

Chapter 20

The Synergy of Human Resource Management, Corporate Social Responsibility as an Organizational Soft Power and Sustainable Performance

B. S. Patil

Dayananda Sagar Business School, India

M R Suji Raga Priya

Dayananda Sagar Business School, India

ABSTRACT

Organisations in today's business landscape are acknowledging the importance of adopting sustainable practises beyond financial performance. This study advocates for a comprehensive approach that integrates human resource management (HRM) and corporate social responsibility (CSR) as organisational soft power to achieve long-term success and positively impact the economy, society, and environment. The research aims to explore the interplay between HRM practises and CSR initiatives (as an organisational soft power) and their effect on sustainable performance outcomes in the luxury hotel industry located in the Bangalore region by incorporating a mixed-mechanism approach. Also, the study seeks to provide insights and guidance for organisations in designing and implementing HRM strategies that promote CSR as an organisational soft power and contribute to sustainable performance outcomes. The findings will provide actionable insights for practitioners and policymakers in designing effective organisational soft power, HRM, and CSR strategies in the studied context.

INTRODUCTION

The hospitality business is a sector experiencing tremendous growth and playing a crucial role in world-wide economic development (Ashraf et al., 2020). Due to its wide range of options in terms of lodging,

DOI: 10.4018/979-8-3693-0250-7.ch020

dining, and recreational activities, this destination has become highly appealing to a significant number of visitors, both inside the country and outside (Hwang and Lee, 2019). As a result, it plays a pivotal role in fostering economic expansion on a global scale. The World Travel and Tourism Council's research titled "Travel and Tourism Economic Impact" highlights the significant contribution of the hospitality industry in driving economic and developmental progress on a worldwide scale.

The expansion and achievement of the hospitality sector may be attributed to a multitude of causes, including the phenomenon of globalisation, developments in technology, and shifts in customer tastes. The increasing interconnectedness of individuals and the growing accessibility of travel have resulted in a significant rise in the demand for hospitality services, hence prompting a notable development within this sector. Moreover, the incorporation of cutting-edge technology has fundamentally transformed the operational landscape of the sector, facilitating enhanced guest experiences and more efficient management protocols.

The Hospitality Industry in India

The hospitality industry in India has experienced significant expansion throughout the years, positioning it as one of the most rapidly developing industries within the nation. India has become a highly sought-after tourism destination, drawing the attention of both local and global travellers owing to its extensive cultural legacy and varied customs. Consequently, there has been a notable surge in the need for hospitality services encompassing lodging, culinary offerings, transportation, and the tourist sector.

Based on research published by the Federation of Hotel & Restaurant Associations of India (FHRAI), it is projected that the hospitality sector in India will make a significant contribution of around 8.5% to the nation's Gross Domestic Product (GDP) by the year 2028. The observed expansion may be attributed to several sources, including governmental endeavours aimed at fostering tourism, an increase in disposable income, and the emergence of internet travel platforms. Based on the findings of the World Travel and Tourism Council (WTTC), the direct impact of the travel and tourism sector on India's gross domestic product (GDP) was estimated at 6.8% in the year 2019, with a projected gradual increase anticipated in subsequent years (WTTC, 2021). Furthermore, the sector serves as a substantial means of living for numerous individuals, offering job possibilities to millions of people. Based on research published by the Indian Brand Equity Foundation (IBEF), it is anticipated that the hotel industry in India will attain a market valuation of USD 94 billion by the year 2023, exhibiting a compound annual growth rate (CAGR) of around 11%. The observed expansion may be attributed to many variables, including an upsurge in both domestic and foreign visitor influx, the advancement of infrastructure, and the execution of advantageous governmental measures.

However, with this rapid expansion, the hospitality industry faces various challenges, including increased competition, environmental concerns, and changing socio-cultural expectations. To navigate these complexities and sustain long-term growth, organisations within the sector must focus on effective management practises and adopt strategies that embrace corporate social responsibility (CSR).

The Synergy HRM, CSR (as Soft Power), and Sustainable Performance

Human Resource Management (HRM) is a critical function within organisations that plays a pivotal role in shaping the workforce and aligning it with the strategic goals and sustainable objectives of the company. Effective HRM practises are vital for attracting, retaining, and developing a talented work-

23 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/the-synergy-of-human-resource-management-corporate-social-responsibility-as-an-organizational-soft-power-and-sustainable-performance/332161

Related Content

Developing High Affect-Based Trust in U.S.-China Business Negotiations

Maria Lai-Ling Lam (2021). *International Journal of Applied Management Theory and Research* (pp. 1-13).

www.irma-international.org/article/developing-high-affect-based-trust-in-us-china-business-negotiations/268896

Free Cash Flow and Earnings Management: The Moderating Role of Leverage

Sandra Alves (2021). *Comparative Research on Earnings Management, Corporate Governance, and Economic Value* (pp. 85-103).

www.irma-international.org/chapter/free-cash-flow-and-earnings-management/272607

The Role of Islamic Financial Product Innovation in Reduction of Financial Exclusion in Ethiopia

Suadiq Mehammed Hailu, Ayhan Kapusuzoglu and Nildag Basak Ceylan (2019). *Handbook of Research on Managerial Thinking in Global Business Economics* (pp. 426-446).

www.irma-international.org/chapter/the-role-of-islamic-financial-product-innovation-in-reduction-of-financial-exclusion-in-ethiopia/218070

Brand Awareness Quotient: A Metric for Effectiveness of Employer Branding Initiatives

Komal Ratra and Netra Neelam (2016). *International Journal of Applied Management Sciences and Engineering* (pp. 62-74).

www.irma-international.org/article/brand-awareness-quotient/173467

Change Management Revised

Rainer Erne (2016). *Organizational Change Management Strategies in Modern Business* (pp. 1-23).

www.irma-international.org/chapter/change-management-revised/140320