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# PARADOX OF COMMUNITY REACTIONS TO CORPORATE SOCIAL RESPONSIBILITY AND IRRESPONSIBILITY IN KENYAN HOTELS

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#### ABSTRACT

The study examines the corporate social responsibility practices and corresponding outcomes from resident communities of classified hotels in Kenya. Based on instrumental stakeholder theory, the study explores local community resident perceptions on social responsibility of 20 classified hotels. The target population comprised of community residents within close proximity to the selected classified hotels. A sample of 650 community respondents was selected using systematic and quota sampling methods. Data was analyzed descriptively to elicit perceptual outcomes of respondents. The findings suggest that the sample hotels social responsibility practices demonstrated community corporate social irresponsibility. However, the outcome was puzzling in that the respondents were not contemptuous of the classified hotels but remained cautiously optimistic. Accordingly, five paradoxes characterized the state of perceived responsibility and irresponsibility. These were paradox of Stakeholder Asymmetry (PSA), paradox of reciprocity (POR), paradox of corporate image (PCI), paradox of corporate goodwill (PCG) and Paradox of public resource use (PPRU). It was concluded that corporate social irresponsibility practices are systemic, paradoxical and remain unmitigated.

#### **KEYWORDS**

Community Corporate Social Responsibility, Corporate Social Irresponsibility, Paradox, Hotels.

#### **INTRODUCTION**

tudies on Corporate Social Responsibility (CSR) have focused on facets such as; CSR and its relationship with organizational effectiveness (Niehm *et al.*, 2008), CSR and sustainable development (Adewuyi & Alowookere, 2010), the economics of CSR (McWilliams & Siegel 2001), cost of CSR (Vitaliano and Stella, 2006), development of social, strategic corporate social responsibility and environmental sustainability (Orlitzky *et al.*, 2011), among others. Interestingly, few studies have explicitly focused on corporate social irresponsibility (CSI) by Kenyan hotels, particularly its coexistence with community CSR. This neglect or scarcity of studies in developing countries, particularly Africa, on corporate social responsibility (CSR) was pointed out by Adewuyi & Alowookere (2010). This state pertains in spite of an increasing global focus towards sustainable development in all its facets and forms. Furthermore, few studies have focused on CSR in hotel settings.

Paradox of CSR is rooted in its fuzzy conceptualization, varied understanding and interpretation in different contexts. For instance, CSR construct has been conceptualized in different ways. A review of CSR literature reveals a difficulty in defining the concept and of establishing both its legitimacy and impacts. For instance, CSR has been perceived variously as; a social dimension (Garriga and Mele´, 2004), a form of corporate governance (Sacconi, 2004), as a voluntary activity (European Commission, 2001). Similarly, others have perceived CSR as a contribution to sustainable development (Ward, 2004), as a way of managing stakeholder relationships (Harrison and Freeman, 1999; Sen *et al.*, 2006), as a form of non market strategies (Wood, 1991), and as a commitment to ethics (Moir 2001).

Recent works on CSR ignores grey spot in organizational literature on the apparent disconnect between practices of social responsibility or irresponsibility and outcomes of such actions. Frankental (2001) and others have considered paradoxes of social responsibility that includes paradox in procedures of corporate governance, market's view of organizations' ethical stances, lack of clear CSR definition, lack of formal mechanisms for taking responsibility and priority that most organizations give to social responsibility. Corporate responsibility paradox (Gaines, 2003) argues that people in corporations should be doing their best to change laws and customs that give corporations undue advantage, and which are socially and environmentally damaging. Similarly, Jensen (2007) identified Stakeholder Paradox in which on the one hand, the corporations have a duty to act for the benefit of all its stakeholders, while on the other hand, they need to pursue the objectives of a private business. In regard to employees, the diversity paradox was conceived is premised on the argument that employment laws are meant to eliminate all forms of discrimination and provide the means for advancement but have, however, become barriers to maximization of employee potential.

Scholars have different views of the idea of business acting in socially responsible ways. Some find it paradoxical (Campbell 2006), while others view social responsibility as a myth (Devinney 2009). There is also unresolved controversy surrounding its beneficial effect on organizational effectiveness (Margolis *et al.*, 2007). In contemporary business environment it could be paradoxical that just as stakeholders are holding corporations more responsible for their actions, corporations understand their responsibilities to stakeholders even less (Davis *et al.*, 2008). Several other CSR paradoxes have been identified in the academic literature. These include among others; corporate social investment in education and paradox of poverty alleviation (Nzekwu, 2007), paradox of social cost (Pava and Krausz, 1995), the paradox of corporate social responsibility (Campbell 2006), and the Stakeholder Paradox (Jensen, 2007). There is therefore a need for further exploration of dilemma that may exist in community CSR practices by Kenyan classified hotels. This paper therefore attempts to fill this knowledge gap. The purpose of this paper is three fold. First is to explore the community perceptions on hotels corporate social responsibility and irresponsible practices, secondly to elicit community perceptual responses to these practices and thirdly examine inherent potential paradoxes arising from these corporate social responsibility practices and perceived community response. The study is therefore organized as follows: the previous section introduced the study problem. Section 2.0 covers relevant literature on community social responsibility. Section 3.0 covers methodology and 4.0 results of the study. Finally section 5.0 provides conclusions, implications and recommendations for further research.

#### LITERATURE REVIEW

#### **DILEMMA OF CONCEPTUALIZING COMMUNITY CSR**

The concept of community and community CSR has been in itself paradoxical. Several interpretations of community have been identified (Richards and Hall, 2000). For instance, community has been interpreted as an idea of belonging to a specific topographical location, as defining a particular local social system, a

feeling of togetherness and as an ideology (Urry, 1995). Community has been perceived as changing and subject to certain dynamics (Richards and Hall, 2000). Interpretations of the community and underlying implications have always been varied. For instance, Richards and Hall (2000) argues that the word 'community' implies a common interest, possession or enjoyment.

Long standing issues of community conflict versus consensus and questions of inclusion and exclusion has permeated the literature. Traditional view of the community is often its treatment as relatively homogeneous with little internal conflict. Other commentators perceive the notion of the community as oxymoron, overused, heterogeneous in nature, with a complex and fluid makeup (Cole, 2006). Notions of the community defined by territory are fixed, discrete and relatively stable (Cole, 2006).

Recent studies of communities have tended to emphasize the need for empowerment or the devolution of power to the locality or grassroots of the community (Wilson 1996). Four dimensions of community participation have been identified as political, economic, psychological and social empowerment (Scheyvens, 2003). Economic empowerment is evidenced by economic gains to the local community derived from tourism development. Psychological empowerment is derived from self esteem and pride brought to individuals and local communities (Erb, 1998). Social empowerment results from increased community cohesion when members of the community are brought together through a tourism initiative, and in this regard, the enhancement of community cohesion has been explored by (Cole 2003). Political empowerment has been covered in Sofield (2003). Empowerment "is a multi dimensional process that provides community with a consultative process often characterized by outside expertise, the opportunity to choose; the ability to make decisions; the capacity to implement and apply those decisions; acceptance of responsibility for those decisions and actions and consequences; and outcomes directly benefiting community and its members, not directed or channeled into other communities and or their members" (Sofield, 2003: 112).

Community participation can result in an increased social carrying capacity (D'Amore, 1983), for instance, friendliness of the local people rates high on the list of positive features about a destination whereas involvement in planning is likely to result in more appropriate decisions and greater motivation on the part of the local people to support and patronize tourism products (Hitchcock, 1993). It has been alluded that local community participation looks good only in theory, but it is often essential in securing funding and support to the tourism products by way of providing security, and so community participation is necessary to get community support and acceptance of tourism development projects. It is also important to ensure that benefits relate to the local community needs, and this is possible if the community is involved because as Tosun and Timothy (2003) put it that they know what is important to them.

#### **ENTERPRISE COMPETITIVENESS AND SUSTAINABILITY**

In the general academic literature on sustainable development, much attention has been given to the description of different perceptions of sustainable development (Murdoch, 1993). Building on prior approaches, Bramwell (1996) contend that sustainable tourism has seven dimensions; environmental, cultural, political, economic, social, managerial and governmental. Accordingly, Bramwell (1998) further elicit the principles of sustainable tourism development. It lays emphasis on long term rather than short-term perspective on limitations to growth, and that tourism must be managed within certain threshold. It also emphasizes the importance of satisfying human needs and aspirations which entails a prominent concern for equity and fairness. It views policy, planning and management as appropriate and essential responses to the problems of natural, and human resource misuse of tourism. It is argued that the traditional model of sustainability is based on the protection of the status quo. There is therefore need for an alternative paradigm.

Socially responsible corporate behavior is needed to mitigate the negative impacts of tourism. More specifically, sensitivity to social and cultural impacts would not only reduce the need for local residents to trade off quality of life and social costs for economic growth, but would also contribute to a more broad based positive attitude towards tourism (Brahman, 1996). All stakeholders need to be consulted and empowered in tourism decision making and be informed about sustainable development issues. The current study argues that for sustainability to be achieved, tourist customers, hotel enterprises and local communities interests should be integrated in a socially responsible paradigm.

Sustained value creation for community calls for social responsibility at the enterprise level. The sustainable value creation should incorporate long term value for local community residents. These include the need for capacity building, initiating social programs, enhancing the quality of local employment and promoting interdependency of the enterprise and the local community. Sustained value creation of tourism hotel enterprises situated in close proximity with the local community residents calls for nurturing of a valuable resource that is not only sustainable but also inimitable.

#### **COMMUNITY CSR OUTCOMES**

Whilst the role of community in enterprise competitiveness has remained fuzzy, few attempts have been made to explore the ways in which the community may create value and enhance organizational standing. More than a decade of debate on the case for and merits of corporate responsibility, attention is shifting towards a desire to better understand the links between corporate responsibility and competitiveness. Contingent upon pursuit of socially responsible community orientation as an external dimension of CSR, for instance, exceeding legal obligations by training local hardcore unemployed and forging firm specific links with the local community can directly affect the productivity and growth of enterprises.

Competitiveness at the firm level may be driven by community based initiatives which leads to among others: enhanced goodwill, reciprocal relations, positive image and access to community resources. Community goodwill has been reported most specifically in Bolivia for firms with active community engagement. Gutierrez and Jones (2004) reported community goodwill acting akin to an operating license for companies. The company intended to establish this rapport due to customer's negative disposition towards the enterprises. A firm whose operations might face opposition from a community will want to work with it to prevent negative reactions and work interruptions. The other utilitarian motive is the search for competitive advantages. The improvement in a firm's image or market share can be what drives its social commitment, (Gutierrez and Jones 2004). Corporate reputation has been found to be a leading measure of success for firms in a survey of more than 1000 global companies. This was followed by profitability, return on investment, and sustainability among others. Only the quality of products and services was mentioned more often than reputation.

This notwithstanding, enterprise response to critical stakeholder interests may be viewed as dealing with latent, manifest and active publics through communication and dialogue, interaction and partnerships. This is a response that is necessary to guard against mobilization of resources against the firm and/or withdrawal of resources from the enterprise.

#### **MATERIALS AND METHODS**

Descriptive survey of community respondents was adopted to elicit attitudes and perceptions of local community respondents of sampled classified hotels. Survey design was best suited for describing population characteristics, knowledge and beliefs, attitudes, preferences and behaviors as in the case of Masau and Prideaux (2003). The target population was made up of community respondents within close proximity (radius of less than 10km) of 20 sample classified hotels. A sample size of 650 community respondents were selected using systematic random sampling of households from a large total population of adults (>100000) living within close proximity of 20 selected hotels. The sample size was considered adequate considering both the number of variables under consideration and level of analysis. Perceptual data was analyzed descriptively and interpreted. Data was collected using structured questionnaire and the following measures were adopted:

#### MEASURES OF COMMUNITY SOCIAL RESPONSIBILITY

Community Social Responsibility refers to enterprise commitment to the local community through sustainable practices, community oriented programs and strategies. *Capacity building* refers to practices, programs and strategies aimed at enhancement of long term ability of the community to be self sufficient. This was conceptualized as a measure of community social responsibility using a 5-point Likert scale. As an indicator for the variable, responses on five items were elicited from community respondents. The items include the number of schools, training of unemployed youth, perceived support for small business initiatives, health facilities and perceived benefit of capacity building. Knowledge of the number of schools and health facilities that have been established with the support of the firm is key to social responsibility standing of the firm. Secondly, *social programs* refer to social initiatives in the local community intended to build sense of participation, cohesion and identity. This construct was conceptualized as a measure of community oriented corporate social responsibility using 7 item scale shown in Table 1.

Using a 5-point Likert scale as a response format, the variable captures the attitudes of the respondents in regard to whether or not social programs positively benefit the community. It also captures the community participation in project initiation and implementation. Moreover it includes the general level of satisfaction with the level of community support by the hotels. Thirdly, *quality of local employment* refers to perceived proportion of senior employment positions occupied by the local residents in the enterprise. Finally, *Partnership* refers to exercise of equality, mutuality, transparency and power balance by the parties. Business-community partnership is a critical construct that measures community CSR.

#### MEASURES OF COMMUNITY RESPONSE TO CORPORATE SOCIAL RESPONSIBILITY

Four community related responses or outcomes were considered. These were reciprocity and interdependence, public corporate image, goodwill and access to resources. These were conceptualized to measure community response to CSR by hotels. Firstly, reciprocity and interdependence refers to a relational state characterized by power asymmetry, exchange and low level dependency among the parties. Community respondents were evaluated on their perceived existence or otherwise of a win-win or give and take relationship, dependency of the community, interdependency and reciprocity between the tourism hotels and the local community. The community level of satisfaction on the state of the relationship between the community and the tourist hotel. A six item scale anchored on a 5 point Likert scale was developed to elicit the response from the community respondents on key outcome/ dependent variables.

Secondly, *public corporate image*, refers to a perceptual representation of an enterprise's past actions and future prospects that describe the firm's overall appeal to all its key constituents. The perception of the hotels corporate image was elicited from the community respondents. Four-item scale was used to elicit the response and reported in a 5-point Likert scale. The perceived public corporate image was elicited including the reason for the underlying perception.

Thirdly, perceived goodwill refers to enterprise support by the local community contingent upon its past actions and future prospects. This was conceptualized as the attitude of the community towards the hotel within close proximity to their residence was elicited using a five item scale. These include the perceived support for the enterprises growth and expansion, the belief that the enterprise was a good part of their community and the possibility of the hotel enterprises exploiting them. It also sought the perception on whether the enterprise has led to increased standards of living. The perceived goodwill was based on the enterprise impact on them as well as their attitude towards the establishment.

Finally, access to resources refers to ability of the enterprise to draw on community resources such as land, beaches and human capital devoid of any conflict. This scale was elicited using four items anchored on a 5 point Likert scale. These items depicted perceived conflict over resources, unfair resource exploitation and support by local community residents for further resource use by the hotel establishment.

#### **RESULTS AND DISCUSSIONS**

#### PARADOX OF COMMUNITY SOCIAL RESPONSIBILITY

Elicited from community respondents was the perceived existence of capacity building practices among sampled hotels and its beneficial effect on the community. This measurement scale consisted of five items reflecting benefits of capacity building, increase or otherwise of the number of schools, awareness of training of unemployed youth, support for both small business initiatives and health facilities.

Community respondents somewhat disagreed that: community highly benefited through capacity building, number of schools have increased due to hotel's support, they were aware of training of unemployed youth within the community. Similarly, respondents disagreed that the establishment had supported small business initiatives in the local community and the number of health facilities supported by the hotel had increased. The results are provided in Table 1.

Overall, the community perception on the capacity building scale was found to be relatively low (mean<3.0) among the sample hotels. This depicted hotels corporate social irresponsibility towards the resident community. Capacity building is potentially an important social responsibility program intended to improve local community standard of living. Capacity building is critical to the community in terms of social, economical and environmental outcome in the long term. The lowest mean on the 5 point Likert scale was associated with increase of health facility in the community. The implication is that the hotel enterprise has made little attempt to support local community health programs such as increasing the health facilities. It is instructive that health and business activity should be viewed as complementary in such contexts. However, management does not view public health facilities and infrastructure as within their domain as is true for similar facilities such as schools and support of small business. The lack of such support programs alienates the local community from the more established tourism development in the community. It is only through support for long term positive change in social, economic and environmental standing of the community that sustainability and competitiveness of enterprise would be guaranteed.

TABLE 1: PERCEIVED CORPORATE SOCIAL RESPONSIBILITY AND IRRESPONSIBILITY PRACTICES BY SAMPLE HOTELS

| Capacity Building Items   | Mean | Std. |
|---|------|------|
| The community members are highly benefiting through capacity building             | 2.62 | 1.02 |
| The number of schools have increased due to hotel's support                       | 1.99 | 1.33 |
| I'm aware of training of unemployed youth within the community                    | 2.96 | 1.13 |
| The establishment has supported small business initiatives in the local community | 2.65 | 1.26 |
| The number of health facilities supported by the hotel have increased             | 1.93 | 1.00 |
| Social Programs Items   | Mean | Std. |
| Social programs supported by the hotel have positively benefited the community    | 2.86 | 1.11 |
| Social programs initiated by the hotel are not benefiting the community.          | 2.76 | 1.21 |
| Our community have never participated in community project initiation by the firm | 3.26 | 1.14 |
| Our community never participated in project implementation organized by the firm  | 3.08 | 1.15 |
| I'm satisfied with the level of participation of community in social programs     | 2.05 | .98  |
| Our community's support to the hotel enterprise is based on social programs       | 3.09 | 1.12 |
| I'm quite satisfied with the level of community program support from the hotel    | 2.07 | .98  |
| Quality of Local Employment Items   | Mean | Std. |
| Employment offered to community members is based on merit not favoritism          | 2.62 | 1.25 |
| Quality jobs have been realized by community members from the hotel               | 2.52 | 1.04 |
| The jobs available to the community are mostly low paying low value jobs          | 3.86 | 1.07 |
| I'm satisfied with the current positions offered to the community by the hotel    | 1.98 | .95  |
| The community members have high quality jobs from the hotel establishment         | 2.36 | 1.07 |
| Business-community Partnership Items  | Mean | Std. |
| Our community partnership with the hotel on development is based on equality      | 2.21 | .98  |
| I fully support the community partnerships with the hotel                         | 3.39 | 1.22 |
| I believe the hotel is genuine in their partnership with the community            | 2.33 | 1.00 |
| the hotels activities have led to the community's economic decline                | 2.68 | 1.09 |
| my contact with the hotel has been largely negative                               | 2.72 | 1.14 |
| I'm aware of business social responsibility activities in our community           | 2.97 | 1.12 |
| I believe that the business should be socially responsible to our community       | 4.37 | .75  |
| The community should support hotel's activities                                   | 3.86 | .93  |

#### COMMUNITY SOCIAL PROGRAMS

Respondents further elicited perceived existence of social programs and its beneficial effect to the community. The scale reflects on the benefits of social programs, community participation or otherwise in social programs, satisfaction of the community about their participation and the extent of community support to the enterprise based on social programs. The respondents disagreed that social programs supported by the hotel had positively benefited the community and that social programs initiated by the hotel were not benefiting the community. Likewise, the respondents disagreed with both positions; that they were satisfied with the level of participation of community in social programs and that they were quite satisfied with the level of community program support from the hotel enterprise. In contrast, however, the respondents moderately agreed that their community had neither participated in community project initiated by the firm nor participated in project implementation organized by the firm. Furthermore, the findings showed moderate support for the fact that their community's support to the hotel enterprise was based on social programs.

Overall, the respondents appeared dissatisfied with the support they received and their general level of participation. In essence, the hotels scored high on community corporate social irresponsibility. Whilst the perceived potential beneficial effect of social programs is acknowledged by the community, they disagreed about positively benefiting from such social programs in their community. General level of dissatisfaction was evident with regard to enterprise support for social programs and community participation by local residents. They felt that the impact of the social programs supported by the community if any was not noticeable. The level of participation by community members in such social programs was reportedly low. There's potential link between participation of communities and perceived benefits from such social initiatives.

Participation enhances identification of targeted social initiatives which have immediate and lasting impact on the community. It could also enhance participant psychological satisfaction and positive self concept. The standing of the community's self image and self identity could be potentially enhanced significantly through participation in social initiatives. This could be translated to local support, competitive and sustainable hotel enterprise. Lack of participation on the other hand could lead to unsustainable community development, reducing potential support from the local community to tourism development. Persistent disaffection may eventually lead to disillusionment of the community, potentially leading to disenfranchisement.

#### **QUALITY OF LOCAL EMPLOYMENT**

The respondents also reported on the perceived quality of local employment in the community. This reflects on range of issues on merit in local employment. The realization of quality jobs and satisfaction with positions offered to the community by hotel enterprises. The respondents disagreed that employment offered to community members was based on merit not favoritism, that quality jobs have been realized by community members from the hotel enterprise. Further, the respondents strongly disagreed that they were satisfied with the current positions offered to the community by the hotel and also somehow disagreed that the community members had high quality jobs in the hotel enterprises. They moderately agreed that the jobs available to the community were mostly low paying low value jobs. The results are provided in Table 1.

The overall perception indicated low perceived quality of local employment and accordingly corporate social irresponsibility. Job creation and employment is expected as one of the key enterprise's corporate social responsibility contribution to the host community's social development. Generally, there appears to be a systematic pattern in regard to the status of strategic corporate social responsibility in the Kenyan hotels towards resident communities. Though empirical evidence on the effect of quality of local employment on the community is still scanty, it is believed that the higher the quality of local employment, the higher the corporate social responsibility perceptions. The focus of the socially responsible enterprise behavior should be to increase access to quality employment for the community. Alienating the community residents by providing only lower cadre employment opportunities will not only worsen community wellbeing but also create sustainability challenges for such hotels. The concept of quality of jobs is in part related to the capacity and training of the unemployed in the local community.

#### **BUSINESS-COMMUNITY PARTNERSHIP**

Respondents elicited information on eight items reflective of general and specific partnership issues. The results are provided in Table 1. The responses indicated that local residents somewhat disagreed that their perceived community partnership with the hotel on development was based on equality and they also disagreed that they believed the hotel was genuine in their partnership with the community. They similarly disagreed that the hotel's activities had led to the community's economic decline, that their contact with the hotel had largely been negative. Finally, they indicated their lack of awareness of business social responsibility activities in their community. The above notwithstanding, the respondents strongly agreed that they believed the business should be socially responsible to their community and that the community should support hotel's activities and also that they fully supported the community partnerships with the hotel. The nature of the hotel business requires that they have close contact with the local community. The parties must view the relationship as authentic and based on mutual respect. The findings for this study as demonstrated above implies that the community respondents perceive the relationship as characterized by lack of equality, genuineness and general partnership between their community and the hotel enterprises.

The community respondent's perception though appearing somewhat negative on the status of the existing partnership, they remained supportive and optimistic. This was considered paradoxical in the sense that the respondents were expected to exhibit a negative attitude towards the hotels in view of the existing asymmetrical relationship. However the outcome was puzzling. The apparent lack of equality could be as a result of power imbalance between the community and the hotel. This was termed the paradox of stakeholder asymmetry (PSA).

#### RECIPROCITY AND INTERDEPENDENCE

To begin with, the community respondents were asked to provide information on perceived reciprocal and interdependence of the relations between the hotel enterprises and the local community. The measurement scale consisted of 5- items indicating the existence of a "win-win" or "give and take" relationship between the hotel and the local community. They were also required to report on the satisfaction with the current status.

Considering the mean score of each item, local community respondents tended to disagree with the statements that both their community and the hotel enterprises were in a win-win relationship and with the statement that they were satisfied with the current state of the relationship between the hotel enterprise and the local community. However, they appeared to moderately agree that give and take characterized the relationship between the hotel and community and that the community was overly dependent on the organization. They also strongly agreed that members of their community were willing to reciprocate the good/positive gesture. The results of the descriptive statistic analysis are presented in Table 2.

The respondents showed support for reciprocal relationship but were overly dissatisfied with the current state of the relationship between the hotel enterprise and the local community. There is evidence of asymmetrical relationship between the local community and hotel establishments and inequitable distribution of economic proceeds and power imbalance. The paradox is the community's willingness to reciprocate positively despite of lack of social equity and apparent power imbalance between the local community and the hotel enterprises. The competitiveness of a hotel business depends on the enduring support of the local residents. This state of relationship should be based on mutuality, reciprocity and interdependence. Such support, however, exposed the community's vulnerability to exploitation. This was termed as paradox of Reciprocity (POR).

#### TABLE 2: COMMUNITY REACTIONS TO PERCEIVED CORPORATE SOCIAL RESPONSIBILITY AND IRRESPONSIBILITY

| Reciprocity and Interdependence Items  | Mean  | Std.  |
|--|---|---|
| Both our community and the hotel business are in a win-win relationship  | 2.37  | 1.16  |
| Give and take characterizes the relationship between the hotel and community   | 3.01  | 1.08  |
| I'm satisfied on the current state of relationship between hotel and community   | 2.13  | 1.02  |
| The community is overly dependent on the organization  | 3.04  | 2.05  |
| Members of our community are willing to reciprocate the good/positive gesture  | 4.02  | 1.01  |
| Public Corporate Image Items   | Mean  | Std.  |
| The image of the hotel may be best described as quite negative   | 2.60  | 1.14  |
| The hotel business's image in the community is quite positive  | 3.25  | 1.17  |
| The hotel's image is as a consequence of its socially responsible activities   | 3.42  | 1.01  |
| The image of the hotel has been influenced by access to quality jobs   | 3.13  | 1.11  |
| Goodwill Related Items   | Mean  | Std.  |
| The community supports the hotels growth and expansion   | 3.58  | 1.10  |
|  |   |   |
| The hotel is a good part of our community  | 3.50  | 2.00  |
| The hotel is a good part of our community  The hotel has brought only sadness to our community   | 3.50<br>2.38                                | 2.00<br>1.08                                |
|  |   |   |
| The hotel has brought only sadness to our community  | 2.38  | 1.08  |
| The hotel has brought only sadness to our community  I belief the hotel has led to better standards of living in the community   | 2.38<br>3.27                                | 1.08<br>1.06                                |
| The hotel has brought only sadness to our community  I belief the hotel has led to better standards of living in the community  I belief the hotel only lead to exploitation of our community  | 2.38<br>3.27<br>2.94                        | 1.08<br>1.06<br>1.13                        |
| The hotel has brought only sadness to our community  I belief the hotel has led to better standards of living in the community  I belief the hotel only lead to exploitation of our community  Access to Resources related Items   | 2.38<br>3.27<br>2.94<br><i>Mean</i>         | 1.08<br>1.06<br>1.13<br><i>Std.</i>         |
| The hotel has brought only sadness to our community  I belief the hotel has led to better standards of living in the community  I belief the hotel only lead to exploitation of our community  Access to Resources related Items  There has never been conflict over resources between the hotel and community | 2.38<br>3.27<br>2.94<br><i>Mean</i><br>2.53 | 1.08<br>1.06<br>1.13<br><b>Std.</b><br>1.11 |

Note: 1=Strongly Disagree, 2=Disagree, 3=Moderately Agree, 4=Agree and 5=Strongly Agree

#### **PUBLIC CORPORATE IMAGE**

The respondents were required to provide information on the perceived public corporate image of the hotel closely proximate to their residence or business. The measurement scale used consisted of four items reflecting relative image as perceived by the community respondents. The items reflected the nature of the image and the reason for the dominant image.

Using the mean score of each item, respondents tended to agree on all items except that the image of the hotel could best be described as quite negative. The responses are presented in Table 2. They moderately agreed that the hotel business's image in the community was quite positive. They also supported the statements that the hotel's image was as a consequence of its socially responsible activities, that the image of the hotel had been influenced by access to quality jobs. This was termed the paradox of corporate Image (PCI). This is paradoxical since the community perceives the image of the hotel positively. They felt that the image is due to socially responsible activities, including quality jobs. This does not imply that the community had quality jobs or happy recipients of philanthropy. Since the hotel and the community are intricately intertwined, any manifestation of positive outcome sustains the local positive image. Strategic corporate social responsibility could therefore help enhance public corporate image at the local level.

Partially responsible for the support is the community's sense of pride, identity and heritage. The mere presence of the hotel in their community is a first step in their "long and winding road to social and economic emancipation". The residents are supportive since the hotel is indeed part of their community and identity. The hotel is a beacon of the community's social and economic progress. The support currently enjoyed by the hotels could be a form of social capital build over time. The hotels are drawing from their previous investment that might in the long term be exhausted.

#### COMMUNITY GOODWILL

Utilizing a 5-items scale reflecting respondent attitudes on the firm and whether they could support the firm's growth and expansion, whether or not it is a good part of their community. Using mean score of each item, it was observed that respondents tended to agree that the community support the hotels growth and expansion, and that the hotel is a good part of their community. However, they appeared to disagree that the hotel had brought only sadness to their community and did not believe that the hotel only led to exploitation of their community". They similarly agreed that the hotel had led to better standards of living in the community. The results of the descriptive statistics are as presented in Table 2.

This is also paradoxical in the sense that the community did not feel that the hotel was only exploiting them but supported the growth and expansion and believed it has improved their standards of living. However, they could not specifically identify programs and capacity building activities in their communities. This was dubbed the paradox of corporate goodwill (PCG).

#### **ACCESS TO COMMUNITY RESOURCES**

Access to community resources was elicited from respondents using a measurement scale consisting of 4-items reflecting existence of conflict over resources, perception on usage of resources and support for future resource use. Utilizing the mean score of each item, it was found that respondents tended to somewhat disagree that there has never been a conflict over resources between the hotel and community, but agreed that the hotels have been involved in unfair resource use over the community. However, the respondents indicated they agreed and welcomed the use of community resources by the hotel. This is rather paradoxical. Evidence of corporate social irresponsibility by the hotels, has not led to outright acrimony between hotels and community. This has been termed as Paradox of public resource use (PPRU). The perceived conflict over resources between community and hotels is potentially explosive. These resources could include access to the beach for recreational or economic purposes. Other resources that could potentially characterized by conflict include land for expansion, roads and other public utilities, cultural sites and forests. Such resources meant for public use could be converted to private use without community support and/or participation. While the hotels could prefer the beach to be exclusively used for their customers, the local residents would like to have unfettered access to the public beach. Details of results of descriptive statistic analysis on this construct are provided in Table 2.

#### **CONCLUSIONS AND IMPLICATIONS**

It is apparent that corporate social irresponsibility practices are systemic in the sample hotels. It is ingrained in the organizational culture of the hotel establishment. It is paradoxical in the sense that community is aware but unable to mitigate against the malpractices due to contextual and structural related factors. The Paradox of Stakeholder Asymmetry (PSA), Paradox of Reciprocity (POR), Paradox of Corporate Image (PCI), Paradox of Corporate Goodwill (PCG) and Paradox of Public Resource Use (PPRU) confirm the dexterity of CSR in Kenya. It is therefore concluded that corporate social irresponsibility practices are systemic, paradoxical and remain unmitigated.

Owing to the perceived corporate social irresponsibility, there is need for systematic and sustained CSR and public relations initiatives by the hotels to both address these concerns and increase community awareness. Accordingly, it would be necessary to participate in long term sustainable CSR initiatives such as among others capacity building, social programs, creating employment opportunities and business-community partnerships. CSR and CSI being perceptual issues, these initiatives should be significant, visible and consistent. Paradoxical characterization of CSR and CSI confirms the embryonic nature of both its theoretical underpinnings and practical applications.

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