (Singhapakdi et al. 1996). The 13 items are loaded onto three factors: "social responsibility and profitability", "long-term gains" and "short-term gains" (Singhapakdi et al. 1996, 1135). Etheredge (1999) proves that the three-factor structure of the PRESOR scale is unsuitable.

Instead, Etheredge suggests a two-factor structure. The two factors suggested are: "importance of ethics and social responsibility" (consists of 5 items) and "subordination of ethics and social responsibility" (consists of 4 items) (Etheredge 1999, 60). The two-factor structure is supported by a number of studies (e.g. Godos-Dı́ez, Ferna´ndez-Gago, and Martı́nez-Campillo 2011; Singhapakdi et al. 2008; Yaman and Gurel 2006; Vitell and Paolillo 2004).

Axinn et al. (2004) interprets the PRESOR items (Singhapakdi et al. 1995) as reflecting two broad perspectives of CSR, namely the stakeholder and stockholder perspectives. The PRESOR items loaded onto the factor "good ethics is good business" are said to be representing a stakeholder view, while the items loaded onto the factor "profits are not paramount" are said to be reflecting a stockholder view.

This thesis adapts the PRESOR scale that has been refined by Etheredge (1999) to measure SRAs. The PRESOR items loaded onto the first factor[6] "importance of ethics and social responsibility" is interpreted as representing the stakeholder view of CSR and the items loaded onto the second factor[7] "subordination of ethics and social responsibility" is interpreted as reflecting the stockholder view of CSR.

Managers who hold a stakeholder view tend to perceive CSR as important to organisational effectiveness (Freeman 1984; Porter and Van Der Linde 1995; Porter and Kramer 2002, 2006). On the other hand, those who embrace a stockholder view tend to put a higher priority on the fulfilment of stockholders' interests over the interests of the other groups of stakeholders (Friedman 1962; Friedman 1970). Therefore, in certain situations or conditions, CSRPs could be put as a second priority or even disregarded, if it is considered as detrimental to stockholders' interests.

Singhapakdi et al. (1996) assert that individuals who perceive ethics and social responsibility as important in achieving organizational effectiveness are more likely to show socially responsible behaviour. A number of empirical studies confirm a positive relationship between perceived role of ethics and social responsibility/ SRAs and socially responsible behaviour. For instance, Godos-Dı́ez, Ferná́ndez-Gago and Martı́nez-Campillo (2011) find that top managers who consider ethics and social responsibility as important implement more ethical and socially responsible practices.

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[6] PRESOR items (Etheredge 1999) loaded onto the first factor "importance of ethics and social responsibility":
   1. Being ethical and socially responsible is the most important thing a firm can do.
   2. The ethics and social responsibility of a firm is essential to its long-term profitability.
   3. The overall effectiveness of a business can be determined to a great extent by the degree to which it is ethical and socially responsible.
   4. Business ethics and social responsibility are critical to the survival of a business enterprise
   5. Business has a social responsibility beyond making a profit.

[7] PRESOR items (Etheredge 1999) loaded onto the second factor "subordination of ethics and social responsibility":
   1. The most important concern for a firm is making a profit, even if it means bending or breaking the rules.
   2. To remain competitive in a global environment, business firms will have to disregard ethics and social responsibility.
   3. If survival of a business enterprise is at stake, then you must forget about ethics and social responsibility.
   4. Efficiency is much more important to a firm than whether or not the firm is seen as ethical or socially responsible.

In a similar vein, Papagiannakis and Lioukas (2012) find support for the influence of attitudes on CSRPs. Papagiannakis and Lioukas use the revised new environmental paradigm scale (Dunlap et al. 2000) to measure attitudes since they focus on investigating the environmental aspect of CSR only.

As the PRESOR scale has never been implemented in the context of this thesis, interviews are conducted to assess the content validity of the PRESOR scale. The focus of the interviews is to retrieve hotel managers' views of the importance of CSR to organisational effectiveness. It is expected that some interviewees may express a perspective towards CSR that is closer to the stakeholder view, while others may express a tendency towards the stockholder view. The interview questions in this thesis related to SRAs are:

> *Interview question 1a: Do you think CSR is important to the business operations? Why?*

> *Interview question 1b: Are there any situations or conditions that made you decide to put CSR as a second priority? Please explain.*

PRESOR scale items that reflect the stakeholder and stockholder views of the importance of CSR are used in the questionnaire. The items reflecting the stockholder view are treated as reverse scored items in the analysis. Those who score low on these items indicate a support to the stakeholder view of the importance of CSR - that is, CSR is primarily important to organisational effectiveness.

Those whose perspectives are closer to the stakeholder view will have an average SRAs score, which is higher than those whose perspectives are closer to stockholder view. Thus, the higher the degree of perceived importance of CSR to organisational effectiveness, the higher the SRAs score. The higher SRAs, in turn, leads to a higher level of CSRPs. In line with previous literature which suggests a positive relationship between perceived importance of CSR to the organisational effectiveness/ SRA and the level of CSRPs (Arevalo and Aravind 2011; Godos-Dı́ez, Ferná́ndez-Gago, and Martı́nez-Campillo 2011; Papagiannakis and Lioukas 2012; Yu et al. 2012), this thesis formulates the following hypothesis:

> *Hypothesis 1: The higher the socially responsible attitudes of the managers, the higher the level of CSR practices.*

4.5.2. Subjective Norm

Social psychologists have suggested that as part of a social system, an individual's behaviours or actions are influenced to some extent by important others' actions, supports, expectations or pressures (Ajzen 1991; Armitage and Conner 2001; Fielding et al. 2008). The important others could be parents, friends, neighbours, colleagues or experts.

The influence of important others on an individual's behaviour or action is salient in the business context. As an individual who makes decisions on behalf of a company, a manager's decisions to some extent are influenced by groups of people who hold an important stake in the company. For a number of decades, a manager has been viewed as the agent of shareholders and whose only responsibility is to fulfil shareholders' interests (Friedman 1962). Consequently, managers' decisions, to a large extent, are dictated by their shareholders' expectations and pressures.

Recently, triggered by the unfolding of big companies' wrong-doings, societies' expectations over a broader role of companies within the society have escalated significantly. The term, 'CSR', obtains a wider acceptance in the business context. A survey conducted in the United Kingdom (UK) (Dawkins and Lewis 2003) shows dramatic changes of the public's attitudes toward the importance of CSR. In 1997, only 24% of a total of 1,055 respondents said it is important to consider the degree of social responsibility of a company in making purchase decisions. This number then doubled to 46% in 2001. Another survey conducted in 23 countries with 25,000 adult respondents in 1999 (Dawkins and Lewis 2003) revealed that more than half of the respondents (56%) mentioned that CSR matters the most in forming an evaluation of a company. It outweighs an assessment of product/ brand quality and business/ financial performance.

The increasing prominence of CSR for various groups of stakeholders creates significant pressures for managers to consider various stakeholder groups' interests, besides shareholders' interests in making corporate decisions. Henriques and Sadorsky (1999, 89) group relevant stakeholders that could influence CSR decisions into regulatory, organisational, community stakeholders and the media.

Government and associations that could convince the government to standardise CSRPs through regulation are grouped as regulatory stakeholders. Those who directly and significantly affect the companies' operations (shareholders, employees, customers and suppliers) are categorised as organisational stakeholders. Community stakeholders include those who are able to affect the companies' operations indirectly through mobilising public opinion, such as community groups, environmental organisations and NGOs. Lastly, the media includes all printed and online publications by a third party.

The government has the authority to enact regulations and rules related to socially and environmentally responsible practices of companies. Government regulatory pressures are found to significantly influence managers' decisions to engage in CSRPs in a number of studies (Henriques and Sadorsky 1996; Christmann 2004; Darnall, Henriques, and Sadorsky 2010; Wang et al. 2015). On the contrary, several empirical studies find that the level of CSRPs are relatively low due to a lack of support from the government (Singh, Jain, and Sharma 2014; Zhang et al. 2008; Massoud et al. 2010; Graafland and Zhang 2014).

Government regulations are strictly implemented and firmly enforced with clear sanctions in the studies that find significant associations between government pressures and CSRPs. With more stringent regulations and better enforcement, the cost associated with non-compliance is higher (Dasgupta, Hettige, and Wheeler 2000). This, in turn, significantly drives the managers' decisions to follow the practices regulated by the government (Henriques and Sadorsky 1996).

Industry associations set industry norms for responsible business practices to protect the industry's reputation (Christmann 2004). Several studies suggest that industry associations play important roles in promoting CSRPs of its members (Merwe and Wöcke 2007; Darnall, Henriques, and Sadorsky 2010). However, King and Lenox (2000) argue that without an explicit standard of performance and sanctions, effective industry self-regulation is difficult to be maintained. Liu et al. (2010) report that the role of industrial associations are not significant in influencing proactive environmental management in China.

Another important regulatory stakeholder that could influence CSRPs, as mentioned in the literature, is certification or accreditation organisations (Dasgupta, Hettige, and

Wheeler 2000). Many companies implement CSRPs as guided by certification organisations to meet the requirement from their international suppliers/ buyers (Belal and Roberts 2010), in order to gain access into foreign markets (Nishitani 2007) and to remain competitive in the international marketplace (Dasgupta, Hettige, and Wheeler 2000).

Some certifications related to CSRPs that have been globally recognised are the ISO 14001 – standard for environmental management system (EMS), as well as the EarthCheck and Green Globe. To further disseminate practices that comply with certification organisations' criteria, governments in several countries, such as Mexico, Indonesia and Philippines decide to incorporate certain international certification criteria into their regulatory systems (Dasgupta, Hettige, and Wheeler 2000).

Shareholders/ owners' concerns related to CSRPs are a critical driver of CSR decisions (Darnall, Henriques, and Sadorsky 2010; Singh, Jain, and Sharma 2014). They could voice their support or disagreement for managers' decisions to engage in certain CSRPs by expressing them at shareholder meetings; adding more investment or selling their shares and providing incentives or terminating managers' contracts (Henriques and Sadorsky 1999).

Employees play a part in the company's success. In a country where employee-related CSR is not well regulated by the government, the extent to which a manager will address employee-related CSR is largely up to the manager's discretion (Matten and Moon 2008). Employees in France voice their concerns related to CSRPs through the labour union. As this union is perceived as an influential organisation by French companies, employees are found to be significant drivers of CSR decisions (Antal and Sobczak 2007).

Commercial buyers and suppliers (value chain stakeholders - Darnall, Henriques, and Sadorsky 2010) increasingly consider social and environmental practices in their evaluation of a company and in their purchasing or supplying decisions (Dawkins and Lewis 2003). Empirical studies show that commercial buyers and suppliers pressures are significant drivers of management decisions to engage in CSRPs (Darnall, Henriques, and Sadorsky 2010; Henriques and Sadorsky 1996). However, the study by Singh, Jain and Sharma (2014) conducted in India shows that the green

consumerism is still very weak; only few customers are willing to pay extra for environmental causes. This, in turn, discourages companies from spending extra for environmental causes. A similar result is found in Kasim's (2004) study conducted in Malaysia.

Community stakeholders (local communities, environmental organisations and NGOs) and the media may play a significant role in forcing companies to correct their unethical practices and to contribute more to the society and environment (Henriques and Sadorsky 1996; Darnall, Henriques, and Sadorsky 2010). A number of studies have shown that companies decide to engage in CSRPs and disclose their CSRPs as a response to community stakeholders' protests and negative publicity by the media (Deegan and Blomquist 2006; Deegan, Rankin, and Tobin 2002). However, several studies conducted in developing countries find that community stakeholders and the media do not exert significant pressures on companies to practise CSR (Singh, Jain, and Sharma 2014; Liu et al. 2010).

A number of researchers suggest that companies which are subjected to similar types and levels of stakeholders' pressures may respond differently (Howard-Grenville, Nash, and Coglianese 2008). A decision makers' evaluation of the importance of responding to certain stakeholder groups' expectations and pressures is suggested to have a significant influence on companies' responsiveness to the external conditions (Howard-Grenville, Nash, and Coglianese 2008). The same group of stakeholder's expectations may be perceived as important in CSR decisions by one manager, but not by other managers in other companies.

Managers who perceive certain stakeholder groups' expectations and pressures as being important to be considered in CSR decisions are more likely to address that stakeholder groups' concerns (Darnall, Henriques, and Sadorsky 2010). Henriques and Sadorsky (1999) find that companies with better Corporate Social Performance (CSP) differed from worse performers in their manager's perceptions of the relative importance of different stakeholders in influencing CSR decisions.

Supporting Wartick and Cochran (1985) and Caroll's (1979) model of CSP, 400 Canadian companies in Henriques and Sadorsky's (1999) study significantly cluster into four CSP categories, from the worst to the best: reactive, defensive, accommodative and proactive respectively. Those who fall into the proactive

category have managers who perceive all groups of stakeholders, except the media, as important in influencing CSR decisions. On the contrary, managers of companies falling into the reactive category perceive the media to be the only important stakeholder. Reactive companies focus their attention mainly on managing social and environmental issues (Henriques and Sadorsky 1999).

Similar to Henriques and Sadorsky's (1999) study, Papagiannakis and Lioukas (2012) gain evidence that managers implement more CSRPs due to their perception that stakeholders' expectations for responsible practices are important to be considered in their CSR decisions.

Having reviewed the literature on the relationship between perceived importance of stakeholders' influence on CSR decisions and the level of CSRPs, the following interview question is prepared to identify certain groups of stakeholders that are salient in the minds of hotel managers in influencing CSR decisions in the context of this thesis.

> *Interview question 2: Did you consider other people or groups of people or certain institution/ organisation's expectations in making CSR decisions? Please mention and explain.*

Managers may have different evaluations of the importance of accommodating certain stakeholders' expectations in their decisions. Those who perceive stakeholders' concerns related to CSR as important to be considered in their decisions are more likely to implement CSR as expected by their stakeholders. Consistent with the TPB which posits a positive relationship between perceived social pressures/ SN and action (Ajzen 1991; Armitage and Conner 2001; Fielding et al. 2008) and in agreement with prior empirical studies (Howard-Grenville, Nash, and Coglianese 2008; Darnall, Henriques, and Sadorsky 2010; Henriques and Sadorsky 1999; Papagiannakis and Lioukas 2012), this thesis formulates the following hypothesis:

> *Hypothesis 2: The higher the degree of perceived importance of stakeholders' influence on CSR decision making, the higher the level of CSR practices.*

4.5.3. Perceived Behavioural Control

Ajzen (1991) notes that an individual is not always able to perform certain actions as intended. Perceived internal and external constraints or facilitators of behaviour (perceived self-efficacy and perceived controllability) could inhibit or facilitate an individual in taking certain actions. The presence of actual internal (e.g. capabilities and experiences of an individual) and external facilitators (e.g. resources, cooperation of others and authority) are necessary but insufficient for the accomplishment of certain actions (Bandura 1982). Individuals possessing the same actual internal and external facilitators may perform differently depending on their confidence in their ability to perform well (perceived self-efficacy - Bandura 1982; Bandura and Wood 1989) and their judgement of the degree of control they have over the external situational factors (perceived controllability - Ajzen 2002).

Perceived self-efficacy is affected by prior accomplishments or experiences of success (Bandura and Wood 1989) and beliefs about the possession of required capabilities (Ajzen 1991). Perceived self-efficacy determines the initial decision to perform an action and subsequent decision to continue or discontinue the current action when facing any obstacles (Bandura 1977). People with a high level of perceived self-efficacy tend to approach obstacles as challenges and opportunities rather than as "reflections of personal deficiencies" (Bandura and Wood 1989, 812). They also tend to exert greater effort and perseverance to face the challenges (Bandura 1982). This, in turn, leads to high performance achievement (Bandura 1982; Bandura and Wood 1989).

In the business context, managers with a high level of perceived self-efficacy are more likely to see opportunities in handling social responsibility issues, hence resulting in a higher level of CSRPs (Sukserm and Takahashi 2012). A positive relationship between managers' perceived self-efficacy and the level of CSRPs is also found in other studies (Papagiannakis and Lioukas 2012; Garay and Font 2012; Sampaio, Thomas, and Font 2012).

Having reviewed previous literature on perceived self-efficacy, it is argued that managers' perceived self-efficacy in handling social and environmental issues will affect their CSR decisions. Managers with a high level of perceived self-efficacy are more likely to see opportunities to enhance corporate performance by implementing

CSR. They can use their experiences and capabilities more effectively and optimally in making CSR decisions. Greater effort and perseverance will also be shown when facing any obstacles in executing the decisions. This subsequently affects the level of CSRPs of their companies. The following hypothesis is accordingly derived:

> *Hypothesis 3a: The higher the level of managers' perceived self-efficacy in making and executing CSR decisions, the higher the level of CSR practices.*

As a leader who has the responsibility to make decisions on behalf of his/ her company, the extent to which a top manager is able to bring his/ her own values, attitudes, perceptions and judgment into business decisions is dependent on the degree of autonomy he/ she possesses in making decisions (Hemingway and Maclagan 2004). Hambrick and Filkelstein (1987) introduce the concept of managerial discretion that refers to the degree of autonomy or freedom available to managers to take certain actions. Managers with a higher degree of managerial discretion have a higher ability to exert control over their companies and to make decisions as they intended.

The three major forces suggested by Hambrick and Filkelstein (1987) as the determinants of managerial discretion include: the task environment, internal organisation factors and managerial characteristics. The task environment is related to the factors in the industry that may constrain or facilitate managerial discretion. Managers of companies within highly concentrated (less variation of products or services) and regulated industries may have low managerial discretion. The existence of intense pressures from competitors, suppliers and buyers within the industry may also force companies to act in certain ways, thus limiting a manager's freedom in making decisions (Wangrow, Schepker, and Barker III 2015).

Internal organisation factors that may influence managerial discretion are powerful shareholders or owners (Hambrick and Finkelstein 1987), resource availability (Wangrow, Schepker, and Barker III 2015; Chan 2008; Murillo-Luna, Garcés-Ayerbe, and Rivera-Torres 2011), corporate rules, policies and procedures (Wood 1991), corporate values (Harris and Crane 2002) and corporate culture (Hemingway 2005). Powerful shareholders/ owners may use their authority to prevent the managers from making certain decisions or to implement decisions that they have

made. Managers in companies with abundant available resources are able to explore a broader array of strategic options and may have better control in making decisions. Restricted and highly standardised corporate rules, policies and procedures may constrain managerial discretion. Corporate values and culture that are in conflict with the managers' values may also limit managerial discretion (Harris and Crane 2002) and hinder managers from expressing their own values in the decision making process (Hemingway and Maclagan 2004; Hemingway 2005).

Finally, managerial characteristics may also determine managerial discretion. Managers who are subjected to similar external constraints may have different managerial discretion due to a variation in managerial characteristics (Child 1997). For instance, managers with flexible characters (high ability to build interpersonal communication and relationship) and an internal locus of control (belief that the external factors and outcomes are controllable) are more likely to be able to overcome the constraints they face in making decisions (Wangrow, Schepker, and Barker III 2015). Hence, these types of managers may have greater managerial discretion.

In the context of CSR decision making, unsupportive formal and informal incentive policies are found to hinder an enthusiastic manager from engaging in beyond-compliance CSRPs (Howard-Grenville, Nash, and Coglianese 2008). Conversely, several studies document that powerful and charismatic leaders could promote changes to their organisation to support socially and environmentally responsible practices (Bansal and Roth 2000; Bansal 2003).

Dennis, Buchholtz and Butts (2009) measure perceived controllability by asking for the CEO's perception of the degree of authority and discretion they receive from the board of directors in making corporate philanthropy decisions. However, they fail to establish a significant association between perceived controllability and the level of corporate philanthropy due to data limitations.

In order to identify the factors that prevent hotel managers from making CSR decisions and in implementing CSR decisions in the context of this thesis, the following interview question is prepared.

> *Interview question 3: Were there any barriers that prevent you*
> *from making and implementing CSR decisions? Please explain.*

Managers' decisions may be constrained by industry, organisational or personal factors. The degree of control a manager possesses in making decisions (managerial discretion) is reflected in his/ her perception of controllability in executing decisions. Managers who perceive that they have a high degree of control in making CSR decisions are more likely to implement CSR than those with a low perceived controllability. The following hypothesis is accordingly derived.

> *Hypothesis 3b: The higher the level of managers' perceived controllability in making and executing CSR decisions, the higher the level of CSR practices.*

4.5.4. Personal Values

Values are defined as a person or social entity's life guiding principles that convey what is important in their lives (Schwartz 1994; Rokeach 1973) and guide how they should behave (Meglino and Ravlin 1998). Values are acquired through an individual's unique learning experiences and exposure to dominant group values/ socialisation processes (Schwartz 1994).

Numerous social psychologists (Ajzen 1991; Manstead 2000) and researchers investigating into the predictors of pro-social and pro-environmental behaviours (Harland, Staats, and Wilke 1999; Kaiser, Hubner, and Bogner 2005; Smith and McSweeney 2007) have suggested that personal values/ moral norms significantly explain behaviours in morally relevant situations. While the significance has been noted, the mechanism by which personal values influence behaviours is still controversial. A direct relationship between values and behaviour is suggested by Rokeach and his colleagues (Rokeach 1973; Schwartz 1994; Bardi and Schwartz 2003). Conversely, Homer and Kahle contend that values influence behaviours through attitudes. Values firstly influence an evaluation of the importance and consequences of performing certain actions. Thereafter, certain actions will be performed if the expected desirable consequences can be achieved.

The significance of the personal values of managers in explaining CSR decision making and the level of CSRPs has also been suggested in the business context (Agle, Mitchell, and Sonnenfeld 1999; Hemingway and Maclagan 2004; Swanson 1995; Wood 1991; Hemingway 2005; Tzschentke, Kirk, and Lynch 2008). CSR decision making, to some extent, involves moral/ ethical considerations (Graafland

and Van de Ven 2006; Donaldson and Preston 1995). When moral/ ethical considerations are needed in making decisions, the personal values of the decision makers might play a significant role in guiding the decision making (Fritzsche 1995).

CSR researches incorporating the personal values of managers use various measures of values. Schwartz (1994) suggests that in order to properly incorporate values in explaining behaviours, researchers need to carefully select values that are important and relevant to shape attitudes and drive behaviour. Expanding on Rokeach's (1973) work on the structure of values, Schwartz (1994) identifies ten types of values which are considered important and relevant to drive attitudes and behaviour.

These values are depicted in a circular structure. This structure reflects a continuum of related values. Value types that express opposing motivations are placed in the opposite directions of the structure. The opposing value types are expected to be discriminated clearly in the empirical studies. Conversely, value types that share similar motivations are placed in adjacent positions. The adjacent value types are expected to be highly correlated in the empirical studies (Schwartz 1994).

Furthermore, Schwartz (1994) summarises the ten types of value into two bipolar dimensions, the first dimension contrasts higher order "openness to change" and "conservation" value types. The second dimension contrasts higher order "self-enhancement" and "self-transcendence" value types. "Openness to change" emphasises an independence of thought and favour of change, while "conservation" emphasises self-restrain and a preservation of tradition and social stability. "Self-enhancement" refers to the value that emphasises "the pursuit of one's own relative success and dominance over others" (Schwartz 1994, 25), while "self-transcendence" refers to the value that emphasises caring for others and the environment. Schwartz's (1994) values types and structure are presented in Table 4.1.

Table 4.1. Structure of Human Values (Schwartz 1994)

Higher-order Value Dimension **'Self-enhancement'**	Higher-order Value Dimension **'Self-transcendence'**
Lower-order Value Types (Items) 1. 'Power' (social power, authority, wealth, preserving my public image and social recognition) 2. 'Achievement' (Successful, capable, ambitious, influential, intelligent and self-respect)	Lower-order Value Types (Items) 1. 'Benevolence' (Helpful, honest, forgiving, loyal, responsible, true friendship, a spiritual life, mature love and meaning in life) 2. 'Universalism' (Protecting the environment, a world of beauty, unity with nature, broad-minded, social justice, wisdom, equality, a world at peace and inner harmony)
Higher-order Value Dimension **'Openness to Change'**	Higher-order Value Dimension **'Conservation'**
Lower-order Value Types (Items) 1. 'Self-direction' (Creativity, curious, freedom, choosing own goals and independent) 2. 'Stimulation' (Daring, a varied life and an exciting life) 3. 'Hedonism' (Pleasure and enjoying life)	Lower-order Value Types (Items) 1. 'Conformity' (Politeness, honouring parents and elders, obedient and self-discipline) 2. 'Tradition' (Devout, accepting portion in life, humble, moderate, respect for tradition and detachment) 3. 'Security' (Clean, national security, social order, family security, reciprocation of favours, healthy and sense of belonging

The proposed structure of human values is confirmed by empirical tests conducted in 44 countries with 25,863 respondents (Schwartz 1994). Other empirical studies have also provided support for the distinctiveness and structure of the relations of the ten value types across cultures (e.g. Schwartz and Bardi 2001; Schwartz and Boehnke 2004; Oishi et al. 1998). Schwartz's (1994) values types are considered to be universal across cultures and national boundaries.

Researchers suggest various ways in which values influence CSR decisions and shape CSRPs. First, the personal values of the decision makers are suggested as directly leading the managers to promote and implement CSR. Second, the managers' personal values are hypothesised as having a direct influence on the evaluation of the importance and consequences of CSR decisions to be made (attitudes). Lastly, personal values are hypothesised as influencing CSRPs indirectly through shaping attitudes.

Hemingway (2005) argues that managers with collectivist (society-centred/ self-transcendence) personal values may inspire and initiate socially responsible culture in their companies to support CSR, but for those with individualistic (self-centred/ self-enhancement) values, they may be apathetic or unsupportive to CSR. Supporting Hemingway's (2005) argument, Duarte (2010) documents that the personal values of the managers play an important role in promoting CSR, by guiding the managers to

develop and maintain CSR cultures and structures within the organisation, to set sustainable operation goals and to direct organisation members in achieving the goals. The values of the managers, such as respect for people and the environment (self-transcendence value), significantly shape decisions related to CSRPs, and hence result in relatively high levels of CSRPs. Consistent with Duarte (2010), other scholars suggest that the altruistic values (self-transcendence values) of managers induce a stronger involvement in CSRPs (e.g. Dief and Font 2012; Graafland and Van de Ven 2006; Jamali and Mirshak 2007).

It is expected that different types of managers' personal values would affect CSRPs differently. Managers with self-enhancement values are less likely to show compassion for others or willingness to fulfil others' interests by sacrificing their own interests. They are less inclined to think about the welfare of others in their decision making (Schultz 2001). Therefore, companies with top managers who value self-enhancement would be expected to engage in lower levels of CSRPs.

In contrast, managers who value self-transcendence are more likely to show compassion and understanding towards others (Schwartz 2007), care for the natural environment (Schultz 2001) and to act to promote it. Their caring values are more likely to be expressed in the form of CSRPs that enhance social well-being (Choi and Wang 2007) and the natural environment (Schultz et al. 2005). Therefore, companies with top managers who value self-transcendence would be expected to engage in higher levels of CSRPs. The following hypotheses are accordingly derived:

> *Hypothesis 4a: When managers' self-enhancement value is high, the level of CSR practices is low.*

> *Hypothesis 4b: When managers' self-transcendence value is high, the level of CSR practices is high.*

As CSR decision making, to some extent, involves moral/ ethical consideration, the personal values of the decision makers play a key role in guiding the right or wrong evaluations of certain decisions (Fritzsche 1995), as well as the evaluation of the importance of CSRPs (CSR attitudes).

Numerous studies employ Schwartz's (1994) "self-enhancement" and "self-transcendence" value types to predict CSR attitudes. For instance, Schultz and

Zelezny (1999) find that individuals with a higher score on the self-enhancement value assign lower scores on the statements that emphasise the importance of preserving the balance of nature (lower environmental attitudes). This is reversed for individuals with a higher score on self-transcendence value. Similar results can also be found in Papagiannakis and Lioukas' study (2012). These studies support Stern and Dietz's (1994) value-basis theory, which postulates the relationship between values and attitudes.

In agreement with value-basis theory and based on prior literature, it is expected that managers with a higher score on self-enhancement values will assign a lower score to the statements that express the importance of ethics and social responsibility (lower SRAs). This will be the reversed situation for managers with a higher score on self-transcendence values. Accordingly, the following hypotheses are derived:

> *Hypothesis 5a: When managers' self-enhancement value is high, the level of their socially responsible attitude is low.*

> *Hypothesis 5b: When managers' self-transcendence value is high, the level of their socially responsible attitude is high.*

Other studies find that the managers' personal values influence CSRPs in an indirect way - through the shaping of SRAs (Papagiannakis and Lioukas 2012; Godos-Dı́ez, Ferná́ndez-Gago, and Martı́nez-Campillo 2011). Managers with a higher score on self-transcendence values are more inclined to attach great importance to ethics and social responsibility. Subsequently, they will implement more CSRPs (Papagiannakis and Lioukas 2012). These studies support a value-attitude-behaviour hierarchy theory (Stern et al. 1999; Homer and Kahle 1988), which postulates the link between value, attitude and behaviour. In agreement with the value-attitude-behaviour hierarchy theory and based on prior empirical studies, it will be assumed that the influence of different types of values (self-enhancement and self-transcendence value) on CSRPs will be mediated by SRAs. The following hypotheses are accordingly derived:

> *Hypothesis 6a: Socially responsible attitudes mediate the influence of managers' self-enhancement values on CSR practices.*

> *Hypothesis 6b: Socially responsible attitudes mediate the influence of managers' self-transcendence values on CSR practices.*

In order to investigate whether the managers in the context of this thesis are also guided by their personal values in making CSR decisions and to reveal the values that influence their decisions, the following interview question is prepared.

> *Interview question 4: Did your personal values influence the CSR decisions that you made? Please explain.*

To sum up, four interview questions and six hypotheses are developed based on theories and previous empirical studies. The hypotheses are tested using the survey data. The interview questions and hypotheses of this thesis are summarised in Table 4.2.

Table 4.2. Summary of Interview Questions and Hypotheses

Interview Questions	Hypotheses
1a: Do you think CSR is important to the business operations? Why? 　1b: Is there any situations or conditions that made you decide to put CSR as a second priority? Please explain. 2: Did you consider other people or groups of people or certain institution/organisation's expectations in making CSR decisions? Please mention and explain. 3: Did you find any barriers that prevent you from making CSR decisions and implementing CSR decisions? Please explain. 4: Did your personal values influence CSR decisions that you made? Please explain.	1: The higher the socially responsible attitudes of managers, the higher the level of CSR practices. 2: The higher the degree of perceived importance of stakeholders' influence on CSR decision making, the higher the level of CSR practices. 3a: The higher the level of managers' perceived self-efficacy in making CSR decisions, the higher the level of CSR practices. 　3b: The higher the level of managers' perceived controllability in executing CSR decisions, the higher the level of CSR practices. 4a: When managers' self-enhancement value is high, the level of CSR practices is low. 　4b: When managers' self-transcendence value is high, the level of CSR practices is high 5a: When managers' self-enhancement value is high, the level of their socially responsible attitude is low. 　5b: When managers' self-transcendence value is high, the level of their socially responsible attitude is high 6a: Socially responsible attitudes mediate the influence of managers' self-enhancement values on CSR practices. 　6b: Socially responsible attitudes mediate the influence of managers' self-transcendence values on CSR practices.

4.6. Control Variables

Numerous empirical studies have suggested that as well as personal values, attitudes and perceptions of the decision makers in making CSR decisions, several control variables are also suggested as factors that may be significant predictors of CSRPs. Some of these control variables are: gender of the decision makers (Larrieta-Rubín de Celis et al. 2015), CEO's educational background (Manner 2010), leadership style (Angus-Leppan, Metcalf, and Benn 2010), size (Høivik and Shankar 2011; Evans and Sawyer 2010; Laudal 2011; Kusyk and Lozano 2007; Singh, Jain, and Sharma 2014), type of business operation (Christmann 2004) and ownership structure (Darnall, Henriques, and Sadorsky 2010; Nakamura, Takahashi, and Vertinsky 2001; Graafland and Zhang 2014; Lauesen 2011). This thesis uses size, type of business operation and ownership structure as control variables for two reasons. First, these three variables are commonly used in previous literature investigating predictors of CSRPs. Second, the results of the interviews of this thesis indicate support to the inclusion of the three variables in the model investigating predictors of CSRPs.

4.6.1. Size

In investigating the predictors of CSRPs, company size has been associated with several factors, namely: (1) the degree of resources and capabilities available to support CSR; (2) public visibility; (3) attachment and sensitivity to the local community; (4) responsiveness to stakeholders' calls for CSRPs and (5) the degree of the owners' involvement in business operations.

1. The degree of resources and capabilities available to support CSR. Companies with limited financial freedom have little room for CSR, thus it is hard for managers to justify CSR spending (Laudal 2011; Kusyk and Lozano 2007). Conversely, larger companies with more financial freedom are more likely to implement more comprehensive CSR (Singh, Jain, and Sharma 2014). The lack of capabilities in managing CSR makes SMEs less likely to gain a competitive advantage from CSR; this, in turn, discourages SMEs from engaging in CSRPs (Laudal 2011).

2. Public visibility. SMEs are less visible to the public, so they receive less public scrutiny and pressures to implement CSR as compared to the large companies. A lack of public pressures gives SMEs less incentive to practise CSR.

3. Attachment and sensitivity to the local community. SMEs are more likely to have owners, managers and employees who come from the same area. Also, they typically have more links to the local society. Hence, they have close attachments to the local community and are more susceptible to the local community's influence (Darnall, Henriques, and Sadorsky 2010; El Baz et al. 2014). This, in turn, drives SMEs to engage more in CSRPs at the local level (Laudal 2011).

4. Responsiveness to stakeholders' calls for CSRPs. Darnall, Henriques and Sadorsky (2010) reveal that when SMEs face pressures from their stakeholders, the managers perceive such pressures as being important to be responded vigorously and quickly. Simpler decision making processes (less bureaucracy) allow SMEs to respond more quickly to their stakeholders' demands for CSRPs. All of these factors make SMEs more responsive to their stakeholders' calls for CSRPs as compared to the large companies (Darnall, Henriques, and Sadorsky 2010).

5. The degree of the owners' involvement in business operations. As many SMEs are family-owned businesses, the role of the owners is found to be very significant in initiating and developing CSRPs (Garay and Font 2012). In many cases, CSRPs of SMEs are driven by the owners' values (Font, Garay, and Jones 2014; Garay and Font 2012; Tzschentke, Kirk, and Lynch 2008; Høivik and Shankar 2011; Kusyk and Lozano 2007). Although SMEs may have lower financial freedom than the large companies, SMEs may give more to charities due to the altruistic values of the owners (Jamali and Mirshak 2007).

4.6.2. Type of Business Operation

The literature has suggested that companies which operate as a part of an international chain may have different CSRPs than those that are part of a local chain or are independently managed. International chain companies or MNCs face greater pressures from the international communities to implement CSRPs than the local companies. In response to such pressures, they tend to set internal global/ worldwide CSR policies and performance standards to be implemented by all companies within their chain (Christmann 2004). As such, the international chain companies are more likely to implement better and higher levels of CSRPs than the local companies

Although local chain companies may not face international community pressures, they may also set internal CSR standards and guidelines to be implemented by their chains. Compared to the international and local chain companies, the independently managed companies may be less informed about how to put CSR into practice. Thus, they may implement lower levels of CSRPs as compared to the international and local chain companies.

4.6.3. Ownership structure

Companies owned by foreigners are more likely to face higher pressures from the local authority and community than those owned by the locals (Darnall, Henriques, and Sadorsky 2010). To increase their legitimacy in the eyes of the local authority and community, they might engage in higher levels of CSRPs as compared to the local companies (Nakamura, Takahashi, and Vertinsky 2001; Graafland and Zhang 2014).

Lauesen (2011) notes that publicly owned or state-owned enterprises experience higher levels of government interference than private companies. Publicly owned enterprises are also regulated more toughly than private companies. Hence, state-owned companies might engage in higher levels of CSRPs that are regulated by the government.

4.7.   Summary

The theory of planned behaviour, reviewed in this chapter, is the cornerstone of the theoretical framework in this thesis. Its modification to fit the CSR decision making context is also presented. The factors that could influence CSR decisions and predict CSRPs are illustrated in a theoretical schema. The factors hypothesised as predictors of CSRPs are socially responsible attitudes, subjective norms, perceived behavioural control and personal values (self-enhancement and self-transcendence). Size, type of business operation and ownership structure that could also predict CSRPs are considered as control variables. In addition, the hypotheses to be tested in the survey, as well as the interview questions, are presented in this chapter. In particular, the interview questions are prepared so as to obtain the managers' views relating to perceived drivers and barriers in making CSR decisions.

The theoretical framework discussed in this chapter guides the subsequent research processes: interviews data analysis (Chapter 6), questionnaire development (Chapter 7), survey data analysis (Chapter 8) and discussion of the results (Chapter 9).

Chapter 5
Research Design

5.1. Introduction

This chapter presents the research design applied in this thesis. Section 5.2 provides a brief overview of the literature related to the research design and further explains how the research design is used to answer the research questions. A summary of this chapter is provided in Section 5.3.

5.2. Research Design

A research design is the overall plan of action to answer research questions (Saunders, Lewis, and Thornhill 2009). This plan provides a specific direction for the procedures and choices of detailed methods (Creswell 2009, 2014). There are numerous types of research designs found in the literature. Creswell (2009) simplified the classification of research designs into qualitative, quantitative and mixed methods designs.

The qualitative and quantitative research designs are situated at the opposite ends of a continuum (Creswell 2009). The distinction between qualitative and quantitative approaches are often framed in terms of using words (qualitative), rather than numbers (quantitative) (Creswell 2014). The mixed methods research design resides in the middle of the continuum, since it combines the qualitative and quantitative approaches (Tashakkori and Teddlie 1998).

The choice of research design is determined by the types of research objectives. The qualitative design is well-suited for exploring and apprehending individuals' or groups' perceptions of human or social problems. If the objective is to test theories by examining the relationships among variables, the quantitative design will be the most appropriate design to be applied. The mixed methods design best fits research objectives that require answers beyond simple words in a qualitative sense or numbers in a quantitative sense. A combination of both forms of data provides the most complete analysis of problems (Creswell 2014). This thesis employs the mixed methods design, since both qualitative and quantitative approaches are needed to

pursue the research objective. Creswell and Clark (2011) classify the types of mixed methods design into six categories, namely convergent parallel design, explanatory sequential design, exploratory sequential design, embedded design, transformative design and multiphase design (Figure 5.1).
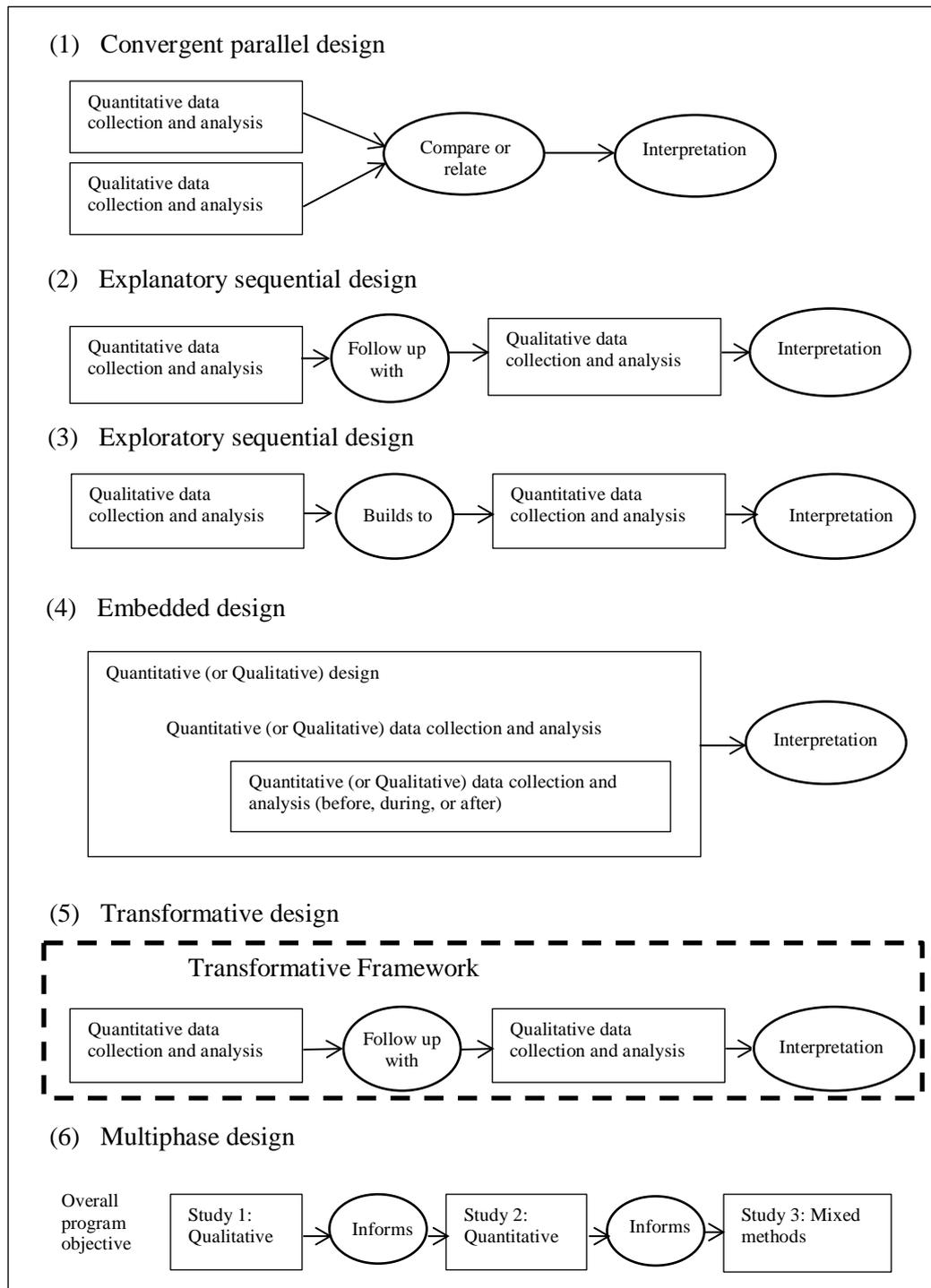
Figure 5.1. Six Major Mixed Methods Design (Creswell and Clark (2011)).

Quantitative and qualitative data are collected simultaneously and merged to answer a research problem in the convergent parallel design. Instead of collecting data concurrently, a researcher might collect quantitative and qualitative data sequentially. Quantitative data might be collected and analysed first, followed by qualitative data collection and analysis for further explanations. This design is an explanatory sequential design. A researcher might also begin with collecting and analysing the qualitative data to identify themes, develop an instrument and then test it using the quantitative data. This design is an exploratory sequential design. In the embedded design, the quantitative and qualitative data might be collected simultaneously or sequentially. After which, the data collected is then embedded to the primary data to address a different research question.

The transformative and multiphase designs are more complex than the four previous designs. A researcher who applies the transformative design will choose between the convergent, explanatory, exploratory, or embedded designs and then encase it within a transformative framework, such as feminist or ethnic perspectives. Such a framework shapes many aspects of the design. The purpose of transformative research is to bring about change for a marginalised population. Like the transformative design, the multiphase design also uses the convergent, explanatory, exploratory or embedded designs. The multiphase design is typically used in a large-scale study that addresses a common research problem through separate studies or phases.

This thesis applies qualitative – quantitative sequential design to answer the research questions. Corporate Social Responsibility Practices (CSRPs) and factors that explain the CSRPs of hotels in Bali - Indonesia, are first explored through interviews with 19 top level hotel managers. Then, the results of the interviews are further examined by using survey data from 117 top level hotel managers. The validity of self-reported CSRPs is verified by a comparison with independent valuations from a local certification organisation, the THK (THK) Foundation. Hence, data that is related to the evaluation criteria and scores of CSRPs from the THK Foundation are also collected.

The qualitative and quantitative research processes are guided by the theoretical framework of this thesis. The research design of this thesis consists of three steps,

starting with the qualitative data collection and analysis, followed by the quantitative data collection and analysis and finally, an interpretation of the qualitative and quantitative results. The qualitative results inform adjustments and refinements required for the survey instrument and provide deeper explanations to the quantitative results.

In particular, qualitative data collection and analysis is presented in Chapter 6 – Methods and Results of Qualitative Study. In addition, survey data collection and analysis is presented in Chapter 7 – Methods of Survey and Chapter 8 – Results of Survey respectively. Finally, the interpretations of qualitative and quantitative results are presented in Chapter 9 – Discussion and Conclusion. A more detailed research design of this thesis is depicted in Figure 5.2.

Figure 5.2. Research Design to Investigate CSRPs, Drivers and Barriers.

Steps | Procedures | Products / Findings

Step 2

| Constructing survey instrument | • Constructing survey instrument from prior studies | First draft of survey instrument (questionnaire) |

| | • Refining survey instrument to include the results of qualitative study and questionnaire pilot tests (n= 18) | Final survey instrument (questionnaire) |

| Quantitative data collection | • Survey (post mail)
• Followed-up (phone calls and emails) | Numerical item scores |

| | Collecting CSRPs scores from the THK Foundation | CSRPs scores from the THK Foundation |

| Quantitative data analysis | • Descriptive analysis
• Partial least square – structural equation modelling (PLS – SEM) analysis
• Assessment of common method and social desirability biases | Quantitative results |

Step 3

| Interpretation of the findings | • Summary of qualitative and quantitative results
• Discussion | Findings, implications, contributions and suggestions |

Figure 5.2. Research Design to Investigate CSRPs, Drivers, and Barriers (continued).

5.3.   Summary

This chapter provides an outline of the qualitative - quantitative sequential design that is applied in this thesis in order to answer the respective research questions. The qualitative data approach and its results are presented in the next chapter (Chapter 6), while the quantitative data approach and its results are presented in Chapters 7 and 8 respectively.

Chapter 6
Methods and Results of Qualitative Study

6.1.   Introduction

This chapter presents the methods and results of the qualitative study. Choices of the sites and interviewees, data collection and qualitative data analysis carried out in this thesis are presented in Section 6.2. Section 6.3 discusses the results of the qualitative study, whereby the nature and level of Corporate Social Responsibility Practices (CSRPs), as well as the factors that drive and inhibit hotel managers in making Corporate Social Responsibility (CSR) decisions are presented. This chapter then concludes with a summary in Section 6.4.

6.2.   Methods

6.2.1. Choices of the Sites and Interviewees

It is very important in a qualitative study to strategically select information-rich cases. A proper sampling strategy enables the researcher to gain an in-depth understanding and insights of a studied phenomenon (Patton 2002). Several qualitative sampling strategies are identified in the literature (see Creswell 2012; Patton 2002). This thesis uses maximum variation purposeful sampling because the purpose of the qualitative study is to gain various perspectives of CSRPs, drivers and barriers. This type of sampling is good at documenting uniqueness and identifying shared patterns across cases (Patton 2002). Any common patterns emerging from a great variation of cases is significant in capturing the shared dimensions of a phenomenon. The possibility of revealing important shared patterns out of heterogeneity constitutes the strength of the maximum variation purposeful sampling strategy (Patton 2002).

In order to maximise the sample variation, the sites and interviewees were selected based on the diverse characteristics or criteria that were identified in advance. First, six sites of study were selected based on the different characteristics of the tourist areas in Bali. At each site, hotels were chosen based on the variation of hotel

characteristics. The target interviewees at each hotel were those in the position to make decisions regarding their CSRPs.

Four centres of tourism in the urban area and two in the rural area were selected for their unique characteristics. The sites of study include: Kuta and Nusa Dua (in Badung region - urban area); Denpasar and Sanur (in Denpasar region - urban area); Ubud (in Gianyar region - rural area) and Manggis (in Karangasem region - rural area).

Kuta and Nusa Dua are very close to the airport. Most hotels in these locations are located along the coastal line. Kuta is well-known for its vibrant night life, while Nusa Dua is famous for its luxurious and peaceful beach life.

Denpasar and Sanur are about 30 minutes' drive from the airport. As the capital city of the Bali province, most government and central business offices are located in Denpasar. Sanur is very close to Denpasar city, but it is not as busy as Denpasar. Sanur is a favourite tourist destination for retirees due to the quietness and relatively lower cost of living, as compared to Kuta, Nusa Dua and Denpasar city. Most hotels in Sanur are close to the beach.

Ubud and Manggis are located in the rural area, about two to three hours' drive from the airport. Ubud is well-known as a place for spiritual retreats and Balinese culture studies. A lot of meditation and yoga centres, as well as galleries are located in Ubud. Most hotels in Ubud are located along the bank of the Ayung River and are nested in traditional Balinese villages. Manggis is typical of a rural coastal area. It is famous for its pristine beaches and authentic traditional culture.

Hotels located in Kuta, Nusa Dua, Denpasar, Sanur, Ubud and Manggis were selected based on the variation of the hotel characteristics. The samples are diverse in terms of the types of hotel management (international hotel chain, local hotel chain or independently managed hotel), hotel size and ownership structure (foreign-owned, local-owned, joint venture or state-owned). Diverse perspectives are expected to be gathered from the interviewees of different hotel characteristics in the different locations.

6.2.2. Data Collection

Prior to the interviews, data was collected from the interviewees' hotel websites. Data collected from the websites was information related to CSRPs and corporate written statements regarding the motivations to engage in CSRPs. This information was important to encourage the interviewees to offer more detailed accounts of the topic (Saunders, Lewis, and Thornhill 2009). Data collected from hotels' websites were combined with data from the interviews for the analysis.

After gaining ethics approval to conduct interviews, 36 invitation letters[8] (six for each location) were sent out to invite participation. A research participant information sheet[9] was enclosed with the letter. The purpose of the research, benefit of participation, confidentiality of the interview, what is expected from the interviewee, as well as the contact details of the researcher are included in the research participant information sheet.

As many as 19 top level hotel managers agreed to participate after being followed up through emails and several phone calls. In order to protect the anonymity of the interviewees, they are assigned codes from I1 to I19 in the process of analysing and reporting data. Moreover, the information that is quoted from the hotel websites and used in the analysis is kept strictly confidential (as their specific websites addresses were not mentioned).

The interviewees of this thesis are top level hotel managers of hotels from three different types of hotel management, located in six main centres of tourism, owned by foreigners, local people, the government and joint ventures (i.e., hotels owned by local people and foreigners). The size of the hotels that participated in this thesis varied across all the categories, from revenues less than Rp2.5 billion to revenues over Rp42.5 billion. The age of the hotel is also varied, specifically from 7 to 57 years. Five out of nineteen interviewees are female and three interviewees are foreigners, namely from Switzerland, India and Singapore. Table 6.1 presents the profiles of the interviewees. A note on the abbreviations and codes used are provided after the table.

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[8] Appendix 1.
[9] Appendix 2.

Table 6.1. Interviewee profile

Interviewee code	Htl Mgt (a)	Size (b)	Location (Urban/ U or Rural/ R area)	Ownership structure (c)	Company age (years)	Interviewee position (d)	Gender	Country of origin of the interviewee
I1	Int	3	Manggis/ R	LO	20	HRM	Female	Indonesia
I2	Int	6	Manggis/R	FO	15	OM	Male	Indonesia
I3	Int	6	Ubud/R	FO	7	GM	Male	Switzerland
I4	Int	6	Ubud/ R	FO	15	GM	Male	India
I5	Int	6	Nusa Dua/ U	LO	17	HRM	Male	Indonesia
I6	Int	6	Nusa Dua/ U	JV	17	VGM	Female	Indonesia
I7	Lc	5	Nusa Dua/ U	LO	23	HRM	Male	Indonesia
I8	Lc	3	Sanur/ U	SO	12	HRM	Male	Indonesia
I9	Lc	3	Kuta/ U	LO	19	RM	Male	Indonesia
I10	Lc	3	Manggis/ R	LO	20	RM	Male	Singapore
I11	Lc	6	Ubud/ R	LO	18	GM	Male	Indonesia
I12	Im	2	Kuta/ U	LO	26	HRM	Male	Indonesia
I13	Im	2	Sanur/ U	LO	20	GM	Female	Indonesia
I14	Im	3	Manggis/ R	LO	21	PAM	Male	Indonesia
I15	Im	3	Sanur/ U	LO	42	HRM	Male	Indonesia
I16	Im	2	Denpasar/ U	SO	57	GM	Male	Indonesia
I17	Im	4	Nusa Dua/ U	JV	20	GM	Female	Indonesia
I18	Im	1	Ubud/ R	LO	15	OM	Male	Indonesia
I19	Im	6	Kuta/ U	SO	38	VP	Female	Indonesia

Notes:
(a) HtlMgt (types of hotel management):
   ☐ Int (international hotel chain).
   ☐ Lc (local hotel chain).
   ☐ Im (independently managed hotel).

(b) Company size (approximate revenue in 2012, in Indonesian rupiah/Rp)
   ☐ (1) < Rp 2.5 billion.
   ☐ (2) > Rp 2.5 billion - Rp 12.5 billion.
   ☐ (3) > Rp 12.5 billion - Rp 22.5 billion.
   ☐ (4) > Rp 22.5 billion - Rp 32.5 billion.
   ☐ (5) > Rp 32.5 billion - Rp 42.5 billion.
   ☐ (6) > Rp 42.5 billion

(c) Ownership structure:
   ☐ LO (local-owned).
   ☐ FO (foreign-owned).
   ☐ JV (joint venture, i.e., hotels owned by local people and foreigners).
   ☐ SO (state-owned).

(d) Interviewee position:
   ☐ GM (General Manager).
   ☐ VGM (Vice General Manager).
   ☐ VP (Vice President).
   ☐ RM (Resident Manager).
   ☐ HRM (Human Resource Manager).
   ☐ OM (Operation Manager).
   ☐ PAM (Public Affair Manager).

Interviews were conducted using semi-structured face-to-face interviews. This type of interview is best suited for studies in which more complex and detailed issues are under investigation (Chadwick 1984; Saunders, Lewis, and Thornhill 2009). In order to apprehend the complexity of the subjective views, broad and general pre-defined questions, as well as several probing questions, were asked. The three broad questions asked were: (1) "Could you please mention any programs or company activities that you consider as the implementation of social responsibility by the business?" (2) "Why did you decide to do such programs or activities?" (3) "Did you disclose the programs or activities to the public? Please explain. Please provide the reasons for the disclosure or non-disclosure". Four questions were prepared to probe further into question number 2. Please refer to Table 4.2 for the probing questions.

This study relies on the views of the participants. Thus, open-ended questions were used. Open-ended questions provide flexibility to the interviewer to probe and follow-up on questions, in order to gain a deeper understanding and richer insights (Rubin and Rubin 2005).

Before commencing each interview, the nature of the research was outlined to each interviewee and they were asked to sign a consent form[10] to indicate their agreement to voluntarily participate in the interview. In order to minimise social desirability bias[11], the interviewees were also informed that they were guaranteed anonymity.

Of the 19 interviews, 18 were recorded by tape and subsequently transcribed. One interviewee (I4) refused to be recorded. Notes were also taken during the interviews. These notes are considered sufficient as all important issues, statements and opinions of the interviewees are fully noted. Moreover, the interviewees were provided a chance to review the notes and interview transcripts that had been made. By doing so, the validity of the notes and interview transcripts can be expected.

The duration of the interviews ranged from 45 minutes to one and a half hours. The period of the interviews was between 21 March 2013 and 4 May 2013. The interviews were conducted in English, Bahasa Indonesia and Balinese language. All

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[10] Appendix 3.

[11] Social desirability bias is the interviewees' tendency to present themselves in a more favourable light by concealing some information or answering questions inaccurately (Saunders, Lewis, and Thornhill 2009; Reimann et al. 2012).

interviews were conducted by the researcher. The researcher can communicate using the three languages fluently, so as there is no problem in the translation process. Moreover, as a Balinese, the researcher fully understands the culture of Bali and Indonesia. Hence, there is no cultural barrier in the process of data collection and analysis.

6.2.3. Qualitative Data Analysis

This thesis applies a deductive approach in the qualitative analytic process where a predetermined theoretical framework shapes the qualitative research process (Saunders, Lewis, and Thornhill 2009). This thesis' theoretical framework guides the qualitative research process in three ways. First, it shapes the interview questions. Second, it assists the coding[12] process by providing an initial set of themes[13]. Third, it provides the initial interconnections (between the themes) to search for within the data.

The qualitative analytic process was carried out in a circular, rather than a linear process. The initial set of themes and interconnections were refined, as new themes and interconnections emerged from a further analysis of the interview transcripts. This process continued until no new themes and interconnections were found.

The coding process was conducted with the help of the NVivo10 software. Segments of the interview transcripts and webpage information were organised according to the core themes identified. Then, quotations that represent a particular theme were extracted from these transcript segments to add richness to the findings.

To enable comparisons of CSRPs between groups of hotels, a score of 1 was assigned if CSRPs were mentioned by the interviewees. On the other hand, if CSRPs were not mentioned, a score of 0 will be assigned. Then, the total CSRPs score and the average score were calculated for each major type of CSRPs for each hotel group.

This procedure is similar to the content analysis procedure of published CSRPs (Abbott and Monsen 1979). While content analysis of CSR reporting commonly

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[12] Coding is the process of capturing, segmenting and labelling the essence of data for later purpose of analytic processes (Creswell 2012; Saldana 2013).

[13] Theme is a major idea as an outcome of aggregation of similar codes or an outcome of analytic reflection (Creswell 2012; Saldana 2013).

depends on Global Reporting Initiative (GRI) as a guideline in establishing CSRP categories (Clarkson et al. 2008), this thesis uses GRI and other international CSRP standards and the results of interviews as guidelines in developing CSRP categories. By doing so, CSRP categories applied in this thesis are not only in line with several categories established by prominent international organisations but also more applicable to the context of this research.

In exploring the possible interconnections between CSRPs and the perceived drivers and barriers of CSRPs, two extreme cases of CSRPs were developed and analysed. The total CSRPs score for each interviewee was first calculated. The total CSRPs score was obtained by adding the total numbers of CSRPs with the two extra criteria mentioned by the interviewees. The two criteria are: (1) whether there was long-term commitment with the local society to practise CSR and (2) whether CSRPs were linked with their business or marketing strategy. A score of 1 was assigned if the interviewee explained that his/ her hotel practised long-term CSR and linked CSR with their business/ marketing strategy and 0 if otherwise. The two extra criteria were added to differentiate the levels of CSRPs between the interviewees. CSRPs with long-term commitments that were linked with business strategies were mentioned as indicators of more advanced levels of CSRPs, compared to discretionary and detached CSRPs (Mirvis and Googins 2006; Maon, Lindgreen, and Swaen 2010).

Secondly, the total scores were ranked. Those who rank 1 to 3 were grouped into the best performers and those who rank 9 to 11 were grouped into the worst performers. Comparisons were made between the two cases to explore whether CSRPs differences between the two groups can be explained by the factors (i.e., the drivers and barriers of CSRPs), as mentioned by the interviewees.

6.3.   Results

The presentation of the results are organised according to the research questions of this thesis. The nature and level of CSR practised by hotels in Bali are firstly presented in Sub Section 6.3.1. Then, the factors that drive and inhibit hotel managers in making CSR decisions are explored in Sub Sections 6.3.2 and 6.3.3 respectively. Comparisons of CSRPs between the groups of interviewee are

presented in Sub Section 6.3.4. Finally, the possible interconnections between CSRPs, drivers and barriers of CSRPs are explored in Sub Section 6.3.5.

6.3.1. The Nature and Level of CSR Practised by Hotels in Bali

Investigating CSRPs in the context of this thesis was challenging, as most CSRPs data were not available publicly. The same challenge was also experienced by numerous researchers investigating CSRPs in the emerging countries (e.g. Belal and Cooper 2011; Arevalo and Aravind 2011; Jamali and Mirshak 2007; Shareef et al. 2014).

Of the 19 hotels interviewed, only four of them published their CSRPs through their websites. All of these are international hotel chains (I1, I3, I4 and I6). These four interviewees explained that they did it for marketing purposes and/ or to fulfil their chain management or parent company requirement.

The majority of interviewees kept a CSRPs report for internal management purposes only. The reasons provided for not publicly disclosed their CSRP are: (1) the hotels have not done much on CSR (I2, I8, I9, I14 and I17), (2) the publication of CSRPs is less relevant for the guests (I12 and I13), (3) creating good image by having CSR in place is more important than making CSRPs publications (I11, I18 and I19) and (4) local people will question the sincerity of the supports provided if it is being published by the hotel itself (I5, I7, I10, I11, I15, I16 and I18). This result indicates that, in the context of this thesis, implicit or silent CSR (i.e., the practice of CSR with few or no public disclosures) is preferred over explicit CSR (i.e., the practice of CSR with explicit public disclosures).

However, even though CSR disclosures are low, this thesis is able to locate a wide variety of CSRPs. This thesis also uncovers more advanced CSRPs among several hotels. To ease the discussion, the varieties of CSRPs are grouped based on the types and the level. The types of CSRPs are discussed first, followed by the discussion of the level of CSRPs.

6.3.1.1. The Types of CSRPs

The interviewees of this thesis mentioned 35 items of CSRPs that can be grouped into five major types: CSRPs to the local society, CSRPs to preserve the

environment, CSRPs to preserve the local culture, CSRPs related to charity and CSRPs to the employees. CSRPs to the local society were the most often mentioned practice, while CSRPs to the employees were the least. A detailed matrix of CSRPs can be seen in Appendix 5.

Two interviewees (I4 and I7) did not recognise good and fair human resource practices as a part of CSRPs. These interviewees understood CSR as corporate responsibility to look after their external stakeholders. As stated by one interviewee, *"Social responsibility of the business is about contributing to the community and the environment, while good and fair human resource practices is a part of our responsibility to run our daily business. It's different!"* (I4).

6.3.1.1.1. CSRPs to the Local Society

Interviewees of this thesis mentioned a total of fourteen types of CSRPs to the local society (Table 6.2). However, only two types were commonly mentioned by all interviewees. They are: contributions to the local people and employing people living around the hotel location.

Table 6.2. CSRPs to the Local Society

CSRPs to the local society	Total Responses
1. Contributions in-cash, in-kind and in-goods to the local people	19
2. Employing people living around the hotel location	19
3. Supporting local entrepreneurs/ sourcing products from within the community	12
4. Fostering economic growth in the villages through crop cultivation / development of sustainable organic farming	5
5. Providing school facilities and equipment for the local schools	4
6. Providing health and environmental education to the locals	4
7. Supporting educational efforts in English language and literacy	3
8. Providing scholarships for the local students	2
9. Supporting local kindergartens	2
10. Sponsoring local seminars, sports and cultural events	2
11. Redeveloping/ renovating villages' common facilities and temples	2
12. Providing training and internship opportunity for local tourism students	1
13. Home improvement projects	1
14. Build safe drinking water stations and sharing with local villagers	1
	77

Contributions to the local people were mainly provided in-cash, either on a regular basis or based on the requirements by the local society. Nearly all urban hotels have a written contract with the local society to contribute a certain amount of money

every month. Such a contract was initiated by the local society. As one interviewee put it across, "*We agreed to sign a memorandum of understanding with the head of the local people to contribute a certain amount of money regularly*" (I7).

This was not the case for the rural hotels. Only one interviewee of a rural hotel (I1) admitted having a formal contract with the local society and the contract was initiated by the hotel itself. Less formal and more fluid communication, in terms of providing contributions to the locals, was found in the rural areas. As acknowledged by one interviewee, "*The relationship is very close that we are comfortable to call each other and drop by for a visit. It's not always possible to say yes. We cannot always say yes; sometimes we are unable to give help, but then we can do it other ways. They understand and appreciate it*" (I4). Another interviewee (I3) explained that due to the fact that most staff comes from the surrounding villages and that some of them occupy the important positions in the local organisation's committee, it is easier to build on the communication and understand what the local society really expects from the hotel.

It was a common practice in the rural areas to employ many people who live in close proximity to the hotel. All interviewees from the rural hotels admitted that more than 60% of their total staff come from the surrounding villages.

This was not the case in the urban areas. Only three (I5, I7, and I15) out of eleven urban hotels interviewed stated that more than 60% of their total staff come from around the hotel location. The reason given was because the urban people preferred to run their own businesses than to work for the hotel. As explained by one interviewee, "*They have never responded to our job vacancy information. People living around the hotel prefer to run their own businesses than to work for a company. They don't like to be bounded by a company's formal rules*" (I12).

The fact that the urban people prefer to run their own businesses than to work for a company could be the reason why more urban than rural hotels intervieweed admitted that they provide some support for the local entrepreneurs. One urban hotel manager interviewed confessed, "*We have to accommodate the local society's requirements, such as providing opportunities for their taxi businesses to operate at the hotel and supporting their water sport businesses*" (I7).

Similar practices were mentioned in a different way by several managers of the rural hotels (I1, I3, and I4), as explained by one interviewee:

> *"We cannot do without helping the local community, the taxi drivers and the people that do the rafting, the art gallery, the restaurant, suppliers and vendors. We are relying on these people. They need us also. It's a kind of mutual benefit. If we can help in any way to support the environment we live in, we should. In the long-run everybody gains and that's how the company thinks. We cannot work in the environment and be selfish. That's a short-term outlook. Maybe in the short-term it helps, but in the long-run you start to get isolated"* (I4).

Another striking feature of CSRPs to the local society is a long-term commitment of four international hotel chains (I1, I3, I4 and I5) and one state-owned independently managed hotel (I19) to foster the economic growth of the rural villages through the development of sustainable organic farming. Four (I3, I4, I5 and I19) out of five of these hotels are large hotels.

Through an engagement in the development of sustainable organic farming, these hotels help foster the economy of the rural villages and secure a continuous supply of fresh organic produce from the local farmers at the same time. For instance, one hotel (I4) assisted some groups of farmers to cultivate rosella flowers and cashew nuts. These farmers were also assisted to dry and pack the cashew nuts and rosella buds. Their produce was then bought directly by the hotel at a good price (some information was taken from the hotel website). The interviewee of another hotel (I19) explained that her hotel assisted some groups of farmers in the rural villages to produce organic fruits and vegetables.

This type of CSRPs shares some characteristics: (1) long-term engagement or partnership; (2) contributions were followed by technical assistance, continuous monitoring and evaluation and (3) the produce was bought directly by the hotels, so that it brings about benefits for both the company and local society.

Other practices at the local society level are practices to support education, sports, cultural events and local development. A contribution to the renovation of local temples was initiated by independently managed local-owned hotels (I14 and I15). Two large international hotel chains (I3 and I5) did home improvement projects and built drinking water stations to support government programs.

6.3.1.1.2. CSRPs to Preserve the Environment

Twelve types of CSRPs to preserve the natural environment were mentioned by the interviewees (Table 6.3). The four most mentioned practices were waste management, energy saving initiatives, introducing the green card in the guest rooms and planting rare indigenous tree species at the hotel garden.

Table 6.3. CSRPs to Preserve the Natural Environment

CSRPs to preserve the natural environment	Total Responses
1. Waste management: waste segregation	15
2. Energy saving initiatives	10
3. Introducing the green card in the guest rooms	9
4. Planting rare indigenous tree species at the hotel garden/ preserving flora biodiversity	9
5. Greening the environment/ planting mangrove trees	7
6. Waste water recycling	7
7. Waste management: recycle	5
8. Use of eco-friendly/ natural products	5
9. Coral reef conservation program	3
10. Wildlife conservation program	2
11. Cleaning tourist destination areas	2
12. The green-bank initiatives	1
	75

In terms of waste management, as many as fifteen interviewees acknowledged that their hotel did waste segregation, while the other four interviewees admitted that their hotel just disposed all wastes at the local landfills without first segregating. Only five (I1, I3, I8, I11 and I19) out of the nineteen interviewees exerted some effort to minimise the amount of solid waste being dumped at the local landfills. These five hotels built a partnership with a third party to recycle inorganic waste and to make compost out of organic waste matter. Three of these five hotels are large hotels.

One international hotel chain (I1) even went further in terms of waste management by initiating the green-bank program. This program aims at building environmental awareness and encouraging the local villagers to take active roles in cleaning the environment, doing waste segregation and recycling. Assistance was also given to the locals to create some handicrafts from the recycled materials and to market their products through the hotel chain (some information was taken from the hotel website).

Like many emerging countries, Bali has also faced major challenges in managing their wastes (MacRae 2012; Zurbrügg et al. 2012). Indonesia Law No.18/2008 regarding waste management (RepublicOfIndonesia 2008) requires all regions in Indonesia to have integrated waste processing sites (sanitary landfills), where all collection, recycling and final processing takes place. However, due to a lack of funding, until now, only three out of the nine regions have sanitary landfills (Zurbrügg et al. 2012). Most wastes, particularly household wastes, are still inappropriately managed and dumped on unauthorised sites or into rivers (Zurbrügg et al. 2012).

Assisted by a local NGO, several local enterprises have established small-scale recycling facilities in some parts of Bali. To cover operational costs, these enterprises receive payment for the collecting and processing of solid wastes, as well as for the sale of composted organic waste (MacRae 2012). However, due to their small-scale practices, their efforts have not contributed much in solving the waste management problem in Bali.

The other common practices found in the interviews are energy saving initiatives and introducing the green card in every guest room. All international hotel chains in the interviews admitted they put in place a certain level of energy saving initiatives and half of them also introduced the green card in every guest room to encourage the participation of the guests in saving the energy and environment by reusing their linen and towels. One international hotel chain (I6) linked their green card program with the effort to green the environment. The interviewee of this hotel explained, "*We communicate to our guests that we are committed to plant one tree for every five reused towels. We hope they will feel that they have contributed to the environment simply by reusing their towels*" (I6).

Efforts to green the environment, including efforts to plant mangrove trees, was also mentioned by six other interviewees (I1, I8, I11, I15, I17 and I19); even though three of them (I8, I15 and I17) admitted that the initiative of planting the trees came from the local government, the local foundations and Bali Hotel Association (BHA) and that they were invited to participate in it. A similar case was also true for the program to plant rare indigenous tree species or preserve flora biodiversity. It was admitted that the program was initiated by the THK Foundation.

Waste water recycling and the use of eco-friendly products were mostly practised by large international hotel chains, whereas a coral reef conservation program that was linked to water sport tour packages were mainly initiated by medium size hotels (I1, I14 and I15). A wildlife (sea turtle) conservation program was initiated by state-owned hotels (I8 and I19).

6.3.1.1.3. CSRPs to Preserve the Local Culture

In discussing CSRPs to preserve the local culture, the interviewees mentioned various detailed programs. These programs are grouped into four categories based on the similarity of the programs as listed in Table 6.4.

More than half of the total interviewees stated that they invited the guests to learn the Balinese culture, applied the Balinese architecture concept and provided opportunities to the local artists to perform at the hotel.

Table 6.4. CSRPs to Preserve the Local Culture

CSRPs to preserve the local culture	Total Responses
1. Inviting the guests to learn the Balinese culture/ to take courses in Balinese culture such as dancing, carving, painting, playing traditional musical instruments and making coconut-leaf decorations	14
2. Applying the Balinese architecture concept to the hotel's infrastructure	12
3. Providing opportunities to the local artists to perform and/ or showcase their artworks at the hotel	10
4. Inviting the guests to experience a daily life of a Balinese/ to be involved in the local people's religious and cultural activities	6
	42

All interviewees of local hotel chains and the majority of local independently managed hotels admitted that they applied the Balinese architecture concept to the hotel's infrastructure. As noted by one interviewee, "*We maintain Balinese architecture here. When we did renovations, our guests reminded us to keep the architecture*" (I7).

Conversely, only two (I4 and I5) out of the six interviewees of international hotel chains said that their hotel infrastructure incorporated the Balinese architecture concept. One interviewee of an international hotel chain stated, "*Our hotel*

architecture is modern minimalist, so we don't apply any Balinese architecture here"
(I1).

Local regulation No.5/2005 (GovernorOfBali 2005) sets a requirement for the new development of new buildings to adhere to the Balinese architecture concept. However, this thesis revealed that most international hotel chains interviewed were not aware of this regulation. The international hotel chains, whose CEOs are foreigners, admitted that they were unfamiliar with the Balinese architecture concept. This fact could be an indication of the less effective mechanism of the socialisation of this regulation or a lack of law enforcement.

Inviting the guests to experience the daily life of a Balinese was not mentioned as often as the other practices. Several interviewees of rural hotels (I2, I4 and I18) explained that due to the location of their hotels, being in the heart of traditional Balinese villages, the guests are already exposed to the authentic practices of the local culture. The hotels just need to make sure that their guests are well-informed about Balinese culture so that they respect the culture. As explained by one interviewee:

> *"We communicate to our guests that whatever the culture and beliefs they bring from home, they will need to learn, understand, and respect the local culture, because by staying here in the middle of the traditional villages, they become a part of the social life here"* (I18).

Similar to the explanation given by some interviewees of rural hotels, one interviewee of an urban hotel provided the reason why she did not practise any CSRPs to preserve the local culture:

> *"Most of our guests are repeaters. They know about Bali. Bali is like their second home. They come twice or three times a year and they will stay at least a month. So they are not unfamiliar with the Balinese culture. They know so much about Bali. They breathe and eat in Balinese culture" (I13).*

6.3.1.1.4. CSRPs Related to Charity

Most interviewees acknowledged that they did charity as a part of their CSR programs. A summary of CSRPs related to charity is provided in Table 6.5. Unlike the other types of CSRPs which are conducted regularly, this type of CSRPs is

conducted once a year, either on the event of the hotel's anniversary or on Christmas and New Year's celebrations, or even twice a year, including another on *Galungan* day (i.e., the biggest Hindu holy day celebrated by the Balinese). While the local hotels focus on providing aid to people living in the underdeveloped areas in Bali, the international hotels also contribute to the world charities.

Furthermore, blood drives were organised by urban hotels. One international hotel chain raised money for cancer research by organising a sport event (run for a reason).

Table 6.5. CSRPs Related to Charity

CSRPs related to charity	Total Responses
1. Donations for unfortunate people, orphanages, disabled people, aged care and nursing houses	14
2. Organising blood drive	4
3. Raising money for cancer research	1
	19

The interviewees also admitted that they encouraged participation from their employees and guests. Several interviewees (I1, I5, I6, I11, I14 and I18) revealed that some of their guests were very active in raising funds to help the unfortunate people living in the underdeveloped areas. One interviewee stated:

> *"We have some repeater guests who establish a non-profit organisation to help the people in the underdeveloped areas in Bali. They promote and raise funds through the website. They are successful. A lot of people come and provide donation. We support their effort by offering free transportation and help them communicate with the locals"* (I6).

6.3.1.1.5. CSRPs to the Employees

The interviewees did not discuss much about CSRPs to the employees. There were some programs mentioned by the interviewees that can be grouped into two types of CSRPs to the employees, as listed in Table 6.6.

Table 6.6. CSRPs to the Employees

CSRPs to the employees	Total Responses
1. Employees' capacity building program	8
2. Occupational health, safety and environmental education to the employees	3
	11

Programs to develop employees' capabilities were mentioned more frequently than health, safety and environmental education. More rural hotels (five out of eight) than urban hotels (three out of eleven) mentioned capacity building programs for their employees. Some interviewees of rural hotels admitted that as they employ a lot of local villagers, they do spend extra time augmenting their skills. One interviewee acknowledged:

> *"One motivation of our owner to establish this hotel is to provide job opportunities for the locals. We don't set a high standard in staff recruitment. As a consequence, we have to dedicate extra time and energy to develop the skills of our new employees. Some of them don't even have any hospitality education background at all and we have to develop their skills from zero!"* (I18).

When discussing about employees' freedom of association, none of the interviewees admitted that their employees have established a tourism worker union chapter at the hotel. Instead, the interviewees explained that their employees organised themselves into several religious groups to organise religious activities. This initiative was said to be fully supported by the hotel management.

6.3.1.2. The Level of CSRPs

Porter and Kramer's (2002) model of a convergence of interests was adopted to assist in the classification of various CSRPs into early/ basic and later/ advanced. The characteristics of more advanced CSRPs, as suggested by Mirvis and colleagues, (Mirvis and Googins 2006; Maon, Lindgreen, and Swaen 2010) were also considered.

Porter and Kramer (2002) classify CSRPs into three extreme categories: pure philanthropy, pure business and strategic CSR, as depicted in Figure 6.1.
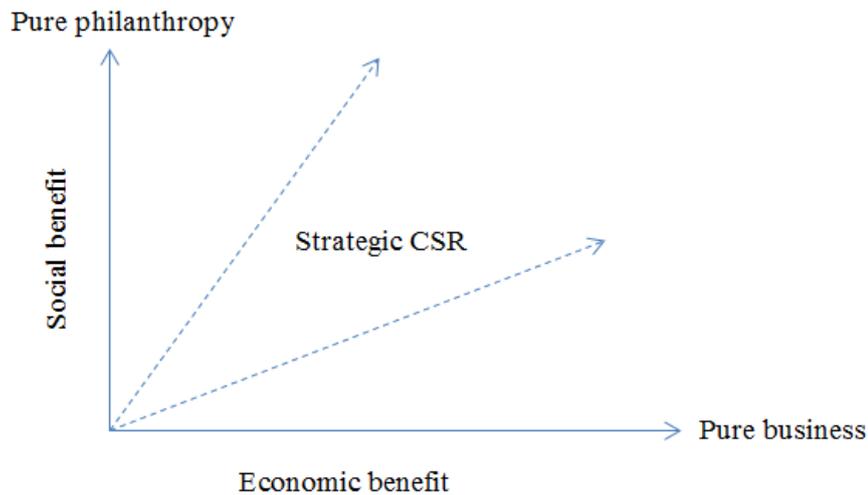
Figure 6.1. A Convergence of Interest (Porter and Kramer 2002).

Pure philanthropy is the type of CSRPs that focuses on delivering social benefits and has little coherence with business practices. Thus, it is difficult to be justified economically. On the other end, pure business is the type of CSRPs that focuses more on achieving economic objectives and brings about little benefits to the society. As such, it is difficult to justify this type of CSRPs to be a charitable contribution. Finally, strategic CSR is suggested as the most effective approach to bring about benefits for both the society and companies. The reason being, CSRP is closely related to business practices and strategies. The more CSRP relates to business practices and strategies, the more it leads to social and economic benefits (Porter and Kramer 2002).

In support of Porter and Kramer (2002), Mirvis and colleagues (Mirvis and Googins 2006; Maon, Lindgreen, and Swaen 2010) suggest an integration of CSR into business practices and strategies as one important characteristic of more advanced CSRPs. Moreover, these authors also mentioned long-term commitment and partnerships with the local society as another important characteristic.

In practice, it is not easy to classify certain practices as pure philanthropy or pure business. It could be argued that CSRPs are more likely to form certain combinations of philanthropy and business, whereby some practices tend to emphasise either more on philanthropy, more on business, or a relative balance emphasis between philanthropy and business. Table 6.7 summarises the classification of several CSRPs in this thesis, according to Porter and Kramer (2002).

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Table 6.7. Classification of CSRPs According to Porter and Kramer (2002)

Classification	Items of CSRPs	Interviewees
Close to pure philanthropy	1. Supporting local kindergartens 2. Donations for the unfortunate, orphanages, disabled people and nursing houses 3. Organising blood drives 4. Raising money for cancer research	Details are in the Appendix 5
Close to pure business	1. Sponsoring local seminars, sports and cultural events 2. Local artists' performance 3. Energy saving initiatives 4. Introducing the green card in the guest rooms 5. Greening the environment linked with towels reused program 6. Coral reef conservation program linked with tour packages 7. Employees' capacity building program 8. Health and safety trainings for employees	Details are in the Appendix 5
Strategic CSR	1. Development of sustainable organic farming 2. Green bank initiative	I1, I3, I4, I5 & I19

As can be seen in Table 6.7, only five interviewees explained strategic CSR or more advanced CSRPs. All of them, except I19, are international hotel chains. I19 is a large state-owned hotel. Four out of six international hotel chains engaged in more advanced CSRPs. On the other hand, the majority of local hotels (local hotel chains and independently managed hotels) practised early/ basic CSR that was either close to pure philanthropy or pure business. The level of CSRPs is further analysed using survey data.

6.3.2. Perceived Drivers of CSRPs

On responding to the main and probing questions related to the drivers of CSRPs, the interviewees provided several explanations that could be grouped into three sub themes. They are perceived importance of CSRPs to the business operations, the influence of values on CSRPs and the influence of the company's stakeholders in making decisions related to CSRPs. The following are the explanations of each sub theme.

6.3.2.1. Perceived Importance of CSRPs to the Business Operations

In discussing the importance of CSRPs to the business operations as one reason behind their decision to engage in certain CSRPs, in general, the interviewees highlighted four points: (1) the importance of CSR to the survival of business operations; (2) the importance of CSR to the company's long-term profitability; (3)

CSR is a part of corporate total responsibility and (4) CSR is in line with their company's vision/ missions/ philosophy.

Nevertheless, one interviewee explained that although he believed that CSR is important to the business operations, he decided to put CSR as a second priority. Table 6.8 presents a summary of the codes related to the perceived importance of CSRPs to the business operations and the total responses for each code.

All interviewees mentioned that CSR is critical to the survival of their business operations and mentioned a variety of explanations why this was the case. The need to secure the company's operation was the most frequent reason mentioned by the interviewees. This is especially true for interviewees of urban hotels. Nearly all of them explained about the motivation to secure the company's operation. As articulated by one interviewee, "*We have to accommodate the local society's requirements. We need to be accepted here and we don't want to face any disturbances from the local society*" (I7).

Table 6.8. Summary of Perceived Importance of CSRPs

Codes Related to Perceived Importance of CSRPs to the Business Operations	Total Responses
1. **CSR is important to the survival of business operations**	
1.1. To gain licence from the local society and government to operate	1
1.2. To secure company's operations/ gain support for company's operations/ maintain the safety and security of the hotel area	15
1.3. Looking after the local community, culture and environment through CSRPs is critical to the sustainability of the hotel's operations	12
2. **CSR as a second priority after improving hotel sales, as the hotel is still in a critical condition**	1
3. **CSR is important to hotel long-term profitability**	
3.1. To create competitive advantages/ increase selling point	8
3.2. CSRPs are important to increase long-term profitability	5
4. **CSR is a part of corporate total responsibility/ business has a social responsibility beyond making a profit**	12
5. **CSR is one of the implementations of corporate vision/ missions/ philosophy**	8

Four out of eight interviewees of rural hotels also expressed their concern about securing the company's operations in explaining the reason to engage in CSRPs. The following are the expressions of two interviewees of rural hotels:

> "*It is very important to us to be accepted here. We don't want to see people blocking access to the hotel. That's why their requirements, to some extent, have to be accommodated*" (I14).

> *"More than 70% of our total staff is local people living in the surrounding villages. They become our strong border to keep the safety and security of this area. We believe that they won't destroy their own workplace"* (I18).

In order to secure their company's operations, all interviewees admitted that they focused on building and maintaining a harmonious relationship with the local society. However, when discussing their concern to maintain the sustainability of their hotel's operations, the interviewees highlighted the importance of the efforts to preserve the local culture and environment, besides building and maintaining a good relationship with the local society. As expressed by two interviewees:

> *"The culture of Bali is the foundation of Bali tourism. If tourism companies do not take any action to look after the community and the culture, it will have an impact on the companies' operations. It is just a matter of time before all are vanished"* (I2).

> *"The success of a tourism company depends on the support from the local community and its natural environment. We cannot stand alone. We cannot run the company well if we don't take any active role in maintaining a good relationship with the local society and preserving our natural environment"* (I17).

Contrasting evidence related to the importance of CSRPs to the business operation was found in this study. One interviewee of an urban hotel admitted that his hotel did not practise CSR, in spite of the formal contract with the local society. He said that CSRPs are not his hotel's top priority at the moment. He added that he will only be committed to engaging in CSRPs after gaining enough profit. He noted:

> *"We haven't done much on CSR because we are still focused on the effort to increase our room occupancy rate, our main business. Our business has to be successful first before we can think about CSR. If we have excessive profit, we will do that, why not?"* (I9).

Instead of viewing CSRPs as detrimental to their company's profitability, nine interviewees believed that their CSRPs could help create competitive advantages, increase their selling point and their long-term profitability. These nine interviewees linked their CSRPs with their main business operations to add value to their businesses and services, as well as to save on operational costs.

Eight out of the nine interviewees believed that an image as a socially, environmentally and culturally friendly hotel is very important to add value to their business. As noted by one interviewee, "*I think definitely nowadays, more people will come to a resort if they know you care about the environment*" (I3). Another interviewee stated, "*We believe that maintaining Balinese architecture and involving the guests in cultural activities are keys to making this hotel unique*" (I15).

Two interviewees (I1 and I14) added value to the tour packages offered to their guests by explaining that the guests will participate in the hotel's effort to preserve the environment by buying such tour packages. These two hotels link their effort to conserve the coral reef with diving and snorkelling tour packages. With regards to the link between CSRPs and operational cost saving, energy saving initiative was mentioned most frequently as an effective approach to contribute to the environment and save on operational costs at the same time. A list of interviewees who mentioned the codes related to the perceived importance of CSRPs is depicted in Table 6.9.

Table 6.9. The Interviewees and Perceived Importance of CSRPs

Interviewee	Perceived importance of CSR to the business operation				
I1	■		■		
I2	■		■	■	
I3	■		■	■	■
I4	■			■	■
I5	■		■	■	■
I6	■		■		■
I7	■			■	
I8	■				
I9	■	■			
I10	■			■	
I11	■		■	■	■
I12	■				■
I13	■			■	
I14	■		■		
I15	■		■	■	■
I16	■				
I17	■			■	
I18	■			■	
I19	■		■	■	■
Total	19	1	9	12	8

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Twelve interviewees argued that there are many CSRPs that cannot be linked directly to the effort to increase long-term profitability. These interviewees contended that businesses have a social responsibility beyond making a profit. Fulfilling this responsibility was regarded as important to the success of business operations in the long-run. Moreover, they understood CSR as a part of total corporate responsibility. One interviewee noted, "*Seeking profit and looking after the local community and environment are two sides of a coin. We have a social responsibility beyond making a profit*" (I19). Another interviewee explained, "*A company cannot think about seeking profit only. They have to be responsible to their local society, natural and spiritual environment because they cannot stand alone. By understanding their environment, they can be sustainable*" (I11).

Eight interviewees referred to their corporate vision/ mission/ philosophy in explaining the importance of CSRPs to their business operations. They acknowledged that the principles and idea of CSR are in line with their corporate vision/ mission/ philosophy. Seven of these interviewees explained the integration between their CSRPs and their main business operations. Only one interviewee (I12) did not discuss such integration. Rather, he understood CSR as one implementation of the corporate mission to bring about benefits to the local society and to help the unfortunate people who do not have to be linked with the main business operations.

6.3.2.2. The Influence of Values on CSRPs

Besides discussing the importance of CSRPs to the business operation, nine interviewees also mentioned values related to caring for other people and the environment as important drivers of their decisions to engage in CSRPs. Ten interviewees did not discuss any values in relation to their CSR decisions.

As can be seen in Table 6.10, 'helping other people' was the most frequent value discussed, followed by the Balinese philosophy *Tri Hita Karana*. 'An expression of

gratitude to God', 'living harmoniously with nature' and 'the right thing to do' were the least frequent values mentioned.

Table 6.10. Values Influencing CSR Decisions

Values Influencing CSR Decisions	Total responses
1. Helping other people	8
2. CSRP is the implementation of *Tri Hita Karana* philosophy	5
3. CSRP is an expression of gratitude to God	2
4. Living harmoniously with nature	2
5. CSRP is the right thing to do	2

When discussing the values that influence CSR decisions, they refer to their personal values and/ or corporate values that are in line with the idea of CSR. For five interviewees (I5, I11, I12, I15 and I19), their corporate values were much influenced by the Balinese values. The *Tri Hita Karana* philosophy was the most mentioned Balinese value that influences their corporate values and CSRPs. As articulated by one interviewee, "*The philosophy of Tri Hita Karana is the foundation of our thinking and operation, including our CSRPs*" (I11). Furthermore, another interviewee explained, "*We maintain a harmonious relationship with our spiritual, social and natural environment in running the business based on the Tri Hita Karana philosophy*" (I19). Two international hotel chains (I3 and I4) acknowledged the influence of the values of their owner or founder on their CSRPs.

Three interviewees (I10, I12, and I13) admitted that as their CSRPs were driven by the motive to help others, they felt less genuine if CSRPs are linked with business orientations to earn profits. As expressed by two interviewees: "*It is about sharing with others. It should come from the heart. Everything that comes from the heart should be without any motive*" (I10). "*CSR is about giving things wholeheartedly. You don't expect anything back*" (I13). A list of interviewees who mentioned the influence of values on their CSR decisions is depicted in Table 6.11.

Table 6.11. The Interviewees and Values Influencing CSR Decisions

Interviewee	Helping other people	CSR is the implementation of *Tri Hita Karana* philosophy	CSR is an expression of gratitude to God	Living harmoniously with nature	CSR is the right thing to do
I1					
I2					
I3	▮				
I4	▮				▮
I5	▮	▮			
I6					
I7					
I8					
I9					
I10	▮				
I11	▮	▮	▮		
I12	▮	▮			
I13	▮			▮	▮
I14					
I15	▮	▮	▮		
I16					
I17					
I18					
I19		▮		▮	
Total	8	5	2	2	2

Note:
- ▮ Helping other people
- ▮ CSR is the implementation of *Tri Hita Karana* philosophy
- ▮ CSR is an expression of gratitude to God
- ▮ Living harmoniously with nature
- ▮ CSR is the right thing to do

6.3.2.3. The Influence of Company's Stakeholders on CSRPs

Interviewees in this thesis admitted that besides their own perception of the importance of CSRPs and their values, their company's stakeholders also influenced their decisions to engage in CSRPs. When discussing about the stakeholders that they consider as having a significant influence on their decisions to engage in CSRPs, the interviewees mentioned six groups of stakeholders as presented in Table 6.12.

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Table 6.12. The List of Stakeholders Influencing CSR Decisions

The List of Stakeholders that Influence Managers in Making Decision Related to CSRPs	Total responses
1. Local society	19
2. Owners/ chain management/ parent or owning company	17
3. Guests/ customers	12
4. Organisations that certify sustainable tourism practices of hotels, e.g., EarthCheck, Green Globe and Tri Hita Karana Awards	8
5. Government of Bali Province	5
6. Tourism industry association, e.g., The Indonesian Hotel and Restaurant Association and Bali Hotels Association	2

All interviewees acknowledged the importance of considering the interests and requirements of the local society in making decisions related to CSRPs. In terms of the way the local society's interests were accommodated into the hotel managers' CSR decision, the interviewees can be classified into two groups.

The first group are those who passively wait for proposals or requirements from the local society to provide contributions. The second group actively communicated with the local society to identify what the local society really expected from their hotel. One interviewee explained, "*We have a special working committee that is responsible to identify what our company can do to help the local society. They make intense communication with the head of the local society*" (I10).

Seven interviewees (I1, I3, I4, I10, I11, I13 and I19) fall into the second group. Five of them are interviewees of the rural hotels. Communication strategy they implemented followed by CSR programs were said to be effective in obtaining full support and minimising conflict with the local community.

The owners were also identified as having a significant role in influencing or determining CSR decisions. For the international and local hotel chains, the influence also came from the chain management or the parent company, in the form of general policies and standards that guide CSR decisions at the hotel level. Two interviewees (I2 and I9) confessed that their owner did not really support CSRPs.

Twelve interviewees believed that in the last few decades, it has become a growing trend for guests to select socially and environmentally friendly hotels. Therefore, these interviewees explained that it is very important for their hotels to build an

image as a socially, environmentally and culturally friendly hotel when formulating CSRPs.

The types of CSRPs which are believed to have a high impact on the hotel's image were formulated and disclosed to the guests. For instance, these include the environment greening program which is linked to towels being reused (I6); diving and snorkelling tour packages which are linked to a coral reef conservation program (I1, I14 and I15); the assisting of local organic farmers which is linked to the promise of delivering healthy and chemical-free foods (I1, I3, I4, I5 and I19); as well as the promotion of local culture programs which is linked to short-course packages on Balinese culture (I5, I6, I11 and I15).

Conversely, seven interviewees thought that their guests were not really concerned about sustainable practices. Instead, they argued that their guests were concerned more with value for money when making the decision to stay in a hotel. As noted by one interviewee, "*Being CSR aware has not been the major selling point for us. I don't think it would bring more new guests. We have so many repeaters. People love a good quality for the price here*" (I13). The majority of interviewees who believed that CSR is less relevant for the guests are small-medium hotels (size 1 to 3).

Eight interviewees subscribed to the local and/ or international sustainable tourism practices certification(s). Several benefits of participation were highlighted. First, some interviewees acknowledged that participation in sustainable practices certifications helped them in improving their operational efficiency. As stated by one interviewee, "*Our electricity bill dropped by 50% after implementing energy-used analysis and replacing the inefficient electrical equipment. We received guidance in doing such analysis from the certification organisation*" (I5).

Second, it was admitted by several interviewees that some criteria set by the government and tourism industry association to assess hotel ratings are in line with the criteria set by certification organisations. One interviewee explained, "*Participation in sustainable practices certifications helped us in meeting hotel rating evaluation criteria. Some of the criteria are similar with those in the certifications*" (I1).

Third, some interviewees stated that being certified and acknowledged as a green, socially and culturally friendly hotel was very important to increase the credibility of the image they built. As noted by I6, "*Sustainable practices logo is a symbol of guarantee that our hotel has operated based on the principles of sustainable hotel operation*". Such an image was admitted as important to increase the selling point. Two interviewees put it this way, "*Being an EarthCheck certified hotel is an important selling point for us*" (I1). "*Sustainable practices certificate will help in marketing because people, especially from Europe, tend to choose environmentally and socially friendly hotels*" (I5).

Fourth, three interviewees (I6, I7 and I10) mentioned that they seek assistance in putting CSR into practice by participating in sustainable practices certifications. Two interviewees explained, "*We seek assistance in implementing the principles of sustainable hotel operation by participating in the certification*" (I6), "*We receive valuable assistance to incorporate the Balinese culture in our operation from the Tri Hita Karana Foundation*" (I10). Table 6.13 summarises a list of interviewees in relation to their perceived importance of stakeholders in CSR decision making.

The interviews revealed that the influence of the local government and tourism industry association were relatively low. Five interviewees explained the influence of the local government and only two mentioned the influence of the tourism industry association on their CSR decisions. The influence of these two stakeholders was mainly on CSRPs related to the environment, such as hotel sewage treatment, waste management and greening the environment.

Table 6.13. The Interviewees and Stakeholders Influencing CSR Decisions

Interviewee	Local society	Owners/chain management/parent or owning company	Guests/customers	Organisations that certify sustainable tourism practices	Government of Bali Province	Tourism industry association
I1	■	■	■	■		
I2	■				■	
I3	■	■	■		■	
I4	■	■	■			
I5	■	■	■	■		■
I6	■	■	■	■		
I7	■	■	■	■	■	
I8	■	■			■	
I9	■					
I10	■	■	■	■		
I11	■	■	■	■	■	
I12	■	■		■		
I13	■	■				
I14	■	■	■			
I15	■	■	■	■		
I16	■	■				
I17	■	■	■			■
I18	■	■				
I19	■	■	■			
Total	19	17	12	8	5	2

Note:
■ Local society
■ Owners/chain management/parent or owning company
■ Guests/customers
■ Organisations that certify sustainable tourism practices
■ Government of Bali Province
■ Tourism industry association

6.3.3. Perceived Barriers in Implementing Corporate Social Responsibility Practices

When the interviewees were asked to explain the barriers they faced in making and implementing CSR decisions, some of them discussed the level of authority (perceived controllability) they received from their owners in making CSR decisions, as well as allocating of company's resources to support their decisions. Others mentioned a lack of human resource capability, time limitation and a lack of technology as the barriers they faced in implementing CSR.

Perceived controllability of the interviewees can be classified into low, high and medium perceived controllability. Those who perceived themselves as having low controllability over CSR decisions explained that the owners questioned the importance of CSRPs to the business operations. As a result, these interviewees admitted that they could not initiate CSR programs that they personally thought were important for sustainable business operations. As expressed by one interviewee:

> *"I have to be honest; the company hasn't done much on CSR. I personally support CSRPs but the final decisions have to be made by the owners. I'm very concerned about keeping the sustainability of this area but the owners think differently. They are more concerned about profit. They don't have attachment to this land as much as I do. They can easily bring their capital away anytime they think their investment here is not profitable anymore" (I2).*

On the other hand, those who perceived themselves as having high controllability explained that their owners fully support CSRPs and provide full authority to the interviewees to decide on the type of CSRPs to be implemented. However, eight out of ten interviewees noted that they also have to adhere to certain general standards of CSRPs set by the chain management or parent company. All state-owned hotels, joint venture hotels, nearly all foreign-owned hotels, and only three local-owned hotels fall into this category. Table 6.14 summarises the perceived barriers in implementing CSR as identified in this thesis. A list of interviewees in relation to the perceived barriers of CSRPs is presented in Table 6.15.

Most interviewees of local-owned hotels admitted that they were given a certain level of authority to determine the type of CSRPs and the amount of resources to be allocated to support CSRPs. These interviewees are classified into the group of interviewees with a medium level of perceived controllability. For these interviewees, making decision on CSRP requires a process of explaining, convincing, negotiating and getting approval from the owners. As described by two interviewees:

> *"We provided some arguments about the importance of CSRPs in securing the company's operation. We explained that even though we lose some of our profit, the contribution to the local society helps us maintain the company's operation in the long-run. He could understand and approved our decision" (I7).*

> *"Every spending on CSR programs has to be authorised by our owner" (I14).*

Table 6.14. Perceived Barriers in Implementing CSR Decisions

Perceived Barriers	Total responses
1. Perceived controllability in making CSR decisions	
1.1. *Low* (a lack of support from the owner may prevent the manager from making decisions concerning CSRPs)	1
1.2. *Medium* (the owner can be convinced to support the manager's decisions concerning CSRPs via an explanation regarding the importance of CSRPs in securing the company's operation/ the manager has been given a certain level of authority to determine the type of CSRP, but every CSR decisions requires the owner's approval)	8
1.3. *High* (the manager has been given the full authority from the owners or owning/ parent company to make CSR decisions/ CSR decisions have to adhere to certain general standards set by the parent/ owning company or chain management, but detailed practices can be fully decided at the unit level)	10
2. Perceived controllability in allocating company's resources to support CSR decisions	
2.1. *Low* (allocating the company's resources to support the manager's decisions concerning CSRPs is beyond the manager's control)	1
2.2. *Medium* (the owner can be convinced to support the allocation of company's resources for CSR programs)	8
2.3. *High* (the manager has been given the full authority from the owners or owning/ parent company to allocate the company's resources for CSR programs)	10
3. Lack of human resource capability	2
4. Time limitation	1
5. Lack of technology	1

It was also admitted that some CSR programs that have been approved could not be implemented optimally due to a lack of financial support. For some interviewees, the final decisions related to financial commitment are in the hand of the owners. Therefore, the allocation of the company's resources to support CSR decisions, to some extent, is beyond these interviewees' control.

The interviewees also explained how the involvement of the owners influenced their degree of freedom in making decisions. In terms of the degree of the owners' involvement in CSR decisions, the interviewees can be classified into two groups: groups with low or high involvement of the owners. Eight (I1, I5, I7, I9, I12, I14, I15, and I18) out of the eleven interviewees of local-owned hotels confessed that their owners were highly involved in making CSR decisions. As one interviewee noted, "*Our owner is always involved in making decisions related to CSR because the money to support CSR comes from him*" (I14).

Table 6.15. The Interviewees and Perceived Barriers in Making CSR Decisions

Interviewee	Perceived Barriers in Making CSR Decisions				
I1		Medium			
I2	Low				
I3			High		
I4			High		
I5		Medium		Time limitation	
I6			High		
I7		Medium			
I8			High		
I9		Medium			
I10			High		
I11			High		
I12		Medium			
I13			High		Lack of technology
I14		Medium			
I15		Medium			
I16			High	Lack of HR	
I17			High		
I18		Medium			
I19			High	Lack of HR	
Total	1	8	10	2	1	1

Note:
- Low perceived controllability
- Medium perceived controllability
- High perceived controllability
- Lack of human resource capability
- Time limitation
- Lack of technology

On the other hand, all the interviewees of joint venture, state-owned and nearly all foreign-owned hotels admitted that their owners or owning company was not as involved in making CSR decisions. These interviewees acknowledged that they were given general guidelines in implementing CSR and were provided the authority to determine the types and number of CSRPs that fit the hotels' specific environment. As articulated by one interviewee, "*Our company's headquarter only gives us general guidance, the detailed programs are decided in every business unit because every business unit knows its environment better*" (I10).

Besides perceived controllability, two interviewees noted the lack of their human resource capability to execute CSRPs as a barrier in implementing CSR. While one interviewee (I16) used this limitation to justify the low level of his hotel's CSRPs,

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another interviewee (I19) explained her effort to overcome this barrier by engaging in collaboration with the local government. The following are their quotes:

> *"We haven't done much on CSR because we have limited human resources capabilities" (I6).*

> *"We don't have the expertise in assisting the local farmers, but we have overcome our limitation by doing collaboration with the Farming Department of the Bali Province. They have the experts in this field" (I19).*

Time limitation was mentioned by one interviewee as a barrier in the implementation of CSRPs. As he noted, *"We still have lots of CSR programs that need to be done but we have time limitation. We have to share our working time between our main job and CSR activities"* (I5). Lastly, a lack of technology was mentioned by I13 as the barrier to the implementation of water recycle program. She explained, *"I don't think we've been efficient in terms of the recycling of water that we could have done. The technology wasn't built twenty years ago. If I'm gonna make a change, it's not gonna happen because it's gonna be very costly"* (I13).

6.3.4. Comparison of CSRPs between Groups of Interviewee

Previous analysis of CSRPs indicates a variation of CSRPs between different hotel characteristics (i.e., types of hotel management, size, location and ownership structure). In order to reveal shared patterns across the cases, the interviewees were grouped based on their hotel characteristics. Then, comparisons were made between the groups in each of the following sub sections. Table 6.15 summarises the comparisons of CSRPs between the groups of interviewees.

Table 6.16. Comparisons of CSRPs between Groups of Interviewees

Hotel characteristics	Average numbers of CSRP types mentioned				
	Soc.	Env.	Clt.	Char.	Emp.
Types of hotel management					
International hotel chain	5.17	4.83	2.33	1.17	0.83
Local hotel chain	3.60	3.60	2.60	1.00	0.40
Independently managed hotel	3.50	3.50	1.88	0.88	0.50
Size					
Large (size 5 and 6)	4.50	4.50	2.63	1.13	1.00
Medium (size 3 and 4)	4.43	4.57	2.14	1.00	0.29
Small (size 1 and 2)	2.50	1.75	1.50	0.75	0.25
Location					
Urban	3.55	3.64	2.36	1.18	0.45
Rural	4.75	4.38	2.00	0.75	0.75
Ownership structure					
Foreign-owned	5.00	3.67	2.00	1.00	1.00
Local-owned	3.82	3.82	2.27	0.91	0.36
Joint venture	4.50	4.00	2.00	2.00	1.00
State-owned	3.67	4.67	2.33	0.67	0.67

Notes:
Soc.   : CSRPs to the local society.
Env.   : CSRPs to preserve the natural environment.
Clt.   : CSRPs to preserve the local culture.
Char.   : CSRPs related to charity.
Emp.   : CSRPs to the employees.

6.3.4.1. Types of Hotel Management

As can be seen in Table 6.16, on average, international hotel chains mentioned the largest numbers of CSRP types, as compared to local hotel chains and independently managed hotels. It is true for almost all CSRP categories, except for CSRPs to preserve the local culture, whereby the local hotel chains mentioned the largest number of CSRP types. Conversely, independently managed hotels mentioned the lowest for all CSRP categories.

International hotel chains mentioned more CSRPs that require greater and long-term commitment and these bring about bigger impacts to the local community. For instance, nearly all international hotel chains were committed to building partnerships with the local farmers in developing sustainable organic farming and boosting economic growth in the rural areas. None of the local chains and only one independently managed hotel mentioned such a practice. Other practices with a

higher degree of commitment which are mentioned more by international hotel chains were: home improvement projects, the building of safe drinking water stations and the green bank initiatives. International hotel chains also acknowledged more CSRPs that were linked to business or marketing strategies to improve profitability, such as energy saving initiatives and waste water recycling.

On the other hand, the local hotels (local hotel chains and independently managed) discussed more about applying the Balinese architecture concept to the hotel's infrastructure and preserving rare indigenous tree species. This area was where international hotel chains were either quite unfamiliar with or were not interested in. The local hotels also mentioned more charity activities and practices that could attract greater publicity, such as sponsoring local seminars, sports and cultural events, greening the environment, planting mangrove trees, wildlife (sea turtle) conservation program and cleaning up of tourist destination areas. A more detailed comparison of CSRP types between the types of hotel management are in Appendix 6.

To sum up, the international hotel chains mentioned the largest numbers of CSRP types as compared to the local hotel chains and independently managed hotels. The international hotel chains also practised more advanced CSR (i.e., CSRPs with a long-term commitment and better alignment with business practices). However, the international hotel chains addressed less local issues which are considered important by the locals, such as applying the Balinese architecture concept, preserving rare indigenous tree species and renovating the local temples.

The fact that nearly all international hotel chains subscribed to the international certification organisation(s) and received general guidance in incorporating CSR into their business practices from the international chain management could be the reason why international hotel chains practised more and better CSR. As admitted by one interviewee, "*We've been doing CSR since inception because the chain management require us to do CSR*" (I5).

6.3.4.2. Size

Large hotels generally mentioned more types of CSRP than medium and small hotels. Conversely, small hotels mentioned the least numbers of CSRP types across all CSRP categories.

Large hotels mentioned slightly fewer numbers of CSRP types to preserve the natural environment than medium hotels. Large hotels seem to focus more on environmental practices that closely related to business practices, such as energy saving initiatives, wastes recycling and the use of eco-friendly products. In contrast, medium hotels mentioned more practices that addressed broad environmental issues, in comparison to the large hotels, such as greening the environment and coral reef conservation programs. A more detailed comparison of CSRP types between hotel sizes can be found in Appendix 7.

Interviewees also revealed more pressures experienced by the large hotels. Nearly all large hotels admitted that they faced relatively tight control and monitoring from the local government, particularly in terms of environmental practices. As one interviewee explained:

> *"We have a sewage treatment plant since the beginning of our hotel operation. It's a requirement to get a licence to operate. The staff of the environment body of the Bali province come and check the quality of our processed sewage once a month" (I2).*

Another interviewee expressed his experience with the local government:

> *"In one way they put you under pressure to do certain things because you are a wealthy company, but then on the other hand, up the road nobody takes care about the garbage. In a way, the central government gives certain direction, which is for me normal, but they don't give pressure to the local government" (I3).*

This could be one explanation why large hotels practised more environmental practices that are closely related to business practices, as compared to the medium and small hotels.

6.3.4.3. Location

Hotels located in the rural area practised more CSRPs to the local society, to preserve the natural environment and to the employees, but practised slightly fewer CSRPs to

preserve the local culture and the ones related to charity, in comparison to the urban hotels.

All rural hotels in this study are nested in the heart of traditional Balinese villages and are surrounded by the pristine natural environment. Figure 6.2 portrays the landscape of one rural hotel that participated in this study.

Figure 6.2. Picture of One Rural Hotel Participated in the Interview.
(Source: hotel website).

This was not the case for the urban hotels that participated in this study. Some of these urban hotels are located in the middle of the busy urban society. Figure 6.3 captures the surrounding environment of one urban hotel that participated in this study.

Figure 6.3. Picture of One Urban Hotel Participated in the Interview.
(Source: hotel website)

The fact that the rural and urban hotels are situated in different types of societies and natural environments could possibly influence the types and numbers of CSR they practise. The interviewees of the rural and urban hotels described their relationship with the local society differently. While the urban hotels referred to a formal contract as a basis of providing contributions, the rural hotels referred to their intimate relationships with the local society. One interviewee of a rural hotel highlight this point through his statement, *"There has never been any pressure because we have started a good relationship from the beginning. There's always a sense of community relationship in the development of the social responsibility program"* (I4). Without being bonded by a formal contract and with a closer relationship, more diverse types of contributions could be provided by the rural hotels.

Another possible explanation could be that the economy of the rural areas lags far behind the economy of the urban areas. The percentage of poor people who live in the rural areas is more than double that in the urban areas (BPSBali 2015d). This provides hotels in the rural area with a wider variety of alternatives to assist the local society.

Rural hotels employ more local people; put in more effort to build partnerships with the local farmers and fishermen; provide more contribution to the education sector, as well as give more support to the activities of the village temples. The fact that all the rural hotels interviewed employed a lot of local villagers, despite some of them being less capable, could be the reason why the rural hotels also mentioned more practices related to the employees.

In terms of CSRPs to preserve the natural environment, the higher dependency of the rural hotels on its preserved natural environment could be the reason why the rural hotels practised more of this type of CSRPs. While the rural hotels did more waste recycling and used more eco-friendly products, the urban hotels tend to choose environment activities that can help them create an image as a green hotel.

The rural hotels mentioned less practices to preserve the local culture than the urban hotels. This is possibly due to the majority of rural hotels being located in the middle of traditional Balinese villages. Local villagers still strongly uphold and practise their culture as a part of their daily lives (Peters and Wardana 2013). The guests are already exposed to the authentic practices of the local culture. Thus, less effort is

needed to promote the local culture to the guests. A more detailed comparison of CSRP types between the hotel locations can be found in Appendix 8.

6.3.4.4. Ownership Structure

In general, local-owned hotels mentioned fewer numbers of CSRPs than foreign-owned, joint venture and state-owned hotels. Foreign-owned hotels mentioned the largest number of CSRP types to the local society, while state-owned hotels practised the largest number of CSRP types to preserve the natural environment and local culture. CSRPs to the employees and CSRPs related to charity were mentioned mostly by joint venture hotels. A more detailed comparison of CSRP types between ownership structures can be found in Appendix 9.

All foreign-owned hotels are large hotels located in the rural areas. Interviewees of the foreign-owned hotels acknowledged that they received a lot of requests for assistance from the local community. They also admitted that the local community required them to employ as many people as possible from the surrounding villages. One interviewee expressed this fact this way:

> *"Our group set a standard ratio between the rooms and employees to be 1:5. The ratio in this hotel is 1:7. It is quite high. We realise that this causes high operational costs but we have to accommodate the local people's requirement for jobs. It's already in the agreement between our hotel and the local people. This agreement was an important requirement to get the license to operate in this location"* (I2).

Being a large and foreign-owned hotel operating in a less developed area makes this type of hotel more visible to the local people. The local people put greater hope in this hotel type to assist them in advancing the local economy. As a result, more pressure to practise CSR for the local society is experienced by foreign-owned hotels.

State-owned hotels seem to practise more CSR which is required and promoted by the central and local governments, such as waste recycling, planting rare indigenous tree species, wildlife conservation programs and providing opportunities to the local artists to showcase and sell their artworks at the hotel.

6.3.5. CSRPs, Drivers and Barriers

Possible interconnections between major themes (CSRPs, drivers and barriers of CSRPs) are explored by analysing two extreme cases, CSRPs of the best and CSRPs of the worst performers. The best performing group consists of those whose total CSRP scores rank 1 to 3. Conversely, the worst performing group consists of those whose total CSRP scores rank 9 to 11.

Table 6.17 presents the summary of the total CSRP score and rank for each interviewee. The total CSRP score is obtained by summing up the total numbers of CSRP types mentioned with two extra criteria: (1) Long-term commitment (LC) and (2) Strategic CSR (SC). Those who are grouped into the best performers are shaded in green, while those who are grouped into the worst performers are shaded in red.

Table 6.17. Summary of Total CSRP Scores and Rank of Interviewees

Int.	Total numbers of CSRP types mentioned					LC	SC	Total score	Rank
	Soc.	Env.	Clt.	Char.	Emp.				
1	6	7	2	0	0	1	1	17	3
2	3	3	1	0	1	0	0	8	9
3	8	6	1	1	2	1	1	20	1
4	4	2	4	2	0	1	1	14	6
5	5	4	3	2	0	1	1	16	4
6	5	7	3	2	2	0	1	20	1
7	3	1	4	1	0	0	0	9	8
8	3	6	3	1	0	0	0	13	7
9	2	2	2	1	0	0	0	7	10
10	6	3	2	1	1	0	0	13	7
11	4	6	2	1	1	0	1	15	5
12	2	3	3	1	0	0	0	9	8
13	2	1	0	1	0	0	0	4	11
14	5	6	2	1	0	0	1	15	5
15	5	7	3	1	1	0	1	18	2
16	4	1	1	1	0	0	0	7	10
17	4	1	1	2	0	0	0	8	9
18	2	2	2	0	1	0	0	7	10
19	4	7	3	0	2	1	1	18	2

Notes:
Int.   : Interviewee code.
Soc.   : CSRPs to the local society.
Env.   : CSRPs to preserve the natural environment.
Clt.   : CSRPs to preserve the local culture.
Char.   : CSRPs related to charity.
Emp.   : CSRPs to the employees.
LC   : CSRPs with long-term commitment with the local society.
SC   : CSRPs linked with business/ marketing strategy.

As many as five interviewees (I3, I6, I15, I19 and I1) grouped into the best performers, while six interviewees (I13, I9, I16, I18, I2 and I17) grouped into the worst performers. Comparisons were made between the two groups based on the perceived drivers and barriers mentioned by the interviewees.

Contrasting and common patterns between the two groups were explored to reveal whether the perceived drivers and barriers could explain the variations in the CSRPs between interviewees. Table 6.18 summarises the comparisons of the perceived drivers and barriers between the best and worst performers.

Table 6.18. Comparisons of the Best and Worst Performers

Perceived drivers and barriers in making CSR decisions	Best performers					Worst performers					
	3	6	15	19	1	13	9	16	18	2	17
Perceived importance of CSRPs											
1. CSR is important to the survival of business operations	G	G	G	G	G	R	R	R	R	R	R
2. CSR as a second priority							R				
3. CSR is important to long-term profitability	G	G	G	G	G					R	
4. Business has a social responsibility beyond making a profit	G		G	G		R			R	R	R
5. CSR is one implementations of corporate vision/missions/philosophy	G	G	G	G							
Values influencing CSR decisions	G		G	G		R					
Perceived importance of stakeholders											
Local society	G	G	G	G	G	R	R	R	R	R	R
Owners/chain management/parent or owning company	G	G	G	G	G	R		R	R		R
Guests/customers	G	G	G	G	G						R
Organisations that certify sustainable tourism practice		G	G		G						
Government of Bali Province	G							R			
Tourism industry association											R
Perceived barriers											
Low perceived controllability								R			
Medium perceived controllability			G		G	R		R			
High perceived controllability	G	G		G		R		R			R
Hotel characteristics											
Types of hotel management	Int	Int	Im	Im	Int	Im	Lc	Im	Im	Int	Im
Size	6	6	3	6	3	2	3	2	1	6	4
Ownership structure	FO	JV	LO	SO	LO	LO	LO	SO	LO	FO	JV
Location	R	U	U	U	R	U	U	U	R	R	U

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Notes:
- ☐ Int: international chain, Lc: local chain, Im: independently managed.
- ☐ FO: foreign-owned, JV: joint venture, LO: local-owned, SO: state-owned.
- ☐ R: rural area, U: Urban area.

As can be seen in Table 6.18, the two groups perceived CSR as important to the survival of business operations and acknowledged that companies have social and moral responsibilities beyond making a profit. The two groups also perceived the local society and owners as important in influencing CSR decisions. However, the local government and tourism industry association were perceived as less important in influencing CSR decisions by the two groups. In terms of perceived controllability, the two groups have the same number of members with medium and high perceived controllability.

The two groups seem to be differentiated by the perceptions of whether CSR is viewed as an integral part of the corporate vision, mission, philosophy, business strategy and practices. The best performers viewed CSR as an integral part of business practices - as an effort to bring about benefits not only to the local society and environment, but also to long-term corporate profitability.

The following quotes from the interviewees explain how CSR was perceived and practised as an integral part of business practices:

> *"It's taking and giving. It's never been only one way because we're not a charity organisation. We support the local farmers to practise organic farming. They look after the land so the land keeps looking beautiful. We buy organic produce from them to be served in the kitchen. Organic and fresh foods, a beautiful environment and fresh air are what the guests are really looking for" (I3).*

> *"CSR is not only about charity donations. It's more than that. It has to be a long-term partnership with the local society. We are an integral part of a society. If they grow, we grow. We create a synergy between CSR and business operations. Our company gains benefits by helping and cooperating with the local society" (I19).*

This is not the case for the worst performers. None of the worst performers mentioned CSR as an implementation of their corporate vision/ mission/ philosophy and only one stated that CSR is important to long-term corporate profitability.

Due to the perceived link between CSR and business practices, guests/ customers and organisations that certify sustainable practices were perceived as significant stakeholders that influence CSR decisions by the best performers. In contrast, only one hotel from the worst performers group mentioned guests as important and none of the worst performers said that certification organisations were important in influencing CSR decisions.

Another striking feature is the influence of values on CSR decision making. More interviewees from the best performers group believed that CSR is the right thing to do and in line with their values, suggesting values as a significant factor in influencing CSR decisions. Only one interviewee from the worst performers group mentioned that values were a significant driver of CSR decisions.

Several key points can be highlighted from the analysis of the two extreme cases. First, all interviewees perceived CSR as important to the survival of business operations. The majority of them also believed that businesses have a social and moral responsibility beyond making a profit. Those who also perceived CSR as an integral part of business operations and important to long-term profitability tend to practise more and better CSR than those who only perceived CSR as a moral responsibility and survival means.

Second, all interviewees perceived the local society as significant in influencing CSR decisions. The majority of them also said that the owners were a very important stakeholder who influences CSR decisions. Those who perceived more groups of stakeholders as important in influencing CSR decisions tend to practise more and better CSR.

Third, interviewees who perceived themselves as having high controllability do not always have more and better CSRPs than those with medium perceived controllability. It is the perceived importance of CSR to business operations which is more likely to determine whether a manager decides to use his/ her power to practise more and better CSR.

6.4. Summary

This chapter presents the methods and results of the qualitative study. The evidence in this study was collected using semi-structured and in-depth face-to-face interviews with 19 top level hotel managers.

Three major themes are identified in the qualitative analysis: (1) the nature and level of CSR practised by the hotels in Bali; (2) the perceived drivers of CSRPs and (3) the perceived barriers in implementing CSRP.

The exploration of possible interconnections between CSRPs, the perceived drivers and barriers of CSRPs indicates that CSR decisions and the level of CSRPs could be explained by a combination of several factors. They are: perceived importance of CSRPs, perceived importance of stakeholders, values of decision makers and perceived controllability in making CSR decisions. Hotel characteristics (i.e., types of hotel management, size, location and ownership structure) also explain the variations of CSRPs between the interviewees' hotels in this qualitative study.

The significance and extent to which all of these factors explain the degree of CSRPs of hotels in this thesis are further analysed using the quantitative analysis of survey data from 117 hotel managers. The methods and results of this survey are presented in the next two chapters, Chapters 7 – Methods of Survey and Chapter 8 – Results of Survey.

Chapter 7
Methods of Survey

7.1.   Introduction

This chapter presents the methods of survey undertaken in this thesis. An explanation on the survey instrument is provided in Section 7.2. Section 7.3 presents relevant information on data collection. The statistical analysis carried out on the survey data is explained in Section 7.4. This chapter concludes with a summary in Section 7.5.

7.2.   Survey Instrument

7.2.1. Questionnaire Planning and Designing

This thesis uses a self-reported questionnaire as the survey instrument to collect data. The questionnaire is planned, designed and tested properly to ensure its effectiveness in collecting the precise data required, encouraging participation and minimising social desirability bias (Brace 2008; Dillman 2007; Nederhof 1985; Viswanathan 2005). Ethics approval had been sought before a pilot testing of the questionnaire was conducted. Moreover, the amendments made to the questionnaire had been approved before the final questionnaires were posted.

To ensure the effectiveness of the questionnaire in collecting the valid and reliable data, several efforts have been undertaken. First, the questionnaire adapts the measurement scales that have been empirically tested and validated in previous studies (Viswanathan 2005). Second, the questionnaire has been carefully designed to be simple, easy to understand and answer. A simple, specific and easily understandable question is the best way to obtain a valid response and to reduce measurement error (Dillman 2007; Viswanathan 2005). To assist the respondents in answering the questions, instructions on how to answer the questions are provided at the beginning of every question. Also, the response categories are labelled and numbered (except for Corporate Social Responsibility Practices (CSRPs) response categories) (Viswanathan 2005). Third, the questionnaire is pilot tested with targeted respondents and supported with interviews. Pilot testing of the questionnaire is critical to ensure that the questions are being interpreted as intended, as well as to

assess the likely validity and reliability of the data that will be collected (Saunders, Lewis, and Thornhill 2009; Viswanathan 2005). The information gained from the interviews is essential to identify the revisions that need to be made on the measurement scales, so as to increase its content validity (i.e., to cover important and relevant facts that have not been accommodated in the measurement scales).

Obtaining high response rates for self-reported mail surveys is more challenging than any other methods of survey, such as telephone and structured interviews (Fraenkel, Wallen, and Hyun 2012; Krosnick 1999). As such, several strategies have been suggested in order to increase the response rates (Curtis and Redmond 2009; Dillman 2007; Saunders, Lewis, and Thornhill 2009). In this thesis, three strategies are applied to encourage participation. First, the questionnaire is designed professionally to look attractive and credible. The questionnaire of this thesis is presented in the form of a colourful booklet and printed by a professional printing company[14]. Second, the questionnaire is accompanied by a cover letter[15] explaining the purpose of the survey and the nature of the research. In addition, a short summary of the purpose of the survey and the benefits of participating in the survey are highlighted at the very beginning of the questionnaire.

Survey data based on self-ratings may be subjected to social desirability bias. The respondents may inaccurately answer questions to present themselves in a more favourable light (Reimann et al. 2012). Thus, several efforts have been undertaken to minimise such bias. First, all respondents are guaranteed anonymity (Brace 2008). Second, the questions are structured and worded in a neutral tone (i.e., do not lead the respondents to choose certain answers) (Nederhof 1985). With that in mind, the response categories for measuring CSRPs are not numbered. Providing numbers may lead the respondents to deliberately choose the number that they think indicate better practice. Third, reversed-scoring is applied to some questions. Fourth, behaviour measures (CSRPs) are placed before perception measures (subjective norms and perceived behavioural control), attitude measures (socially responsible attitudes) and value measures (personal values). If perceptions, attitudes and values are asked first, there is a danger that the respondents may misreport their behaviour in order to justify their perceptions, attitudes and values (Brace 2008).

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[14] See Appendix 11.
[15] See Appendix 12.

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7.2.2. Measurement Scale Construction and Revision

The Theory of Planned Behaviour (TPB) (Ajzen 1991) and Schwartz's (1994) theory of value contents and structure are used as a theoretical framework that guides the process of measurement scale construction and revision. The measurement scales are first derived from prior studies. Then, revisions are made to take into account the information gathered from interviews, questionnaire pilot tests and secondary documents from the Tri Hita Karana (THK) Foundation.

7.2.2.1. Socially Responsible Attitudes

This thesis adapts the Singhapakdi et al.'s (1996) Perceived Role of Ethics and Social Responsibility (PRESOR) scale to measure socially responsible attitudes (SRA). This scale consists of general statements about the importance of ethics and social responsibility on organisational effectiveness.

The PRESOR scale (Singhapakdi et al. 1995) initially consists of 14 items selected from an instrument capturing the determinants and indicators of organisational effectiveness developed by Kraft and Jauch (1992). The scale is further refined to include only 13 items (Singhapakdi et al. 1996). The 13 items are loaded onto three factors. The 13 PRESOR scale items are listed in Table 7.1.

Etheredge (1999) replicates Singhapakdi et al.'s (1996) exploratory factor analysis procedure in a different context. As Etheredge finds the three-factor structure to be "both statistically and substantively unsuitable" (Etheredge 1999, 56), Etheredge suggests a two-factor structure instead. The first factor is labelled as "Importance of Ethics and Social Responsibility". The second factor is labelled as "Subordination of Ethics and Social Responsibility". Etheredge also suggests removing items 6, 8, 12 and 13 (see Table 7.1) based on the results of confirmatory factor analysis of the two-factor model, thus leaving only 9 items.

The interviews of this thesis reveal two contrasting views of perceived importance of Corporate Social Responsibility (CSR) to organisational effectiveness. The majority of interviewees acknowledged the primary importance of CSR, whereas one interviewee said that CSR is a second priority. The various views related to perceived importance of CSR are extracted into eight codes as listed in Table 7.2.

Table 7.1. Perceived Role of Ethics and Social Responsibility (PRESOR) Items

Item Number	PRESOR Items
1[3]	Being ethical and socially responsible is the most important thing a firm can do
2[3]	The most important concern for a firm is making a profit, even if it means bending or breaking the rules
3[2,4]	The ethics and social responsibility of a firm is essential to its long-term profitability
4[3]	The overall effectiveness of a business can be determined to a great extent by the degree to which it is ethical and socially responsible
5[4]	To remain competitive in a global environment, business firms will have to disregard ethics and social responsibility
6[1]	Social responsibility and profitability can be compatible
7[2,4]	Business ethics and social responsibility are critical to the survival of a business enterprise
8[1]	A firm's first priority should be employee morale
9[2,4]	Business has a social responsibility beyond making a profit
10[2,4]	If survival of a business enterprise is at stake, then you must forget about ethics and social responsibility
11[3]	Efficiency is much more important to a firm than whether or not the firm is seen as ethical or socially responsible
12[1,3]	Good ethics is often good business
13[1,3]	If the stockholders are unhappy, nothing else matters

Source: Singhapakdi et.al. (1996)
      Appendix A (Note: the numbering is adjusted).

Note to the item number:
1. Suggested to be removed by Etheredge (1999).
2. Supported by interviews.
3. Obtained very low variation of responses in the questionnaire pilot tests.
4. Items included in the final questionnaire.

All the codes provide support to several of Singhapakdi et al.'s (1996) PRESOR scale items. Codes 1, 2 and 3 support Singhapakdi et al.'s (1996) PRESOR scale item 7 (business ethics and social responsibility are critical to the survival of a business enterprise). Codes 4, 5 and 6 support PRESOR scale item 3 (the ethics and social responsibility of a firm is essential to its long-term profitability). Code 7 supports PRESOR scale item 9 (a business has a social responsibility beyond making profits). Finally, code 8 supports PRESOR scale item 10 (if the survival of a business enterprise is at stake, then you must forget about ethics and social responsibility).

The pilot test questionnaire[16] uses 13 items of Singhapakdi et al.'s (1996) PRESOR scale to measure SRA. Soon after the interview, the interviewee was asked to

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[16] See Appendix 10.

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complete the pilot test questionnaire and provide some comments on it. As many as 18 interviewees participated in the pilot testing of the questionnaire. The comments provided and the times spent to answer the questions were recorded in a note.

Table 7.2. Perceived Importance of CSR Codes

List of Codes Related to Perceived Importance of CSR to Organisational Effectiveness Extracted from the Interviews
1. CSR is important to gain license to operate from the local society and government
2. CSR is important to secure company's operation / to gain support for company's operation / to maintain the safety and security of hotel area
3. Looking after the local community, culture and environment through CSRP is critical to the sustainability of hotels' operations
4. CSR is an implementation of corporate vision / missions / philosophy
5. CSR is important to create competitive advantages / to increase selling point
6. CSR is important to increase long-term profitability
7. CSR is a part of corporate total responsibility / business has a social responsibility beyond making a profit
8. CSRP as a second priority after improving hotel sales, as hotel is still in a critical condition

In general, the respondents of the questionnaire pilot testing stated that the statement items were too many and that some statements were ambiguous. A summary of the comments provided by the respondents is presented in Table 7.3.

Table 7.3. List of Comments on PRESOR Scale

List of Comments on PRESOR Scale in the Questionnaire Pilot Testing	Frequency of comments
1. Statement items are too many. It takes extra time to think and answer.	18
2. Statements containing ethics and social responsibility are ambiguous.	15
3. Statement 12, 'Good ethics is often good business' is normative that I think most people will say agree	10

The respondents took a longer time to respond to the PRESOR statement items as compared to the other questions. The average time spent to answer all questions in the questionnaire was 25 minutes. On average, 15 minutes was spent to answer only the PRESOR statement items.

The respondents viewed ethics and social responsibility as two different ideas that should not be put in the same statement. The respondents mostly highlighted item 5 and 10. They said that they could possibly disregard social responsibility in a hard financial situation, but they could not disregard ethics.

An examination of the responses provided to the 13 PRESOR scale items revealed very extreme responses to items 2, 11 and 13. Nearly all respondents rated 1 (strongly disagree) to statement 2 (the most important concern for a firm is making a profit, even if it means bending or breaking the rules) and 11 (efficiency is much more important to a firm than whether or not the firm is seen as ethical or socially responsible). Most respondents rated 7 (strongly agree) and 6 (agree) to the statement 13 (if the owners/ shareholders are unhappy, nothing else matters). Items 1, 4 and 12 also had a very low variation of responses.

The PRESOR scale has predominantly been validated in the western cultures (e.g. Vitell and Paolillo 2004; Shafer, Fukukawa, and Lee 2007; Vitell, Paolillo, and Thomas 2003; Singhapakdi et al. 1996; Singhapakdi et al. 1995). Several authors suggest that the CSR-related concepts that developed in western cultures are less applicable in the emerging economies with distinct ethical environments (e.g. Wang and Juslin 2009; Jayasinghe and Soobaroyen 2009). The interviews of this thesis indicated that the respondents tend to relate CSR more with intangible benefits, such as support from the local society, rather than with accounting numbers. This is probably the reason why responses provided to item 1, 2, 4, 11 and 12 in the questionnaire pilot tests are less varied. The interviews also revealed the dominant role of the owners in directing business operations. That is why most respondents of the questionnaire pilot tests rated high for item 13.

In summary, the results of the interviews provided support for Singhapakdi et al.'s (1996) PRESOR scale items 3, 7, 9 and 10. The questionnaire pilot tests suggest that items 1, 2, 4, 11, 12 and 13 are more likely to draw extreme responses or in the context of this thesis, a lack of variation. Also, Etheredge suggested the removal of items 6, 8, 12 and 13. Therefore, the final SRA scale used in this thesis consists of PRESOR scale items 3, 5, 7, 9 and 10. In particular, items 3, 5, 7 and 10 were reworded to include only the social responsibility term. Also, items 5 and 10 were treated as reverse-scored items in the analysis. A 7-point disagree-agree scale is used to measure each of these items. The respondents are asked to indicate their agreement (1 'strongly disagree' to 7 'strongly agree') for each item. Table 7.4 presents the final list of statements used to measure SRA.

Table 7.4. The Final List of Statements to Measure SRA

Socially Responsible Attitudes Measures in the Final Questionnaire
1. Corporate social responsibility is critical to the survival of a business enterprise
2. If survival of a business enterprise is at stake, then you must forget about corporate social responsibility (reverse-scored items)
3. Social responsibility of a firm is essential to its long term profitability
4. To remain competitive in a global environment, business firms will have to disregard corporate social responsibility (reverse-scored items)
5. Business has a social responsibility beyond making a profit

7.2.2.2. Subjective Norms

Numerous authors have suggested the significance of stakeholders' pressures and expectations in determining managers' decisions to engage in CSRPs (e.g. Henriques and Sadorsky 1996; Christmann 2004; Dasgupta, Hettige, and Wheeler 2000; Antal and Sobczak 2007; Deegan, Rankin, and Tobin 2002). Interviews were conducted to identify certain groups of stakeholders that are deemed to be important in influencing CSR decisions in the context of this thesis. The results of the interviews are summarised in Table 7.5.

Table 7.5. List of Stakeholders Influencing CSR Decisions

List of Stakeholders Influencing CSR Decisions Mentioned in the Interviews
1. Local society
2. Owners/ chain management/ parent or owning company
3. Guests/ customers
4. Organisations that certify sustainable tourism practices of hotels, e.g., EartCheck, Green Globe, and Tri Hita Karana Awards
5. Government of Bali Province
6. Tourism industry association, e.g., The Indonesian Hotel and Restaurant Association and Bali Hotels Association

In the pilot test questionnaire, nine groups of stakeholders are included in the Subjective Norms (SNs) scale, as suggested by the literature. They are shareholders/ investors/ owners, customers, suppliers, employees, local communities, environment organisations, media, government and industry associations. The respondents were asked to indicate the degree (1 'not at all' to 7 'at a very high degree') to which their CSR decisions are influenced by the listed company's stakeholders.

Most respondents gave a rating of 1 or 2 for the suppliers and media during the pilot testing. Environment organisations also obtained a low mean score. Shareholders/ investors/ owners gained the highest mean score. There were two comments/ suggestions received, which were related to this scale. First, some respondents

(managers of small-medium hotels) said they are quite unfamiliar with the term 'shareholders'. This is understandable since very few hotels in Bali are public listed companies. Second, it was suggested that the term 'government' needs to be more specific; whether it is the government of the Bali province or if it is the central government.

Based on the results of the interviews and questionnaire pilot tests, the SNs scale was revised as follows. First, the terms 'suppliers' and 'media' were removed. Second, organisations that certify sustainable tourism practices were added to the scale. Third, the term 'government' was more clearly specified to refer to the local government of Bali. Fourth, the term 'owner' was stated before the term 'shareholders'. Table 7.6 presents the final SNs measures. The respondents were asked to indicate the degree (from 1 'not at all' to 7 'at very high degree') to which their decisions to engage in CSRPs were influenced by the listed company's stakeholders.

Table 7.6. The Final Subjective Norms Measures

Subjective Norms Measures in the Final Questionnaire
1. Owners/ shareholders/ investors
2. Guests/ customers
3. Employees
4. Local community
5. Environment organisations, e.g., Walhi Bali and WWF Bali
6. Organisations that certify sustainable tourism practices of hotels, e.g., EartCheck, Green Globe, and Tri Hita Karana Awards
7. Government of Bali Province
8. Tourism industry association, e.g., The Indonesian Hotel and Restaurant Association and Bali Hotels Association

7.2.2.3. Perceived Behavioural Control

Ajzen (2002) suggests to incorporate perceived self-efficacy and perceived controllability measures in measuring Perceived Behavioural Control. In the context of CSR decision making, Papagiannakis and Lioukas (2012) measure PBC with three separate measures: self-efficacy, monetary cost-benefit assessment and environmental regulation. The self-efficacy measure is adapted from Jones' (1986) instrument. It includes statements about the managers' direct evaluation of their confidence in making decisions concerning CSR issues. The other two measures of PBC are stated in a way that does not seem to capture the managers' belief of the

control they possess in making CSR decisions. Moreover, monetary cost-benefit assessment and environmental regulation are insignificant in predicting environmental practices in the study carried out by Papagiannakis and Lioukas (2012).

In the pilot test questionnaire, only perceived self-efficacy measures, as used in Papagiannakis and Lioukas (2012), are included to measure PBC. Perceived self-efficacy measures are further refined in the final questionnaire. Interviews were conducted to elicit the managers' perceived degree of control in making CSR decisions. PBC measures in the pilot test and final questionnaire are presented in Table 7.7. The respondents were asked to indicate their agreement (1 'strongly disagree' to 7 'strongly agree') for each statement.

In the questionnaire pilot testing, the majority of respondents rated 6 and 7 for perceived self-efficacy measures. In order to increase the possibility of obtaining a better variation of responses, the perceived self-efficacy measures are revised from direct measure of an individual's level of confidence to indirect measure of an individual's belief of their capabilities to support CSR decisions. Ajzen (2002) argues that belief-based measures (indirect measures) are less susceptible to social desirability bias.

The interviews reveal the perceived barriers that some managers faced in making CSR decisions. Many interviewees admitted that the owners play a dominant role in their business operations. Thus, this makes them feel that in certain situations, they do not have enough power to allocate the company's resources to support CSR decisions. They also disclosed that in many cases, the owners have to give the approval before any CSR decisions can be made.

Two statements that reflect perceived controllability are extracted from the interviews and used as perceived controllability measures in the final questionnaire. They are: (1) "I feel that allocating the company's resources to support my decisions concerning CSR practices is beyond my control" and (2) "A lack of support from the owner may prevent me from making decisions concerning CSR practices". Perceived controllability items are treated as reverse-scored items in the analysis.

Table 7.7. Perceived Behavioural Control Measures

Perceived Behavioural Control Measures (Pilot test questionnaire)	Perceived Behavioural Control Measures (Final questionnaire)
Perceived self-efficacy measures 1. My past experience increases my confidence that I am qualified to make a decision concerning social and environmental issues 2. I feel confident that my skills, abilities and knowledge qualify me to make a decision concerning social and environmental issues (PBC Self-efficacy)	**Perceived self-efficacy measures** 1. My past experience makes it easier for me to make decisions concerning corporate social responsibility (CSR) practices 2. I believe I have the required skills, abilities and knowledge to make decisions concerning CSR practices **Perceived controllability measures** 3. I feel that allocating company's resources to support my decisions concerning CSR practices is beyond my control (reverse-scored item) 4. Lack of support from the owner may prevent me from making decisions concerning CSR practices (reverse-scored item)

7.2.2.4. Personal Values

This thesis measures the personal values of managers with the abbreviate scale of Schwartz's value inventory (Schwartz 1994). In the pilot test questionnaire, only 12 of the 26 items that represent 'self-enhancement' and 'self-transcendence' value dimensions are used. The twelve items are further reduced to eight items in the final questionnaire.

The items are selected based on two criteria: (1) the compatibility of certain value items with the dependent variables (SRA and CSRPs) and (2) the percentage of occurrence of certain value items in all samples/ regions of Schwartz's (1994) research. The higher the percentage, the more reliable the value item as a cross-cultural value (Schwartz 1994). The results of the interviews and questionnaire pilot tests are considered in determining the value items to be included in the final questionnaire. Table 7.8 exhibits the complete list of values within the 'self-enhancement' and 'self-transcendence' values dimension.

Table 7.8. Complete List of Value Items

Higher-order 'Self-enhancement'	Higher-order 'Self-transcendence'

Lower-order *'Power'*
  Value items:
  1. Social power
  2. Authority
  3. Wealth
  4. Preserving my public image
  5. Social recognition
 	
Lower-order *'Achievement'*
  Value items:
  1. Successful
  2. Capable
  3. Ambitious
  4. Influential
  5. Intelligent
  6. Self-respect
	Lower-order *'Benevolence'*
	  Value items:
	  1. Helpful
	  2. Honest
	  3. Forgiving
	  4. Loyal
	  5. Responsible
	  6. True friendship
	  7. A spiritual life
	  8. Mature love
	  9. Meaning in life
	
	Lower-order *'Universalism'*
	  Value items:
	  1. Protecting the environment
	  2. A world of beauty
	  3. Unity with nature
	  4. Broad-minded
	  5. Social justice
	  6. Wisdom

Source: Schwartz (1994)

Three value items selected from each lower-order value dimension were used in the pilot test questionnaire. All of these items were reworded to ensure that they can be understood easily by the respondents. Table 7.9 presents the list of value items used in the pilot test questionnaire.

The respondents were asked to rate how essential each value was, as a guiding principle in their lives. This was carried out with a 9-point importance scale, from -1 ('opposed to my values'), 0 ('not important') to 7 ('of supreme importance') (Schwartz 1994). Prior to rating each value, the respondents were first asked to read through the whole list of values. Then, they had to start rating from the value they considered the most to the least important. This anchoring procedure is closer to what Crosby, Bitner and Gill (1990) refer to as "psychologic" of choice. Furthermore, "it enables people to indicate the importance of each value separately, while keeping loosely in mind, the importance of other values" (Schwartz 1994, 27).

In the questionnaire pilot testing, it is revealed that though the value items have been reworded, some items ('control over others, dominance'; 'faithful to my friends, group'; 'working for the welfare of others') are still confusing for some respondents. Some questions regarding these value items were: (1) "What does 'others' in the

items 'control over others' and 'working for the welfare of others' refer to? Does it refer to the people that we have connection with?" (2) "What does 'group' in the item 'faithful to my friends, group' refer to? Does it refer to the in-group only or does it include the out-group as well?" The respondents were only able to assign scores to these items after the additional explanations were given.

Table 7.9. List of Values Used in the Pilot Test Questionnaire

List of Value Items Used in the Pilot Test Questionnaire	
Original value items wording*	**Reworded value items**
Self-enhancement values:	**Self-enhancement values**:
Power	*Power*
1. Social power	1. Control over others, dominance
2. Authority	2. The right to lead or command
3. Wealth	3. Material possessions, money
Achievement	*Achievement*
4. Successful	4. Achieving goal
5. Capable	5. Competent, effective, efficient
6. Ambitious	6. Hardworking, aspiring
Self-transcendence values:	**Self-transcendence values**:
Benevolence	*Benevolence*
7. Helpful	7. Working for the welfare of others
8. Loyal	8. Faithful to my friends, group
9. Responsible	9. Dependable, reliable
Universalism	*Universalism*
10. Unity with nature	10. Living in harmony with the environment
11. Broad-minded	11. Appreciation of different ideas and beliefs
12. Social justice	12. Treating other people equally

Note:
*Source: Schwartz (1994).
        The value items are ordered differently in the questionnaire (see Appendix 10).

Some respondents also argued that some value items should be separated because these items consist of more than one idea in a single statement. These value items are: (1) hardworking, aspiring; (2) competent, effective, efficient and (3) dependable, reliable. The item 'the right to lead or command' also gained several comments. For some respondents, this item shares a similar meaning with the item 'control over others, dominance'.

The interviews revealed several values that influence CSR decisions. Table 7.10 shows the list of values as mentioned by the interviewees.

Table 7.10. List of Influential Values Mentioned in the Interviews

Influential Values Mentioned in the Interviews
1. Helping other people
2. *Tri Hita Karana* value (living spiritually, living harmoniously with other people and with nature)
3. Gratitude to God

The results of the interviews indicated a support to the value items belonging to the 'self-transcendence' higher-order value dimension. Specifically, the values mentioned in the interviews are in line with 'helpful' and 'loyal' (benevolence), as well as 'unity with nature' and 'broad-minded' (universalism) value items. None of the interviewees in this thesis discussed about values belonging to the 'self-enhancement' higher-order value dimension. Based on the analysis of the pilot-tested questionnaires and results of the interviews, revisions were made on the pilot test questionnaire. The value items in the pilot test questionnaire, notes on the revisions that were made, and the value items in the final questionnaire are presented in Table 7.11.

Table 7.11. Personal Values Measurement Scale

Personal Values (Pilot Test Questionnaire)	Notes on Revisions	Personal Values (Final Questionnaire)
Self-enhancement values		**Self-enhancement values**
Power		*Power*
1. Control over others, dominance	More specified	1. Control over other people
2. The right to lead or command	Removed	
3. Material possessions, money	More specified	2. Material possessions
Achievement		*Achievement*
4. Achieving goal	Items 4, 5 and 6 are represented by 'personal success' item	3. Personal success
5. Competent, effective, efficient		
6. Hardworking, aspiring		
	Self-respect is added	4. Self-respect
Self-transcendence values		**Self-transcendence values**
Benevolence		*Benevolence*
7. Working for the welfare of others	Reworded and specified	5. Helping other people
8. Faithful to my friends, group	More specified	6. Faithful to my friends and my group
9. Dependable, reliable	Removed	
Universalism		*Universalism*
10. Living in harmony with the environment	Reworded	7. Living harmoniously with nature
11. Appreciation of different ideas and beliefs		8. Appreciation of different ideas and beliefs
12. Treating other people equally	Removed	

7.2.2.5. Corporate Social Responsibility Practices

The decisions that a manager makes regarding CSRPs are reflected by the types and levels of CSRPs. Therefore, CSRP is used in this thesis as the predicted variable.

In developing CSRP measures, the following were reviewed: several research articles related to CSRPs in the tourism industry (Bohdanowicz and Zientara 2008; Garay and Font 2012; Grosbois 2012; Henderson 2007; Holcomb, Upchurch, and Okumus 2007; Hsieh 2012; Carlsen, Getz, and Ali-Knight 2001; Font, Garay, and Jones 2014), several international guidelines on CSRPs (UN Global Compact and GRI) and guidelines from various certification organisations (Earth Check, Green Globe, Responsible Tourism Institute and THK Awards).

Interviews were conducted to uncover the types of CSRPs of hotels in the context of this thesis. Questionnaire pilot testing was also conducted to identify the revisions that need to be made on the initial CSRPs measures.

The initial CSRPs measures consist of fourteen CSRP items adopted from the literature. The respondents were asked to indicate the extent (1 indicating 'not at all' to 7 indicating 'to a large extent') to which their companies have implemented the listed CSRPs. The CSRP items used in the pilot test questionnaire are listed in Table 7.12.

Table 7.12. List of CSRP Items Used in the Pilot Test Questionnaire

List of CSRP Items Used in the Pilot Test Questionnaire
1. Motivating guests to be environmentally responsible
2. Encouraging and enabling guests to learn about and appreciate local cultures
3. Providing facilities for guests with physical disabilities
4. Accommodating the cultural customs, traditions and practices of employees
5. Provide opportunities for employees' learning and development
6. Provide fair wages and benefits
7. Donations in cash and kind for local community
8. Heritage and local culture/ traditions protection and preservation
9. Recruitment of workers from the same locality where the hotel is located
10. Building mutually beneficial partnerships with local suppliers
11. Energy saving/ efficiency/ use of alternative renewable energy sources
12. Water saving/ conservation
13. Waste management
14. Contribute to biodiversity conservation/ habitat restoration

An analysis of the pilot-tested questionnaires shows that more than half of the respondents rated 6 and 7 for all CSRP items. The respondents noted that without any set of evaluation criteria to determine the level of CSRPs, they were unsure of how to score their CSRPs. One respondent provided an example, "We have 75% of the total staff coming from the surrounding villages, so what score should we assign - 4, 5 or 6?"

The interviews reveal five major types of CSRPs of hotels in Bali-Indonesia. They include CSRPs to the local society, to preserve the natural environment, to preserve the local culture, CSRPs related to charity and CSRPs to the employees.

The interviews also uncover the participation of some interviewees in the local sustainable tourism practices (CSRPs) certification, the Tri Hita Karana Tourism Awards and Accreditation (THK Awards). By participating in such a certification, the interviewees admitted that they received guidance and assistance from the THK

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Foundation in implementing CSR. Moreover, at the end of the year, their CSRPs will be evaluated by a panel of experts, practitioners and academicians.

Contacts were then made with the THK Foundation to gain access to the data regarding CSRPs evaluation criteria and the results of the evaluation. A full access to these data and consent to adapt the CSRPs evaluation criteria were received from the THK Foundation[17]. This thesis adapted 12 out of 59 items of CSRPs evaluation criteria used by the THK Foundation. The items were selected based on the similarity of the items with the CSRP items found in the literature and the CSRP items mentioned in the interviews. By using the CSRPs measures adapted from the THK Foundation, a comparison can be made between the CSRPs rated by the managers and the THK Foundation. This comparison is important to verify the validity of the self-rated CSRP scores. Table 7.13 presents the list of CSRP items used in the final questionnaire. The respondents were asked to evaluate their CSRPs based on the evaluation criteria provided. Five evaluation criteria are provided for each CSRP item. A detailed list of the evaluation criteria for each item can be seen in Appendix 11.

Table 7.13. List of CSRP Items Used in the Final CSRP Measurement

CSRP items
CSRPs to the local society
1. Supporting local traditional organisations by providing donation in-cash, goods, kind, and facilitating capacity building trainings
2. Employing people living in the surrounding villages
3. Sourcing products from within the community
CSRPs to preserve the local culture
4. Providing opportunities to the local artists to perform and/ or showcase their products at the hotel
5. Applying Balinese architecture concept to the hotel's infrastructure
6. Inviting the guests to experience a daily life of Balinese, e.g. preparing offering for religious ceremonies, meditation and yoga
CSRPs to preserve the natural environment
7. Waste management
8. Use of eco-friendly cleaning products
9. Energy saving initiatives
CSRPs to the employees
10. Occupational health and safety program and trainings
11. Employees' capacity building program
12. Employees' freedom of association

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[17] See Appendix 13.

7.2.2.6. Characteristics of Respondents

There are three questions in the pilot test questionnaire asking for the respondent's company's characteristics and three questions asking for the respondent's characteristics. Revisions were made on the questions asking for the company's characteristics.

First, the question asking for ownership structure is further specified and separated to form two questions (a question asking for ownership structure and another for the type of hotel management). These changes were made after considering several comments, suggestions and answers received from the respondents and interviewees such as: (1) joint venture and fully foreign-owned structures were suggested as additional answer choices; (2) the respondents which are private local-owned and a part of international hotel chain had to tick two answers. This indicated an inappropriateness of the one answer alternative (subsidiary of international hotel) to measure ownership structure; (3) the interviewees of hotels which are a part of an international hotel chain, those which are a part of a local hotel chain, as well as independently managed, explained different procedures in implementing CSR. The type of hotel management could be a significant predictor of CSRPs; thus, the question asking for the type of hotel management was added to the questionnaire.

Another change made on the questions asking for the company's characteristics is the addition of a question asking whether the respondents have been participating in any international certification for sustainable tourism practices. Some interviewees explained how they followed the guidance provided by international certification organisations in implementing CSR. The participation in international certification for sustainable tourism practices could be an important predictor of CSRPs, thus it was important to be added. Table 7.14 presents the list of questions asking for the respondents' characteristics in the pilot test and final questionnaires.

Two additional company characteristics of the respondents - hotel location and participation in the THK Awards 2013 were obtained from the hotel directory database (Tourism Office 2013) and the THK Foundation database respectively.

Table 7.14. List of Questions Asking for Respondents' Characteristics

Pilot Test Questionnaire	Final Questionnaire
Company's characteristics	*Company's characteristics*
1. How long has your company been established? _____years	1. How long has your company been established? _____years
2. Which of the following is the ownership structure of your company? Subsidiary of international hotel (1) Private local-owned hotel (2) Government-owned hotel (3) Other (4)	2. Which of the following is the ownership structure of your company? Fully foreign-owned (1) Fully local-owned (2) Joint venture (3) State-owned (4)
3. What is the approximate sale of your company in 2012? < Rp2.5 billion (1) > Rp2.5 billion – Rp12.5 billion (2) > Rp12.5 billion – Rp22.5 billion (3) > Rp22.5 billion – Rp32.5 billion (4) > Rp32.5 billion – Rp42.5 billion (5) > Rp42.5 billion (6)	3. Which of the following is the type of your hotel's management? International hotel chain (1) Local hotel chain (2) Independently managed hotel (3)
	4. What is the approximate revenue of your company in 2012? < Rp2.5 billion (1) > Rp2.5 billion – Rp12.5 billion (2) > Rp12.5 billion – Rp22.5 billion (3) > Rp22.5 billion – Rp32.5 billion (4) > Rp32.5 billion – Rp42.5 billion (5) > Rp42.5 billion (6)
	5. Has your company ever been participated in any international certification for sustainable tourism practices? Yes (1) please mention ___ No (2)
Respondents' characteristics	*Respondents' characteristics*
1. What is your current position? General manager (1) Human resource manager (2) Operation manager (3) Other (4) please specify _____	1. What is your current position? General manager (1) Human resource manager (2) Operation manager (3) Other (4) please specify _____
2. How long have you been in your current position?	2. How long have you been in your current position?
3. Gender Male (1) Female (2)	3. Gender Male (1) Female (2)

7.3. Data Collection

This thesis uses hotel directory data published by the Bali Government Tourism Office (Tourism Office 2013) to determine the target respondents. The Bali

Government Tourism Office categories hotels based on a hotel rating classification of namely non-star, 1-star, 2-star, 3-star, 4-star and 5-star.

The hotels are classified based on the assessment of the quantity and quality of the hotel facilities - the higher the quantity and quality of the hotel facilities, the higher the number of stars awarded. Table 7.15 shows the number of hotels in Bali based on the regions and hotel classifications.

Table 7.15. Number of Hotels in Bali Based on Region and Hotel Classification

Region	Non-star	1 star	2 star	3 star	4 star	5 star	Total star hotel	Grand total	%
Badung	115	11	12	37	46	40	146	261	36%
Denpasar	97	8	7	7	5	4	31	128	18%
Gianyar	93	1	1	3	7	6	18	111	15%
Karangasem	60	1	1	2	2	1	7	67	9%
Buleleng	17	1	2	8	2	1	14	31	4%
Tabanan	30	0	0	0	0	2	2	32	4%
Klungkung	30	2	1	4	0	0	7	37	5%
Bangli	6	0	0	0	0	0	0	6	1%
Jembrana	42	0	0	2	0	0	2	44	6%
Total	490	24	24	63	62	54	227	717	
%	68%	3%	3%	9%	9%	8%			

Source: Hotel Directory 2013 and Statistics Bali online data (Tourism Office 2013; BPSBali 2013).

The hotels in Bali are dominated by non-star hotels, accounting for 68% of the total population and concentrated in four regions, Badung and Denpasar (urban area) and Gianyar and Karangasem (rural area). Among the total of 717 hotels, only 447 have complete information regarding their postal addresses, emails and phone numbers. Most hotels with missing profile data are located in the rural areas and all of them are non-star hotels with three to ten rooms (small establishments).

Due to the unavailability of complete postal and email addresses of the 270 (717 minus 447) hotels, questionnaires were posted to 447 hotels only. All questionnaires were addressed to the general managers.

Follow-ups were conducted via emails and phone calls for those who did not returned the questionnaire after the deadline. Table 7.16 presents a profile of the hotels as target respondents in this thesis.

Table 7.16. Profile of Target Respondents

Region	Non-star	1 star	2 star	3 star	4 star	5 star	Total star hotel	Grand total	%
Badung	101	11	12	37	46	40	146	247	55%
Denpasar	89	8	7	7	5	4	31	120	27%
Gianyar	18	1	1	3	7	6	18	36	8%
Karangasem	5	1	1	2	2	1	7	12	3%
Buleleng	1	1	2	8	2	1	14	15	3%
Tabanan	2	0	0	0	0	2	2	4	1%
Klungkung	1	2	1	4	0	0	7	8	2%
Bangli	1	0	0	0	0	0	0	1	0%
Jembrana	2	0	0	2	0	0	2	4	1%
Total	220	24	24	63	62	54	227	447	
%	49%	5%	5%	14%	14%	12%			

Source: Hotel Directory 2013 and Statistics Bali online data (Tourism Office 2013; BPSBali 2013).

Nearly half of the target respondents are non-star hotels and more than half of the total questionnaires were posted to hotels located in the Badung region. Information on the number of questionnaires returned and the response rates are presented in the next chapter, Chapter 8 – Results of Survey.

7.4. Data Analysis

7.4.1. Data Management and Descriptive Analysis

The returned questionnaires were first thoroughly checked for incomplete and/ or inappropriate responses. Responses that are considered as inappropriate include: the same value assigned for all question items and more than one answer provided for one question item. Questionnaires with incomplete and/ or inappropriate responses were not used in the analysis.

The dates of return of the completed questionnaires were recorded and a list of early and late (i.e., received after being followed-up) questionnaires was made. Identifying the early and late responses enables an investigation of non-response bias. Several methods for estimating non-response bias have been suggested (e.g., Armstrong and Overton 1977; Sheikh and Mattingly 1981). This thesis uses the extrapolation method (successive waves), whereby the characteristics of the early and late

responses are compared. People who responded after being followed-up are expected to be more similar to non-respondents. Therefore, the significant differences between the early and late responses indicate the presence of non-response bias (Armstrong and Overton 1977; Sheikh and Mattingly 1981).

The respondents were identified by matching the code printed at the back of the questionnaire booklet with the list of codes prepared before the questionnaire was posted. The respondents were informed about this code through the questionnaire's cover letter. The responses from the usable questionnaires were then recorded in a spreadsheet document. Furthermore, the responses of the reverse-scored items were reversed before data analysis was conducted. Data on CSRPs from the THK Foundation were also recorded in the same spreadsheet document.

Descriptive analyses (frequencies, means and standard deviations) were conducted to gain an insight into the samples' characteristics and the pattern of responses for each question item. Understanding the samples' characteristics and the pattern of responses assists in the interpretation of the results of further analysis on the associations between the variables.

7.4.2. Partial Least Square (PLS) – Structural Equation Modelling (SEM) Analysis

7.4.2.1. Why PLS-SEM Analysis?

PLS-SEM is used to examine the relationship between CSRPs and its predictors. PLS-SEM is an approach to SEM that allows researchers to incorporate unobservable/ latent variables measured indirectly by indicator variables (Hair et al. 2014). Furthermore, PLS-SEM, like other SEM techniques, enables a simultaneous assessment of the measurement (the relationships between the latent variables and their indicators) and structural models (the relationships between the latent variables in the model) (Lee et al. 2011).

The variance-based PLS-SEM is complementary to covariance-based SEM (CB-SEM). An understanding of the differences between PLS-SEM and CB-SEM is important not only to guide appropriate choices between the two techniques, but also to assist with the evaluation of the quality of results (Hair, Ringle, and Sarstedt

2011). It is inappropriate to judge the quality of PLS-SEM results by using the CB-SEM criteria and the other way around (Lowry and Gaskin 2014).

PLS-SEM aims at maximising the explained variance of the dependent latent constructs. In contrast, CB-SEM aims at reproducing the theoretical covariance matrix without focusing on the explained variance (Hair, Ringle, and Sarstedt 2011). The adequacy of the CB-SEM model is measured by covariance fit measures (goodness of fit indices). The adequacy of PLS-SEM model, however, is measured by prediction oriented measures (R^2 value and f^2 effect size) (Hair et al. 2014; Wold 1985).

Chin (1998) criticised an over-reliance towards goodness of fit indices. As Chin (1998, xii-xiii) noted:

> *"Where is the goodness of fit measures?" has become the 1990s mantra for any SEM-based study. Yet, it should be clear that the existing goodness of fit measures are related to the ability of the model to account for the sample covariance...SEM procedures that have different objective functions (e.g., PLS) would, by definition, not be able to provide such fit measures. In turn, reviewers and researchers often reject articles using such alternate procedures because simply, these model fit indices are not available."*

Furthermore, Chin (2010, 657) stated, "In actuality, models with good fit indices may still be considered poor based on other measures such as the R-square and factor loadings". Hence, the adequacy of the SEM model cannot be judged solely by the goodness of fit indices criteria. The objective of an SEM technique determines the appropriate criteria to evaluate the adequacy of the model.

PLS-SEM achieves its objective by utilising the principal component analysis, path analysis and ordinary least squares (OLS). The latent variable scores are computed as the weighted aggregates of their block of indicators (composite-based method). The PLS algorithm function firstly estimates the best weight for each block of indicators corresponding to each latent variable. Then, the latent variable scores are calculated as exact linear combinations of the associated observed indicator variables. The resulting latent variable scores are used to estimate the inner (relations between the latent variables) and outer (relations between the observed and latent variables) relations by means of OLS regressions (Chin and Newsted 1999; Hair et al. 2014;

Wold 1985). Finally, the bootstrapping procedure is used to examine the parameter estimates' stability and significance.

By aggregating the associated indicators in calculating the latent variable scores, measurement errors are also included in the scores (Chin 2010). The error in the latent variable scores induces a bias on the model estimate. This bias tends to manifest in somewhat higher estimates for component loadings and lower structural path estimates (Chin 2010; Wold 1985). However, as the number of indicators per block and the sample size increase, the estimates will approach the "true" latent variable scores (Wold 1982, 1985). Furthermore, the simulation study by Reinartz, Haenlein, and Henseler (2009) show that the PLS-SEM bias is at a relatively low level and is therefore of limited relevance in most empirical settings.

While a composite-based method may result in slightly biased parameter estimates, such a method provides explicit estimated latent variable scores that are used to predict other latent variables (Wold 1985). Moreover, PLS-SEM, being a composite-based method, tends to be less affected by indicator selection errors and miss-specified structural model (Chin 2010). Because of this, some researchers often justify the use of PLS-SEM based on a focus on prediction and theory development. The simulation study by Reinartz, Haenlein, and Henseler (2009) supports this justification. They prove that the statistical power of PLS-SEM is always larger than or equal to that of CB-SEM. Sufficient statistical power is crucial, especially in the early stages of theory development, when the focus is on investigating potentially significant relationships between the latent variables that could exist (Reinartz, Haenlein, and Henseler 2009).

PLS-SEM takes into account only those associated indicators in calculating the construct score (a limited-information approach). In contrast, CB-SEM employs a full information maximum likelihood estimation process (factor-based method). This factor-based method results in consistent parameter estimates and correct chi-square statistics under the assumption of a "true" model being tested (Chin 2010). CB-SEM enables an assessment of the overall fit of the proposed causal model. Thus, CB-SEM is appropriate for model validation, theory confirmation, or comparison of alternative theories (Hair, Ringle, and Sarstedt 2011). However, by employing a full information procedure/ simultaneous estimation approach, model misspecification

can bias other estimates throughout the proposed model (Chin and Newsted 1999; Chin 2010). CB-SEM also produces more than one mathematically sound solution without providing the means to choose the one that corresponds to the hypothesis being tested (factor indeterminacy). Moreover, explicit latent variable scores for prediction purposes cannot be obtained in the process. For these reasons, CB-SEM is very unreliable in the exploratory analysis and inappropriate for predicting key driver constructs (Chin and Newsted 1999; Hair, Ringle, and Sarstedt 2011; Lowry and Gaskin 2014).

Other major differences between PLS-SEM and CB-SEM are the requirement of distributional assumptions and minimum sample size. PLS-SEM is introduced by Herman Wold (1974) as a soft modelling approach that overcomes the rigorous assumptions (normal distribution and independent observations) of CB-SEM. PLS-SEM makes practically no assumptions about data distributions and independence of the observations (Wold 1985). A Monte Carlo simulation carried out by Cassel, Hackl, and Westlund (1999) confirms the robustness of PLS-SEM parameter estimates in the presence of non-normally distributed data.

PLS-SEM works efficiently with small and large sample sizes (Hair, Ringle, and Sarstedt 2011; Hair et al. 2014). Reinartz, Haenlein, and Henseler (2009) suggest to choose PLS-SEM over CB-SEM for all situations in which the number of samples is less than 250, since sample size plays a less important role in PLS-SEM, as compared to CB-SEM (Chin and Newsted 1999). Improving the number of indicators or choosing indicators with higher loadings can compensate for the low sample size in PLS-SEM (Reinartz, Haenlein, and Henseler 2009).

Nevertheless, PLS-SEM is not immune to threats from data inadequacies, such as large standard errors and low statistical power (Goodhue, Lewis, and Thompson 2006; Goodhue, Lewis, and Thompson 2012; Ringle, Sarstedt, and Straub 2012). Therefore, those using PLS-SEM are advised to assess the required sample size for the structural model being tested, to ensure an adequate level of accuracy and statistical power/ effect size (Chin 2010). Chin and Newsted (1999) suggest the PLS-SEM minimum sample size is the greater of the following (1) ten times the largest number of formative indicators used to measure one latent variable or (2) ten times the largest number of structural paths directed at a particular latent variable in the

structural model. In addition, Chin and Newsted (1999) recommend specifying the effect size using power calculations for a more accurate assessment of the sample adequacy. Cohen's (1992) power analysis is widely used to accurately determine the sample size required to obtain adequate power.

This thesis chooses PLS-SEM in data analysis for several reasons. First, one objective of this thesis is to investigate the factors that simultaneously explain CSRPs of the hotels in Bali-Indonesia. PLS-SEM works best for research that aims at prediction (i.e., explaining or predicting the endogenous latent variables in the model). PLS-SEM also provides comparatively high statistical power to identify significant relationships between the latent variables (Reinartz, Haenlein, and Henseler 2009).

Second, this thesis uses measurement scales that are still in the developmental stages. The measurement scales are adapted from diverse fields of study (social psychology, business and tourism). In a situation where the measurement scales included in the model have not been well established, PLS-SEM is more appropriate to be used than CB-SEM (Reinartz, Haenlein, and Henseler 2009). The construct's measurement properties are less restrictive with PLS-SEM - constructs with fewer items, e.g., one or two, can still be used (Hair, Ringle, and Sarstedt 2011). Moreover, as a limited-information approach, PLS-SEM is less susceptible to the consequences of misspecification in the subpart of the model (Chin 2010).

7.4.2.2. PLS-SEM Analysis Procedure

Two major steps are undertaken in analysing the relationships between the exogenous and endogenous latent variables in this thesis using PLS-SEM analysis: (1) measurement model assessment and (2) structural model evaluation. These two steps are described in the following two sub sections.

7.4.2.2.1. Measurement Model Assessment

The measurement model (the relations between the latent variables and their respective indicators) in this thesis is structured based on the theories and previous literature. The measurement model in this thesis is reflective since all indicators are reflections of their associated latent variables (MacKenzie and Podsakoff 2005). The quality criteria of a reflective measurement model applied in this thesis are internal

consistency reliability, convergent validity and discriminant validity. Table 7.17 presents the criteria to evaluate the quality of a reflective measurement model (taken from Hair et al. (2014, 107)).

Table 7.17. Quality Criteria of Reflective Measurement Model

Criteria	Rule of Thumb for Evaluating Reflective Measurement Model

1. Convergent validity
  a. Indicator's outer loading
 	
  b. AVE
	• Indicator's outer loadings should be > 0.708 and < 0.950
	• Indicators with outer loadings between 0.40 and 0.70 should be considered for removal only if the deletion increases composite reliability and AVE above the suggested threshold value.
	• Indicators with < 0.40 loadings should always be eliminated.
	Average variance extracted (AVE) should be > 0.50

2. Internal consistency reliability	Composite reliability should be > 0.708. In exploratory research, 0.60 to 0.70 is considered acceptable
3. Discriminant validity	The square root of the AVE of each construct should be > its highest correlation with any other constructs (Fornell-Larcker criterion)

Source: Hair et al. (2014, 107).

Cronbach's alpha is commonly used as a criterion for internal consistency reliability. However, in PLS-SEM analysis, it is suggested (Hair et al. 2014) that composite reliability, rather than Cronbach's alpha, be applied instead. PLS-SEM prioritises the indicators according to their individual reliability. Composite reliability takes into account different outer loadings of the indicators, whereas Cronbach's alpha assumes that all indicators' outer loadings are equal. Moreover, the value of Cronbach's alpha is sensitive to the number of items on the scale and generally tends to bias the internal consistency reliability (Cortina 1993). Therefore, in this thesis, the composite reliability criterion is used instead of Cronbach's alpha to measure internal consistency reliability.

The measurement model is evaluated by using the PLS-SEM algorithm (path weighting scheme and 300 iterations) – one function of SmartPLS version 3.2.0 (Ringle, Wende, and Becker 2015). The path weighting scheme is selected since it provides the highest R^2 value. This scheme is also highly recommended for assessing a measurement model that includes higher-order constructs (Ringle, Wende, and Becker 2015).

In the initial measurement model, three constructs are structured as a two-level reflective-reflective measure, namely Personal Values Self Enhancement (PVSE), Personal Values Self Transcendence (PVST) and Perceived Behavioural Control (PBC). This thesis follows the approach suggested by Hair et al. (2014) in establishing the higher-order constructs (HOCs) measurement model. All the indicators from the lower-order constructs (LOCs) are assigned to the HOCs in the form of a repeated indicator approach. Hair et al. (2014) further suggest that researchers who apply the repeated indicator approach should pay attention to two aspects. First, the number of indicators across the LOCs should be equal. The inequality may significantly bias the relationships between the HOCs and LOCs. Second, the same measurement model evaluation criteria should be applied to the HOCs and any other constructs in the model. The only exception however, is the discriminant validity between the LOCs, as well as between the LOCs and the HOCs.

Adjustments on the initial measurement model were made based on the results of the reliability and validity assessment. Several iterations were carried out until the final measurement model met all the quality criteria. The final measurement model is then used to examine the structural model.

7.4.2.2.2. Structural Model Evaluation

Having established the final measurement model, the structural model is then evaluated by means of the PLS-SEM algorithm (path weighting scheme and 300 maximum iterations) to obtain the outer loadings, the path coefficients and the R^2. The significance of the outer loadings and path coefficients are obtained by means of bootstrapping (bias-corrected and accelerated/ BCa bootstrap with 5000 subsamples). The SmartPLS version 3.2.0 (Ringle, Wende, and Becker 2015) was used to perform the analysis. The relationships are significant when the path coefficients' empirical t values are larger than the critical value. Commonly used critical values for two-tailed tests are 1.65 (significant at 10% level), 1.96 (significant at 5% level) and 2.57 (significant at 1% level).

The structural model was also checked for collinearity issues. Collinearity statistics (VIF values) were obtained by means of the PLS-SEM algorithm procedure. Tolerance levels below 0.2 or VIF values above 5 are considered as indicative of collinearity (Hair et al. 2014).

To examine the indirect effect of personal values on CSRPs through SRA, a mediator analysis is carried out. A well-known procedure for determining the mediating effect is the Baron and Kenny's (1986) procedure. To establish a mediating effect, Baron and Kenny (1986) recommended three tests. First, the independent variable must affect the mediator variable/ path *a* (see Figure 7.1). Second, the independent variable must be shown to affect the dependent variable, when the mediator variable is not present in the model/ path *c*/ total effect. Third, the mediator variable must affect the dependent variable, when the independent and mediator variables are included in the model/ path *b*.
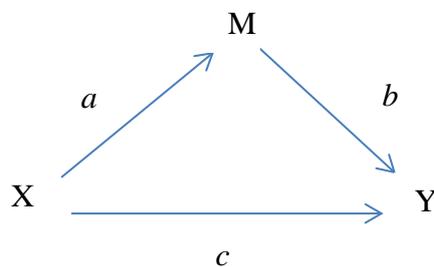
Figure 7.1. The Relation between Independent (X), Mediator (M) and Dependent (Y) Variables.

A full mediation is established when the relation between independent and dependent variables is no longer significant after the mediating variable is added to the model (path *c'*/ direct effect is not significant). Baron and Kenny (1986) further recommend the Sobel z-test for testing the significance of the indirect path *a* x *b*.

Despite the popularity of Baron and Kenny's (1986) procedure, however, technical literature has grown, showing the flaws in Baron and Kenny's (1986) logic. Zhao, Lynch Jr and Chen (2010) dispute the three points of Baron and Kenny's (1986) claim. First, Zhao, Lynch Jr and Chen argue that a zero-order effect of X on Y (path *c*) need not be significant to establish mediation. "There should be only one requirement to establish mediation, that the indirect effect *a* x *b* be significant" (Zhao, Lynch Jr, and Chen 2010, 198). Second, the strength of mediation should not be measured by the lack of direct effect (path *c'*). Third, the Sobel test is low in statistical power, as compared to the bootstrap test. Furthermore, Zhao, Lynch Jr and Chen (2010) propose a decision tree for establishing the types of mediation and non-mediation.

This thesis follows Zhao, Lynch Jr, and Chen's (2010) guidance in establishing the mediation effect. The indirect effects of PVSE and PVST on CSRPs through SRA are examined to establish the mediation effect of SRA. Then, the significance of the direct effects (path *c'*) are assessed to determine the type of mediation. SmartPLS 3.2.0's (Ringle, Wende, and Becker 2015) algorithm and bootstrapping procedures provide the mean values/ coefficients and *t* statistics of the indirect effect.

Having assessed the significance of the relations between the exogenous and endogenous variables, as well as the significance of the mediating variable, the relative importance of each predictor in predicting CSRPs is assessed by calculating the effect size f^2 (Hair et al. 2014). The effect size f^2 is calculated as follow:

Equation 1. The Effect Size f^2 Calculation

$$f^2 = \frac{R^2_{included} - R^2_{excluded}}{1 - R^2_{included}}$$

The f^2 values are obtained by estimating the path model twice. First, the path model that includes certain exogenous latent variables is estimated, yielding $R^2_{included}$. Second, $R^2_{excluded}$ is obtained by estimating the path model that excludes certain exogenous latent variables. f^2 values of 0.02, 0.15, and 0.35 represent small, medium and large effects respectively (Cohen 1988).

Finally, the structural model quality is also evaluated by assessing the coefficient of determination (R^2 value). This coefficient is a measure of the model's predictive accuracy, since it represents the amount of variance in the endogenous variable, explained by the exogenous variables linked to it (Hair et al. 2014).

7.4.3. Assessment of Common Method and Social Desirability Biases

Self-rated questionnaires are commonly used to measure variables related to attitudes, perceptions, personal values and behaviour in a survey study. Despite its strength in soliciting respondents' psychological variables, self-rated questionnaires are susceptible to common method and social desirability biases (Podsakoff and Organ 1986). "Common method biases pose a rival explanation for the correlation observed between the measures" (Podsakoff, MacKenzie, and Lee 2003, 879). Such biases arise when respondents provide similar/ consistent and artificial responses

across measures. Social desirability bias arises from artificial responses received due to the tendency of some respondents to present themselves in a more favourable light.

Two of several ways to control common method and social desirability biases are: (1) through proper design of the questionnaire and guarantee of response anonymity and (2) through obtaining measures of the predictor and predicted variables from different sources or methods (Podsakoff, MacKenzie, and Lee 2003). Several efforts have been undertaken to design a questionnaire that minimises common method and social desirability biases. Besides collecting data through questionnaires, interviews were also carried out to triangulate the results of the survey.

Efforts have also been undertaken to assess whether the data of this thesis may suffer from common method and social desirability biases. Common method bias is assessed by applying the Harman's single-factor test. This test is arguably the most popular approach to assess common method bias (Malhotra, Kim, and Patil 2006). Typically, in this test, all indicators are entered into exploratory factor analysis. Then, common method bias is assumed to exist if one out of two conditions is met. First, the results of the un-rotated factor solution show only one factor. Second, the results of the un-rotated factor solution show more than one factor, but the majority (over 50%) of the variance in the variables is explained by one factor (Malhotra, Kim, and Patil 2006; Podsakoff and Organ 1986).

In order to identify whether the dependent variable of this thesis suffers from social desirability biases, comparisons are made between CSRP scores rated by the respondents (CSRPSr) and CSRP scores rated by the THK Foundation (CSRPThk). CSRPThk and CSRPSr score differences are calculated for all CSRP items to identify the relative similarity of the two scores. The high similarity of the two scores could be an indication of the lack of social desirability biases.

7.5.   Summary

This chapter explains the efforts that have been undertaken to ensure the effectiveness of the survey instrument used to collect valid and reliable data in this thesis. This chapter also presents the method of data collection and analyses. Finally, the result of the survey data analysis is presented in the next chapter, Chapter 8.

Chapter 8
Results of Survey

8.1.   Introduction

This chapter presents the results from the survey. Section 8.2 presents the descriptive statistics of the samples and variables. An assessment of the measurement properties is presented in Section 8.3. Section 8.4 presents an assessment of the structural model of the relationship between Corporate Social Responsibility Practices (CSRPs) and its predictors. An assessment of the common method and social desirability biases is presented in Section 8.5. A summary of this chapter is provided in Section 8.6.

8.2.   Descriptive Statistics

8.2.1. Samples Characteristics

Out of a total of 447 questionnaires posted, 82 were returned and 40 were undelivered because the hotels no longer existed or were under major renovations. Ten questionnaires were incomplete and/ or filled inappropriately, leaving 72 usable questionnaires. The responses that were considered inappropriate include: (1) more than one response provided for one question item and (2) the same value being assigned to all question items.

To improve the response rate, reminder emails were sent to 325 companies (447 minus the 82 respondents and the 40 undelivered). This resulted in 49 responses. However, 4 of these were incomplete and/ or filled inappropriately, leaving only 45 usable responses. Therefore, 117 (72 early and 45 late) usable responses were obtained from the survey (26% response rate). This sample size is considered adequate, given the number of independent variables in this thesis (Chin and Newsted 1999).

Comparisons between the early and late responses were investigated to identify whether non-response bias is present in this thesis. The results show that there are no

significant differences between the early and late responses[18]. Hence, it is concluded that non-response bias is not an issue in this thesis. The early and late responses were thus treated the same in all analyses.

The majority of respondents who participated in this survey are hotels located in the urban regions. The sample of this thesis is also dominated by independently managed, fully local-owned and small-medium hotels. The other characteristics of the respondents include the company age and participation in any certifications for sustainable practices. The company ages of the respondents varied between 1 and 57 years, with the majority being less than 20 years. As many as 67 respondents participated in the local certification, named the THK Awards 2013, while 30 respondents participated in international certifications, such as: Earth Check, Green Globe, Planet21 and Asian Green Hotel Awards.

The respondents who completed the survey were top executives who hold the authority to make decisions related to CSRPs. The tenure of the managers varied between 1 to 23 years, with the majority being in their current position for 1 to 5 years. The respondents were also dominated by men. More detailed explanations regarding the characteristics of the samples of this thesis are presented in the following sub sections.

8.2.1.1. Hotel Location

As many as 717 hotels are listed in the hotel directory data published by the Bali Government Tourism Office (Tourism Office 2013). However, 270 of them have missing data related to postal/ email addresses and phone numbers. Thus, the questionnaires were posted to only 447 hotels (the 717 total minus the 270 hotels with missing data). The questionnaires were posted to hotels located in nine regions, with the majority of them posted to hotels located in the urban areas (Badung and Denpasar). It is worth noting that the hotels in Bali are concentrated in these two regions. The centres of tourism in the urban areas are relatively more developed than those in the rural areas. Table 8.1 presents the number and percentage of questionnaires posted, returned and the response rate for each region.

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[18] See Appendix 14.

Table 8.1. Questionnaires Posted, Returned and Response Rate

Region	Questionnaires posted (1)		Questionnaires returned/sample (2)		Response rate (3): (2) / (1)
Badung (urban)	247	55.3%	62	53.0%	25.1%
Denpasar (urban)	120	26.8%	19	16.2%	15.8%
Gianyar	36	8.1%	21	17.9%	58.3%
Karangasem	12	2.7%	7	6.0%	58.3%
Buleleng	15	3.4%	3	2.6%	20.0%
Tabanan	4	0.9%	2	1.7%	50.0%
Klungkung	8	1.8%	0	0.0%	0.0%
Bangli	1	0.2%	0	0.0%	0.0%
Jembrana	4	0.9%	3	2.6%	75.0%
	447		117		

The questionnaires posted to the urban hotels accounted for 82.1% of the total questionnaires posted. The majority of hotels who returned the questionnaires are urban hotels (69.2%). Although the number of questionnaires returned from the urban regions is larger than those in the rural regions, the average response rate for urban hotels (20.45%) is lower than rural hotels (37.37%). Hotels located in the rural regions are more motivated to participate in this survey than those in the urban regions.

8.2.1.2. Type of Hotel Management

Three types of hotel management are listed in the questionnaire, namely part of an international hotel chain management, part of a local hotel chain management and independently managed hotels. In the analysis, respondents of each type are assigned a code of 1, 2, or 3 for international hotel chain, local hotel chain, or independently managed hotels respectively. Table 8.2 shows the distribution of the samples across different types of hotel management.

Table 8.2. The Number and Percentage of Respondents across Hotel Managements

Type of hotel management	Respondents	
	Number	%
International hotel chains (code: 1)	30	26%
Local hotel chain (code: 2)	34	29%
Independently managed hotels (code: 3)	53	45%
Total	117	100%

Nearly half (45%) of the total respondents are independently managed hotels, while the other 55% is shared almost equally between international and local hotel chains.

8.2.1.3. Ownership Structure

The types of ownership structure listed in the questionnaire are fully foreign-owned, fully local-owned, joint venture (i.e. hotels owned by foreigner and local people) and state-owned hotels. The distribution of the samples across different types of ownership structure is presented in Table 8.3.

Table 8.3. The Number and Percentage of Respondents across Ownership Structures

Ownership structure	Respondents	
	Number	%
Foreign-owned hotels (code: 1)	7	6%
Local-owned hotels (code: 2)	86	74%
Joint venture hotels (code: 3)	19	16%
State-owned hotels (code: 4)	5	4%
Total	117	100%

Most of the respondents who completed the survey (74%) are local-owned hotels.

8.2.1.4. Size

Company size is measured by revenue in 2012. Six categories of company size are listed in the questionnaire and are further grouped into small, medium and large companies to ease the discussion. Table 8.4 presents the distribution of the samples across company size.

The samples of this thesis are relatively well distributed across different company sizes. Small and medium hotels accounted for 67% of the total respondents who participated in the survey.

Hotel location, type of hotel management, ownership structure and size are treated as control variables in the analysis investigating into the predictors of CSRPs (Section 8.4). Previous literature and the results of the interviews indicate an association between these four factors and CSRPs.

Table 8.4. The Number and Percentage of Respondents across Company Sizes

Size (revenue in 2012)	Respondents	
	Number	%
Small: < Rp2.5 billion (code: 1)	25	21%
Small: > Rp2.5 billion - Rp12.5 billion (code: 2)	30	26%
Medium: > Rp12.5 billion - Rp22.5 billion (code: 3)	18	15%
Medium: > Rp22.5 billion - Rp32.5 billion (code: 4)	6	5%
Large: > Rp32.5 billion - Rp42.5 billion (code: 5)	10	9%
Large: > Rp42.5 billion (code: 6)	28	24%
Total	117	100%

8.2.2. Descriptive Statistics of Independent and Dependent Variables

As discussed in the previous chapter, the independent variables in this thesis are: Socially Responsible Attitudes (SRA), Subjective Norms (SN), Perceived Behavioural Control (PBC) and Personal Values (PV). The dependent variable in this thesis is Corporate Social Responsibility Practices (CSRPs). The frequency, mean and standard deviation of responses for all question items are presented in this section in order to gain an insight into how the respondents replied to these questions.

8.2.2.1. Socially Responsible Attitudes

The respondents generally agree that Corporate Social Responsibility (CSR) is important to organisational effectiveness. The overall score of SRA is relatively high.

There is adequate variation between the responses for each measure (standard deviation about 1), with most responses equalling 5, 6 or 7. The mean of the responses for nearly all measures are above 6, except for SRA2, with a mean of only 5.62. The respondents feel less strongly for the SRA2 statement. Table 8.5 presents the frequency, mean and standard deviation of the responses provided for the SRA measures.

On average, the respondents strongly agree to the statements that relate CSR with business survival (SRA1) and responsibility beyond making a profit (SRA5). In addition, the respondents agree that CSR is essential to long-term profitability (SRA3) and that CSR cannot be disregarded to remain competitive in a global environment (SRA4). SRA2 obtained the lowest mean score, meaning that the respondents somewhat agree to maintain the practice of CSR in a critical condition.

Table 8.5. Descriptive Statistics of SRA Measures

| SRA | Frequency of Responses | | | | | | | Mean | Standard Deviation |
	1	2	3	4	5	6	7		
SRA1	0	0	3	6	10	38	60	6.25	0.99
SRA2	0	0	3	9	36	50	19	5.62	0.94
SRA3	0	0	0	9	13	51	44	6.11	0.89
SRA4	0	0	2	7	15	42	51	6.14	0.97
SRA5	0	0	1	2	14	43	57	6.31	0.81

Notes:
- SRA: Socially Responsible Attitudes.
- SRA1: Corporate social responsibility is critical to the survival of a business enterprise.
- SRA2: If survival of a business enterprise is at stake, then you must forget about corporate social responsibility (reverse-scored).
- SRA3: Social responsibility of a firm is essential to its long term profitability.
- SRA4: To remain competitive in a global environment, business firms will have to disregard corporate social responsibility (reverse-scored).
- SRA5: Business has a social responsibility beyond making a profit.

The respondents rate SRA5 and SRA1 slightly higher as compared to SRA2, SRA3 and SRA4. The respondents tend to view CSR as an important means to obtain intangible benefits for business survival (SRA5 and SRA1), such as support from the local community and an image as a responsible hotel.

The respondents feel less strongly to the statements that relate CSR to profitability (SRA3 and SRA4). Therefore, in severe financial conditions, CSRPs are more likely to be viewed as extra expenses that need to be cut, than as a part of operational costs to generate profits (SRA2).

8.2.2.2. Subjective Norms

Generally, the respondents perceive the influence of companies' stakeholders to CSR decisions to be at a medium to high degree, except for environment organisations (SN5). All possible responses from 1 (not at all) to 7 (at very high degree) were provided for SN measures (standard deviations are all high), suggesting various degrees of influence of the different stakeholder groups on CSR decision making.

Owners/ shareholders/ investors (SN1) were rated as the most influential stakeholder group with a mean of 5.94. The respondents perceive the degree of the owners'

influence on CSR decisions to be very high. The majority (90.60%) of the respondents rated 5 to 7 for the degree of the owners' influence on CSRPs.

In contrast, the respondents rated environment organisations (SN5) as the least influential stakeholder group (mean: 3.64). Around 65.81% of the respondents rated 1 to 4 for the degree of the environment organisation influence. A summary of the responses provided with regards to the degree of influence of the listed company's stakeholders is presented in Table 8.6.

Table 8.6. Descriptive Statistics of SN Measures

SN	Frequency of Responses							Mean	Standard deviation
	1	2	3	4	5	6	7		
SN1	2	2	2	5	20	39	47	5.94	1.27
SN2	5	1	8	17	27	30	29	5.27	1.54
SN3	4	1	9	13	27	30	33	5.39	1.51
SN4	5	3	6	16	30	36	21	5.18	1.51
SN5	22	12	18	25	19	16	5	3.64	1.80
SN6	8	7	7	15	19	13	48	5.23	1.93
SN7	3	8	13	15	23	23	32	5.09	1.70
SN8	4	6	11	16	20	26	34	5.19	1.70

Notes:
- SN: Subjective Norms.
- SN1: Owners/ shareholders/ investors.
- SN2: Guests/ customers.
- SN3: Employees.
- SN4: Local community.
- SN5: Environment organisations.
- SN6: Organisations that certify sustainable tourism practices.
- SN7: Government of Bali Province.
- SN8: Tourism industry association.

In general, the respondents rated higher for the internal (owners, employees and guests), rather than the external stakeholders' influence. Among the external stakeholders, certification organisations gain the highest mean score, followed by the tourism industry association, local community, government and environment organisations. The respondents' decisions to engage in CSRPs were influenced more by the internal, rather than the external stakeholders.

8.2.2.3. Perceived Behavioural Control

The respondents strongly believe that their experiences make it easier for them to make CSR decisions (PBCSEfc1 mean: 6.17). The respondents also believe that they have the required capabilities to support in the CSR decision making process (PBCSEfc2 mean: 5.97).

In terms of perceived controllability (PBCCnt), some respondents believe that they have the required control to execute CSR decisions, while others believe that the execution of CSR decisions, to some extent, is beyond their control (the means for PBCCnt1 and PBCCnt2 are 4.76 and 4.91 respectively). A summary of the responses provided for the PBC measures is presented in Table 8.7.

Table 8.7. Descriptive Statistics of PBC Measures

PBC	Frequency of Responses							Mean	Standard deviation
	1	2	3	4	5	6	7		
PBCSEfc1	0	2	2	7	7	44	55	6.17	1.09
PBCSEfc2	0	1	3	11	12	47	43	5.97	1.11
PBCCnt1	4	10	11	24	18	36	14	4.76	1.63
PBCCnt2	5	10	13	15	17	34	23	4.91	1.77

Notes:
- PBCSEfc: Perceived Behavioural Control – Self-efficacy.
- PBCCnt: Perceived Behavioural Control – Controllability.
- PBCSEfc1: My past experience makes it easier for me to make decisions concerning corporate social responsibility (CSR) practices.
- PBCSEfc2: I believe I have the required skills, abilities and knowledge to make decisions concerning CSR practices.
- PBCCnt1: I feel that allocating company's resources to support my decisions concerning CSR practices is beyond my control (reverse-scored).
- PBCCnt2: Lack of support from the owner may prevent me from making decisions concerning CSR practices (reverse-scored).

The scores assigned for the PBCSEfc measures range from 2 (disagree) to 7 (strongly agree), with the majority of respondents scoring 6 and 7 (standard deviations are all quite high). The respondents tend to have a strong perceived self-efficacy in making CSR decisions.

On the other hand, the respondents perceived weak controllability in executing CSR decisions. All possible responses from 1 to 7 were provided for the PBCCnt measures (standard deviations are all high). The number of respondents who rated 1

to 4 is almost equal to those who rated 5 to 7, resulting in mean scores that are close to the medium score.

While the respondents strongly believe that they possess the required experiences and capabilities to make CSR decisions, they feel that they have less control to execute the decisions. Allocating the company's resources and getting support from the owners in the implementation of CSRPs, to some extent, are beyond some respondents' control.

8.2.2.4. Personal Values

8.2.2.4.1. Personal Values – Self Enhancement (PVSE)

On average, the respondents considered power value items as less important guiding principles than personal achievement. The mean values of power value items (PVSE1: 3.13 and PVSE2: 4.43) are lower than the achievement value items (PVSE3 and PVSE4: 5.45). A summary of the responses for the PVSE measures is presented in Table 8.8.

All possible responses from -1 (opposed to my principle), 0 (not important) to 7 (of supreme importance) were provided for the PVSE measures. Standard deviations are all high. PVSE1 has the highest standard deviation, reflecting a larger presence of very low values as compared to the other measures. The respondents considered control over other people (PVSE1) as the least important life guiding principle within the PVSE measures.

Table 8.8. Descriptive Statistics of PVSE Measures

PVSE	Frequency of Responses									Mean	Standard deviation
	-1	0	1	2	3	4	5	6	7		
PVSE1	9	19	9	8	15	15	18	13	11	3.13	2.52
PVSE2	2	4	3	7	16	24	24	20	17	4.43	1.90
PVSE3	4	3	1	1	4	9	22	30	43	5.45	1.96
PVSE4	1	3	2	2	6	12	17	36	38	5.45	1.76

Notes:
- PVSE: Personal Values – Self Enhancement.
- PVSE1: Control over other people (Power).
- PVSE2: Material possession (Power).
- PVSE3: Self-respect (Achievement).

- PVSE4: Personal success (Achievement).

8.2.2.4.2. Personal Values – Self Transcendence (PVST)

Generally, the respondents considered the universalism value items as more important life guiding principles than the benevolence value items. The mean values for the universalism value items (PVST3: 6.39 and PVST4: 6.47) are higher than the benevolence value items (PVST1: 5.29 and PVST2: 6.18). Faithful to my friends and my group (PVST1) was considered as the least influential life guiding principle within the PVST measures. Table 8.9 presents a summary of the responses provided for the PVST measures.

Table 8.9. Descriptive Statistics of PVST Measures

PVST	Frequency of Responses									Mean	Standard deviation
	-1	0	1	2	3	4	5	6	7		
PVST1	1	2	2	2	14	12	21	22	41	5.29	1.81
PVST2	0	0	0	2	2	12	11	20	70	6.18	1.23
PVST3	0	1	0	0	0	4	9	34	69	6.39	0.98
PVST4	0	0	0	2	1	6	8	14	86	6.47	1.07

Notes:
- PVST: Personal Values – Self Transcendence.
- PVST1: Faithful to my friends and my group (Benevolence).
- PVST2: Helping other people (Benevolence).
- PVST3: Appreciation of different ideas and beliefs (Universalism).
- PVST4: Living harmoniously with nature (Universalism).

The possible responses range from -1 to 7. The standard deviations for the universalism value items (0.98 and 1.07 for PVST3 and PVST4 respectively) are lower than the benevolence value items (1.81 and 1.23 for PVST1 and PVST2 respectively), thus reflecting a lower variation of the responses. The scores assigned to the universalism measures are more concentrated around the scores of 6 and 7, indicating a strong agreement among the respondents on the importance of universalism value items as a life guiding principle.

8.2.2.5. Corporate Social Responsibility Practices

This thesis adapts the CSRPs evaluation criteria established by the THK Foundation to measure the level of CSRPs in the survey. The THK Foundation considers the

degree of CSR alignment with business practices in determining the extent and score of CSRPs.

The availability of written policies, procedures, programs, records, reports and contracts for certain CSRPs are used to indicate better CSR alignment with business practices. These criteria are similar to the characteristics of more advanced CSRPs as suggested by Maon, Lindgreen and Swaen (2010). Thus, the highest score of 5 is assigned to a practice that has been implemented based on written policies, procedures, programs and contracts. The highest score is also given for a practice that is properly recorded and reported. Table 8.10 presents a summary of the responses provided for CSRPs in the survey.

Generally, the scores provided for the CSRP measures are varied. Some practices were rated high by the majority of respondents, while other practices were scored high and low almost equally by different respondents.

The respondents rated relatively high for CSRP1, CSRP3, CSRP4, CSRP6, CSRP9, and CSRP11. The employees' capacity building program (CSRP11) is the practice with the highest mean score. As many as 75 (64%) respondents rated 5 for this practice. These respondents have written programs related to employees' capacity development and have implemented the programs.

CSRPs to the society (CSRP1 and CSRP3) and practices to preserve the local culture (CSRP4 and CSRP6) gained the second to fifth highest mean scores. The majority of the respondents have provided support to the local people (CSRP1), have bought products from within the community regularly (CSRP3), have provided opportunities to the local artists to perform at the hotel (CSRP4) and have invited the guests to experience the local culture (CSRP6) – hence, getting a score of 4 and 5.

The respondents tend to rate relatively low for practices to preserve the natural environment. Only one practice (CSRP9 - energy saving initiatives) obtained a mean score of 4, while the other two practices gained mean scores below 4. In particular, waste management (CSRP7) gained the lowest mean score. Only 39 (33%) respondents were involved in waste segregation and recycling (score 5) to minimise the volume of solid waste disposed at the local landfills. As many as 27 (23%)

respondents did not do waste segregation at all before disposing their solid wastes to the local landfills (score 1).

Table 8.10. Descriptive Statistics of CSRP Measures

CSRP	Frequency of Responses					Mean	Standard deviation
	1	2	3	4	5		
CSRP1	2	2	1	56	56	4.38	0.75
CSRP2	20	26	22	21	28	3.09	1.43
CSRP3	2	3	14	31	67	4.35	0.91
CSRP4	10	0	3	44	60	4.23	1.12
CSRP5	9	11	30	42	25	3.54	1.16
CSRP6	10	4	0	42	61	4.20	1.18
CSRP7	27	24	10	17	39	3.15	1.61
CSRP8	3	17	25	56	16	3.56	0.99
CSRP9	8	9	12	34	54	4.00	1.22
CSRP10	6	8	19	13	71	4.15	1.22
CSRP11	3	5	0	34	75	4.48	0.91
CSRP12	51	5	1	23	37	2.91	1.81

Notes:
- CSRP1: Supports for local people.
- CSRP2: Employing local people.
- CSRP3: Sourcing products from within the community.
- CSRP4: Supports for local artists.
- CSRP5: Applying Balinese architecture concept.
- CSRP6: Promoting local culture to the guests.
- CSRP7: Waste management.
- CSRP8: Use of eco-friendly products.
- CSRP9: Energy saving initiatives.
- CSRP10: Occupational health and safety programs and trainings.
- CSRP11: Employees' capacity building programs.
- CSRP12: Establishing workers' union chapter at the hotel.

Another striking feature is the responses provided for CSRP2 (employing local people), CSRP5 (applying Balinese architecture) and CSRP12 (establishing workers' union chapter at the hotel). The respondents are divided almost equally between those who rated low and high for these three practices.

To further investigate the groups of respondent who rated low or high for certain CSRP, hotel size and location were regressed to each CSRP item. In addition, to

investigate CSRP mean score differences between types of hotel management and ownership structures, one-way ANOVA analyses were performed. Table 8.11 summarises the results of regression and one-way ANOVA analyses.

Table 8.11 shows that CSRP2 is significantly different by location only. Rural hotels employ more local people than urban hotels. The mean scores of CSRP5 for local hotels (local-chain and independently managed hotels) is larger than international hotel chains. The local hotels apply more Balinese architecture concept than the international hotel chains. However, this difference is not statistically significant. CSRP12 is significantly different across hotel's sizes, types of hotel management and ownership structure. The larger the hotels, the more likely they are to establish and support a national workers' union chapter at the hotel. In addition, more international hotel chains and state-owned hotels rated high for CSRP12.

Nearly all CSRPs are significantly different between types of hotel management. International hotel chains significantly practise better CSRPs than local hotels, except for CSRP2 and CSRP5. The local hotels are better than international hotel chains in terms of implementing Balinese architecture concept (CSRP5).

Table 8.11. Summary of Regression and One-Way ANOVA Analyses Results

CSRP	Regression				One-Way ANOVA								
	Size		Location		HtlMgt				OwnStr				
					1	2	3		1	2	3	4	
	Coef.	Sig	Coef.	Sig	Mean score			Sig.	Mean score				Sig.
CSRP1	0.15	0.00	-0.01	0.92	4.70	4.50	4.13	0.00	4.00	4.37	4.53	4.60	0.41
CSRP2	0.06	0.40	-1.10	0.00	3.17	3.18	3.00	0.81	3.71	3.08	2.63	4.20	0.10
CSRP3	0.17	0.00	-0.11	0.52	4.73	4.41	4.09	0.01	4.29	4.34	4.32	4.80	0.74
CSRP4	0.18	0.00	0.03	0.90	4.77	4.26	3.91	0.00	4.29	4.14	4.53	4.60	0.49
CSRP5	0.01	0.91	-0.27	0.25	3.33	3.41	3.74	0.24	3.71	3.53	3.37	4.00	0.72
CSRP6	0.21	0.00	-0.48	0.03	4.73	4.24	3.87	0.01	4.86	4.15	4.32	3.60	0.29
CSRP7	0.35	0.00	0.13	0.67	4.37	3.09	2.49	0.00	3.71	2.85	4.16	3.60	0.01
CSRP8	0.13	0.01	0.09	0.66	4.23	3.71	3.08	0.00	3.86	3.47	3.79	3.80	0.44
CSRP9	0.25	0.00	0.18	0.43	4.63	4.41	3.38	0.00	4.57	3.92	4.05	4.40	0.49
CSRP10	0.27	0.00	0.15	0.51	4.77	4.47	3.60	0.00	4.71	3.99	4.47	5.00	0.08
CSRP11	0.17	0.00	0.07	0.68	4.93	4.71	4.08	0.00	4.71	4.42	4.53	5.00	0.47
CSRP12	0.27	0.00	0.64	0.06	3.63	2.62	2.70	0.04	4.00	2.55	3.84	4.20	0.00

Notes:
- ☐ Size (revenue)   : (1) Less than Rp2.5 billion (small).
    - (2) More than Rp2.5 billion – Rp12.5 billion (small).
    - (3) More than Rp12.5 billion – Rp22.5 billion (medium).
    - (4) More than Rp22.5 billion – Rp32.5 billion (medium).
    - (5) More than Rp32.5 billion – Rp42.5 billion (large).
    - (6) More than Rp42.5 billion (large).
- ☐ Location   : Rural (0), Urban (1).
- ☐ HtlMgt   : Type of hotel management (1: International-chain, 2: Local-chain, 3: Independently-managed hotels).
- ☐ OwnStr   : Ownership structure (1: Foreign-owned, 2: Local-owned, 3: Joint venture, 4: state-owned).
- ☐ CSRP
    1. Supports for local people.
    2. Employing local people.
    3. Sourcing products from within the community.
    4. Supports for local artists.
    5. Applying Balinese architecture concept.
    6. Promoting local culture to the guests.
    7. Waste management.
    8. Use of eco-friendly products.
    9. Energy saving initiatives.
    10. Occupational health and safety programs and trainings.
    11. Employees' capacity building programs.
    12. Establishing workers' union chapter at the hotel.

Nearly all CSRPs are also significantly different between hotel sizes. Larger hotels significantly practise better CSRPs than smaller hotels, except for CSRP2 and CSRP5.

A crosstab analysis between the type of hotel management and size as depicted in Figure 8.1 shows that the international hotel chains in this thesis are dominated by large hotels. In contrast, the local hotels are dominated by small and medium hotels.

Large and international hotel chains practise better CSRPs than small, medium and local hotels. This finding, together with the results of the interviews is further discussed in the next chapter, Chapter 9 – Discussion and Conclusion.
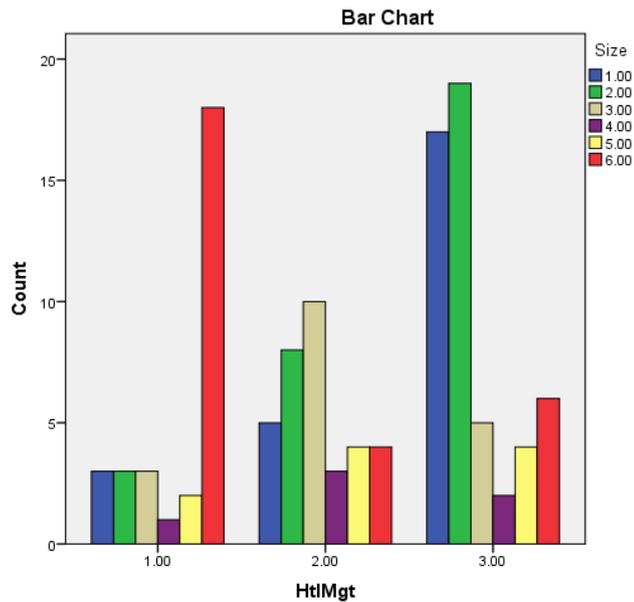
Figure 8.1. Crosstab Analysis between Type of Hotel Management and Size.

8.3. Assessment of Measurement Properties

The relations between exogenous and endogenous variables in this thesis were analysed using Partial Least Square – Structural Equation Modelling (PLS-SEM). The measurement properties were firstly assessed before continuing with the structural model evaluation. This section presents the assessment of the measurement properties. Two steps were undertaken. First, correlations between the indicators were checked so as to gain an insight into the commonality of the indicators and factor structure of the measures (Sub Section 8.3.1). Second, the reliability and validity of the measurement model were assessed. The results of the reliability and validity assessment and modifications made to the initial measurement model are discussed in Sub Section 8.3.2.

8.3.1. Correlations between Indicators

8.3.1.1. Socially Responsible Attitudes Measures

Singhapakdi et al.'s (1996) PRESOR scale is adapted to measure SRA. Previous literature (Singhapakdi et al. 2008; Etheredge 1999; Godos-Dı´ez, Ferna´ndez-Gago, and Martı´nez-Campillo 2011; Vitell and Paolillo 2004) indicate that the PRESOR scale consists of a two-factor structure. The two factors reflect two contrasting views

of the importance of CSR to organisational success, namely the primary importance of CSR and subordination of CSR.

In this thesis, positive (SRA1, SRA3 and SRA5) and negative (SRA2 and SRA4) statements are used to reflect the two contrasting factor structures of the PRESOR scale. The negative statements were treated as reverse-scored items in the analysis.

Table 8.12 presents the correlation matrix and significance of correlations between the SRA items. The SRA indicators are correlated with each other. All correlations are above 0.4 and significantly different to 0 ($p < 0.01$). The fact that the SRA indicators correlate positively and strongly with each other indicate their common function as reflecting indicators that measure the same underlying latent construct (MacKenzie and Podsakoff 2005).

Table 8.12. Correlations Matrix of SRA Indicators

	SRA	1	2	3	4	5
Correlation	1	1.000				
	2	0.585	1.000			
	3	0.605	0.497	1.000		
	4	0.546	0.540	0.461	1.000	
	5	0.685	0.493	0.608	0.578	1.000
Sig. (1-tailed)	1					
	2	0.000				
	3	0.000	0.000			
	4	0.000	0.000	0.000		
	5	0.000	0.000	0.000	0.000	

Notes:

- SRA1: Corporate social responsibility is critical to the survival of a business enterprise.
- SRA2: If survival of a business enterprise is at stake, then you must forget about corporate social responsibility (reverse-scored).
- SRA3: Social responsibility of a firm is essential to its long term profitability.
- SRA4: To remain competitive in a global environment, business firms will have to disregard corporate social responsibility (reverse-scored).
- SRA5: Business has a social responsibility beyond making a profit.

8.3.1.2. Subjective Norms Measures

The perceived degree of influence of eight groups of companies' stakeholders in CSR decision making is used to measure SNs. Papagiannakis and Lioukas (2012) find a two-factor structure of SN measures. The first factor is labelled organisational stakeholders. Shareholders, customers, employees and suppliers are included in the

first factor. The second factor is named community stakeholders. It includes the local community, environmental organisations and the media.

An examination of the correlation matrix of SN indicators, presented in Table 8.13, indicates positive and relatively strong correlations between the indicators. Nearly all correlations are significant at the 1% level.

The correlations between SN1 and the other indicators are significant at the 5% level. The SN1 indicator seems problematic since the correlations with the other indicators are below 0.3. SN1 is the only indicator in the SN measures that does not correlate well with the other indicators. This could be due to SN1 having very few low responses compared to the other SN measures; as low variability in a measure can result in lower correlations. The mean for SN1 is very high (5.94 out of 7) - the highest mean in the SN measures - indicating that the owners almost always influence CSR decisions to a very high degree.

Table 8.13. Correlations Matrix of Subjective Norms (SN) Indicators

	SN	1	2	3	4	5	6	7	8
Correlation	1	1.000							
	2	0.286	1.000						
	3	0.282	0.541	1.000					
	4	0.173	0.391	0.695	1.000				
	5	0.164	0.231	0.438	0.392	1.000			
	6	0.206	0.405	0.546	0.513	0.504	1.000		
	7	0.297	0.332	0.384	0.370	0.350	0.473	1.000	
	8	0.241	0.362	0.490	0.424	0.447	0.669	0.722	1.000
Sig. (1-tailed)	1								
	2	0.001							
	3	0.001	0.000						
	4	0.031	0.000	0.000					
	5	0.039	0.006	0.000	0.000				
	6	0.013	0.000	0.000	0.000	0.000			
	7	0.001	0.000	0.000	0.000	0.000	0.000		
	8	0.004	0.000	0.000	0.000	0.000	0.000	0.000	

Notes:
- SN1: Owners/ shareholders/ investors.
- SN2: Guests/customers.
- SN3: Employees.
- SN4: Local community.
- SN5: Environment organisations.
- SN6: Organisations that certify sustainable tourism practices.

- SN7: Government of Bali Province.
- SN8: Tourism industry association.

8.3.1.3. Perceived Behavioural Control Measures

Perceived behavioural control (PBC) is measured with four statements that reflect managers' belief of the capabilities (perceived self-efficacy) and control (perceived controllability) they possess to make and execute CSR decisions.

Perceived self-efficacy and perceived controllability are postulated as reflections of the underlying latent variable, PBC (Ajzen 1991). However, several empirical studies (see, Armitage et al. 1999; Manstead and Van Eekelen 1998) find that the items reflecting perceived self-efficacy and perceived controllability load significantly onto two different factors; hence, distinction between the two factors is suggested.

An examination of the correlations between the PBC indicators, as presented in Table 8.14, indicates the low commonality of perceived self-efficacy and perceived controllability as reflections of PBC. Items reflecting perceived self-efficacy (PBCSEfc) and perceived controllability (PBCCnt) correlate highly and significantly at the 1% level with items from the same factor. However, they do not correlate well with items from a different factor. This result suggests that PBCSEfc and PBCCnt are two separate constructs.

Table 8.14. Correlations Matrix of PBC Indicators

	PBC	PBCSEfc1	PBCSEfc2	PBCCnt1	PBCCnt2
Correlation	PBCSEfc1	1.000			
	PBCSEfc2	0.745	1.000		
	PBCCnt1	0.106	0.091	1.000	
	PBCCnt2	0.215	0.197	0.613	1.000
Sig. (1-tailed)	PBCSEfc1				
	PBCSEfc2	0.000			
	PBCCnt1	0.127	0.164		
	PBCCnt2	0.010	0.017	0.000	

Notes:
- PBCSEfc1: My past experience makes it easier for me to make decisions concerning corporate social responsibility (CSR) practices.
- PBCSEfc2: I believe I have the required skills, abilities and knowledge to make decisions concerning CSR practices.
- PBCCnt1: I feel that allocating company's resources to support my decisions concerning CSR practices is beyond my control (reverse-scored).

- PBCCnt2: Lack of support from the owner may prevent me from making decisions concerning CSR practices (reverse-scored).

8.3.1.4. Personal Values Measures

Personal values (PV) in this thesis is measured with the abbreviate scale of Schwartz's value inventory (Schwartz 1994). Self-enhancement (PVSE) and self-transcendence (PVST) higher-order value dimensions are used in this thesis. PVSE is reflected by power (PVSE1 and PVSE2) and achievement (PVSE3 and PVSE4). PVST is reflected by benevolence (PVST1 and PVST2) and universalism (PVST3 and PVST4). Figure 8.2 exhibits the structure of the personal values measures. The correlation matrix of the PVSE and PVST value items are presented in Tables 8.15 and 8.16 respectively.
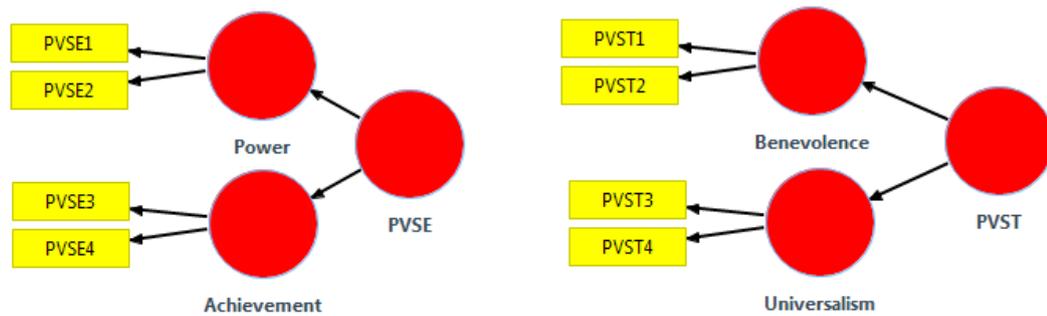
Figure 8.2. The Structure of Personal Values Measures.

Table 8.15 shows that the value items reflecting power value type (PVSE1 and PVSE2) correlate significantly at the 1% level with each other, indicating their common function as reflecting indicators of power. Likewise, the value items reflecting achievement (PVSE3 and PVSE4) correlate significantly ($p < 0.01$) with each other.

However, the power value items do not correlate well with the achievement value items. The commonality of PVSE value items in reflecting higher-order self-enhancement value is relatively low. However, although the commonality is relatively low, all value items correlate positively with each other. None of them are conflicting. Hence, it indicates a relative similarity of the PVSE value items.

Table 8.15. Correlations Matrix of PVSE Value Items

	PVSE	1	2	3	4
Correlation	1	1.000			
	2	0.398	1.000		
	3	0.075	0.056	1.000	
	4	0.130	0.193	0.592	1.000
Sig. (1-tailed)	1				
	2	0.000			
	3	0.210	0.274		
	4	0.081	0.018	0.000	

Notes:
- PVSE1: Control over other people (Power).
- PVSE2: Material possession (Power).
- PVSE3: Self-respect (Achievement).
- PVSE4: Personal success (Achievement).

A similar trend is apparent for the PVST value items (Table 8.16). The value items reflecting benevolence value type (PVST1 and PVST2) correlate significantly at the 1% level with each other, indicating their common function as reflecting indicators of benevolence. Likewise, the value items reflecting the universalism value type (PVST3 and PVST4) correlate significantly ($p < 0.01$) with each other.

Table 8.16. Correlations Matrix of PVST Value Items

	PVST	1	2	3	4
Correlation	1	1.000			
	2	0.251	1.000		
	3	0.081	0.469	1.000	
	4	0.285	0.649	0.437	1.000
Sig. (1-tailed)	1				
	2	0.003			
	3	0.194	0.000		
	4	0.001	0.000	0.000	

Notes:
- PVST1: Faithful to my friends and my group (Benevolence).
- PVST2: Helping other people (Benevolence).
- PVST3: Appreciation of different ideas and beliefs (Universalism).
- PVST4: Living harmoniously with nature (Universalism).

The benevolence value items correlate quite well with the universalism value items. Only PVST1 has lower correlations with the other value items, particularly with PVST3. All correlation coefficients are positive. None of the PVST value items are

conflicting. Hence, there is adequate commonality of PVST value items in reflecting higher-order self-transcendence value.

8.3.1.5. Corporate Social Responsibility Practice Measures

CSRP is measured with twelve items of practices. As manifestations of CSRP, all items are expected to be positively correlated with each other. Table 8.17 presents the matrix of correlations between the items of CSRP.

As seen from Table 8.17, CSRP1, CSRP3, CSRP4, CSRP6, CSRP7, CSRP8, CSRP9, CSRP10, and CSRP11 correlate well and significantly (at the 1% and 5% level) with each other. All correlation coefficients between these items are positive and above 0.30.

CSRP2 (employing local people), CSRP5 (applying Balinese architecture) and CSRP12 (employees' freedom of association) do not correlate well with the other items. Nearly all correlation coefficients of these items are below 0.3. CSRP5 is even negatively correlated with CSRP9 and CSRP11. All of these facts indicate that these three items may not be a part of the CSRP construct. The impact of CSRP2, CSRP5 and CSRP12 on the reliability and validity of the CSRP measurement is investigated in the following sub section.

Table 8.17. Correlations Matrix of CSRP Indicators

	CSRP	1	2	3	4	5	6	7	8	9	10	11	12
Corr.	1	1.000											
	2	0.158	1.000										
	3	0.555	0.205	1.000									
	4	0.485	0.184	0.525	1.000								
	5	0.057	0.177	0.171	0.109	1.000							
	6	0.369	0.162	0.526	0.542	0.287	1.000						
	7	0.308	0.274	0.339	0.408	0.165	0.431	1.000					
	8	0.314	0.176	0.414	0.357	0.159	0.423	0.501	1.000				
	9	0.477	0.138	0.440	0.557	-0.030	0.422	0.514	0.464	1.000			
	10	0.394	0.154	0.430	0.576	0.087	0.420	0.596	0.458	0.593	1.000		
	11	0.486	0.078	0.442	0.551	-0.026	0.418	0.412	0.308	0.598	0.680	1.000	
	12	0.183	0.020	0.280	0.336	0.245	0.282	0.300	0.211	0.218	0.232	0.199	1.000
Sig.	1												
	2	0.044											
	3	0.000	0.013										
	4	0.000	0.023	0.000									
	5	0.270	0.028	0.033	0.121								
	6	0.000	0.041	0.000	0.000	0.001							
	7	0.000	0.001	0.000	0.000	0.037	0.000						
	8	0.000	0.029	0.000	0.000	0.044	0.000	0.000					
	9	0.000	0.070	0.000	0.000	0.372	0.000	0.000	0.000				
	10	0.000	0.048	0.000	0.000	0.175	0.000	0.000	0.000	0.000			
	11	0.000	0.202	0.000	0.000	0.391	0.000	0.000	0.000	0.000	0.000		
	12	0.024	0.416	0.001	0.000	0.004	0.001	0.001	0.011	0.009	0.006	0.016	

Notes:
- CSRP1: Supports for local people.
- CSRP2: Employing local people.
- CSRP3: Sourcing products from within the community.
- CSRP4: Supports for local artists.
- CSRP5: Applying Balinese architecture concept.
- CSRP6: Promoting local culture to the guests.
- CSRP7: Waste management.
- CSRP8: Use of eco-friendly products.
- CSRP9: Energy saving initiatives.
- CSRP10: Occupational health and safety programs and trainings.
- CSRP11: Employees' capacity building programs.
- CSRP12: Employees' freedom of association.

8.3.2. Reliability and Validity Assessment of the Measurement Model

In assessing the reliability and validity of the measurement model, the initial measurement model that was structured based on previous literature was submitted to the SmartPLS algorithm procedure. Based on the results of the assessment of the

initial measurement model, several indicators (SN1, CSRP2, CSRP5 and CSRP12) were removed and the structure of relations between higher-order and lower-order constructs of PBC was revised. Finally, in the second iteration, the final measurement model that has met all reliability and validity criteria was established.

8.3.2.1. Initial Measurement Model Assessment

In the initial measurement model, three constructs were structured as a two-level hierarchical model. They are PVSE, PVST and PBC as a higher-order construct (HOC), reflected by power and achievement for PVSE, benevolence and universalism for PVST, PBCSEfc and PBCCnt for PBC. The number of indicators across lower-order constructs (LOCs) is equal (2 indicators for each lower-order construct). The measurement model evaluation criteria applied to the other constructs were also applied for the HOCs.

The measurement model was assessed for the convergent validity (indicator outer loadings: significant and above 0.708 and AVE: above 0.5), composite reliability (above 0.708), and discriminant validity (Fornell-Larcker criterion). This thesis uses measurement scales that have not been well established. Moreover, to the best knowledge of the author, the TPB and the theory of value content and structure have never been applied in the context of CSR decision making in the tourism industry of an emerging economy. Therefore, the quality criteria for exploratory research applied in this thesis, whereby the indicator outer loadings is between 0.4 and 0.7 while the composite reliability is between 0.6 and 0.7, are considered acceptable (Hair et al. 2014).

As Table 8.18 shows, only the SRA and PVST measures have met the reliability and validity criteria. The rest have issues. All constructs have met the discriminant validity criteria, suggesting that all constructs can be well discriminated. The Fornell-Larcker criterion is commonly used to assess whether a construct can be well discriminated from the other constructs. To be distinctive, a construct should share more variance with its associated indicators than with any other construct. A table of the Fornell-Larcker criterion can be found in Appendix 15.

The SN and CSRP constructs have AVE below 0.5. It indicates that more errors remain in the items than the variance explained by the constructs (Hair et al. 2014).

The SN and CSRP constructs also have problems with some of their indicators. The SN1 indicator loading is below 0.4. Likewise, CSRP2, CSRP5 and CSRP12 have indicator outer loadings below 0.5. As discussed in the previous sub section, SN1, CSRP2, CSRP5 and CSRP12 do not correlate well (correlation coefficients are below 0.3) with the other indicators within the same construct. These indicators do not appear to measure the same construct as the other indicators within that construct.

On the contrary, the PBC and PVSE constructs do not have problems with their indicator outer loadings like the SN and CSRP constructs. In this case, all loadings are above 0.6. The only problem is the AVEs of the constructs are below 0.50. As discussed in the previous sub section, the correlation analysis indicates that the lower-order constructs (PBCSEfc and PBCCnt for PBC, power and achievement for PVSE) do not correlate well with each other. The lower-order constructs of PBC and PVSE may need to be treated as separate constructs, rather than as a part of one higher-order construct.

Table 8.18. Reliability and Validity Measures of Initial Measurement Model

| Lower-order Component | Higher-order Component/ Indicator | Construct | Convergent Validity | | Internal Consistency Reliability | Discriminant Validity |
			Indicator Outer Loading	AVE	Composite Reliability	Fornell-Larcker Criterion
		SRA		0.649	0.902	√
	SRA1		0.856***			
	SRA2		0.760***			
	SRA3		0.779***			
	SRA4		0.779***			
	SRA5		0.847***			
		SN		0.484	0.878	√
	SN1		0.337**			
	SN2		0.663***			
	SN3		0.776***			
	SN4		0.719***			
	SN5		0.625***			
	SN6		0.845***			
	SN7		0.679***			
	SN8		0.796***			
		PBC		0.494	0.796	√
	PBCSEfc		0.728***	0.872	0.932	
PBCSEfc1			0.935***			
PBCSEfc2			0.933***			
	PBCCnt		0.808***	0.806	0.893	
PBCCnt1			0.886***			
PBCCnt2			0.910***			
		PVSE		0.436	0.752	√
	Power		0.681***	0.699	0.823	
PVSE1			0.826**			
PVSE2			0.846**			
	Achievement		0.830***	0.796	0.886	
PVSE3			0.878***			
PVSE4			0.905***			
		PVST		0.540	0.816	√
	Benevolence		0.883***	0.611	0.752	
PVST1			0.619***			
PVST2			0.916***			
	Universalism		0.925***	0.717	0.835	
PVST3			0.814***			
PVST4			0.878***			
		CSRP		0.414	0.885	√
	CSRP1		0.666***			
	CSRP2		0.267**			
	CSRP3		0.731***			
	CSRP4		0.772***			
	CSRP5		0.181*			
	CSRP6		0.703***			
	CSRP7		0.688***			
	CSRP8		0.645***			
	CSRP9		0.765***			
	CSRP10		0.785***			
	CSRP11		0.744***			
	CSRP12		0.396***			

Legend:
1. *, **, *** indicate significant at the 10%, 5%, and 1% level.
2. √ indicate no discriminant validity problem (The square root of the AVE value > highest correlation with any other constructs).

8.3.2.2. First Iteration Measurement Model Assessment

In the first iteration assessment of the measurement model, SN1, CSRP2, CSRP5 and CSRP12 were removed from the scale. The lower-order constructs of PBC and PVSE were treated as separate constructs. The modification of the structure of PBC and PVSE measures is depicted in Figure 8.3.
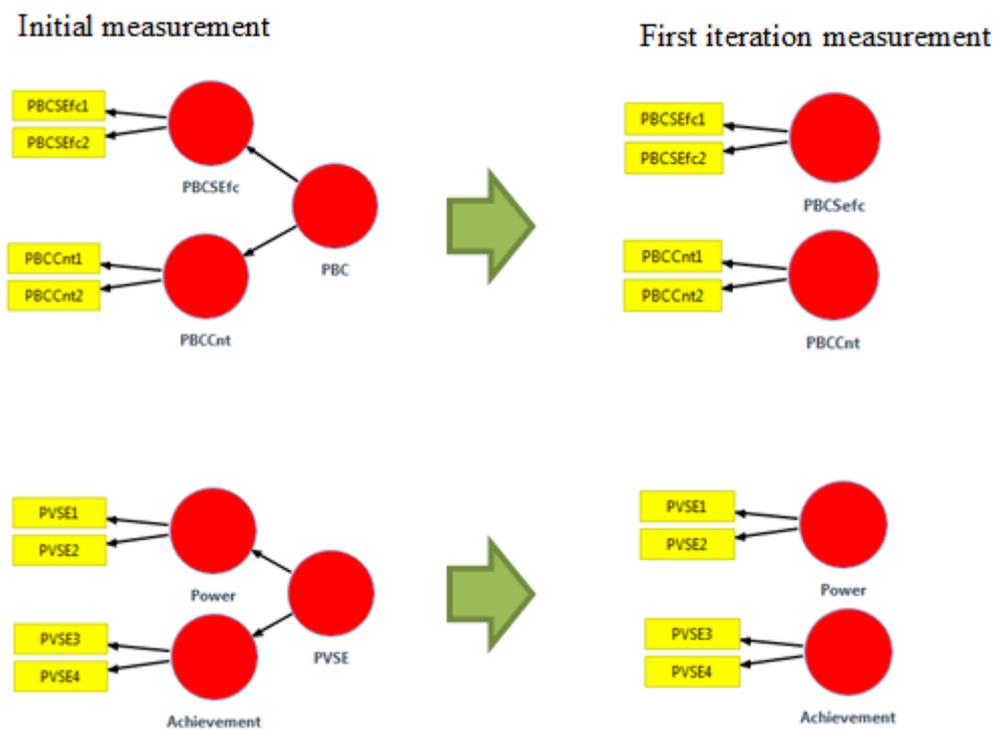
Figure 8.3. The Structure of PBC and PVSE Measures
in the Initial and First Iteration Measurement Model.

As can be seen in Tables 8.18 and 8.19, the AVE of SN increases from 0.484 to 0.537 (above the threshold value) by removing SN1. Likewise, the AVE of CSRP increases from 0.414 to 0.526 by deleting CSRP2, CSRP5 and CSRP12. The significance of the removed indicators (SN1, CSRP2, CSRP5 and CSRP12) is discussed in Section 8.4.1. It is important to ensure that the removed indicators are not significant indicators that could influence the predictive validity of the model.

After being treated as separate constructs, both PBCSEfc and PBCCnt have AVEs above 0.50. Moreover, the two constructs have met the other reliability and validity criteria. It indicates that two separate measures of PBC is a better fit to the data than a two-level hierarchical model of PBC.

On the contrary, when PVSE is treated as a separate construct, the reliability and validity measures of PVSE are worse than those in the initial measurement model. Indicator outer loadings of PVSE2, PVSE3 and PVSE4 decrease significantly. Likewise, the AVE and composite reliability of power and achievement lower-order constructs dropped significantly. Hence, PVSE is better structured as a two-level hierarchical model.

In the first iteration measurement model assessment, all constructs, except for PVSE, have met the reliability and validity criteria. All constructs have also met the discriminant validity criteria (Table of Fornell-Larcker criterion is in Appendix 15).

Table 8.19. Reliability and Validity Measures of the First Iteration Measurement Model

Lower-order Component	Higher-order Component/ Indicator	Construct	Convergent Validity		Internal Consistency Reliability	Discriminant Validity
			Indicator Outer Loading	AVE	Composite Reliability	Fornell-Larcker Criterion
		SRA		0.649	0.902	√
	SRA1		0.857***			
	SRA2		0.756***			
	SRA3		0.782***			
	SRA4		0.777***			
	SRA5		0.849***			
		SN		0.537	0.889	√
	SN2		0.664***			
	SN3		0.776***			
	SN4		0.721***			
	SN5		0.626***			
	SN6		0.846***			
	SN7		0.676***			
	SN8		0.795***			
		PBCSEfc		0.872	0.932	√
	PBCSEfc1		0.924***			
	PBCSEfc2		0.944***			
		PBCCnt		0.806	0.893	√
	PBCCnt1		0.901***			
	PBCCnt2		0.895***			
		Power		0.409	0.392	√
	PVSE1		0.904**			
	PVSE2		-0.032			
		Achievement		0.204	0.000	√
	PVSE3		-0.454			
	PVSE4		0.449			
		PVST			0.816	√
	Benevolence		0.882***	0.611	0.752	
PVST1			0.618***			
PVST2			0.916***			
	Universalism		0.925***	0.717	0.835	
PVST3			0.815***			
PVST4			0.878***			
		CSRP		0.526	0.909	√
	CSRP1		0.677***			
	CSRP3		0.731***			
	CSRP4		0.773***			
	CSRP6		0.706***			
	CSRP7		0.679***			
	CSRP8		0.640***			
	CSRP9		0.773***			
	CSRP10		0.785***			
	CSRP11		0.750***			

Legend:
1. *, **, *** indicate significant at the 10%, 5%, and 1% level.
2. √ indicate no discriminant validity problem (The square root of the AVE value > highest correlation with any other constructs).

8.3.2.3. Final Measurement Model

In the second iteration (final) assessment of the measurement model, the structure of PVSE is returned to its initial structure. No further changes were made to the other constructs and indicators.

As Table 8.20 shows, in the final measurement model, all constructs have met the quality criteria of reliability and validity, except for PVSE that still has an AVE slightly below 0.50. All constructs have also met the discriminant validity criteria (Table of Fornell-Larcker criterion is in Appendix 15).

PVSE is retained in the model since it meets the other quality criteria (indicator outer loadings > 0.60, AVE of the lower-order constructs > 0.50, composite reliabilities > 0.70, and PVSE is discriminated well with the other constructs). Moreover, PVSE is an essential component of the personal values construct. Removing PVSE will significantly influence the content validity of the personal values construct.

Indicators with outer loadings less than 0.708 but still above 0.6 in the final measurement model are all retained in the model, since the composite reliability and AVE of the constructs are above the suggested threshold value, except for the AVE of the PVSE construct.

This final measurement model (Table 8.20) is then used to examine the structural model which is discussed in the following section.

Table 8.20. Reliability and Validity Measures of the Final Measurement Model

Lower-order Component	Higher-order Component/ Indicator	Construct	Convergent Validity		Internal Consistency Reliability	Discriminant Validity
			Indicator Outer Loading	AVE	Composite Reliability	Fornell-Larcker Criterion
		SRA		0.649	0.902	√
	SRA1		0.857***			
	SRA2		0.759***			
	SRA3		0.780***			
	SRA4		0.777***			
	SRA5		0.848***			
		SN		0.537	0.889	√
	SN2		0.663***			
	SN3		0.776***			
	SN4		0.721***			
	SN5		0.625***			
	SN6		0.847***			
	SN7		0.676***			
	SN8		0.796***			
		PBCSEfc		0.872	0.932	√
	PBCSEfc1		0.923***			
	PBCSEfc2		0.944***			
		PBCCnt		0.806	0.893	√
	PBCCnt1		0.900***			
	PBCCnt2		0.896***			
		PVSE		0.436	0.752	√
	Power		0.681**	0.699	0.823	
PVSE1			0.826**			
PVSE2			0.846**			
	Achievement		0.830***	0.796	0.886	
PVSE3			0.878***			
PVSE4			0.905***			
		PVST		0.540	0.816	√
	Benevolence		0.883***	0.611	0.752	
PVST1			0.618***			
PVST2			0.916***			
	Universalism		0.925***	0.717	0.835	
PVST3			0.814***			
PVST4			0.878***			
		CSRP		0.526	0.909	√
	CSRP1		0.674***			
	CSRP3		0.722***			
	CSRP4		0.765***			
	CSRP6		0.692***			
	CSRP7		0.691***			
	CSRP8		0.645***			
	CSRP9		0.779***			
	CSRP10		0.793***			
	CSRP11		0.755***			

Legend:
1. *, **, *** indicate significant at the 10%, 5%, and 1% level.
2. √ indicate no discriminant validity problem (The square root of the AVE value > highest correlation with any other constructs).

8.4. Assessment of Structural Model

Several steps were undertaken to evaluate the structural model quality in this thesis. First, the outer loadings, the path coefficients and the R^2 were obtained by means of the SmartPLS algorithm procedure (path weighting scheme and 300 maximum iterations). Second, the significance of the outer loadings and path coefficients were obtained by means of the SmartPLS bootstrapping procedure (bias-corrected and accelerated/ BCa bootstrap with 5000 subsamples). The indirect effect mean values/ path coefficients and significance were also obtained from the first and second step of the SmartPLS analysis. Third, the relative importance of each predictor in predicting CSRP was assessed. Finally, the model's predictive accuracy was evaluated by assessing the R^2 value.

An examination of the significance of the removed indicators and the possibility of non-linear relationships between the control variables and CSRP are discussed in Sub Section 8.4.1. A summary of the structural model relationships is presented in Table 8.21. The outer loadings, path coefficients and R squares of the structural model are depicted in Figure 8.4. The significance (t-statistics) of the outer loadings and path coefficients are shown in Figure 8.5.

Table 8.21. Summary of Structural Model Relationships

Hypothesis	Path	Coefficient	Standard Error	*t* Statistics	*p* Values
H1 (+)	SRA → CSRP	0.190	0.071	2.699	0.007
H2 (+)	SN → CSRP	0.234	0.073	3.213	0.001
H3a (+)	PBCSEfc → CSRP	0.041	0.079	0.514	0.607
H3b (+)	PBCCnt → CSRP	0.338	0.068	4.992	0.000
H4a (-)	PVSE → CSRP	-0.060	0.057	1.043	0.297
H4b (+)	PVST → CSRP	0.059	0.071	0.830	0.406
H5a (-)	PVSE → SRA	-0.074	0.090	0.824	0.410
H5b (+)	PVST → SRA	0.323	0.107	3.023	0.003
H6a (-)	PVSE → SRA → CSRP	-0.014	0.019	0.728	0.466
H6b (+)	PVST → SRA → CSRP	0.061	0.031	1.989	0.047
Control Variables					
	Location → CSRP	0.048	0.065	0.740	0.460
	HtlMgt → CSRP	-0.177	0.072	2.468	0.014
	OwnStr → CSRP	0.031	0.066	0.466	0.641
	Size → CSRP	0.187	0.070	2.657	0.008

Note: Path coefficients and *t* statistics of the indirect effects do not appear in Figure 8.4 and Figure 8.5.
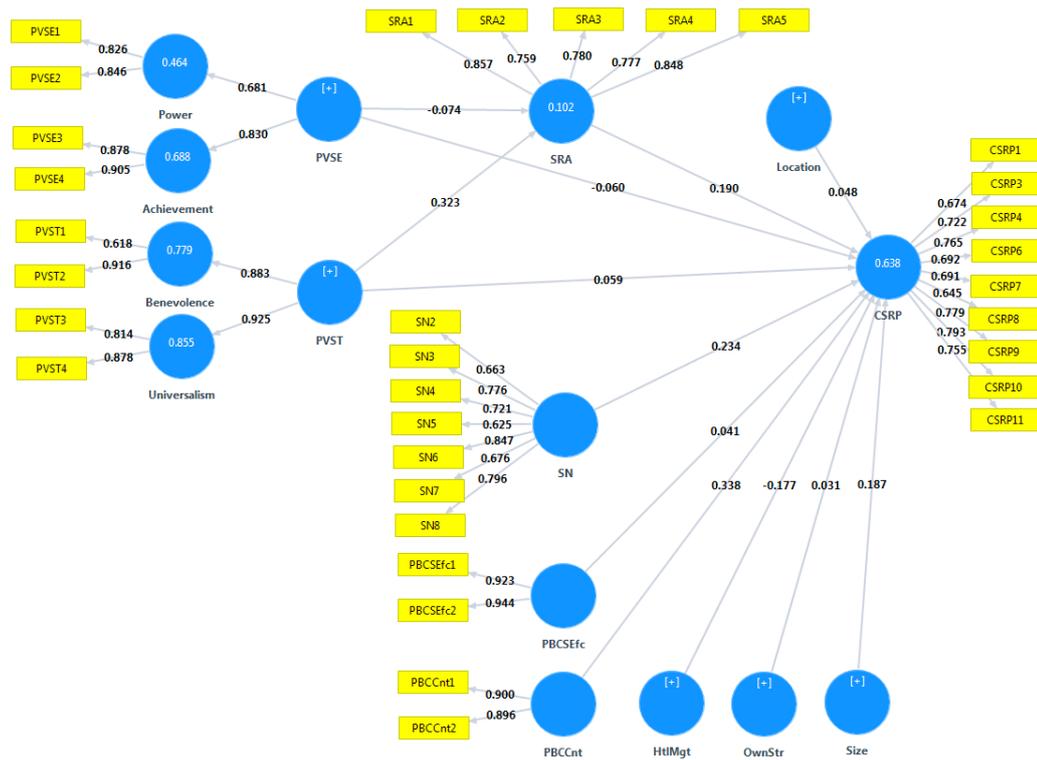
Figure 8.4. Outer Loadings, Path Coefficients and *R* Squares
of the Structural Model Investigating Predictors of CSRPs.

Notes:

- Constructs/ latent variables are represented as blue circles.
- The indicators/ items/ manifest variables are represented as yellow rectangles.
- Numbers in the circles are the *R* Square values.
- Numbers on the arrows pointing to the indicators are indicator outer loadings.
- Numbers on the arrows pointing to the endogenous constructs are path coefficients of the exogenous constructs.
- Numbers on the arrows pointing to the lower-order constructs, e.g. an arrow from PVSE to power, are path coefficients of the higher-order constructs.
- CSRP: Corporate Social Responsibility Practices, SRA: Socially Responsible Attitudes, SN: Subjective Norms, PBCSEfc: Perceived Behavioural Control Self-efficacy, PBCCnt: Perceived Behavioural Control Controllability, PVSE: Personal Values Self-enhancement, PVST: Personal Values Self-transcendence, HtlMgt: types of hotel management, OwnStr: ownership structure.
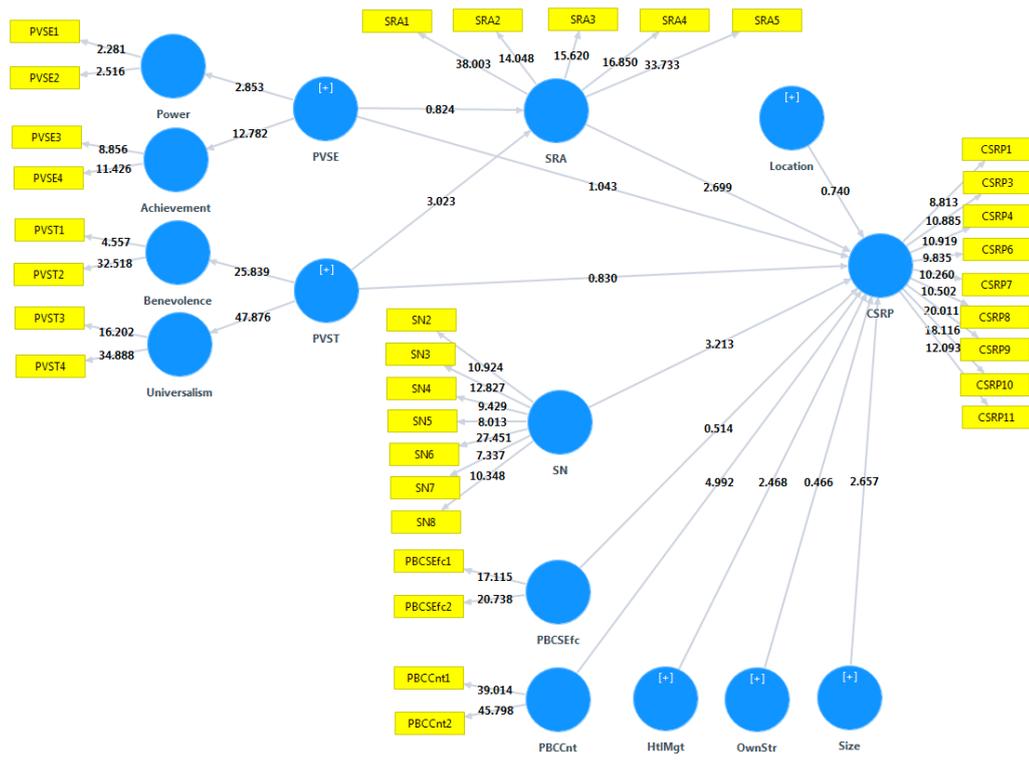
Figure 8.5. *t*-Statistics of the Outer Loadings and Path Coefficients
of the Structural Model Investigating Predictors of CSRPs.

Notes:
- Numbers on the arrows pointing to the indicators are *t* statistics of the indicator outer loadings.
- Numbers on the arrows pointing to the endogenous constructs are *t* statistics of the path from the exogenous to endogenous constructs.
- Numbers on the arrows pointing to the lower-order constructs, e.g. an arrow from PVSE to power, are *t* statistics of the path from the higher-order to lower-order constructs.
- CSRP: Corporate Social Responsibility Practices, SRA: Socially Responsible Attitudes, SN: Subjective Norms, PBCSEfc: Perceived Behavioural Control Self-efficacy, PBCCnt: Perceived Behavioural Control Controllability, PVSE: Personal Values Self-enhancement, PVST: Personal Values Self-transcendence, HtlMgt: types of hotel management, OwnStr: ownership structure.

Before interpreting the results, the structural model was checked for collinearity issues. Collinearity statistics (VIF values) were obtained by means of the SmartPLS algorithm procedure (path weighting scheme and 300 maximum iterations). As Table 8.22 shows, all VIF values of the predictor variables are far below the threshold of 5.0. Therefore, collinearity between each set of predictor variables is not an issue in this thesis' structural model. A further examination of the results of the structural model is provided below.

Table 8.22. Collinearity Statistics (VIF Values) of Predictor Variables

Predictors	Predicted Variables	
	CSRP	SRA
SRA	1.395	
SN	1.273	
PBCSEfc	1.173	
PBCCnt	1.375	
PVSE	1.102	1.029
PVST	1.222	1.029

CSRPs are the product of a stream of decisions made by managers. Previous studies have suggested CSR decisions could be driven by the internal and/ or external factors of managers. The TPB allows an integrative analysis of various factors that influence managers' decisions to engage in CSRPs.

In this thesis, it is hypothesised that the internal factors of managers and the external forces simultaneously influence hotel managers' decisions to engage in CSRPs. These decisions are reflected in the level of CSRPs. The internal factors of managers are perceived importance of CSR to the business operations (Socially Responsible Attitudes/ SRA), perceived self-efficacy in making and executing CSR decisions (PBCSEfc) and personal values of the managers (PVSE/ PVST). The external forces that could also influence CSR decisions are perceived degree of stakeholders' influence on CSR decisions (Subjective Norms/ SNs) and perceived degree of freedom in making and executing CSR decisions (perceived controllability/ PBCCnt).

Besides the factors from the decision makers, previous studies and the interviews of this thesis suggest that hotel characteristics also predict the level of CSRPs. Hotel characteristics that are suggested as important predictors of CSRPs are hotel location, type of hotel management, ownership structure and size.

As can be seen in Table 8.21, SRA significantly (p value: 0.007) predict CSRP. Therefore, **hypothesis 1 is supported**. The higher the SRA of managers, the higher the level of CSRPs. Hotel managers who personally believe that CSR is important to the success of business operations are more likely to engage in higher levels of CSRPs.

It is hypothesised that managers with higher levels of perceived self-efficacy are more likely to use their capabilities effectively in making CSR decisions and exert greater efforts to face any challenges in executing the decisions. This, in turn, results in higher levels of CSRPs. The PLS-SEM structural model assessment shows a positive relationship between perceived self-efficacy and CSRPs. However, this relationship is not significant (p value: 0.607). As such, **hypothesis 3a of this thesis is not supported.** The failure of perceived self-efficacy in predicting CSRP is probably due to its restricted variance in the perceived self-efficacy measures to explain CSRP. The responses provided on perceived self-efficacy measures are highly concentrated on scores 6 and 7, with around 81% of the respondents scoring 6 and 7.

Previous studies suggest that the personal values of managers could play a significant role in shaping decisions that involve moral or ethical considerations, such as CSR decisions. Two contrasting personal values are hypothesised as having contrasting influence on SRA and the level of CSRPs. The self-enhancement/ individualism value (PVSE) was hypothesised to influence attitudes and CSRPs negatively. The self-transcendence value (PVST) was hypothesised as having a positive influence on attitudes and CSRPs.

The PLS-SEM structural model assessment fails to confirm any significant relationships between PVSE and CSRP, p value: 0.297 (hypothesis 4a), between PVSE and SRA, p value: 0.410 (hypothesis 5a) and indirect relationship between PVSE and CSRPs through SRA, p value: 0.466 (hypothesis 6a). Therefore, **hypotheses 4a, 5a and 6a of this thesis are not supported**. The individualism values (PVSE) do not have any significant effects on socially responsible attitudes of managers and the level of CSRPs.

The failure of PVSE in predicting SRA and CSRP is probably due to the issue of convergent validity of the PVSE measures. With AVE slightly below the threshold value of 0.5, more errors may still remain in the measures than the variance explained by the PVSE construct. Another possible explanation is that this thesis failed to get enough respondents who consider PVSE as an important life guiding principle. The respondents in this thesis tend to score high on PVST and low on PVSE.

In contrast, this thesis finds a significant positive relationship between PVST and SRA, *p* value: 0.003 (hypothesis 5b) and a significant positive indirect relationship between PVST and CSRP through SRA, *p* value: 0.047 (hypothesis 6b). However, a direct relationship between PVST and CSRP, *p* value: 0.406 (hypothesis 4b) fails to be established. Therefore, **hypothesis 5b and 6b are supported but hypothesis 4b of this thesis is not supported**. The values of caring for other people and the environment (PVST) significantly influence CSRPs through shaping SRA. Managers who consider values of caring for others as important (high PVST) are more likely to perceive CSR as important to the success of business operations (high SRA). This, in turn, influences the decisions to engage in higher levels of CSRPs.

As an agent of a company, a manager is not always able to fully express his/ her beliefs and values into the CSR decisions. The extent, to which managers could make decisions as they wish, could be determined by the degree of control managers possess in making decisions (perceived controllability). Moreover, various stakeholder groups' pressures and expectations have been suggested in previous studies as having significant influences on CSR decisions.

The PLS-SEM structural model analysis shows a significant positive relationship between perceived stakeholders influence and the level of CSRP (*p* value: 0.001). Therefore, **hypothesis 2 of this thesis is supported**. Managers who perceive stakeholders' expectations and pressures important to be accommodated in their CSR decisions are more likely to engage in higher level of CSRPs.

A significant positive relationship is also found between perceived controllability and the level of CSRP (*p* value: 0.000). Thus, **hypothesis 3b of this thesis is supported**. Managers having higher control in making and executing CSR decisions are more likely to make more CSR decisions as they intended. Moreover, these managers are more likely to succeed in implementing the decisions than other managers with lower control. This, in turn, leads to higher levels of CSRPs. The results of the hypotheses testing are summarised in Table 8.23.

Table 8.23. Summary of the Results of Hypotheses Testing

Hypotheses (Relationship Direction)	Results (Relationship Direction)
H1(+): SRA → CSRP	Supported (+)
H2 (+): SN → CSRP	Supported (+)
H3a (+): PBCSEfc → CSRP	Not supported (+)
H3b (+): PBCCnt → CSRP	Supported (+)
H4a (-): PVSE → CSRP	Not supported (-)
H4b (+): PVST → CSRP	Not supported (+)
H5a (-): PVSE → SRA	Not supported (-)
H5b (+): PVST → SRA	Supported (+)
H6a (-): PVSE → SRA → CSRP	Not supported (-)
H6b (+): PVST → SRA → CSRP	Supported (+)

Hotel managers' CSR decisions in this thesis are significantly influenced by perceived importance of CSR to the business operations (SRA), values of caring for others (PVST), perceived controllability (PBCCnt) and perceived stakeholders influence. Managers who care for others, perceive CSR as important, possess a high degree of authority and perceive stakeholders' expectations as important are more likely to engage in higher levels of CSRPs.

The level of CSRPs is also significantly predicted by the type of hotel management (*p* value: 0.014) and size of the hotels (*p* value: 0.008). International hotel chain and large hotels significantly practise higher levels of CSRPs than local and small-medium hotels. Hotel's location and the ownership structure are not significant predictors of CSRP. This could be due to lack of variation in the data. The ownership structure and location data are extremely dominated by local-owned (74%) and urban hotels (69%).

In order to assess the relative importance of each significant factor in predicting CSRP, the effect size f^2 (Hair et al. 2014) was calculated. The f^2 value was obtained by submitting the $R^2_{included}$ and $R^2_{excluded}$ into the f^2 equation (please refer to Equation 1 in Chapter 7 for the calculation). The $R^2_{included}$ was obtained by estimating the path model with certain exogenous constructs included. The $R^2_{included}$ can be seen in Figure 8.4 (R^2 is printed within the CSRP circle). The $R^2_{excluded}$ was obtained by estimating the path model that excludes certain exogenous constructs. The $R^2_{excluded}$ for SRA, SN, PBCCnt and PV can be seen in Appendix 16, 17, 18 and 19 respectively. Table 8.24 summarises the size of the effect of each predictor on CSRP.

Table 8.24. Summary of the f^2 effect size of SRA, SN, PBCCnt and PV

Predictor	$R^2{}_{included}$	$R^2{}_{excluded}$	f^2 values	The effect magnitude
SRA	0.638	0.614	0.066	Small
SN	0.638	0.595	0.119	Small to medium
PBCCnt	0.638	0.557	0.224	Medium to large
PV	0.638	0.633	0.014	Very small

As can be seen in Table 8.24, perceived controllability/ PBCCnt has the largest effect on CSRP (f^2 value: 0.224), followed by perceived stakeholders influence/ SN (f^2 value: 0.119) and socially responsible attitudes/ SRA (f^2 value: 0.066).

The addition of personal values to the model improves the explained variance of CSRP by 0.005 ($R^2{}_{included}$ 0.638 – $R^2{}_{excluded}$ 0.633) only. The effect of personal values on CSRP is very small (f^2 value: 0.014).

This result indicates that the hotel managers' decisions to engage in CSRPs are determined to a large and medium extent, by the degree of control the managers possess in making decisions and by the perceived importance of stakeholders' influence. Socially responsible attitudes and the personal values of the managers influence CSR decisions by a small extent only. Hence, the hotel managers in this thesis are influenced more by external, rather than internal factors, in making CSR decisions.

As well as looking at the path coefficients' directions, significance levels and relative importance, the structural model quality was evaluated by assessing the coefficient of determination (R^2 value). In this thesis, the exogenous latent variables simultaneously explain 63.8% of the variance in the endogenous construct CSRP ($R^2 = 0.638$).

There is no generalizable rule of thumb for acceptable threshold values of R^2. The model complexity and research field determine whether a certain R^2 value is deemed acceptable. The larger the R^2, the larger the percentage of variance explained and the higher the model's predictive accuracy. The R^2 values found in previous studies, applying the TPB, range from 0.23 to 0.84 (Ajzen 1991). Hence, the predictive accuracy/ R^2 of this thesis' structural model can be considered as medium to high.

8.4.1. Additional Structural Model Evaluation

To ensure that the structural model did not omit any important indicators that could significantly influence the model (Gujarati and Porter 2010), indicators that have been suggested to be removed in the previous section (SN1, CSRP2, CSRP5 and CSRP12) were examined for their significance to the model.

To investigate the importance of the SN1 indicator, SN1 was treated as an independent construct, separate from the SN construct. The results of the structural model assessment (Appendix 20) show that the path coefficient of SN1 → CSRP is not significant ($t = 0.065$, p value = 0.948). This result provides further support for the deletion of the SN1 indicator. The failure of SN1 to predict CSRP is probably due to the inadequate variation of the SN1 responses to predict CSRP.

The importance of CSRP2, CSRP5, and CSRP12 indicators was assessed by using the three indicators to measure CSRP. If the three indicators are important indicators of CSRP, some significant relationships with the independent variables are expected to be found. The results of the structural model assessment (Appendix 21) show that none of the independent variables significantly predict CSRP2, CSRP5 and CSRP12. These results further support the removal of CSRP2, CSRP5 and CSRP12 from the CSRP scale.

CSRP2 (employing local people), CSRP5 (applying Balinese architecture) and CSRP12 (establishing workers' union chapter at the hotel) do not seem to fit into the CSRP scale, possibly due to the fact that the three practices are beyond the control of managers to decide and implement or that the practices are considered as less relevant to be implemented.

Another concern related to the structural model is the treatment of categorical variables (all control variables) as continuous variables in the analysis. The SmartPLS analysis could not be run when all the control variables were treated as dummy variables because the number of predictor variables became too large for the given sample size (117).

The quadratic test was therefore performed to investigate whether the relationship between the control variables and CSRP is non-linear. The quadratic test was performed for each control variable by adding the square value of the variable to the

model. The quadratic test was not performed for location, since it has only two codes (0 and 1), and therefore non-linear relationship with this variable is not possible. A non-linear relationship is established when a significant relationship is found between the square value variable and the predicted variable.

The results (Appendix 22 and 23) show that the square value of the type of hotel management ($HtlMgt^2$) and ownership structure ($OwnStr^2$) are not significant predictors of CSRP (p values are 0.457 and 0.473 for $HtlMgt^2$ and $OwnStr^2$ respectively). There is no evidence to suggest non-linear relationships between CSRP and either types of hotel management (HtlMgt) or ownership structure (OwnStr). This provides support for the treatment of the control variables as continuous variables in the model.

The squared value of size ($size^2$) was found to be a significant (p value: 0.022) predictor of CSRP. The result is in Appendix 24. The relationship between size and CSRP is slightly non-linear. The chart of unstandardized path coefficients of size and $size^2$ is in Appendix 25.

A comparison was then made between the model without $size^2$ (current model/ model 1) and the model with size and $size^2$ included (model 2). Table 8.25 presents a comparison of the two models.

As can be seen in Table 8.25, all values are only slightly different from one model to the other. Model 2 has R^2 slightly larger than model 1. Although there is evidence of a non-linear relationship between size and CSRP, further investigation shows that differences between the current model and model 2 are minor.

Table 8.25. Comparison of Structural Model Relationships and R^2
between Model without Size^2 (Model 1) and Model with Size and Size^2 (Model 2)

Path	Coefficients		p values	
	Model 1	Model 2	Model 1	Model 2
SRA → CSRP	0.190	0.176	0.007	0.019
SN → CSRP	0.234	0.241	0.001	0.001
PBCSEfc → CSRP	0.041	0.034	0.607	0.663
PBCCnt → CSRP	0.338	0.332	0.000	0.000
PVSE → CSRP	-0.060	-0.068	0.297	0.241
PVST → CSRP	0.059	0.049	0.406	0.488
PVSE → SRA	-0.074	-0.074	0.410	0.411
PVST → SRA	0.323	0.323	0.003	0.003
PVSE → SRA → CSRP	-0.014	-0.013	0.466	0.487
PVST → SRA → CSRP	0.061	0.057	0.047	0.071
Control Variables				
Location → CSRP	0.048	0.031	0.460	0.636
HtlMgt → CSRP	-0.177	-0.193	0.014	0.008
OwnStr → CSRP	0.031	0.032	0.641	0.620
Size → CSRP	0.187	0.932	0.008	0.007
Size^2 → CSRP	-	-0.755	-	0.022
R^2				
Model 1	0.638			
Model 2	0.654			

8.5. Assessment of Common Method and Social Desirability Biases

Harman's single-factor test was performed to assess common method bias. All indicators in this thesis were submitted for exploratory factor analysis (principal component analysis) with the un-rotated factor solution. The detailed results are in Appendix 26. Nine factors with Eigenvalues greater than 1 were extracted. The percentage of variance of all the nine factors combined was 67.425% and no single factor accounted for over 50% of the variance (the greatest percentage of variance accounted for by a single factor was 23.973%). These results suggest the lack of common method bias in this thesis (Malhotra, Kim, and Patil 2006; Podsakoff and Organ 1986).

The availability of CSRP scores from the THK Foundation for 67 respondents who participated in this survey provides an opportunity to investigate whether the responses provided to the CSRP measures in the survey may suffer from social desirability bias.

The CSRP scores from the THK Foundation (CSRPThk) were compared with the CSRP scores rated by the respondents (CSRPSr) to assess whether the respondents may provide artificial responses (social desirability bias) for the CSRP measures. Score differences were grouped into three categories. If the CSRPThk score was smaller than the CSRPSr score, the score differences were grouped into the first category and assigned a code -1. The second category was for no score differences and assigned a code 0. If the CSRPThk score was larger than the CSRPSr score, the score differences were grouped into the last category and assigned a code 1. A summary of the score differences for each category and each CSRP items used in the analysis is presented in Table 8.26.

Table 8.26. Summary of Score Differences
between CSRP Thk-rated (CSRPThk) and CSRP Self-rated (CSRPSr)

CSRP Indicators	Number (percentage) of Score Differences for Each Category		
	CSRPThk < CSRPSr (Group 1, Code: -1)	CSRPThk = CSRPSr (Group 2, Code: 0)	CSRPThk > CSRPSr (Group 3, Code: 1)
CSRP1	13 (19%)	42 (63%)	12 (18%)
CSRP2	2 (3%)	20 (30%)	45 (67%)
CSRP3	10 (15%)	44 (66%)	13 (19%)
CSRP4	11 (16%)	42 (63%)	14 (21%)
CSRP5	5 (7%)	18 (27%)	44 (66%)
CSRP6	12 (18%)	42 (63%)	13 (19%)
CSRP7	9 (13%)	28 (42%)	30 (45%)
CSRP8	9 (13%)	30 (45%)	28 (42%)
CSRP9	8 (12%)	39 (58%)	20 (30%)
CSRP10	8 (12%)	47 (70%)	12 (18%)
CSRP11	4 (6%)	54 (81%)	9 (13%)
CSRP12	8 (12%)	31 (46%)	28 (42%)

As can be seen in Table 8.26, in nearly all cases, the majority of respondents rated themselves the same as the THK Foundation (group 2). This is not the case for CSRP2 (employing local people) and CSRP5 (applying Balinese architecture). For these two practices, the majority of respondents rated their CSRPs lower than the THK. This is opposite to what is predicted by social desirability bias, since the managers rated themselves lower than the THK.

The slight differences to the wording of CSRP2 and CSRP5 question items could be the reason why THK scores are higher than the self-rated scores for these two

practices. In the CSRP2 question, the THK Foundation used a general term, 'local people', while this thesis used a more specific term, 'people living in the surrounding villages'. The THK Foundation may consider all Balinese as local people no matter where they come from. Thus, the respondents are more likely to get a higher score from the THK Foundation.

Conversely, in the CSRP5 question, the THK Foundation used a very specific and technical Balinese architecture term that refers to the structure of the hotel building. This thesis used a more general term which is easier to understand for those who are not familiar with the Balinese architecture concept. As this thesis asked for a wider application of Balinese architecture concept than the THK Foundation, it is more likely that the respondents rated lower as compared to the THK.

The scores assigned by the respondents were not always in agreement with the scores provided by the THK Foundation. CSRPs evaluation by the THK Foundation was conducted in early 2013, whereas this thesis' final questionnaires were sent by the end of 2013. The CSRPs of the respondents may have changed after the evaluation by the THK Foundation. This could be another reason why there are some differences between self-rated and THK-rated scores.

To sum up, the majority of respondents rated their CSRPs as similar to the THK Foundation for almost all practices. The respondents tend to rate lower than the THK Foundation for CSRP2 and CSRP5. Only a small number of respondents rated higher than the THK Foundation for all practices. These results provide an indication of the lack of social desirability biases that could impair the validity of the independent variable in this thesis. This conclusion, however, is based on half of my data.

8.6.   Summary

Descriptive statistics, assessments of the measurement model, structural model, common method and social desirability biases are presented in this chapter. The samples are dominated by hotels located in the urban area, managed independently, fully owned by the locals, and small-medium in size categories. The measurement model met the reliability and validity criteria after a few minor adjustments. An assessment of the structural model shows the significance and importance of perceived controllability, perceived stakeholders influence (subjective norms) and

socially responsible attitudes in predicting CSRP. Values of caring for others (self-transcendence values) predict CSRP indirectly only through socially responsible attitudes. The size and type of hotel management are also significant predictors of CSRP. With $R^2 = 0.638$, this thesis' structural model has medium to high predictive accuracy. These results, together with the results of the interviews, are further discussed in the next chapter, Chapter 9 – Discussion and Conclusion.

Chapter 9
Discussion and Conclusion

9.1.   Introduction

This chapter discusses the results and provides concluding remarks. A summary of the results from the qualitative study and survey is firstly presented in Section 9.2. Then, the key findings that deserve further discussion are discussed in Section 9.3. Finally, the concluding remarks in Section 9.4 complete this thesis.

9.2.   Summary of the Results

This thesis aims at providing empirical evidence of Corporate Social Responsibility Practices (CSRPs) and the factors that explain CSRPs of hotels in an emerging economy (Bali – Indonesia). A mixed methods approach is used to answer the research questions. Guided by the Theory of Planned Behaviour (TPB) (Ajzen 1991), the nature and level of CSRPs and the factors that explain CSRPs are first explored through interviews with 19 top level hotel managers and content analyses of published CSRPs of several hotels that participated in this thesis (qualitative study). The results of the qualitative study and questionnaire pilot test informed the refinements needed for the survey instrument and provided deeper explanations to the survey results. Finally, the level of CSRPs and the relationship between CSRPs and its predictors is empirically examined by using survey data from 117 top level hotel managers. The validity of the self-rated CSRP scores is verified by comparisons with independent valuations from the THK Foundation, a local certification organisation.

The research objective, research questions and results are summarised in Table 9.1 and briefly depicted in Figure 9.1. The significant predictors of CSRPs are highlighted in green in Figure 9.1. Brief explanations regarding the qualitative study and survey results are provided after Figure 9.1.

Table 9.1. Summary of Research Objective, Research Questions and Results

Research objective	
To provide empirical evidence of CSRPs and the factors that explain CSRPs of hotels in an emerging economy (Bali – Indonesia)	
Qualitative study results	**Survey results**
Research question 1	
What is the nature and level of CSR practised by hotels in Bali - Indonesia?	
✓ Implicit CSR is preferred over explicit CSR ✓ The types of CSR practised are: CSRPs to the local society, to preserve the local culture, to preserve the natural environment, to the employees and CSRPs related to charity ✓ The majority of local hotels interviewed practise CSR at the basic/early level. A few international hotel chains practise more advanced CSRP	✓ The types of CSRPs used in the questionnaire are: CSRPs to the local society, to preserve the local culture, to preserve the natural environment and CSRPs to the employees ✓ The score means for the level of CSRP items are ranging from 2.91 (CSRP12) to 4.48 (CSRP11). The score mean for the level of CSRPs to preserve the natural environment is the lowest
Research question 2	
What are the factors that explain CSRPs of hotels in Bali - Indonesia?	

Factors that influence CSR decisions and shape CSRPs:
  ✓ Internal forces of managers: perceived importance of CSR (SRA), values of caring for others/self-transcendence and perceived self-efficacy in overcoming the challenges of CSRP implementation
 	
  ✓ External forces: perceived controllability in making and executing CSR decisions and stakeholders influence
 	
Hotel characteristics that explain CSRPs: type of hotel management, size, location and ownership structure
	Factors that significantly influence managers to practise better CSR:
	  ✓ Internal forces of managers: SRA (hypothesis 1) and values of caring for others/ self-transcendence (hypothesis 5b and 6b). The internal factors of managers predict CSRPs to a small extent only
	
	  ✓ External forces: perceived controllability (hypothesis 3b) and stakeholders influence (hypothesis 2). The external forces predict CSRP to a medium and large extent
	
	Hotel characteristics that significantly predict CSRP: type of hotel management (international hotel chains practise better CSR than local hotels) and size (large hotels practise better CSR than small and medium hotels)
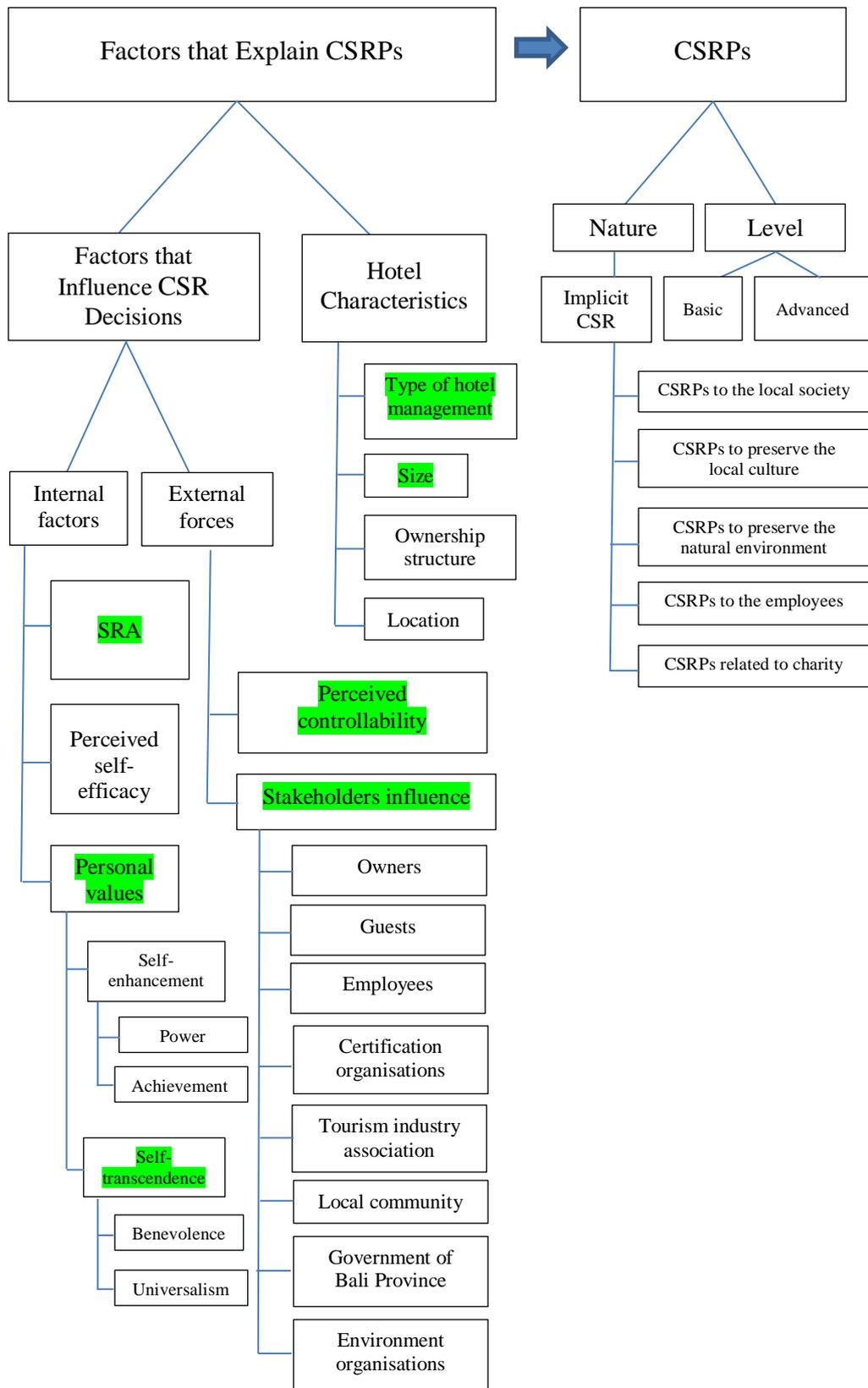
Figure 9.1. CSRPs and Its Determinants.

The majority of the interviewees do not publish their CSRPs. Various reasons are provided. The most often mentioned reason is related to cultural beliefs. Self-publication of CSRPs is perceived as culturally inappropriate.

Although self-publication of CSRPs is low, a wide variety of CSRPs is revealed from the interviews. The interviews also uncover more advanced CSRPs for several international hotel chains and state-owned hotels. These hotels integrate CSRPs with business practices and strategies. However, the majority of local hotels practise Corporate Social Responsibility (CSR) at the basic/ early level. CSR is practised predominantly as a philanthropic action and as a means to maintain business survival. In the survey, the respondents tend to rate high for CSRPs to the employees, to the local society and to preserve the local culture, but low for CSRPs to preserve the natural environment.

The interviews reveal that the internal factors of managers (Socially Responsible Attitudes (SRA), perceived self-efficacy and personal values) and the external forces (stakeholders' influence and perceived controllability) influence CSR decisions and subsequently shape CSRPs. Besides the factors of the decision makers, the interviews indicate that CSRPs are also explained by hotel characteristics. A structural model assessment of the survey data shows that the internal factors of managers, external forces and hotel characteristics simultaneously explain 63.8% of variance in CSRPs.

A structural model assessment of the survey data also proves that while all external forces significantly predict CSRPs, only some internal factors of the managers significantly predict CSRPs. They are SRA and values of caring for others. Significant associations between perceived self-efficacy, individual values/ self-enhancement values and CSRPs are not found. Hotel characteristics which significantly predict CSRPs are the type of hotel management and size. Although the interviews indicate that the ownership structure and hotel location explain the variation in CSRPs, the analysis of the survey data fails to provide support for the significant association between the two hotel characteristics and CSRPs.

The effect size f^2 (Hair et al. 2014) is calculated for each significant predictor of CSRPs to assess the relative importance of each significant predictor in predicting CSRPs. The results show that CSRPs are predicted to a medium and large extent by

the external forces (stakeholders' influence and perceived controllability) and to a small extent only by the internal factors of the managers (SRA and personal values).

9.3.   Discussion

The results of the qualitative study and survey suggest a number of topics that deserve further discussion. The discussion of these topics is organised according to the research objective. The topics related to CSRPs are discussed first, followed by a discussion of the topics related to the predictors of CSRPs.

9.3.1. Corporate Social Responsibility Practices (CSRPs) of Hotels in Bali

9.3.1.1. Implicit Corporate Social Responsibility (CSR)

The existing regulations enacted by the central government of Indonesia regarding CSRPs and CSR disclosure focus on state-owned, natural resources exploration and publicly listed companies. There is no regulation specifically regulating SMEs' obligation to practice CSR and disclose the CSR.

In the context of this thesis, the majority of hotels operated in Bali are SMEs, none of them are publicly listed companies and only 4% of them are state-owned hotels. CSR disclosure is not yet compulsory for these hotels, except for the state-owned hotels. Moreover, in the context of this thesis, any initiative to disclose CSR may result in negative responses from the local society. In a society where silent contribution is highly appreciated, like in the context of this thesis, self-publication of CSRPs tends to raise scepticism about the sincerity of the contribution.

The unsupportive institutional context for CSR disclosures makes companies reluctant to disclose their practices. This condition impedes the further development of CSR disclosures in the context of this thesis. Studies conducted in some emerging countries also find unsupportive institutional contexts for CSR disclosures. This leads to a low level of CSR disclosures, such as in the context of Maldives (Shareef et al. 2014) and Bangladesh (Belal and Cooper 2011).

Matten and Moon (2008) reveal that European and United Kingdom (UK) corporations tend to make less corporate claims regarding their CSRPs compared to corporations in the United States of America (USA). Matten and Moon (2008) argues that the explanation for this phenomenon lies in the respective business systems. For

instance, the USA corporations rely on the stock market for their major financial source. On the other hand, the European and UK corporations tend to use banks as their financial source. With higher dependency on the stock market, the USA corporations face higher pressures to provide a high degree of transparency and accountability to investors. The business system of Indonesia, to some extent, shares some characteristics with those in Europe and the UK, such as: (1) a high reliance on banks as a source of corporate finance and (2) large number of companies with direct and alliance ownerships.

Although the level of CSR disclosures is relatively low, this thesis finds that the hotels interviewed practise a wide variety of CSRPs. Moreover, some advanced CSRPs are found among those who do not make any self-publication of CSRPs.

Corroborating previous studies that question the validity of CSR disclosures to differentiate the levels of CSRPs (Meng et al. 2014; Turker 2009; Martinez, Perez, and Rodrigues del Bosque 2013), this thesis indicates that the levels of CSR disclosures is not associated with the levels of CSRPs. The unsupportive institutional context for CSR disclosures discourages companies with good CSRPs from disseminating their practices, while at the same time, facilitates the hiding (from public exposure) of those who engage in few practices.

Therefore, this thesis argues that in a context where the practice of implicit/ silent CSR is dominant, the use of available public CSR reports to measure the level of CSRPs for certain industries or areas is more likely to suffer from non-response bias. This arises because some companies with more advanced CSRPs may not produce any public CSR reports.

As self-publication of CSRPs is considered culturally inappropriate in the context of this thesis, hotel managers tend to rely on third party recognition and publication to build their image as a responsible hotel. A similar practice is also found amongst British companies (Parker 2014).

The THK Foundation plays a significant role to assess CSRPs, provide awards and publicise those hotels that have achieved a certain standard. The independent assessors are employed to evaluate CSR reports and documentations prepared by the participants and to do site visit assessments. This thesis suggests that the CSRP

scores produced by a local certification organisation could be a good alternative measure of CSRPs in a context where silent CSRPs are dominant.

There are several advantages of using the CSRP scores produced by a local certification organisation to measure CSRPs. First, the scores are verified by a third party. Thus, the reliability and validity of the data can be expected. Second, a local certification organisation could attract a wider range of hotel sizes as the subscription fees are more affordable than international certification organisations. Hence, the scores are more likely to better represent SMEs than the measures generated by international rating agencies. Third, the scores have been adapted to the local conditions and needs, so that it is fairer for the local companies. This could overcome the limitations of the use of international CSR standards to measure local CSRPs (Gugler and Shi 2009).

9.3.1.2. The Types and Level of CSRPs

This thesis reveals that CSRPs to preserve the natural environment obtained the lowest attention and priority as compared to other types of CSRPs. The research participants tend to engage in environmental practices that can be linked directly to cost saving efforts, such as energy saving initiatives. They also seem to be more interested in environmental practices that could attract wide publicity, such as planting mangrove trees initiated by the local government, NGOs and tourism industry associations.

A low emphasis on environmental practices has been found in other empirical studies investigating CSRPs of hotels (e.g. Font et al. 2012; Holcomb, Upchurch, and Okumus 2007; Golja and Nizik 2010). A greater emphasis on philanthropic actions to help the communities, rather than on environmental practices has also been found in several studies conducted in emerging countries (e.g. Shareef et al. 2014; Jamali and Mirshak 2007; Jamali 2007; Gunawan 2015; Kabir and Akinnusi 2012).

This is contrary to CSRPs of companies operating in developed countries, as the environmental practices obtain greater attention than social practices (see Lockett, Moon, and Visser 2006). In many emerging economies, more lenient environmental regulations and less stringent implementations of them are suggested as reasons why there is less emphasis on environmental practices (Gugler and Shi 2009; Visser

2009). Moreover, many emerging countries are still struggling with efforts to improve the standard of living of their population (Visser 2009). In such conditions, social practices are more expected than environmental practices.

This thesis finds that the commitments of hotels to environmental practices that bring a great impact to the local environment are relatively low. For instance, only a small number of hotels are committed to minimising the volume of solid waste disposed at local landfills. Waste management has been a significant environmental issue for the tourism industry in Bali. The local government of Bali has a limited budget and capability to manage waste in an integrative way (Zurbrügg et al. 2012). Efforts have been undertaken by small-scale recycling facilities operated by several local enterprises to minimise the problem (MacRae 2012). The operations of these enterprises are supported by local businesses, including several hotels.

This thesis argues that it is less likely for all hotels to contribute considerably in solving the waste management issues, unless it is required by the local regulations and is firmly enforced. Therefore, this thesis suggests for the local government of Bali to regulate the operation of small-scale recycling facilities by local enterprises and make it mandatory for hotels operating in Bali to cooperate with these enterprises in managing their solid waste.

Besides waste management (CSRP7), there are also three other practices that obtained relatively low scores in the survey: employing local people (CSRP2), applying the Balinese architecture concept (CSRP5) and establishing a workers' union chapter at the hotel (CSRP12). The interviews reveal that the rural and urban people have contrasting expectations regarding CSRP2. While rural people demand for hotels to employ as many local people as possible, urban people tend to be more interested in getting support for their businesses. Rural hotels employ many local people to obtain better acceptance and support from the local society. The same strategy is less effective in the urban area. This information is important to be considered by those who are planning to set up a business in the rural or urban areas of Bali. CSRPs will be more effective if it is adjusted to the local conditions and needs.

The results of the interviews indicate that some international hotel chains do not apply the Balinese architecture concept at all. These hotels are unaware of the local

regulation number 5/2005 regarding the implementation of the Balinese architecture concept. In addition, they are not familiar with the Balinese architecture concept and have to adhere to the standard architecture set by their chain management. This result indicates that the local regulation number 5/2005 is neither effectively socialised nor properly enforced.

The employees' right to establish a workers' union chapter at the hotel is regulated under the national law number 21/2000. The interviewees admitted that their employees prefer to establish small religious groups than a workers' union chapter at the hotel. The survey shows that this practice is rated highly by large hotels, but lowly by small and medium hotels. Larger hotels normally have a larger number of employees. Hotels with a larger number of employees are more likely to face higher pressures to establish a more representative employee association.

In the survey analysis, CSRP2, CSRP5 and CSRP12 do not fit into the CSRP scale. These practices are probably beyond the control of the current managers to implement or are considered as less relevant to be implemented. First, some interviewees explained that not many local people, particularly urban people, respond to the hotels' offer for job opportunities. Hence, fulfilling high percentages of employees from around the hotel location, to some extent, is beyond the managers' control. Second, the hotel buildings were probably built before the managers held their current position. As such, the implementation of the Balinese architecture concept to the existing buildings is almost impossible because it may require a major renovation and a huge amount of financial commitment. Third, the employees are possibly not interested to establish a national workers' union chapter at the hotel. Thus, establishing a workers' union chapter is considered as less relevant.

CSRPs which are beyond the control of managers to decide and implement were not properly considered in the formulation of the CSRP measures. This constitutes one limitation of this thesis.

This thesis finds that the CSRPs of majority of the research participants are not advanced. The hotels which participated in this research practise CSR either as charitable contributions with little relation to business practices or merely as a means to improve their profitability, with little contributions to the local community. Less

advanced CSRPs are also found in several empirical studies conducted in the context of the tourism industry (Bohdanowicz and Zientara 2008; PwC 2006) and emerging economies (Shareef et al. 2014; Jamali and Mirshak 2007; Jamali 2007; Gokulsing 2011).

Social and environmental concerns are less embedded in business operations and strategies for the majority of hotels that participated in this thesis. The majority of CSRPs to the local society were conducted as a reactive response to the local community requirements without proper planning and strategy. As a result, due to the lack of long-term commitments, the practices are sketchy, discontinuous and bring little benefits to the local society.

Proactive initiatives are found in several environmental practices and in practices to preserve the local culture. However, these proactive practices are mainly conducted for the purpose of saving operational costs, improving revenue and creating a good image. Little benefits are provided for the local community and environment. Some of these practices include energy saving initiatives, coral reef conservation programs linked with tour packages and local artists' performances.

9.3.2. Predictors of CSRPs of Hotels in Bali

Previous studies have suggested various factors that influence the managers' decisions to engage in CSRPs. These factors have been predominantly investigated in a piecemeal fashion (Myung, McClaren, and Li 2012). This thesis shows that by analysing the various factors that influence CSR decisions simultaneously, a better understanding of CSR decision making can be obtained. The relative importance of each factor can also be revealed.

Guided by the TPB (Ajzen 1991), this thesis finds that the hotel managers are influenced more by the external, rather than internal factors in making decisions to engage in CSRPs. Hotel managers' personal values and attitudes towards CSR could not be expressed optimally in their CSR decisions, as the degree of control in making decisions (perceived controllability) and the stakeholders' influence are more dominant in determining CSR decisions.

Hotels whose managers possess higher perceived controllability and perceive their stakeholders' expectations as important to be accommodated are more likely to engage in a higher level of CSRPs. The role of the owners and certification organisations are very important in influencing CSR decisions and shaping CSRPs.

This thesis demonstrates that with several modifications, the TPB is effective in explaining individual actions in organisation contexts. Previous studies applying the TPB predominantly investigated individual actions in private contexts, such as losing weight and choice of leisure activities.

By expanding the application of the TPB to an organisation context, a different insight into the relative importance of the TPB components in explaining behaviour or action is offered. Previous studies investigating the determinants of individual actions in private contexts found that the influence of the internal factors (attitudes and values) overshadow the external factors (perceived social pressures and perceived behavioural control) (Ajzen 1991). Moreover, perceived social pressure is found to be the weakest predictor of behaviour in many studies that apply the TPB to explain individual actions in private contexts (Armitage and Conner 2001). This thesis shows that in a context where an individual action is bounded by certain organisation's constraints, like in the context of this thesis, the external factors of managers explain an action better than the internal factors.

This thesis finds that perceived controllability is dominant in predicting an individual action in an organisation context. Its contribution to the predictive validity of the TPB is relatively large, even exceeding other factors' contributions. Hence, supporting other researchers (Armitage and Conner 2001; Madden, Ellen, and Ajzen 1992; Ajzen 1991), this thesis suggests that the TPB (Ajzen 1991) should be preferred over the theory of reasoned action (Fishbein and Ajzen 1975) in explaining human behaviour or action in a situation where an individual does not have complete control to perform certain actions as he/ she intended personally.

Besides factors from the decision makers, the type of hotel management and size also significantly predict the level of CSRPs. International hotel chains and large hotels practise higher levels of CSRPs than local and small and medium hotels.

This thesis finds that the large and international hotel chains experience greater expectations from the local community and face more stringent controls from the local government to practise more and better CSR. Moreover, the international hotel chains receive guidance from their chain management and international certification organisations to practise more advanced CSR. Supported by greater resources, the large and international hotel chains could devise CSRPs that convey bigger impacts to the society and at the same time bring about long-term benefits for the companies.

However, these hotels seem to be less interested in addressing broad environmental issues, such as greening the environment, preserving flora biodiversity and wildlife conservation programs.

9.3.2.1. Internal Factors of Managers that Shape CSRPs

The TPB suggests attitudes and perceived self-efficacy as important factors that internally drive an individual to engage or not to engage in certain actions. In this thesis, personal values are added to the TPB on the grounds that personal value is suggested in previous literature as a significant factor that guides attitudes and actions. Hence, this thesis hypothesises SRA, perceived self-efficacy and personal values as internal factors of the managers that influence their CSR decisions.

9.3.2.1.1. Socially Responsible Attitudes (SRA)

The interviews revealed that the majority of interviewees perceived CSR as important for business survival and acknowledged that CSR is an important moral obligation of a company. This dominant view is supported by the survey data. The research participants of this thesis tend to relate the importance of CSR to intangible benefits such as support from the local society and an image as a responsible hotel, than to tangible benefits, such as profitability.

This result is similar to the research of Jamali and Mirshak (2007). These authors find that in the context of Lebanon, the managers interviewed rarely mentioned profitability as the expected outcome of CSR. The intangible benefits, such as harmonious relationships with the local society and public image, were most frequently mentioned as the expected outcomes of CSR.

Some interviewees of this thesis perceived that it is morally inappropriate to link CSR with economic motive, such as profitability. Others perceived CSR more as an expense than an investment to generate long-term profit. This thesis argues that the research participants of this thesis may be less familiar with the idea of the 'business case of CSR' and 'strategic CSR' (Porter and Van Der Linde 1995; Porter and Kramer 2002, 2006). The majority of the research participants probably do not realise the possibility of obtaining economic benefits for the company, while contributing to the society, or do not have enough capabilities in managing CSR to obtain competitive advantages from CSR. This explains why the majority of hotels who participated in this research engage in basic/ early level of CSRPs. In the survey, the relationship between perceived importance of CSR (SRA) and CSRP is positive and significant. This confirms what is suggested in the interviews – managers who perceive CSR as important not only in obtaining intangible benefits but also in gaining long-term profitability, tend to engage in higher levels of CSRPs.

Therefore, this thesis suggests that it is very important to disseminate information about the potential of aligning business and social objectives through the implementation of strategic CSR. Building the awareness of a wide range of benefits of CSRPs to organisational success is an important step towards advancing the level of CSRP.

The interviews of this thesis provide support for four items of the PRESOR scale as proposed by Singhapakdi et al. (1996). This thesis shows that, with some refinements, the PRESOR scale items are reliable and valid to measure SRA within the TPB framework. This thesis thus suggests two refinements to the PRESOR scale items to fit the CSR decision making context. First, the item numbers are suggested to be reduced from 16 to 5. Five PRESOR items have arguably represented all major views regarding the importance of CSR, as revealed from the interviews. Moreover, the overall PRESOR scale is considered too long by the respondents of the questionnaire pilot tests. Long question items are more likely to decrease the response rate and increase the measurement error due to respondents' fatigue. This is an important consideration when the PRESOR items are part of a survey measuring many variables and targeting top level managers with limited time commitment.

Second, it is suggested for the word *ethics* that comes together with the word *social responsibility* in four items to be removed, leaving only the word *social responsibility*. The result of the questionnaire pilot testing suggests that the respondents view *ethics* and *social responsibility* as two separate concepts. While *ethics* is perceived as a basic moral concept, *social responsibility* is perceived as an implementation of *ethics*. Only by removing the word *ethics*, could the respondents of the questionnaire pilot test provide appropriate responses. The confusion in providing a response was expressed by one respondent, "I could possibly disregard social responsibility in a hard financial situation, but I cannot disregard ethics".

Cacioppe, Forster and Fox's (2008) survey of managers' perceptions regarding ethics and social responsibility also found the respondents distinguished between the two concepts. The respondents linked *ethics* with corporate behaviours such as whether a company obey the law or not. On the other hand, the respondents associated *social responsibility* with global criteria such as how a company treats the environment. Cacioppe, Forster and Fox (2008) therefore suggest that *social responsibility* has a greater macro focus than *ethics*.

Therefore, this thesis suggests for future researchers refine the PRESOR items that are considered as having more than one meaning for their respondents, such as items containing *ethics* and *social responsibility*. Items that contain more than one meaning and concept will create confusion and result in inappropriate responses, hence increasing the measurement error. This thesis also suggests for future researchers to validate the applicability of the PRESOR items via interviews, before using the items as a part of their survey instrument.

9.3.2.1.2. Perceived Self-efficacy

The interviews uncovered different efforts exerted by the interviewees in overcoming similar challenges in CSR decision making. The owners' involvement in business operations is mentioned by most local hotels as the biggest challenge they face in making and implementing CSR decisions. Some interviewees admitted that they provided some arguments regarding the importance of CSR to convince the owners to support their decisions. In many cases, they said that they succeeded in gaining an approval from the owner.

Other interviewees confessed that they just followed the owner's final decision without any arguments. These interviewees further explained that some CSR programs they have planned could not be run due to a lack of support from the owners.

In other cases, two interviewees approached the challenge related to the limitations of human resources differently. While one interviewee used this limitation to justify the low level of his CSR commitments, another interviewee put in extra effort to overcome this limitation by collaborating with the local government.

The results of the interviews suggest that managers with a higher level of perceived self-efficacy tend to exert greater efforts to overcome any barriers and challenges they face in making and implementing CSR decisions. This, in turn, results in higher levels of CSRPs. A positive significant relationship between perceived self-efficacy and CSRP is found in several studies (e.g. Sukserm and Takahashi 2012; Papagiannakis and Lioukas 2012; Sampaio, Thomas, and Font 2012; Garay and Font 2012).

In this thesis, the structural model assessment of the survey data fails to establish a significant relationship between perceived self-efficacy and CSRP. It is possibly because of the restricted variance in the perceived self-efficacy measures to explain CSRPs. Around 80% of the respondents scored 6 and 7 for perceived self-efficacy measures. Another possible explanation is that the research participants of this thesis may experience great constraints in making and executing CSR decisions beyond their capabilities and experiences. In this case, the decision constraint may come from the owners' dominant role in directing business operations.

This thesis suggests that managers' perceived self-efficacy is important in determining the success of CSR decision making and implementation of CSR programs. However, managers are bounded by certain restrictions in making CSR decisions (Wood 1991). Obtaining the owners' support and approval is the biggest challenge faced by most research participants of this thesis in making CSR decisions. Managers' perceived self-efficacy is less significant in determining the level of CSRPs, when the decision constraints are too strong to overcome.

The survey instrument to measure perceived self-efficacy does not explicitly reflect the extent to which the managers' capabilities and past experiences assist them in overcoming the challenges and barriers in making and executing CSR decisions. It is suggested for future researchers to further refine the perceived self-efficacy measures to better reflect how the managers' capabilities and experiences can assist them in overcoming decision constraints and barriers.

This thesis also suggests that the perceived self-efficacy measure alone is not enough to capture the non-motivational factors influencing CSR decisions. The perceived constraint in making and executing CSR decisions is important to be included. Thus, this result provides support for Ajzen's (2002) suggestion to include both perceived self-efficacy and perceived controllability to measure the non-motivational factors influencing human actions.

9.3.2.1.3. Personal Values

This thesis shows that the addition of personal values to the TPB model increases the explanatory power (R^2) of the model by 0.5% only. The effect of personal values on CSRPs is therefore very small. This is possibly because CSR decisions, in the context of this thesis, are influenced more by other factors.

Only 9 out of 19 interviewees discuss the influence of values on their CSR decision and CSRPs in the interviews. The values discussed are related to caring for other people and the environment. The *Tri Hita Karana* value, a local philosophy, is mentioned quite often by the managers of the local hotels to be an important philosophy that influences business practices. The *Tri Hita Karana* value is translated into efforts to maintain harmonious relationships with all relevant stakeholder groups. For some hotels, the *Tri Hita Karana* value is also manifested into the business objectives that give a priority to the relative balance between seeking profits and bringing benefits to the society. Hence, other than profits, qualitative factors such as harmonious relationships and image as a responsible company are perceived as important measures of corporate performance.

Numerous studies conducted in emerging economies show that responsible business practices are inspired and motivated by religious beliefs and local values. For instance, the principle of harmony rooted in Confucian and Taoist religious teachings

is suggested as the foundation of responsible business practices in China (Wang and Juslin 2009). Similar to the principle of harmony, the values of respecting and caring for other people are found to be the core values that shape the CSR culture and practices in the context of Brazil (Duarte 2010), Maldives (Shareef et al. 2014) and Libya (Pratten and Mashat 2009).

The results of the interviews of this thesis provide support to the self-transcendence value items (loyal, helpful, broad minded and unity with nature) proposed by Schwartz (1994). However, none of the interviewees discussed any values related to self-enhancement.

The survey analysis confirms the distinction between the self-enhancement and self-transcendence values, as proposed by Schwartz (1994). The two value types meet the discriminant validity criteria well. The respondents of this thesis tend to rate highly on the self-transcendence value, but lowly on the self-enhancement value. The results of the survey support the interview results. Self-transcendence values are considered as more important life guiding principles than self-enhancement values.

Although the two values are discriminated well, contrasting effects of the two value types on SRA and CSRP are not established. A significant positive influence is found between self-transcendence values and CSRPs through SRA but the hypothesised negative influence of self-enhancement values on SRA, and CSRPs are not supported.

This is possibly due to the homogeneity of the cultural backgrounds of the respondents of this thesis. This, in turn, leads to a similarity of responses towards personal values. Referring to Hofstede's (1983) national culture classification, the culture of Indonesia is classified into a culture which has characteristics of low "individualism" and "low masculinity".

Some characteristics of culture with low "individualism" are low "self-orientation", low emphasis on individual achievement and low "autonomy" (Hofstede 1983, 62). This could be the explanation of why the respondents of this thesis tend to rate low on self-enhancement value items – 'self-respect' and 'personal success'.

Cultures with "low masculinity" are characterised by more emphasis on people than money, interdependence between individuals and sympathy for the unfortunate

(Hofstede 1983, 63). This could be the reason why self-enhancement value items – 'material possessions' and 'control over other people' gain low scores on average. The respondents in this thesis do not perceive self-enhancement values as important life guiding principles.

The homogeneity of the cultural backgrounds of the research participants of this thesis leads to the support of one type of value only, namely self-transcendence values. Future studies conducted in different cultural contexts might be able to overcome this limitation. Hofstede's (1983) classification of national culture is suggested to be applied to determine contrasting cultural contexts. Hofstede's classification of culture with high individualism and high masculinity is similar to the self-enhancement value, while culture with high collectivism and high femininity is similar to the self-transcendence value.

This thesis shows that despite its very small contribution to the explanatory power of the TPB model, self-transcendence values significantly influence actions through attitudes. Personal values are expressed into CSR decisions when positive outcomes of CSRPs are expected to be achieved. This result supports the value-attitude-behaviour hierarchy proposed by Homer and Kahle (1988) and is in agreement with other studies investigating the determinants of CSRPs (e.g. Papagiannakis and Lioukas 2012; Godos-Dı´ez, Ferna´ndez-Gago, and Martı´nez-Campillo 2011).

Previous studies suggesting the addition of personal values to the TPB model are not in agreement to whether personal values should be treated as an antecedent of intention or attitudes. This thesis contributes to the debate by providing evidence that self-transcendence values significantly influence the endogenous variable through attitudes.

This thesis also provides support to the structure of value as a two-level hierarchical model. This structure fits the data better than the one-level structure. The values within each value type correlate well with each other. The self-enhancement higher-order value type is reflected by power and achievement, while the self-transcendence higher-order value type is reflected by benevolence and universalism.

This thesis demonstrates that self-transcendence values provide a contribution in explaining CSR decision making process. Hence, support is provided for the use of

Schwartz's (1994) value types, particularly the self-enhancement and self-transcendence values, to predict CSR decisions and CSRPs.

9.3.2.2. External Forces that Shape CSRPs

As a member of a society or an organisation entity, an individual action is not only driven by internal motivations, but also by motivations stemming from external forces (Ajzen 1991). In certain situations or conditions, the motivations to perform certain actions cannot be fully exercised due to factors beyond the control of an individual (Ajzen 1991).

In the CSR decision making context, the managers' decisions could be driven by pressures and expectations from relevant stakeholder groups. The extent to which the managers could make decisions as they wish could be determined by the degree of control the managers possess in making decisions (Hemingway and Maclagan 2004).

9.3.2.2.1. Perceived Influence of Stakeholders on CSR Decisions

The interviewees of this thesis perceive the local society, owners, guests and certification organisations are the influential stakeholders that shape CSR decisions and practices. In the survey, the respondents rate the owners as the most influential stakeholder that drives their CSR decisions and practices. Among the external stakeholder groups, certification organisations are rated as the most influential stakeholder.

The majority of local hotels interviewed discussed the high degree of the owners' involvement in business operations and decisions. In many cases, negotiation processes with the owners are needed to obtain support for CSRPs. The majority of the interviewees admitted that their owners provided a certain level of support for CSRPs; the owners' influence on CSRPs is positive. However, two interviewees explained that their owners did not support CSRPs. In this case, the owners' influence on CSRPs is negative. This thesis suggests that the dominant role of the owners in business operations could facilitate or inhibit the managers in making CSR decisions.

The survey data supports the results of the interviews. The majority of respondents rated very highly for the degree of the owners' influence on CSR decisions (SN1).

Very low variability in the SN1 measure could be the reason why SN1 does not correlate well with the other measures of perceived stakeholders' influence (SN). The assessment of the measurement model shows that SN1 does not meet the convergent validity criteria as a part of the SN measure. The structural model assessment confirms a non-significant effect of SN1 on CSRP, thus providing further support for the removal of SN1. The perceived stakeholder' influence measure of this thesis therefore does not include the owners' influence.

The majority of research participants of this thesis are local-owned and small and medium hotels. These types of hotel, in the context of this thesis, are predominantly managed as a family business, whereby the owners' involvement on day-to-day business operations is very high. This could be the reason why this thesis finds a role of the owners to be dominant in determining CSR decisions.

Shareef et al. (2014) suggest that the owners' involvement on business operations is a common practice among SMEs. This is why many studies find that the owners play a significant role in determining the level of CSRPs of SMEs (Font, Garay, and Jones 2014; Garay and Font 2012; Tzschentke, Kirk, and Lynch 2008; Høivik and Shankar 2011; Kusyk and Lozano 2007). This thesis contributes to the literature not only by indicating the dominant role of the owners in influencing CSR decisions, but also by showing how the influence of the owners, together with the other factors, shapes CSR decisions.

The respondents of this thesis perceive the certification organisations to be the most influential external stakeholder that shapes their CSR decisions and practices. Besides local certification organisations, international certification organisations are also perceived as influential in shaping CSR decisions and practices for some hotels, particularly the large hotels as well as international hotel chains.

This thesis reveals that international certification organisations have successfully guided their subscribers, particularly large and international hotel chains, to practise more advanced CSR. However, such organisations tend to pay less attention on addressing important local issues. As a result, large and international hotel chains which follow the international certifications' guidance have not contributed much in addressing important local issues. Other studies conducted in emerging economies

also find that multinational corporations do not do much to address important local issues (Schmidheiny 2006; Belal and Owen 2007; Jamali 2010).

The analysis of the interviews indicates that the interviewees who perceive more groups of stakeholder as important in influencing CSR decisions tend to practise more and better CSR. In the survey, the perceived stakeholders' influence score is calculated as the aggregate measure of seven stakeholder groups' influence (after the owners' influence is removed). The structural model assessment finds a significant positive relationship between the stakeholders' influence and CSRPs. Thus, this provides support to the results of the interviews. Managers who perceive more stakeholder groups as important to be accommodated in CSR decisions practise higher levels of CSRPs.

Many studies applying the TPB find a very low explanatory power of perceived social pressures in understanding actions (Armitage and Conner 2001). This is due to a failure in capturing relevant social influences (Armitage and Conner 2001; Terry and O'Leary 1995; Fielding et al. 2008; Fielding, McDonald, and Louis 2008). Beyond this, Armitage and Conner (2001) identify that poor performance of perceived social pressures in predicting actions lies in its measurement: many authors use single item measures, despite the potentially low reliability of such measures.

Interviews are conducted in this thesis to reveal relevant social influences. A multiple-items scale, instead of a single-item scale, is used to measure perceived social pressure. By doing so, this thesis finds a significant and medium effect of perceived social/ stakeholder pressure on action/ CSR decision making. Hence, this thesis supports Fielding and colleagues' (Fielding, McDonald, and Louis 2008; Fielding et al. 2008) argument that specific expectations of people, relevant to certain actions, better capture social influences. Support is also provided to Armitage and Conner's (2001) finding that suggests a multiple-items scale is a better measure of perceived social pressures than a single-item scale.

9.3.2.2.2. Perceived Degree of Control in Making CSR Decisions

The interviews reveal that the perceived degree of control managers possess in making CSR decisions (perceived controllability) is highly associated with the degree of support from the owners. Two statements expressing perceived

controllability in relation to the owners' support are taken from the interviews to measure perceived controllability in the survey.

The results of the interviews show that the majority of the interviewees have medium to high perceived controllability. In the survey, the responses provided to the perceived controllability measures varied greatly. The structural model assessment shows a significant positive relationship between perceived controllability and the level of CSRPs. Perceived controllability predicts the level of CSRP to a large extent. Managers with lower levels of perceived controllability experience greater barriers from their owners in making and implementing CSR decisions as they intended. This, in turn, leads to lower levels of CSRPs than those who have more freedom in making and executing CSR decisions.

Perceived controllability and perceived self-efficacy are suggested as two integral components of the Perceived Behavioural Control (PBC) measure to reflect perceived external and internal constraints or facilitators of an action (Ajzen 2002). There is no agreement among researchers as to whether the components of PBC should be measured as a single overall index, as two separate measures, or as a two-level hierarchical model.

This thesis contributes to the debate concerning the measurement of PBC by providing support to numerous empirical studies that find evidence of separate measures of the components of PBC (Armitage and Conner 1999; Manstead and Van Eekelen 1998; Sparks, Guthrie, and Shepherd 1997; Terry and O'Leary 1995; McCaul et al. 1993). This thesis not only provides support to the distinction between the two components of PBC, but also provides evidence that a two-level hierarchical model of PBC measures, as suggested by Ajzen (2002), does not meet the convergent validity criteria. Previous studies that suggested the validity of perceived self-efficacy and perceived controllability as two distinct constructs did not examine the convergence between the two constructs (Ajzen 2002).

This thesis offers an explanation of why previous studies, such as Terry and O'Leary (1995), find different effects of perceived controllability and perceived self-efficacy on behaviour. This thesis argues that the external facilitators or inhibitors of an action are more likely less controllable than the internal facilitators or inhibitors. This

thesis finds that while perceived controllability significantly determines CSR decisions, perceived self-efficacy does not show any significant relationship with CSR decisions. Managers cannot utilise their capability and experiences in making CSR decisions, when they do not have sufficient freedom in making decisions.

9.3.3. Suggestions

Suggestions for future research have been discussed in the previous section. Several brief suggestions for practices have also been presented in the previous section. This section focuses on expanding the suggestions offered to promote a wider adoption of CSRPs and to further advance the existing CSRPs.

The results of this thesis indicate that CSR is still predominantly practised either as charitable contributions or as a means to maintain business survival. These types of practices do not bring any optimum benefits to the company or to the society. The possibility of aligning business and social objectives by implementing strategic CSR has not been widely recognised.

The THK Foundation has initiated an effort to build awareness among hoteliers regarding the importance of CSR to the success of business operations. Due to limited funding, the socialisation of the importance of CSR and assistance in implementing CSR has not reached all hotels in Bali. To better promote a wider adoption of CSRPs, this thesis suggests the local government of Bali should fully support the operation of the THK Foundation for several reasons. First, the THK Foundation has a pool of academicians, experts and professionals that are concerned about sustainable tourism practices. They contribute by formulating CSRP standards that meet not only international standards, but also local conditions and needs. They also contribute in assisting hotel managers to put CSR into practice and to do assessments. Second, the THK Foundation has built a network of intensive communication with hotels in Bali. Good networking with academicians, experts, professionals and hoteliers could be a key success factor in promoting a wider adoption of CSRPs. This thesis also suggests the local government of Bali should encourage wider participation of the other hotel rating agencies besides the THK Foundation in promoting CSRPs.

Support from the local government in terms of financial resources, general guidelines in formulating CSRP standards and endorsement to improve the legitimacy of the THK Awards will further improve the THK Foundation performance in promoting CSRPs. This thesis also suggests the tourism industry association explicitly includes the results of the CSRPs assessment by the THK Foundation as an important criterion in evaluating the application for the hotel rating assessment. This will encourage more participation in the THK Awards.

This thesis offers suggestions for the THK Foundation to further improve CSRP standards. This thesis identifies that the THK CSRP standards could place more emphasis on practices that could improve the competitive context (Porter and Kramer 2006) of hotels operating in Bali. This thesis identifies three practices that could improve the competitive context of the hotel industry in Bali. They are: (1) hotels' participation in greening water catchment areas to prevent water crisis, (2) hotels' support to the local tourism colleges and universities to guarantee a supply of qualified tourism workers and decrease in-house training costs, (3) hotels' support to the development of organic farming in the rural area to secure a continuous support of organic produce, advancement of the economy of the rural area, so as to decrease the economic discrepancy between the urban and rural areas. This thesis also suggests the THK Foundation to refer to the internationally accepted standards for CSR, such as GRI, to further improve CSRPs criteria.

In order to effectively improve the competitive context of the hotel industry in Bali, collaboration between hotels is needed. It is suggested for the government of Bali to cooperate with the THK Foundation and tourism industry association in identifying detailed programs that could improve the competitive context and in coordinating the efforts to implement the programs. This thesis suggests for the government of Bali to consider offering tax savings for hotels that participate in implementing the programs. This could be an interesting incentive to motivate the hotels to participate.

The role of the owners is found to be dominant in influencing CSR decisions and practices in the context of this thesis. Therefore, this thesis suggests that every effort to promote CSRPs has to reach the owners. They need to be informed and convinced about the benefits and importance of CSR to the success of business operations in the short and long-run.

This thesis and other studies have indicated a significant role of the owners in shaping CSRPs of SMEs (e.g. Font, Garay, and Jones 2014; Høivik and Shankar 2011; Jamali and Mirshak 2007). More research could be performed to reveal factors that explain the owners' support for CSRPs. The resulting knowledge from this research could assist public policy makers in determining the appropriate strategy to promote CSRPs among SMEs.

9.4. Concluding Remarks

The CSR literature is currently dominated by research conducted in developed countries. Little is known about CSR practices (CSRPs) in emerging economies. This thesis fills the gap in the literature by uncovering CSRPs and factors that influence CSRPs in an emerging economy.

This thesis reveals that hotel managers in this thesis are influenced more by external forces than internal factors in making CSR decisions. The THK Foundation, a local certification organisation, plays a significant role in building awareness about the importance of CSR and assisting hotel managers to put CSR into practice. Support from the owners for CSRPs is also crucial to the success of CSR implementation. Therefore, to better promote a wider adoption of CSRPs, this thesis suggests local government and tourism industry associations might support the operation of the THK Foundation and encourage participation of the other hotel rating agencies in promoting CSRPs. This thesis also suggests convincing the owners about the benefits of CSRPs is important.

This thesis shows that due to different cultural and ethical environments, several CSRPs applied in the developed countries are less applicable in the context of this thesis (Bali – Indonesia). First, CSR disclosure has an adverse effect in obtaining organisational legitimacy, because self-publication of CSRPs is considered culturally inappropriate.

Second, the 'business case of CSR' has not been widely accepted. The research participants in this thesis predominantly view CSR as a moral obligation. Expecting material return for helping others is considered morally inappropriate. This is the reason why CSR is predominantly practised as charitable contributions and support for the local community. Less attention is given to the environmental practices. The

research participants tend to engage in environmental practices that can be linked directly to cost saving efforts or practices that could attract wide publicity. This is contrary to CSRPs of companies operating in developed countries, where environmental practices obtain greater attention than social practices. The majority of hotels in this thesis practise basic levels of CSRPs. They are still a long way from integrating CSR with core business operations. Therefore, the implementation of internationally accepted standards for CSR, such as GRI, in the context of this thesis should consider cultural and ethical aspects. These results and conclusion, however, need to be read with caution as the majority of research participants of this thesis are small-medium, local-owned and independently managed hotels located in the urban area.

Corporate Social Responsibility

Practices, Drivers and Barriers

Curtin University

Curtin University
GPO Box U1987
Perth Western Australia 6845

Telephone_____
_____@student.curtin.edu.au

_____2013

Dear Mr/Mrs/Ms_____
General Manager of _____hotel
Denpasar, Bali

RE: Invitation to participate in research interview on "Corporate Social Responsibility Practices (CSRPs), Drivers and Barriers of CSRPs of Hotels in Bali"

I am a lecturer at the department of Accounting, Faculty of Economics and Business, Undiknas University, Denpasar. I am also a Doctoral student at Curtin University, Australia. I would like to invite you to participate in the research I am undertaking as part of my study. My research project will explore corporate social responsibility practices (CSRPs), drivers and barriers of CSRPs of hotels in Bali. The research is being overseen by Professor _____ and Dr _____ from Curtin Business School and has been approved by the University's Human Research Ethics Committee (Approval No. ACC-01-13).

Your participation in this research will be in the form of an interview. Your participation in the interview will provide important contribution to the future development of corporate social responsibility literature, specifically sustainable tourism literature. The proposed study will also seek the recommendations on key approaches to promote sustainable tourism practices that will benefitting every company in the tourism industry in the long-run. As an appreciation of your participation, an executive summary of the results of this study will be sent to you. An information sheet is attached with further details about this research project.

If you are willing to participate, please sign the attached Consent Form to confirm your consent. This will be collected when we meet and pior to the interview. All information you provide to us will be kept confidential.

Participation in this research is entirely voluntary. Therefore, should you wish to decline, simply contact me via email: _____@student.curtin.edu.au or _____@gmail.com or mobile: _____. No explanation is necessary.

Thank you for considering your involvement in this research.

Yours sincerely,

Luh Putu Mahyuni
Doctoral Student
Curtin Business School, Curtin University

Appendix 2   Research Participant Information Sheet

Study title:
Corporate Social Responsibility Practices (CSRPs), Drivers and Barriers of CSRPs of Hotels in Bali

1. **What is the purpose of the research?**
    The purpose of this research is to investigate corporate social responsibility practices (CSRPs) of hotels in Bali and to explore the drivers and barriers that were faced by hotel managers in the implementation of CSR programs.

2. **Who is participating in the research?**
    Conducting this project is Luh Putu Mahyuni, post graduate student undertaking PhD degree at Curtin University. Supervising this project are _____ and _____, both are academic staff at Curtin University. Participants are several hotel managers of small, medium and large-sized hotels in several regions (Badung, Denpasar, Gianyar and Karangasem) in Bali.

3. **Why have I been invited to participate?**
    We are asking you to take part in the research because we believe that you can provide important information to us that may be relevant to the research that we are undertaking.

4. **Do I have to take part?**
    Your participation in this interview is entirely voluntary. If you choose not to participate you do not have to explain your reason. If, after the interview you decide that you no longer wish to participate in the research project, you can withdraw your participation at any time up to the point where the research has been written up. No reason is required to withdraw your participation.

5. **Will my participation in the study be kept confidential?**
    All information you provide to us will be kept confidential. Only members of the research team will have access to it. Under no circumstances will identifiable responses be provided to any other third party. Information emanating from the interview will only be made public in a completely un-attributable format or at the aggregrate level in order to ensure that no participant will be identified.

6. **What do I have to do?**
    If you are happy to participate in this research we will ask you to read this information sheet, sign the consent form and return it to me on the day of the interview. If you are willing to participate in this research, please let me know by emailing me at _____@student.curtin.edu.au or by telephoning me on _____. Alternatively, I will contact your office in a few days to establish if you are willing to participate in this research and arrange a convenient time and place to meet with you. Your participation will consist of a face to face interview of up to 40 minutes. With your permission, the

interview will be recorded on a hand held audio recording device and I will also be taking notes.

7. **What happens to the information I give at the interview?**
The information you give at the interview will be anonymised. Unless you agree, your name will not be published or noted in any report or publication relating to the research. Interview transcripts will be shown to you for review before it is published. The content of the interview may be used to contribute to the development of the researcher's thesis at Curtin University. The results from this analysis will be available in one or more of the following sources: scientific papers in peer reviewed academic journals, presentations at conference and seminars. The publication will not contain any reference to individual participants unless participants have agreed to be referred to as appropriate in scientific referencing systems.

8. **What are the possible disadvantages and risk of taking part?**
Whilst you may be asked to answer questions on corporate social responsibility practices, drivers and barriers in the implementation of CSR programs by your company, we are aware that this situation may cause discomfort of disclosing several issues. If you do not want to answer certain questions, that is fine. Every care will be taken to ensure that you and your organization will not be affected. Therefore, all information provided by you will be kept confidential at all times.

9. **What are the possible benefits of taking part?**
Whilst there may be no personal benefits to your participation in this study, the information you provide can contribute to the future development of corporate social responsibility literature, specifically sustainable tourism literature. The proposed study will also seek the recommendations on key approaches to promote sustainable tourism practices that will benefitting every company in the tourism industry in the long-run. As an appreciation of your participation, an executive summary of the results of this study will be sent to you

10. **Who is organising the funding of the study?**
This study is funded by DIKTI scholarship and Curtin University through research consumable fund scheme. Any additional costs associated with the interview will be borne by the interviewer.

11. **Who has approved the study?**
The study is being overseen by _____ from Curtin Business School. The study has been approved by the Human Research Ethics Committee of Curtin University (Approval No. ACC-01-13)

12. **Contact for further information**
Should you have any query in regards to ethics, you may contact:

Human Research Ethics Committee
Office of Research Ethics Committee
Curtin University
GPO Box U1987
Bentley, WA 6845
Phone: _____
Email: _____@curtin.edu.au

For further inquiries about the study or any matter in relation to this research, please contact:

Luh Putu Mahyuni
Email: _____@student.curtin.edu.au
Phone: _____

Professor_____
Email: _____@cbs.curtin.edu.au

Appendix 3   Consent Form

Title of research project:

Corporate Social Responsibility Practices (CSRPs), Drivers and Barriers of CSRPs of Hotels in Bali

Name and position of researcher: Luh Putu Mahyuni, PhD student, School of Accounting, Curtin University, Australia

Please tick box

	YES	NO
1. I confirm that I have read and understood the information sheet for the above study and have had the opportunity to ask questions	☐	☐
2. I understand that my participation is voluntary and that I am free to withdraw at any time without giving a reason	☐	☐
3. I agree to take part in the study	☐	☐
4. I agree to the interview being recorded	☐	☐
5. I agree to the use of anonymised quotes in publications	☐	☐

I_____(participant's   name)   agree   to participate. I understand that I can withdraw my participation at any time.

Signature: _____

Participant: _____   Date: _____

Researcher: _____   Date: _____

Revocation of Consent

I hereby WITHDRAW my consent to participate in the research project described above and understand that such withdrawal will be without prejudice.

Signature: _____

Participant: _____   Date: _____

Appendix 4   Hotel Characteristics and Types of CSRPs

This appendix lists details of hotel characteristics of the interviewees (Table 4.1) and CSRP types (Table 4.2, 4.3, 4.4, 4.5, 4.6). The interviewees are assigned a code from 1 to 19. CSRP categories are assigned a code from A to E for CSRPs to the local society, to preserve the local environment, to preserve the local culture, CSRPs related to charity and CSRPs to the employees respectively. These codes are used in Appendix 5, 6, 7, 8 and 9.

Table 4.1 Hotel Characteristics of the Interviewees

	Interviewee																		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
HtlMgt	Int	Int	Int	Int	Int	Int	Lc	Lc	Lc	Lc	Lc	Im	Im	Im	Im	Im	Im	Im	Im
Size	3	6	6	6	6	6	5	3	3	3	6	2	2	3	3	2	4	1	6
Location	R	R	R	R	U	U	U	U	U	R	R	U	U	R	U	U	U	R	U
OwnS	LO	FO	FO	FO	LO	JV	LO	SO	LO	LO	LO	LO	LO	LO	LO	SO	JV	LO	SO

Notes:
1. HtlMgt   : Type of hotel management (Int: international hotel chain, Lc: local
                                             hotel chain, Im: independently managed hotel).
2. Size (revenue)   : (1) Less than Rp2.5 billion (small).
                                             (2) More than Rp2.5 billion – Rp12.5 billion (small).
                                             (3) More than Rp12.5 billion – Rp22.5 billion (medium).
                                             (4) More than Rp22.5 billion – Rp32.5 billion (medium).
                                             (5) More than Rp32.5 billion – Rp42.5 billion (large).
                                             (6) More than Rp42.5 billion (large).
3. Location   : (R) Rural, (U) Urban.
4. OwnStr   : Ownership structure (FO: foreign-owned, LO: local-owned,
                                             JV: joint venture, SO: state-owned).

Table 4.2 Types of CSRPs to the Local Society

CSRP		Types of CSRPs to the local society
A	1	Contributions in-cash, in-kind and in-goods to the local peoples
	2	Employing people living around the hotel location
	3	Supporting local entrepreneurs/ sourcing products from within the community
	4	Fostering economic growth in the villages through development of sustainable organic farming
	5	Providing school facilities and equipment for the local schools
	6	Providing health and environmental education to the locals
	7	Supporting educational efforts in English language and literacy
	8	Providing scholarships for the local students
	9	Supporting local kindergartens
	10	Sponsoring local seminars, sports and cultural events
	11	Redeveloping/ renovating villages' common facilities and temples
	12	Providing training and internship opportunity for local tourism students
	13	Home improvement projects
	14	Build safe drinking water stations and sharing with local villagers

Table 4.3 Types of CSRPs to Preserve the Natural Environment

CSRP		Types of CSRPs to preserve the natural environment
B	1	Waste management: waste segregation
	2	Energy saving initiatives
	3	Introducing the green card in the guest rooms
	4	Planting rare indigenous tree species at the hotel garden/ preserving flora biodiversity
	5	Greening the environment/ planting mangrove trees
	6	Waste water recycling
	7	Waste management: recycle
	8	Use of eco-friendly/ natural products
	9	Coral reef conservation program
	10	Wildlife conservation program
	11	Cleaning tourist destination areas
	12	The green bank initiatives

Table 4.4 Types of CSRPs to Preserve the Local Culture

CSRP		Types of CSRPs to preserve the local culture
C	1	Inviting the guests to learn the Balinese culture/ to take courses in Balinese culture
	2	Applying the Balinese architecture concept to the hotel's infrastructure
	3	Providing opportunities to the local artists to perform and/ or showcase their artworks
	4	Inviting the guests to experience a daily life of a Balinese

Table 4.5 Types of CSRPs Related to Charity

CSRP		Types of CSRPs related to charity
D	1	Donations for the unfortunate people, orphanages, disabled people, aged care and nursing houses
	2	Organising blood drive
	3	Raising money for cancer research

Table 4.6 Types of CSRPs to the Employees

CSRP		Types of CSRPs to the employees
E	1	Employees' capacity building programs
	2	Occupational health, safety and environmental education to the employees

Appendix 5   CSRP Types Mentioned by the Interviewees

CSRP		Interviewee																			Tot.
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	
A	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	19
	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	19
	3	1		1	1	1	1	1	1			1			1	1		1		1	12
	4	1		1	1	1														1	5
	5						1				1				1		1				4
	6	1		1			1				1										4
	7			1								1						1			3
	8		1									1									2
	9	1		1																	2
	10															1	1				2
	11														1	1					2
	12											1									1
	13					1															1
	14			1																	1
	Tot.	6	3	8	4	5	5	3	3	2	6	4	2	2	5	5	4	4	2	4	77
B	1	1	1	1	1	1	1		1	1	1	1	1	1	1	1				1	15
	2	1	1	1	1	1	1					1				1	1			1	10
	3			1		1	1		1		1	1	1		1	1					9
	4					1	1	1	1			1			1	1			1	1	9
	5	1				1			1			1				1		1		1	7
	6		1	1			1				1	1			1				1		7
	7	1		1					1			1								1	5
	8	1		1		1									1					1	5
	9	1													1	1					3
	10								1											1	2
	11									1						1					2
	12	1																			1
	Tot.	6	3	6	2	4	7	1	6	2	3	6	3	1	6	7	1	1	2	7	75
C	1	1		1	1	1	1	1	1	1	1	1	1		1	1			1		14
	2			1	1		1	1	1	1	1	1			1	1		1		1	12
	3	1	1		1	1	1	1	1					1			1			1	10
	4				1		1	1								1			1	1	6
	Tot.	2	1	1	4	3	3	4	3	2	2	2	3		2	3	1	1	2	3	42
D	1			1	1	1	1	1	1		1	1	1	1	1	1	1	1			14
	2				1	1				1								1			4
	3			1																	1
	Tot.			2	2	2	1	1	1	1	1	1	1	1	1	1	1	2			19
E	1		1	1			1					1	1				1		1	1	8
	2			1			1													1	3
	Tot.		1	2			2					1	1				1		1	2	11
	G.Tot.	14	8	18	12	14	19	9	13	7	13	14	9	4	14	17	7	8	7	16	224

See Appendix 4 for the codes

Appendix 6   Comparison of CSRP Types between Hotel Managements

CSRP		Interviewee — International hotel chains						Local hotel chains					Independently managed hotels							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
A	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	3	1		1	1	1	1	1	1			1			1	1		1		1
	4	1		1	1	1														1
	5						1				1				1		1			
	6	1		1			1				1									
	7			1							1							1		
	8		1								1									
	9	1		1																
	10														1	1				
	11														1	1				
	12											1								
	13					1														
	14		1																	
	Tot.	**6**	**3**	**8**	**4**	**5**	**5**	**3**	**3**	**2**	**6**	**4**	**2**	**2**	**5**	**5**	**4**	**4**	**2**	**4**
B	1	1	1	1	1	1	1		1	1	1	1	1	1	1	1				1
	2	1	1	1	1	1	1					1			1	1				1
	3			1		1	1		1		1	1	1		1	1				
	4				1	1	1	1	1				1		1	1			1	1
	5	1					1		1			1				1		1		1
	6		1	1			1				1	1			1				1	
	7	1		1					1			1								1
	8	1		1			1								1					1
	9	1													1	1				
	10								1											1
	11									1						1				
	12	1																		
	Tot.	**7**	**3**	**6**	**2**	**4**	**7**	**1**	**6**	**2**	**3**	**6**	**3**	**1**	**6**	**7**	**1**	**1**	**2**	**7**
C	1	1		1	1	1	1	1	1	1	1	1	1		1	1			1	
	2			1	1			1	1	1	1	1	1		1	1		1		1
	3	1	1		1	1	1	1	1				1				1			1
	4				1		1	1								1			1	1
	Tot.	**2**	**1**	**1**	**4**	**3**	**3**	**4**	**3**	**2**	**2**	**2**	**3**		**2**	**3**	**1**	**1**	**2**	**3**
D	1			1	1	1	1	1	1		1	1	1	1	1	1	1	1		
	2				1	1			1									1		
	3			1																
	Tot.			**1**	**2**	**2**	**2**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**2**		
E	1		1	1			1				1	1				1			1	1
	2			1			1													1
	Tot.		**1**	**2**			**2**				**1**	**1**				**1**			**1**	**2**
G.Tot.		**15**	**8**	**18**	**12**	**14**	**19**	**9**	**13**	**7**	**13**	**14**	**9**	**4**	**14**	**17**	**7**	**8**	**7**	**16**

See Appendix 4 for the codes

CSRP		Interviewee																		
		Large: Size 6 and 5								**Medium: Size 4 and 3**							**Small: Size 2 and 1**			
		11	19	2	3	4	5	6	7	17	1	8	9	10	14	15	12	13	16	18
A	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	3	1	1		1	1	1	1	1	1	1	1			1	1				
	4		1		1	1	1				1									
	5							1						1	1				1	
	6				1			1			1			1						
	7				1					1				1						
	8			1										1						
	9				1						1									
	10															1			1	
	11														1	1				
	12	1																		
	13						1													
	14				1															
	Tot.	**4**	**4**	**3**	**8**	**4**	**5**	**5**	**3**	**4**	**6**	**3**	**2**	**6**	**5**	**5**	**2**	**2**	**4**	**2**
B	1	1	1	1	1	1	1	1			1	1	1	1	1	1	1	1		
	2	1	1	1	1	1	1	1			1					1			1	
	3	1			1		1	1				1		1	1	1	1			
	4		1				1	1	1			1			1	1	1			1
	5	1	1					1		1	1	1				1				
	6	1		1	1			1						1	1					1
	7	1	1		1						1	1								
	8		1		1			1				1			1					
	9										1				1	1				
	10		1								1									
	11												1			1				
	12										1									
	Tot.	**6**	**7**	**3**	**6**	**2**	**4**	**7**	**1**	**1**	**7**	**6**	**2**	**3**	**6**	**7**	**3**	**1**	**1**	**2**
C	1	1			1	1	1	1	1		1	1	1	1	1	1	1			1
	2	1	1			1	1		1	1		1	1	1	1	1	1			
	3		1	1		1	1	1	1		1	1					1		1	
	4		1			1		1	1							1				1
	Tot.	**2**	**3**	**1**	**1**	**4**	**3**	**3**	**4**	**1**	**2**	**3**	**2**	**2**	**2**	**3**	**3**	**0**	**1**	**2**
D	1	1			1	1	1	1	1	1		1		1	1	1	1	1	1	
	2						1	1		1			1							
	3					1														
	Tot.	**1**	**0**	**0**	**1**	**2**	**2**	**2**	**1**	**2**		**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	
E	1	1	1	1	1			1						1		1				1
	2		1		1			1												
	Tot.	**1**	**2**	**1**	**2**			**2**						**1**		**1**				**1**
	G.Tot.	**14**	**16**	**8**	**18**	**12**	**14**	**19**	**9**	**8**	**15**	**13**	**7**	**13**	**14**	**17**	**9**	**4**	**7**	**7**

See Appendix 4 for the codes

Appendix 8   Comparison of CSRP Types between Locations

CSRP		Interviewee																		
		Urban											Rural							
		5	6	7	8	9	12	13	15	16	17	19	1	2	3	4	10	11	14	18
A	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	3	1	1	1	1				1		1	1	1		1	1		1	1	
	4	1										1	1		1	1				
	5		1							1							1		1	
	6		1										1		1		1			
	7										1				1		1			
	8													1			1			
	9												1		1					
	10								1	1										
	11								1										1	
	12																	1		
	13	1																		
	14														1					
	Tot.	5	5	3	3	2	2	2	5	4	4	4	6	3	8	4	6	4	5	2
B	1	1	1		1	1	1	1	1			1	1	1	1	1	1	1	1	
	2	1	1						1	1		1	1	1	1	1		1		
	3	1	1		1				1			1			1		1	1	1	
	4	1	1	1			1					1							1	1
	5		1		1	1			1		1		1					1		
	6		1											1	1		1	1	1	1
	7				1				1			1	1		1			1		
	8		1									1	1		1				1	
	9						1		1				1						1	
	10				1							1								
	11				1				1											
	12												1							
	Tot.	4	7	1	6	2	3	1	7	1	1	7	7	3	6	2	3	6	6	2
C	1	1	1	1	1	1	1		1				1		1	1	1	1	1	1
	2	1		1	1	1	1		1		1	1				1	1	1	1	
	3	1	1	1	1		1			1		1	1	1		1				
	4		1	1					1			1				1				1
	Tot.	3	3	4	3	2	3		3	1	1	3	2	1	1	4	2	2	2	2
D	1	1	1	1	1		1	1	1	1	1				1	1	1	1	1	
	2	1	1			1					1									
	3															1				
	Tot.	2	2	1	1	1	1	1	1	1	2				1	2	1	1	1	
E	1		1						1			1		1	1		1	1		1
	2		1									1			1					
	Tot.		2						1			2		1	2		1	1		1
	G.Tot.	14	19	9	13	7	9	4	17	7	8	16	15	8	18	12	13	14	14	7

See Appendix 4 for the codes

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Appendix 9   Comparison of CSRP Types between Ownership Structures

CSRP		Interviewee																		
		Foreign-owned hotel			Local-owned hotel											Joint venture hotel		State-owned hotel		
		2	3	4	1	5	7	9	10	11	12	13	14	15	18	6	17	8	16	19
A	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	3		1	1	1	1	1			1			1	1		1	1	1		1
	4		1	1	1	1														1
	5								1				1			1			1	
	6		1		1				1							1				
	7		1						1								1			
	8	1							1											
	9		1		1															
	10													1						1	
	11												1	1							
	12									1											
	13					1															
	14		1																		
	Tot.	3	8	4	6	5	3	2	6	4	2	2	5	5	2	5	4	3	4	4
B	1	1	1	1	1	1		1	1	1	1	1	1	1		1		1		1
	2	1	1	1	1	1				1				1		1			1	1
	3		1			1			1	1	1		1	1		1		1		
	4				1	1					1		1	1	1	1		1		1
	5				1					1				1		1	1	1		1
	6	1	1						1	1			1		1	1				
	7		1		1					1								1		1
	8		1		1								1			1				1
	9							1					1	1						
	10																	1		1
	11						1							1						
	12				1															
	Tot.	3	6	2	7	4	1	2	3	6	3	1	6	7	2	7	1	6	1	7
C	1		1	1	1	1	1	1	1	1	1		1	1	1	1		1		
	2			1		1	1	1	1	1	1		1	1			1	1		1
	3	1		1	1	1	1				1					1		1	1	1
	4			1			1							1	1	1				1
	Tot.	1	1	4	2	3	4	2	2	2	3		2	3	2	3	1	3	1	3
D	1		1	1		1	1		1	1	1	1	1	1		1	1	1	1	
	2					1		1								1	1			
	3			1																
	Tot.		1	2		2	1	1	1	1	1	1	1	1		2	2	1	1	
E	1	1	1						1	1				1	1	1				1
	2		1													1				1
	Tot.	1	2						1	1				1	1	2				2
G.Tot.		8	18	12	15	14	9	7	13	14	9	4	14	17	7	19	8	13	7	16

See Appendix 4 for the codes

Appendix 10   Pilot Test Questionnaire

Cover page

Corporate Social Responsibility (CSR)

Practices, Drivers, and Barriers
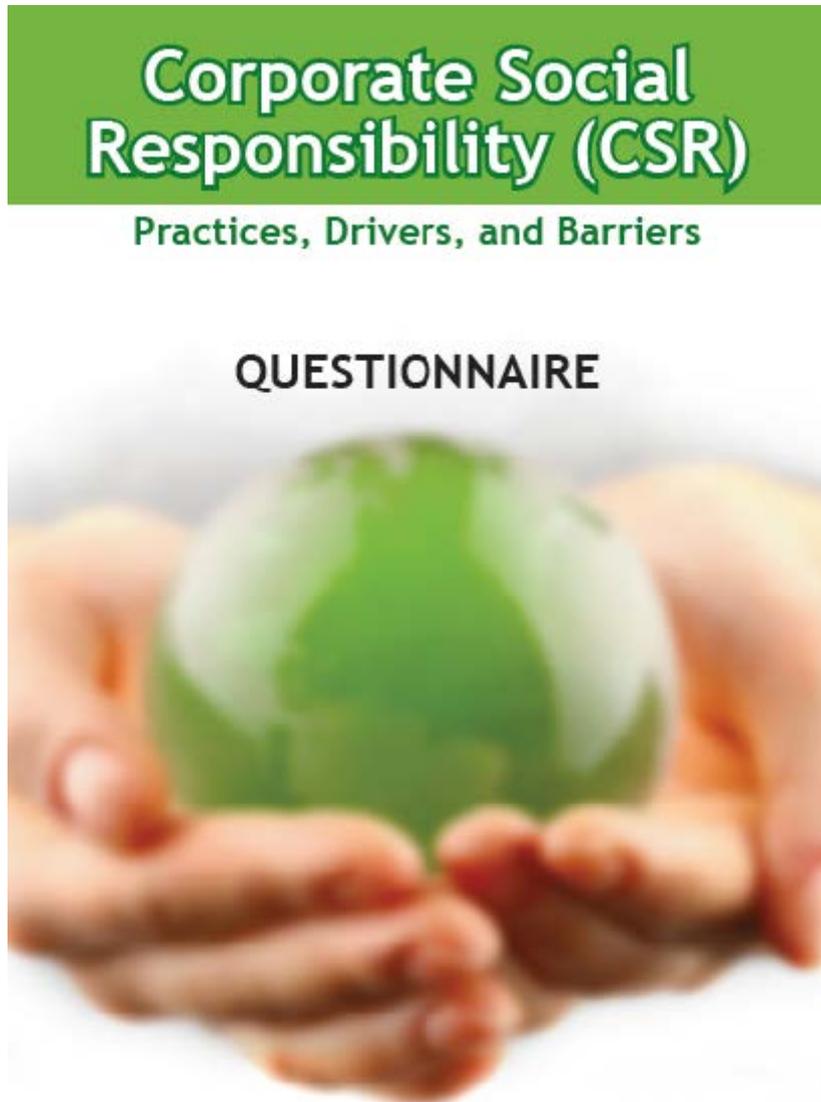
QUESTIONNAIRE

Appendix 10   Pilot Test Questionnaire (continued)

Content

Name of the hotel _____   Location _____

All the information you provide is CONFIDENTIAL and will be published only in summary, statistical form

1. Please indicate to what extent your company has implemented corporate social responsibility (CSR) programs as listed below, on a scale of 1 to 7, with 1 indicating 'not at all' and 7 indicating 'to large extent' (CROSS THE NUMBER THAT CORRESPONDS TO YOUR ANSWER)

	Not at all						To large extent
	1	2	3	4	5	6	7
Motivating guests to be environmentally responsible							
Encouraging and enabling guests to learn about and appreciate local cultures							
Providing facilities for guests with physical disabilities							
Accommodating the cultural customs, traditions, and practices of employees							
Provide opportunities for employees' learning and development							
Provide fair wages and benefits							
Donations in cash and kind for local community							
Heritage and local culture/traditions protection and preservation							
Recruitment of workers from the same locality where the hotel is located							
Building mutually beneficial partnerships with local suppliers							
Energy saving/efficiency/use of alternative renewable energy sources							
Water saving/ conservation							
Waste management							
Contribute to biodiversity conservation/habitat restoration							

1

Thank you for taking the time to complete this questionnaire. Your assistance in providing this information is very much appreciated. If there is anything else you would like to tell me about this survey, please do so in the space provided below.

If you have any queries please do not hesitate to contact Luh Putu Mahyuni by telephoning +62 818 356578 or emailing luhputumahyuni@postgrad.curtin.edu.au.

Appendix 10   Pilot Test Questionnaire (continued)

Content

6. How long has your company been established? _____ years

7. Which of the following is the ownership structure of your company?
   MARK (X) ONE BOX

Subsidiary of international hotel	1
Private local-owned hotel	2
Government-owned hotel	3
Other, please specify	4
_____	

8. What is the approximate sales of your company in 2012?
   MARK (X) ONE BOX

Less than Rp 2.5 billion	1
More than Rp 2.5 billion - Rp 12.5 billion	2
More than Rp 12.5 billion - Rp 22.5 billion	3
More than Rp 22.5 billion - Rp 32.5 billion	4
More than Rp 32.5 billion - Rp 42.5 billion	5
More than Rp 42.5 billion	6

9. What is your current position? _____

10. How low have you been in your current position?
    _____ years

11. Gender

Male	1
Female	2

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2. Please indicate the degree to which your decisions to engage in CSR practices are influenced by these company's stakeholders, on a scale of 1 to 7, with 1 indicating 'not at all' and 7 indicating 'at very high degree' (CROSS THE NUMBER THAT CORRESPONDS TO YOUR ANSWER)

	Not at all						At very high degree
	1	2	3	4	5	6	7
Shareholders/investors/owners							
Customers							
Suppliers							
Employees							
Local community							
Environmental organizations							
Media							
Government							
Industry association (PHRI)							

3. To what extent do you agree or disagree with the following statements, on a scale of 1 to 7, with 1 indicating 'strongly disagree' and 7 indicating 'strongly agree' (CROSS THE NUMBER THAT CORRESPONDS TO YOUR ANSWER)

	Strongly disagree	Disagree	Somewhat disagree	Neutral	Somewhat agree	Agree	Strongly agree
	1	2	3	4	5	6	7
My past experience increases my confidence that I am qualified to make a decision concerning social and environmental issues							
I feel confident that my skills, abilities and knowledge qualify me to make a decision concerning social and environmental issues							

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Appendix 10   Pilot Test Questionnaire (continued)

Content

4. To what extent do you agree or disagree with the following statements, on a scale of 1 to 7, with 1 indicating 'strongly disagree' and 7 indicating 'strongly agree' (CROSS THE NUMBER THAT CORRESPONDS TO YOUR ANSWER)

	Strongly disagree	Disagree	Somewhat disagree	Neutral	Somewhat agree	Agree	Strongly agree
	1	2	3	4	5	6	7
Being ethical and socially responsible is the most important thing a firm can do							
The most important concern for a firm is making profit, even if it means bending or breaking the rules							
The ethics and social responsibility of a firm is essential to its long term profitability							
The overall effectiveness of a business can be determined to a great extent by the degree to which it is ethical and socially responsible							
To remain competitive in a global environment, business firms will have to disregard ethics and social responsibility							
Social responsibility and profitability can be compatible							
Business ethics and social responsibility are critical to the survival of a business enterprise							
A firm's first priority should be employee morale							
Business has a social responsibility beyond making a profit							
If survival of a business enterprise is at stake, then you must forget about ethics and social responsibility							
Efficiency is much more important to a firm than whether or not the firm is seen as ethical or socially responsible							
Good ethics is often good business							
If the shareholders/owners are unhappy, nothing else matters							

5. Please indicate the degree to which you consider these values to be important as a guiding principle in your life, on a scale of -1, 0, to 7, with -1 indicating 'opposed to my principles', 0 indicating 'not important', and 7 indicating 'of supreme importance'. Before rating the value items, please read the whole list first and then start rating from the value that you consider the most important to the least important. (CROSS THE NUMBER THAT CORRESPONDS TO YOUR ANSWER)

	Opposed to my principles	Not important						Of supreme importance
	-1	0	1	2	3	4	5	6	7
Control over others, dominance									
Material possessions, money									
Faithful to my friends, group									
Working for the welfare of others									
The right to lead or command									
Hardworking, aspiring									
Competent, effective, efficient									
Achieving goal									
Living in harmony with the environment									
Treating other people equally									
Dependable, reliable									
Appreciation of different ideas and beliefs									

Appendix 11   Final Questionnaire

Cover page

Corporate Social Responsibility (CSR)

Practices, Drivers, and Barriers

QUESTIONNAIRE

Appendix 11   Final Questionnaire (continued)

Content

QUESTIONS

1. Please indicate to what extent your company has implemented corporate social responsibility (CSR) practices as listed below. MARK (X) ONE BOX.

CSR practices	Criteria
Supporting local traditional organizations by providing donation in-cash, goods, kind, and facilitating capacity building trainings	☐ Hotel has a written program and the program has been implemented ☐ Hotel does not have a written program, hotel has conducted activities to support local traditional organizations ☐ Hotel has a written program, the program has NOT been implemented ☐ Hotel is planning to have a written program ☐ Hotel has no plans to have a written program
Employing people living in the surrounding villages	Percentage of employees coming from the surrounding villages ☐ 85-100% ☐ 70-84% ☐ 60-69% ☐ 40-59% ☐ < 40%

1

Content

Sourcing products from within the community	☐ Hotel has written contracts with local suppliers ☐ Hotel does not have any written contract, hotel sourcing products from within the community regularly ☐ Hotel does not have any written contract, hotel sourcing products from within the community occasionally ☐ Hotel is planning to have written contracts with local suppliers ☐ Hotel has no plans to have written contracts with local suppliers
Providing opportunities to the local artists to perform and/or showcase their products at the hotel	☐ Hotel has a written program and the program has been implemented ☐ Hotel does not have a written program, hotel has provided opportunities to the local artists to perform and/or showcase their products at the hotel ☐ Hotel has a written program, the program has NOT been implemented ☐ Hotel is planning to have a written program ☐ Hotel has no plans to have a written program
Applying Balinese architecture concept to the hotel's infrastructure	Percentage of hotel's infrastructure embracing Balinese architecture concept ☐ All hotel's infrastructure ☐ 75%-99% of hotel's infrastructure ☐ 50%-74% of hotel's infrastructure ☐ 25%-49% of hotel's infrastructure ☐ No more than 24% of hotel's infrastructure
Inviting the guests to experience a daily life of Balinese, e.g. preparing offering for religious ceremonies, meditation and yoga	☐ Hotel has a written program and the program has been implemented ☐ Hotel does not have a written program, hotel has invited the guests to experience a daily life of Balinese ☐ Hotel has a written program, the program has NOT been implemented ☐ Hotel is planning to have a written program ☐ Hotel has no plans to have a written program

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Appendix 11 Final Questionnaire (continued)

Content

Waste management	☐ Inorganic and organic wastes are separated, all inorganic wastes are recycled, all organic wastes are composted and used in the hotel ☐ Inorganic and organic wastes are separated, all inorganic wastes are recycled, only half of organic wastes are composted and used in the hotel ☐ Inorganic and organic wastes are separated, only half of inorganic and organic wastes are recycled and reused ☐ Inorganic and organic wastes are separated, half of organic wastes are composted and used, all inorganic wastes are disposed ☐ All wastes are disposed at local landfills
Use of eco-friendly cleaning products	Percentage of eco-friendly cleaning products are used ☐ 100% ☐ 75% to<100% ☐ 50% to<75% ☐ 25% to<50% ☐ <25%
Energy saving initiatives	☐ Hotel has procedures to save the energy, uses 100% energy saved equipment,the energy consumption level is recorded,there is routine evaluation to maximize energy efficiency ☐ Hotel has procedures to save the energy, uses<100% energy saved equipment, the energy consumption level is recorded, there is no routine evaluation to maximize energy efficiency ☐ Hotel has procedures to save the energy, uses <100% energy saved equipment, the energy consumption level is not recorded , there is no routine evaluation to maximize energy efficiency ☐ Hotel does not have procedures to save the energy, uses <100% energy saved equipment ☐ Hotel does not have procedures to save the energy and does not use energy saved equipment

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Appendix 11   Final Questionnaire (continued)

Content

Occupational health and safety program and trainings	☐ Hotel has a written program, occupational health and safety trainings are delivered regularly ☐ Hotel does not have a written program, occupational health and safety trainings are delivered regularly ☐ Hotel does not have a written program, occupational health and safety trainings are delivered occasionally ☐ Hotel is planning to have a written program and to deliver occupational health and safety trainings ☐ Hotel has no plans to have a written program and to deliver occupational health and safety trainings
Employees' capacity building program	☐ Hotel has a written program and the program has been implemented ☐ Hotel does not have a written program, hotel has conducted employees' capacity building program ☐ Hotel has a written program, the program has NOT been implemented ☐ Hotel is planning to have a written program ☐ Hotel has no plans to have a written program
Employees' freedom of association	☐ There is labor union with special committee and office ☐ There is labor union with special committee, but no special office ☐ There is labor union with no special committee and no special office ☐ There is no labor union, hotel is planning to establish labor union ☐ Hotel has no plans to establish labor union

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Appendix 11   Final Questionnaire (continued)

Content

2. Please indicate the degree to which your decisions to engage in CSR practices are influenced by these company's stakeholder, on a scale of 1 to 7, with 1 indicating 'not at all' and 7 indicating 'at very high degree'. CROSS (X) THE NUMBER THAT CORRESPONDS TO YOUR ANSWER.

	Not at all						At very high degree
Owners /shareholders/investors	1	2	3	4	5	6	7
Guests/customers	1	2	3	4	5	6	7
Employees	1	2	3	4	5	6	7
Local community	1	2	3	4	5	6	7
Environment organizations, e.g., Walhi Bali and WWF Bali	1	2	3	4	5	6	7
Organizations that certify sustainable tourism practices of hotel companies, e.g., EarthCheck, Green Globe, and Tri Hita Karana Awards	1	2	3	4	5	6	7
Government of Bali Province	1	2	3	4	5	6	7
Tourism industry association, e.g., The Indonesian Hotel and Restaurant Association and Bali Hotels Association	1	2	3	4	5	6	7

3. To what extent do you agree or disagree with the following statements, on a scale of 1 to 7, with 1 indicating 'strongly disagree' and 7 indicating 'strongly agree'. CROSS (X) THE NUMBER THAT CORRESPONDS TO YOUR ANSWER.

	Strongly disagree	Dis-agree	Somewhat dis-agree	Neutral	Somewhat agree	Agree	Strongly agree
My past experience makes it easier for me to make decisions concerning corporate social responsibility (CSR) practices	1	2	3	4	5	6	7
I believe I have the required skills, abilities and knowledge to make decisions concerning CSR practices	1	2	3	4	5	6	7
I feel that allocating company's resources to support my decisions concerning CSR practices is beyond my control	1	2	3	4	5	6	7
Lack of support from the owner may prevent me from making decisions concerning CSR practices	1	2	3	4	5	6	7

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Appendix 11   Final Questionnaire (continued)

Content

4. To what extent do you agree or disagree with the following statements, on a scale of 1 to 7, with 1 indicating 'strongly disagree' and 7 indicating 'strongly agree'. CROSS (X) THE NUMBER THAT CORRESPONDS TO YOUR ANSWER.

	Strongly disagree	Dis-agree	Somewhat dis-agree	Neutral	Somewhat agree	Agree	Strongly agree
Corporate social responsibility is critical to the survival of a business enterprise	1	2	3	4	5	6	7
If survival of a business enterprise is at stake, then you must forget about corporate social responsibility	1	2	3	4	5	6	7
Social responsibility of a firm is essential to its long term profitability	1	2	3	4	5	6	7
To remain competitive in a global environment, business firms will have to disregard corporate social responsibility	1	2	3	4	5	6	7
Business has a social responsibility beyond making a profit	1	2	3	4	5	6	7

5. Please indicate the degree to which you consider these values to be important as a guiding principle in your life, on a scale of -1, 0, to 7, with -1 indicating 'opposed to my principles', 0 indicating 'not important', and 7 indicating 'of supreme importance'. Before rating the value items, please read the whole list first and then start rating from the value that you consider the most important to the least important. CROSS (X) THE NUMBER THAT CORRESPONDS TO YOUR ANSWER

	Opposed to my principle	Not important							Of supreme importance
Control over other people	-1	0	1	2	3	4	5	6	7
Material possessions	-1	0	1	2	3	4	5	6	7
Faithful to my friends and my group	-1	0	1	2	3	4	5	6	7
Helping other people	-1	0	1	2	3	4	5	6	7
Self-respect	-1	0	1	2	3	4	5	6	7
Personal success	-1	0	1	2	3	4	5	6	7
Appreciation of different ideas and beliefs	-1	0	1	2	3	4	5	6	7
Living harmoniously with nature	-1	0	1	2	3	4	5	6	7

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Appendix 11   Final Questionnaire (continued)

Content

6. How long has your company been established? _____ years

7. Which of the following is the ownership structure of your company?
MARK (X) ONE BOX
Fully foreign-owned   [ ] 1
Fully local-owned   [ ] 2
Joint Venture /Foreign and local-owned   [ ] 3
State-owned (BUMN)   [ ] 4

8. Which of the following is the type of your hotel's management?
MARK (X) ONE BOX
Part of an international chain hotel management   [ ] 1
Part of a local chain hotel management   [ ] 2
Independently managed hotel   [ ] 3

9. What is the approximate revenue of your company in 2012?
MARK (X) ONE BOX
Less than Rp2.5 billion   [ ] 1
More than Rp2.5 billion - Rp12.5 billion   [ ] 2
More than Rp12.5 billion - Rp22.5 billion   [ ] 3
More than Rp22.5 billion - Rp32.5 billion   [ ] 4
More than Rp32.5 billion - Rp42.5 billion   [ ] 5
More thanRp42.5 billion   [ ] 6

10. Has your company ever been participated in any international
certification/accreditation for sustainable tourism practices, e.g., EarthCheck, Green
Globe, and Asian Green Hotel Award?
MARK (X) ONE BOX
Yes [ ] 1   please mention _____
No [ ] 2

11. What is your current position?
MARK (X) ONE BOX
General manager   [ ] 1
Human resource manager [ ] 2
Operation manager   [ ] 3
Other   [ ] 4 please specify _____

12. How long have you been in your current position?_____ years

13. Gender
Male [ ] 1   Female [ ] 2

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Appendix 11   Final Questionnaire (continued)

Content

Thank you for taking the time to complete this questionnaire. Your assistance in providing this information is very much appreciated. If there is anything else you would like to tell me about this survey, please do so in the space provided below.
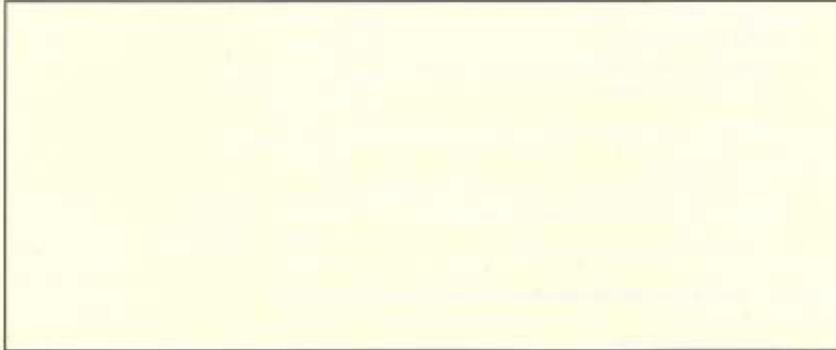
Should you have any queries please do not hesitate to contact me, Luh Putu Mahyuni by telephoning +62818356578 or emailing luhputumahyuni@postgrad.curtin.edu.au

This study has been approved under Curtin University's process for lower-risk Studies (ACC-01-13). This process complies with the National Statement on Ethical Conduct in Human Research (Chapter 5.1.7 and Chapters 5.1.18-5.1.21). For further information on this study contact the researchers named above or the Curtin University Human Research Ethics Committee. c/- Office of Research and Development, Curtin University, GPO Box U1987, Perth 6845 or by telephoning 9266 9223 or by emailing hrec@curtin.edu.au.

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Appendix 11   Final Questionnaire (continued)

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Corporate Social Responsibility
Practices, Drivers and Barriers

Curtin University

Curtin University
GPO Box U1987
Perth Western Australia 6845

Telephone_____
_____@student.curtin.edu.au

_____2013

Dear
Mr/Mrs/Ms_____
General Manager of _____Hotel
Denpasar, Bali

RE: Invitation to participate in research survey on "Corporate Social Responsibility Practices (CSRPs), Drivers and Barriers of CSRPs of Hotels in Bali"

I am a Lecturer at the Department of Accounting, Faculty of Economics and Business, Undiknas University, Denpasar. I am also a Doctoral Student at Curtin University, Australia. I would like to invite you to participate in the research I am undertaking as a part of my study. My research project will investigate corporate social responsibility practices (CSRPs), drivers and barriers of CSRPs of hotels in Bali. The research is being overseen by _____ and _____ from Curtin Business School and has been approved by the University's Human Research Ethics Committee (Approval No. ACC-01-13).

Your participation in this research will be in the form of filling out a questionnaire. Your participation in the survey will provide important contribution to the future development of corporate social responsibility literature, specifically sustainable tourism literature. The proposed study will also seek the recommendations on key approaches to promote sustainable tourism practices that will benefit every company in the tourism industry in the long-run. As an appreciation of your participation, an executive summary of the results of this study will be sent to you.

Participation in this research is entirely voluntary. Return of the completed questionnaire will imply you consent to the information being used for this research. The questionnaire should take you about fifteen minutes to complete. Please answer the questions in the spaces provided to the best of your ability.

You will not be asked to write any information related to your name, your company's name and address anywhere in the questionnaire. Yet, due to the nature of my study that require me to be able to trace the company that participate in the survey, you will find a serial number at the back cover of the questionnaire as a mean to identify the respondent. This procedure is a part of my effort to ensure that nobody but the researcher can identify the respondent of this survey. All information you provide will be treated in strict confidence and will be published only in summary and statistical form. The answers from your questionnaire will be used as the main data set for my research project for my PhD in the Curtin Business School, Curtin University. The results from this analysis will be available in one or more of the following sources: scientific papers in peer reviewed academic journals, presentations at conference and seminars.

Please take the time to complete the questionnaire and return it in the enclosed self-addressed stamped envelope. It would be very helpful to have your completed questionnaire returned to me by **30 November 2013.**

Should you have any queries in regards to ethics, you may contact:

Human Research Ethics Committee
Office of Research Ethics Committee
Curtin University
GPO Box U1987
Bentley, WA 6845
Phone: _____
Email: _____@curtin.edu.au

For further inquiries about the study or any matter in relation to this research, please contact:

Luh Putu Mahyuni
Email: _____@student.curtin.edu.au
Phone: _____

Professor _____
Email: _____@cbs.curtin.edu.au

Sincerely yours,

Luh Putu Mahyuni
PhD Student Curtin Business School, Curtin University, Western Australia

Appendix 13   Consent Form from the Tri Hita Karana Foundation

Yayasan Tri Hita Karana Bali
(Kep.Men.Hukum & HAM RI No.: AHU-3278.AH. 01.04.Tahun 2010)

Jln. Melati No.43, Denpasar-Bali;   Telp/Fax: (0361) 227610 Email: thk.research.center@gmail.com; infobalitravelnews@gmail.com

I, Wisnu Wardana - Chairman of the Tri Hita Karana (THK) Foundation, hereby provide consent for Luh Putu Mahyuni – PhD student of Curtin University, Western Australia to use data as listed below for the purpose of her research titled "Personal Values, Socially Responsible Attitudes and Perceptions of Managers as Predictors of Corporate Social Responsibility (CSR) Practices of Hotel Companies in Bali, Indonesia". We provide full access to the data as follows:

1. Detail list of evaluation criteria of hotels' sustainable tourism practices (evaluation criteria of THK Awards 2013)
2. The results (individual score for each criteria and total score) of THK Awards 2013 evaluation for all participants

In using our data, several requirements have to be met:

1. It is prohibited to share our data with the third party without our permission
2. A summary of the research results has to be sent to us after the research has been finished
3. Any publications made using our data have to be sent to us as well

Denpasar, 27 June 2013

Chairman of the Tri Hita Karana Foundation
Bali – Indonesia

Wisnu Wardana

Appendix 14   Comparison between the Early and Late Responses

In order to investigate non-response bias in this thesis, responses and characteristics of the early and late respondents are compared. Responses on the main variables (CSRP, SRA, SN, PBCSEfc, PBCCnt, PVSE and PVST) and control variables (size, hotel location, types of hotel management and ownership structure types) are compared by means of independent-samples t-tests for continuous variables and chi-square tests for categorical variables.

Summary of independent-samples t-test results is presented in Table 14.1 and summary of chi-square test results is presented in Table 14.2. Fisher's exact test is used rather than Pearson chi-square to read the results of chi-square test, since this test is more accurate regardless of the sample size.

As can be seen in Table 14.1, the p-value (sig) for all comparisons are more than 0.05, indicating no significant differences between the early and late responses. Likewise, Fisher's exact tests (Table 14.2) for all comparisons show p-value more than 0.05. There are no significant differences between the early and late respondents in terms of hotel location, types of hotel management and ownership structure types.

Table 14.1 Summary of the independent t-test results

Variables	Mean		Mean Difference	t value	Sig. (2-tailed)
	Early	Late			
1. CSRP	3.98	4.17	-0.19	-1.33	0.19
2. SRA	6.02	6.19	-0.16	-1.26	0.21
3. SN	4.83	4.94	-0.11	-0.49	0.63
4. PBCSEfc	6.01	6.17	-0.16	-0.82	0.41
5. PBCCnt	4.76	4.96	-0.20	-0.68	0.50
6. PVSE	5.65	5.14	0.50	1.50	0.14
7. PVST	6.34	6.36	-0.02	-0.15	0.88
8. Size	3.15	3.42	-0.27	-0.74	0.46

Notes:
1. CSRP: Corporate Social Responsibility Practices.
2. SRA: Socially Responsible Attitudes.
3. SN: Subjective Norms.
4. PBCSEfc: Perceived Behavioural Control Self-efficacy.
5. PBCCnt: Perceived Behavioural Control Controllability.
6. PVSE: Personal Values Self Enhancement.
7. PVST: Personal Values Self Transcendence.

Appendix 14   Comparison between the Early and Late Responses (continued)

Table 14.2 Summary of Cross-tabulation and Chi-square Tests Results for Categorical Variables

Respondents' characteristics and Fisher's Exact Test	Early (1)	Late (0)	Total
1. Hotel location Urban (1) Rural (0) Total Fisher's Exact Test (Value; Sig): 1.672; **.196**	 53 (65.4%) 19 (52.8%) 72	 28 (34.6%) 17 (47.2%) 45	 81 (100%) 36 (100%) 117
2. Types of hotel management International hotel chain (1) Local hotel chain (2) Independently managed hotel (3) Total Fisher's Exact Test (Value; Sig): 1.254; **.263**	 14 (46.7%) 25 (73.5%) 33 (62.3%) 72	 16 (53.3%) 9 (26.5%) 20 (37.7%) 45	 30 (100%) 34 (100%) 53 (100%) 117
3. Ownership structure types Foreign-owned (1) Local-owned (2) Joint venture (3) State-owned (4) Total Fisher's Exact Test (Value; Sig): .606; **.436**	 5 (71.4%) 51 (59.3%) 11 (57.9%) 5 (100%) 72	 2 (28.6%) 35 (40.7%) 8 (42.1%) 0 (0%) 45	 7 (100%) 86 (100%) 19 (100%) 5 (100%) 117

Appendix 15   Discriminant Validity (Fornell-Larcker Criterion)

In order to assess discriminant validity of all constructs using the Fornell-Larcker criterion, the square root of the AVE of each construct is compared with its correlation with any other constructs. A construct meets the discriminant validity criteria if the square root of the construct's AVE value exceeds its highest correlation with any other constructs.

The SmartPLS algorithm procedure produces a table of Fornell-Larcker Criterion. The square root of the construct's AVE values and coefficient correlations between constructs are provided in the table. Fornell-Larcker criterion of the initial, first iteration, and final measurement model are presented in Table 15.1, Table 15.2 and Table 15.3 respectively. As can be seen in the three tables, the square root of the constructs' AVE value exceeds its highest correlation with any other constructs. All constructs in the three measurement model meet discriminant validity criteria.

Table 15.1 Fornell-Larcker Criterion of the Initial Measurement Model

Construct	SRA	SN	PBC	PVSE	PVST	CSRP
SRA	0.805[a]					
SN	0.297	0.696[a]				
PBC	0.393	0.335	0.703[a]			
PVSE	-0.020	0.174	-0.044	0.660[a]		
PVST	0.310	0.183	0.320	0.169	0.735[a]	
CSRP	0.516	0.467	0.586	-0.016	0.295	0.644[a]

Notes:
1. [a]The square root of the construct's AVE value.
2. SRA: Socially Responsible Attitudes.
3. SN: Subjective Norms.
4. PBC: Perceived Behavioural Control.
5. PVSE: Personal Values Self Enhancement.
6. PVST: Personal Values Self Transcendence.
7. CSRP: Corporate Social Responsibility Practices.

Appendix 15   Discriminant Validity (Fornell-Larcker Criterion) - Continued

Table 15.2 Fornell-Larcker Criterion of the First Iteration Measurement Model

Construct	SRA	SN	PBC SEfc	PBC Cnt	PVSE (Pwr)	PVSE (Ach)	PVST	CSRP
SRA	0.805[a]							
SN	0.302	0.733[a]						
PBCSEfc	0.231	0.289	0.934[a]					
PBCCnt	0.363	0.239	0.180	0.898[a]				
PVSE (Pwr)	0.019	-0.021	-0.104	0.009	0.640[a]			
PVSE (Ach)	-0.026	0.011	0.002	-0.205	-0.005	0.451[a]		
PVST	0.311	0.183	0.247	0.240	-0.016	0.034	0.735[a]	
CSRP	0.524	0.472	0.270	0.615	-0.100	-0.258	0.290	0.725[a]

Notes:
1. [a]The square root of the construct's AVE value.
2. SRA: Socially Responsible Attitudes.
3. SN: Subjective Norms.
4. PBCSEfc: Perceived Behavioural Control Self-efficacy.
5. PBCCnt: Perceived Behavioural Control Controllability.
6. PVSE (Pwr): Personal Values Self Enhancement (Power).
7. PVSE (Ach): Personal Values Self Enhancement (Achievement).
8. PVST: Personal Values Self Transcendence.
9. CSRP: Corporate Social Responsibility Practices.

Table 15.3 Fornell-Larcker Criterion of the Final Measurement Model

Construct	SRA	SN	PBC SEfc	PBC Cnt	PVSE	PVST	CSRP
SRA	0.805[a]						
SN	0.301	0.733[a]					
PBCSEfc	0.231	0.289	0.934[a]				
PBCCnt	0.364	0.239	0.180	0.898[a]			
PVSE	-0.020	0.173	0.018	-0.076	0.660[a]		
PVST	0.310	0.183	0.247	0.240	0.169	0.735[a]	
CSRP	0.524	0.473	0.271	0.615	-0.019	0.290	0.725[a]

Appendix 16 Path Model without SRA
to Investigate the Relevance of SRA

Outer loadings, path coefficients and R^2
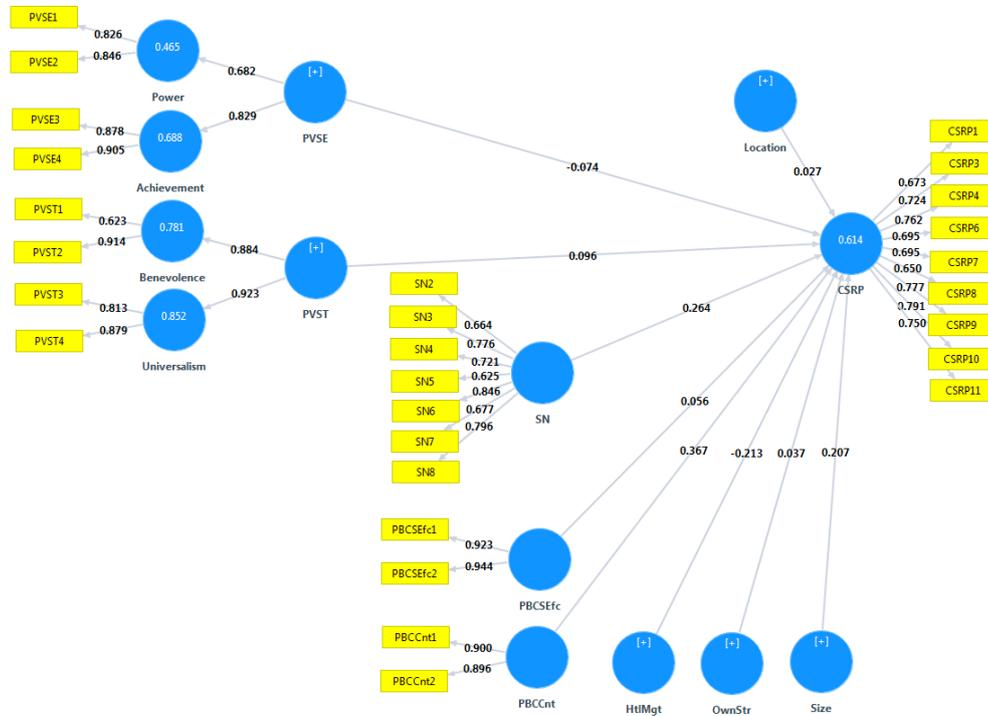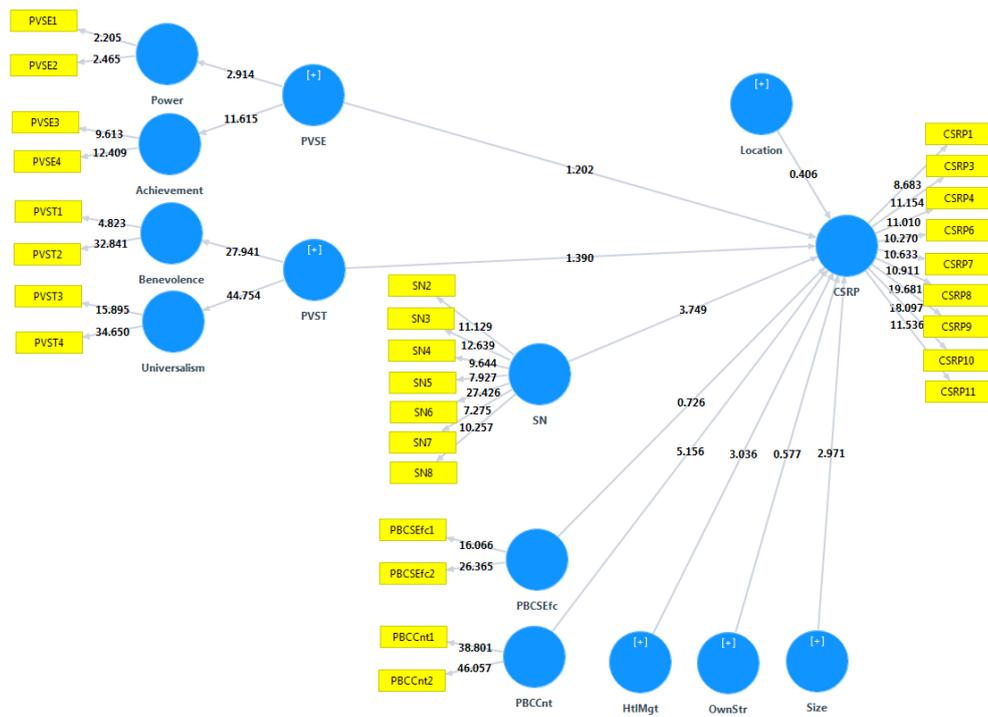
t statistics

Appendix 17   Path Model without SN
                to Investigate the Relevance of SN

Outer loadings, path coefficients, and R^2
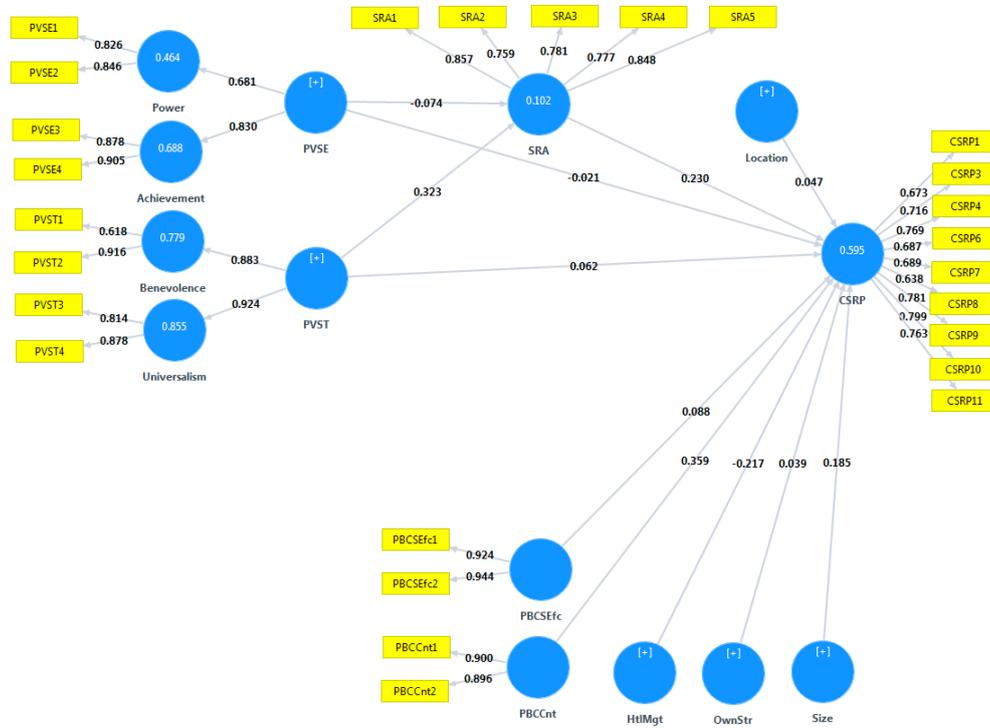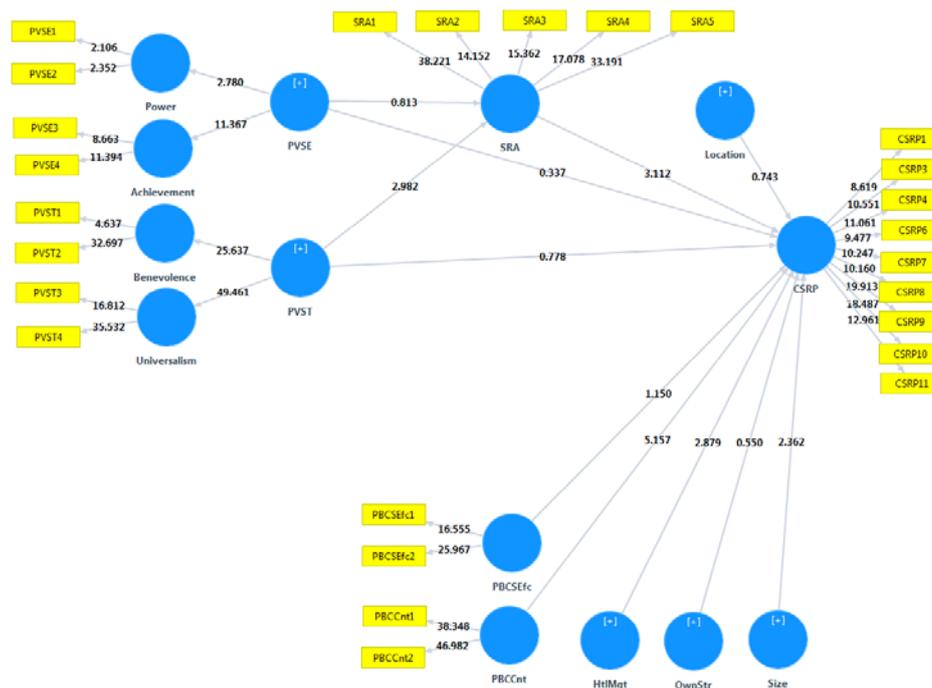
t statistics

Outer loadings, path coefficients, and R^2
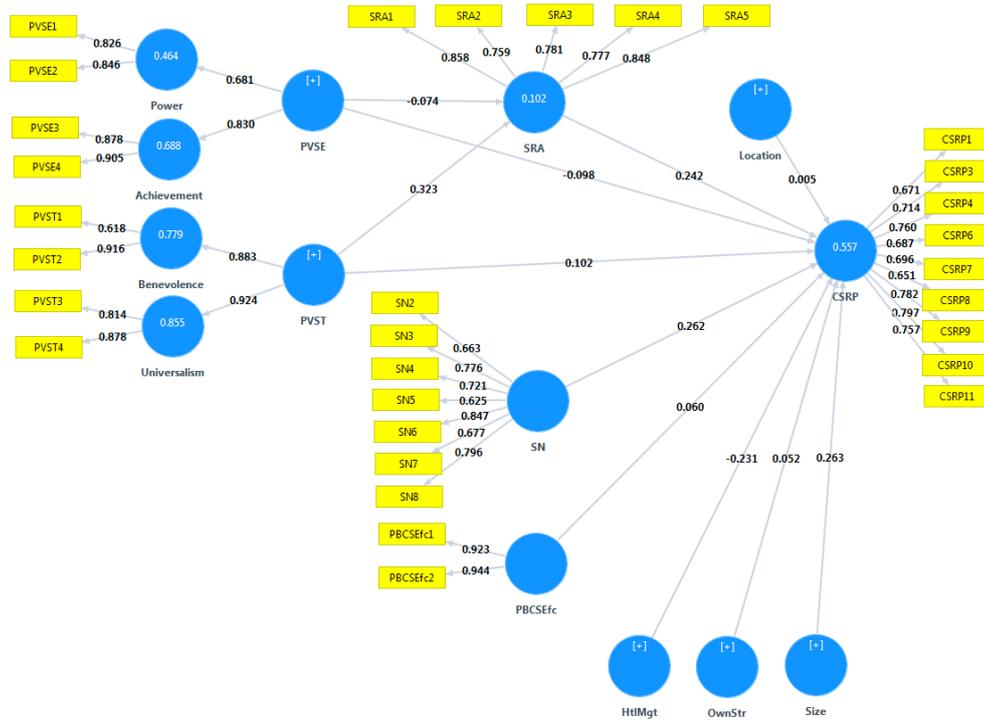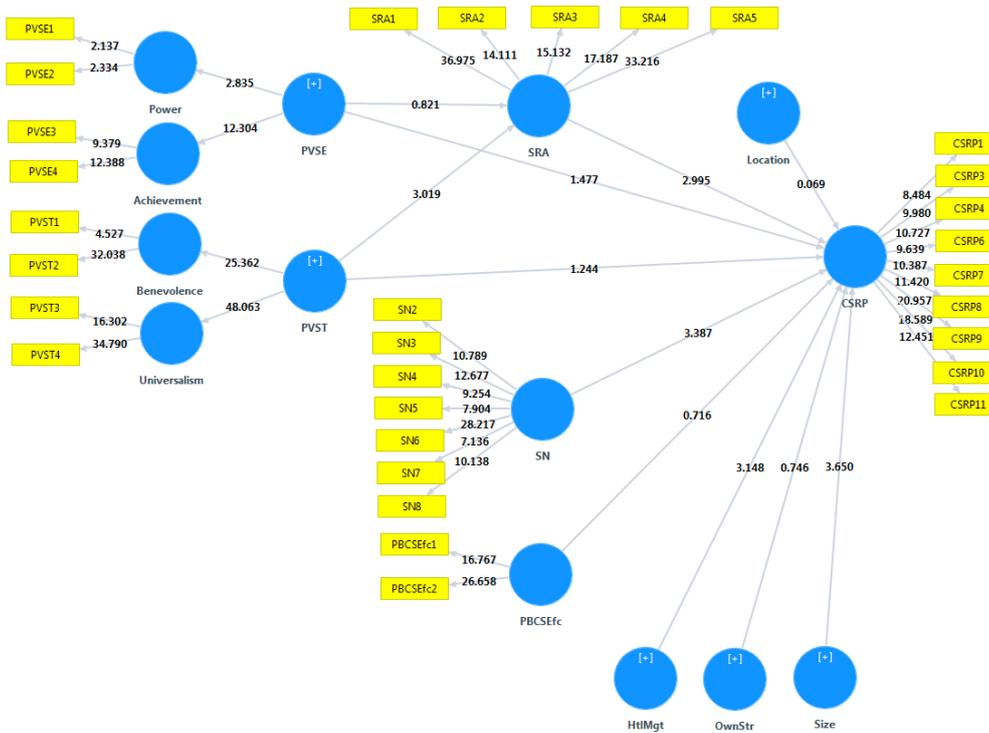
t statistics

Appendix 19 Path Model without PV
to Investigate the Relevance of PV

Outer loadings, path coefficients, and R^2
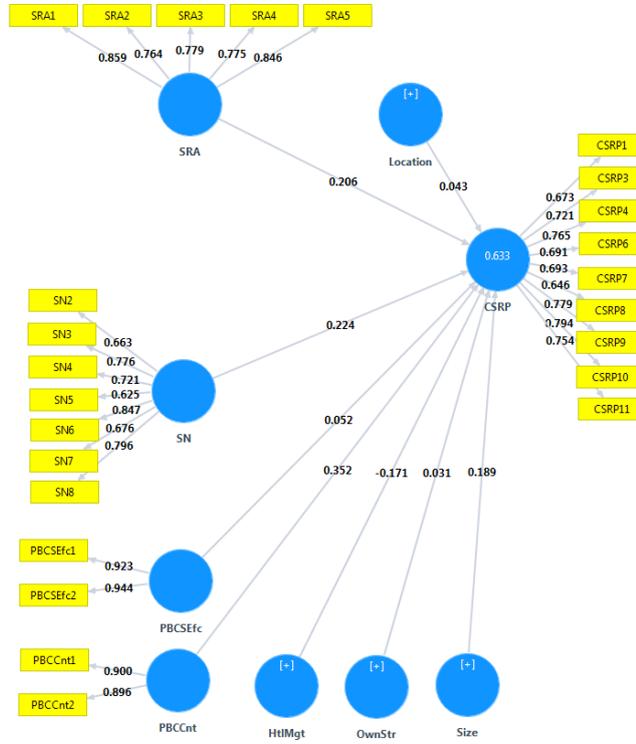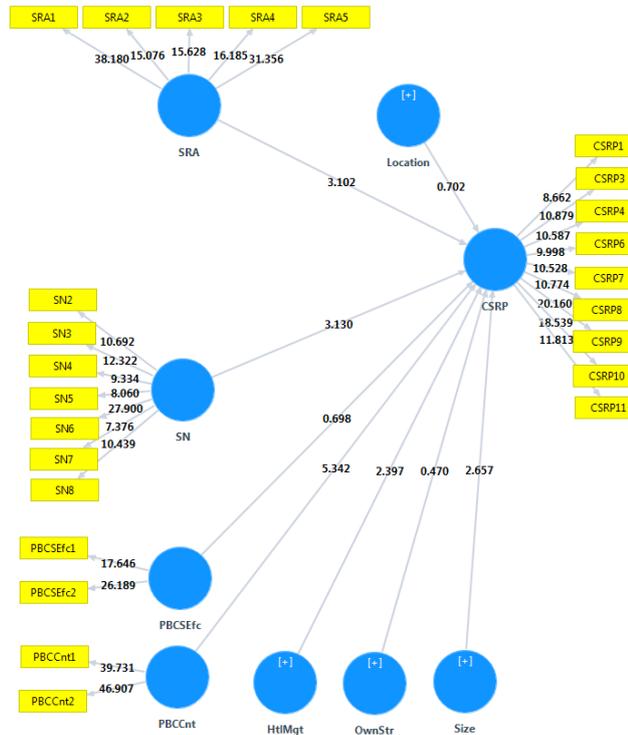
t statistics

Appendix 20   Path Model to Investigate SN1

Outer loadings, path coefficients and R^2
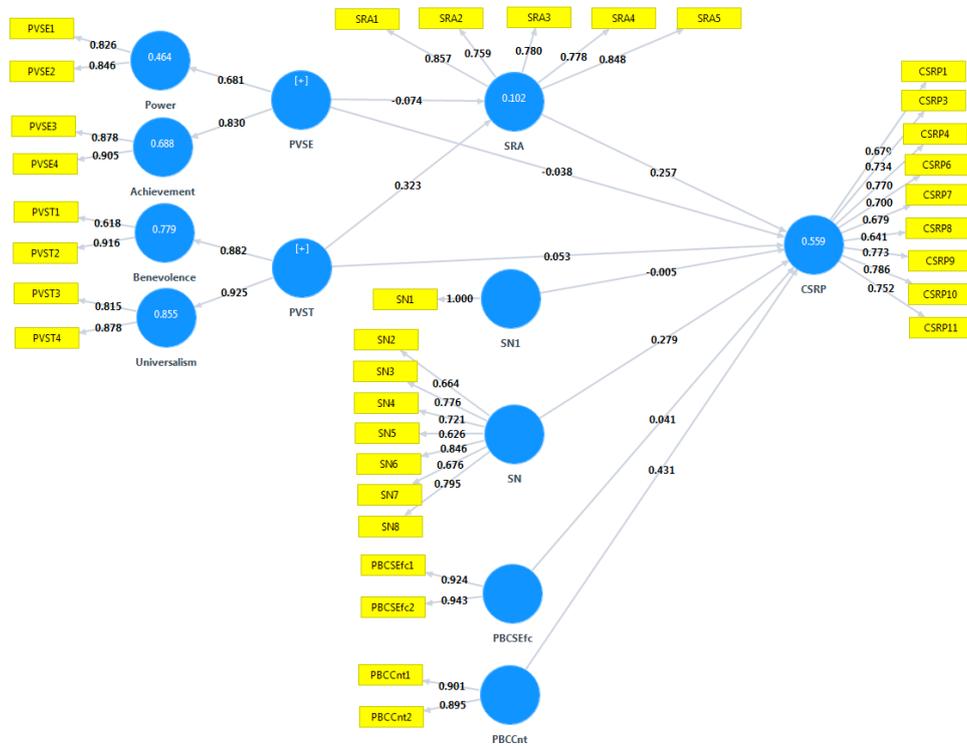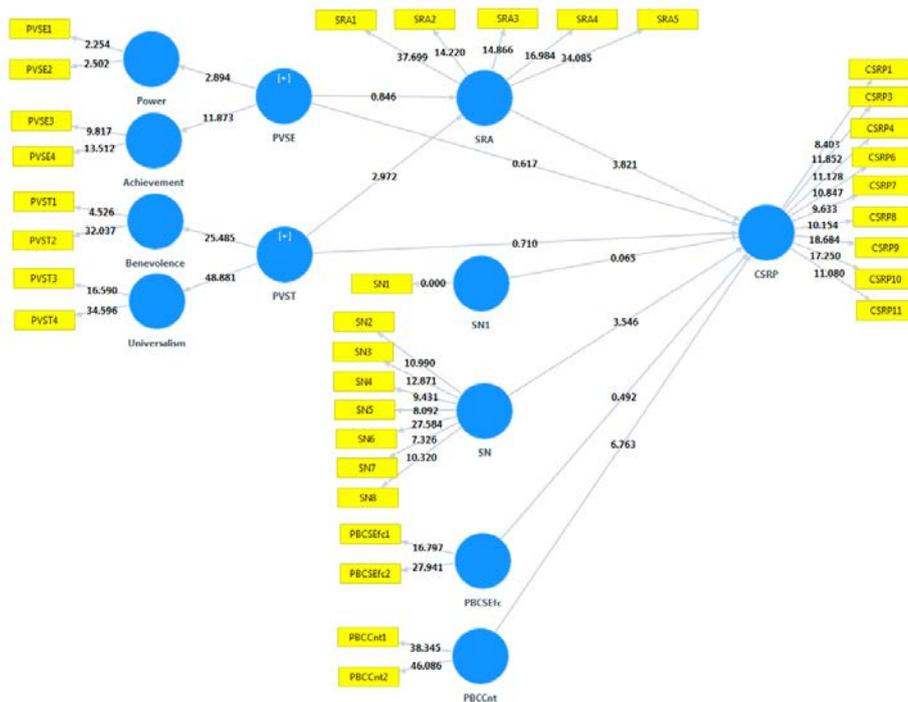
t statistics

Appendix 21   Path Model to Investigate CSRP2, 5 and 12

Outer loadings, path coefficients and R^2
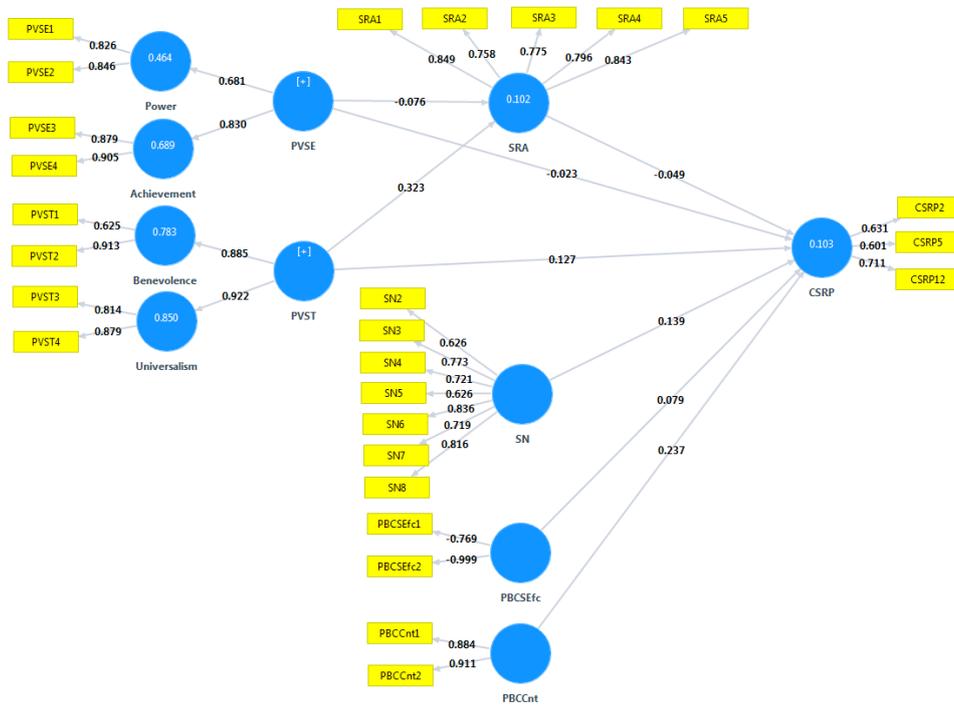
t statistics
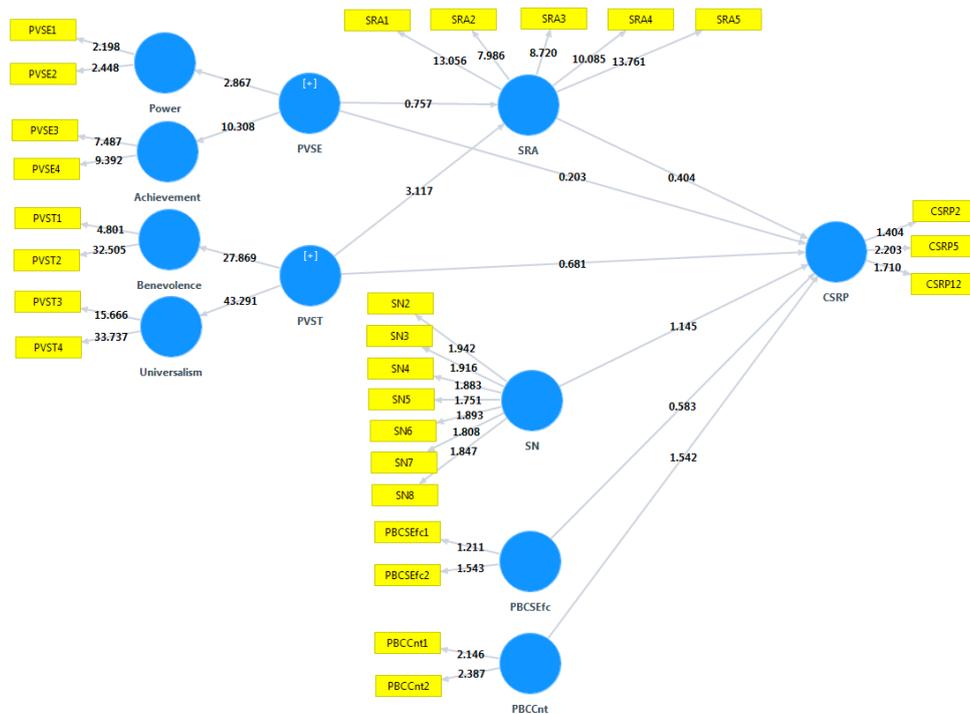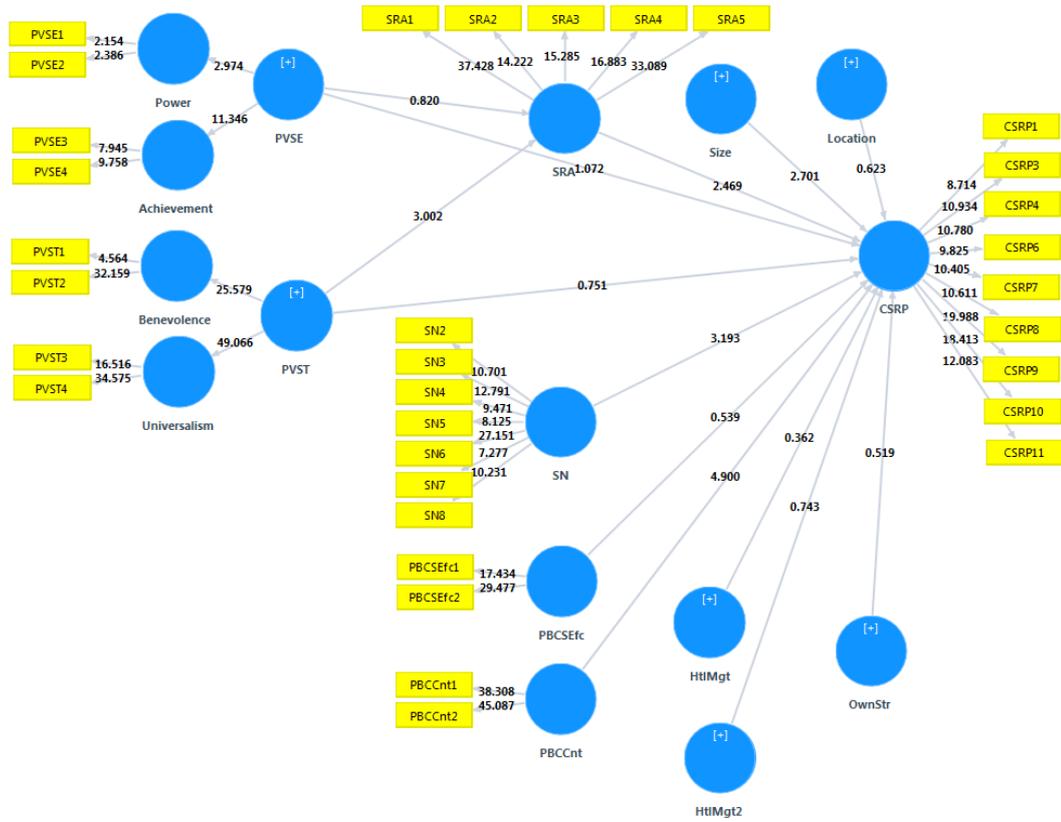
Appendix 23 Quadratic Test for Ownership Structure
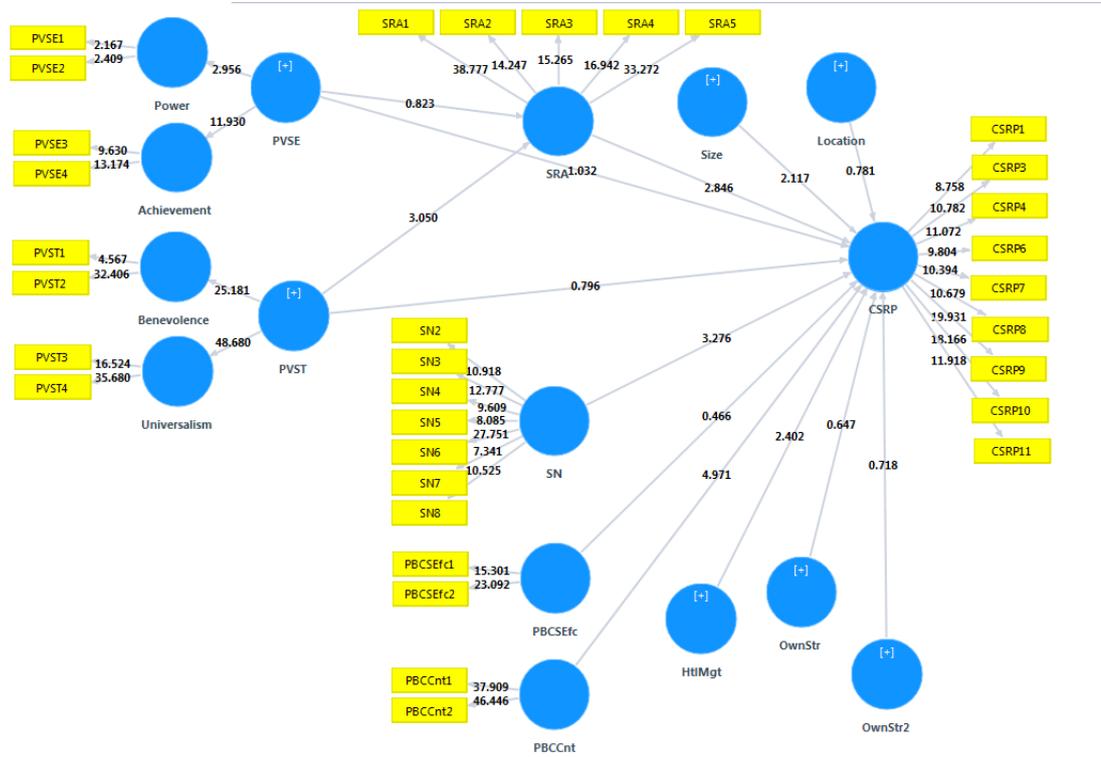
Appendix 24   Quadratic Test for Size
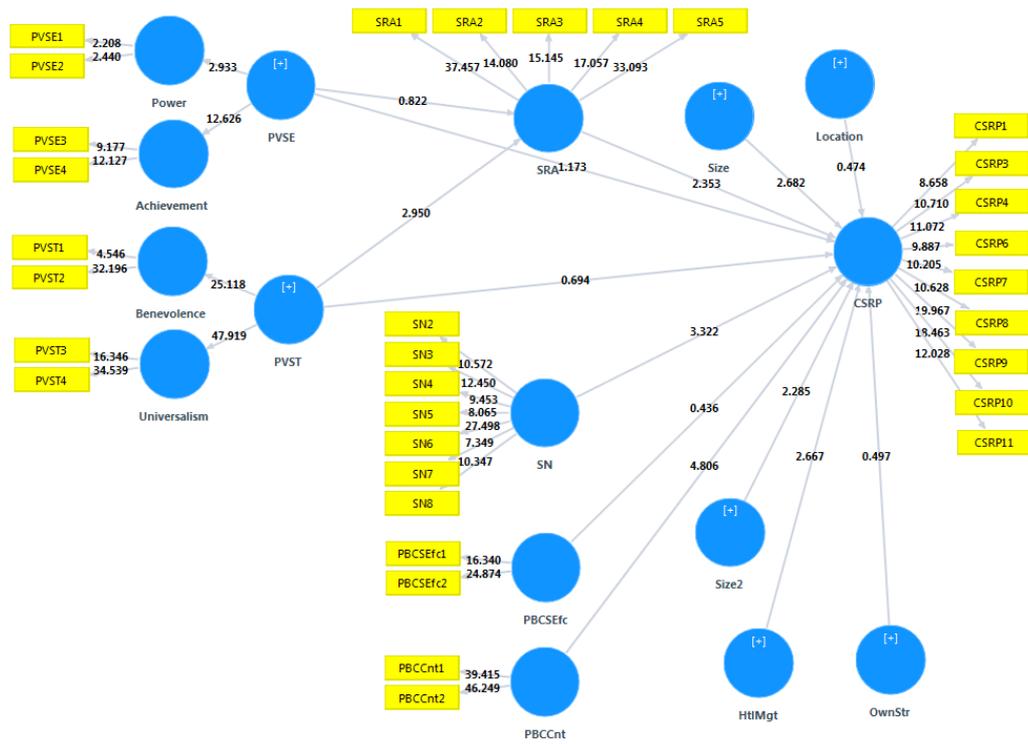
Appendix 25 Chart of Unstandardized Path Coefficients of Size and Size^2

	Standardized path coefficients (PLS output) (1)	Standard deviations of scores (2)	Unstandardized path coefficients (3) : (1) / (2)
Size	0.9321	1.9035	0.4897
Size^2	-0.7550	13.9137	-0.0543

Unstandardized path coefficient of size (1)	Number of series (2)	Unstandardized path coefficient of size^2 (3)	Data plot (4): (1)*(2) + (3)*(2)*(2)
0.4897	1	-0.0543	0.4354
0.4897	2	-0.0543	0.7622
0.4897	3	-0.0543	0.9806
0.4897	4	-0.0543	1.0903
0.4897	5	-0.0543	1.0916
0.4897	6	-0.0543	0.9843
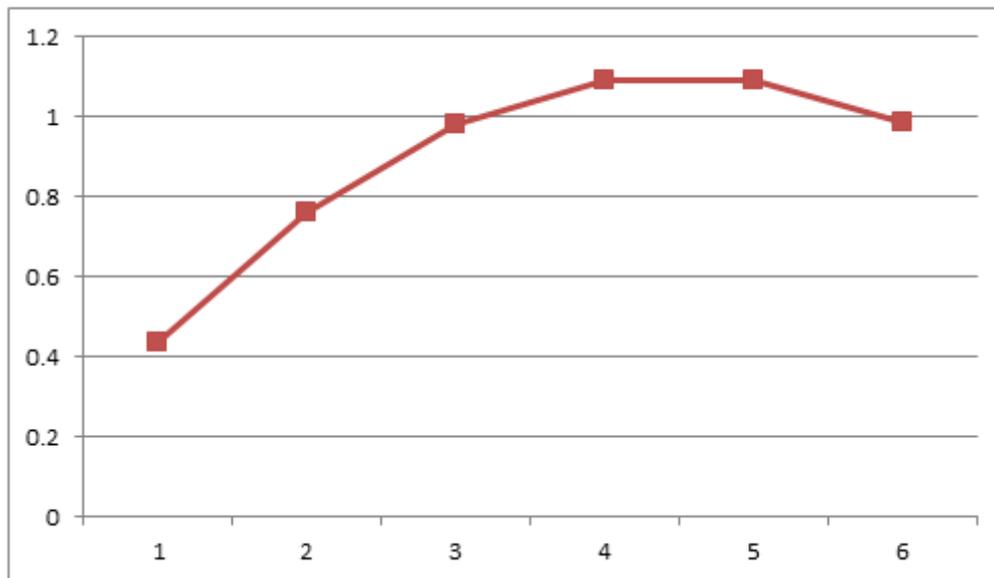
Appendix 26   The Results of Principal Component Analysis
of All Indicators with the Un-rotated Factor Solution

	Total Variance Explained					
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.911	23.973	23.973	7.911	23.973	23.973
2	3.298	9.993	33.966	3.298	9.993	33.966
3	2.399	7.270	41.236	2.399	7.270	41.236
4	1.988	6.023	47.259	1.988	6.023	47.259
5	1.721	5.214	52.473	1.721	5.214	52.473
6	1.536	4.656	57.129	1.536	4.656	57.129
7	1.296	3.927	61.056	1.296	3.927	61.056
8	1.102	3.339	64.395	1.102	3.339	64.395
9	1.000	3.030	67.425	1.000	3.030	67.425
10	.937	2.841	70.266			
11	.916	2.777	73.043			
12	.802	2.430	75.472			
13	.790	2.394	77.866			
14	.737	2.233	80.099			
15	.662	2.006	82.105			
16	.572	1.733	83.839			
17	.549	1.663	85.502			
18	.509	1.543	87.045			
19	.484	1.467	88.512			
20	.462	1.401	89.913			
21	.406	1.231	91.144			
22	.386	1.170	92.313			
23	.358	1.086	93.399			
24	.334	1.012	94.411			
25	.305	.923	95.334			
26	.279	.847	96.181			
27	.268	.811	96.992			
28	.241	.732	97.723			
29	.197	.597	98.321			
30	.172	.522	98.843			
31	.146	.443	99.286			
32	.132	.400	99.686			
33	.104	.314	100.000			

Extraction Method: Principal Component Analysis.

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