A Study on the Impact of Employee's Awareness about Corporate Social Responsibility on Innovative Behavior ; Targeting Frontline Employees in the Hotel Industry

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ABSTRACT: This study is designed to investigate the impact of employee's awareness about corporate social responsibility on innovative behavior among frontline employees in the hotel industry. In addition, the present study seeks to demonstrate whether employees awareness about corporate social responsibility or innovative behavior varies according to gender, age, education level and employment type. In order to achieve the study goal, the data were obtained from frontline employees(Rooms division, F&B division) working in the 5-star hotels. And the data were analyzed by frequency analysis, factor analysis, reliability analysis, *t*-test, ANOVA and regression analysis were undertaken using SPSS(18.0). The results showed that gender, age and employment type were not significant factors to generate differences on awareness about corporate social responsibility. But the higher educated employee was likely to perceive the awareness about corporate social responsibility better. Employee's innovative behavior varied on all of gender, age, education level and employment type. In other words, employee who is male, in the older age group, in the higher educated level and the full-time position tends to do more innovative behavior. Implications based on the study results are also discussed.

Keywords: corporate social responsibility, innovative behavior, demographic characteristics, frontline employee, hotel

INTRODUCTION

Innovation has long been embraced by organizations seeking to remain viable, effective and competitive in a dynamic business environment[22]. An organization cannot remain viable if it keeps on producing products or services in the same way over time[2] and the continuing of such behavior would lead to the decline or demise of the organization[8]. Therefore, an organization's ability to innovate is recognized as one of the determinant factors for it to survive and succeed[23,32].

In special, the hospitality industry which includes the restaurant, accommodation, entertainment and transportation businesses[4] faces increasing competition. Those who are working in this industry must be able to keep and attract new customers by satisfying their increasingly sophisticated demands. Customers in the hospitality industry, in particular, are looking for new and unique experiences[10]. That means the hospitality industry needs to keep trying to develop a new and attractive service product constantly. Meanwhile, the key to achieve service innovation in the hospitality industry is employees' innovative behavior[16].

One of factors which is very effective to promote employee's innovative behavior is the adaption of corporate social responsibility(CSR). CSR defines as

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discretionary business practices and contributions of corporate resources intended to improve societal well-being[17]. CSR has been considered as a source to build a long-term competitive advantage and to lead a better performance by obtaining a good image from the customers. It is not a mere tool for resolving punctual image problems derived from inappropriate behaviors. In order to maximize CSR performance, management should make employees perceive well about CSR values and activities done by the company[20].

Focusing on these important aspects of employees's awareness about CSR and innovative behavior, this paper addresses the following questions: Is employees' awareness about CSR able to enhance employee's innovative behavior, especially in the case of frontline employees working in the hotel industry? Is there any difference in the level of awareness about CSR and innovative behavior depends on the demographic characteristics such as gender, age and education? This idea has been derived from the past studies[e.g., 5,25,29] arguing about the dependence on the demographic characteristics on CSR and innovation climate. In other words, the aim of this study is to contribute to a better understanding of the complex relationship between employees's awareness about CSR and innovative behavior targeting on hotel frontline employees. In addition, this study also will find out if employees's awareness about CSR and employee's innovative behavior depends on the demographic characteristics such as gender, age and education.

Based on the findings of this research, this empirical study is going to suggest an useful knowledge about the relationship between employees's awareness on CSR and innovative behavior to the hotel managers. Moreover, it will provide some new ideas to build useful policies about CSR and employees innovative behavior depending on gender, age, education level and employment type.

LITERATURE REVIEW AND HYPOTHESES

Corporate Social Responsibility(CSR)

Corporate Social Responsibility (CSR) has received greater attention in the past decade since lots of researches suggest that corporations of the 21 century can derive enormous benefits when they are perceived as being socially responsible by their stakeholders[11,28].

In the past, CSR was just thought as a responsible and obligatory way to solve social issues[34]. However in modern society, through the enormous studies, the concept of CSR has been more expanded than before. One wider concept of CSR is a four-part conceptualization including economic, legal, ethical, and philanthropic responsibilities. Economic and legal responsibilities are the basic level of CSR which must be carried out by corporations with no doubt. Ethical responsibilities is activities that reflect a concern for stakeholders like the environmental, civil rights, and many other forms. Philanthropic responsibilities encompass those corporate actions that are in response to society' expectation including business contributions to the arts, education, or the community[28]. CSR activities are more telling of a company' values than product information, financial statements, or job contracts[1]. This is the very important reason that companies should determine which way of CSR they do.

CSR has been considered as an very effective way to build a long-term competitive advantage and to obtain a good image from the customers. These results of CSR can lead a better business performance and more profits to a company. Meanwhile, in order to maximize performance of CSR, company should make employees aware well about CSR values and activities done by a company[20].

Innovative Behavior

Innovation has become imperative for many companies since it has been identified as a key source of higher profits and market share. The question is no longer one of whether or not to innovate but rather how to strategize for innovation so as to achieve competitive advantage for organization[21].

Innovation is required in the service industry more than manufacturing since customers are looking for a new experience as well as customer's request are rapidly change. In addition, service products are likely to be imitated more easily than any other type of products like manufactured goods. So service industry needs to focus more on service innovation with constantly developing new service products

[31]. In this point of view, service innovation is essential in the hotel industry. Even if there are various factors to facilitate innovation, the most important point is how to make employees do innovative behavior as much as they can[16].

Innovative behavior is defined as an employee's efforts to develop a new idea and put it in practice in order to maximize achieving company goal and profits[24]. This includes all such activities to propose a new strategy to achieve the goal of the enterprise, providing a new way of working activity, obtaining the support to run the new ideas and developing new technologies[15,7,19]. In order to preempt a competitive advantage in a highly competitive era of innovation services, employee's active innovative behavior is necessary[16].

Frontline Employees in the Hotel Industry

The best thing that hotel has to achieve is to deliver the best service with customer satisfaction. In this point of view, frontline employee is playing a key role in hotel facing customers at the forefront of customer contact and plays a crucial role in delivering a quality service[6]. The value of frontline employee in terms of the hotel management is very high[13]. Frontline employees in hotel are employees who know customers' needs best because they contact them closely so as that they can listen to customers requirements directly. In other words, they are the best staff to develop new services that customers may want. Therefore, in order to promote service innovation in the hotel industry, Enhancing frontline employee's innovative behavior is very important. This is the reason why this study targets hotel frontline employees.

RESEARCH METHODOLOGY AND DESIGN

Hypothesis

The aim of this study is to contribute to the better understanding of the complex relationship between employees's awareness about CSR and innovative behavior targeting on hotel frontline employees. In addition, this study also will test if employees's awareness about CSR and employee's innovative behavior varies on the demographic characteristics such as gender, age and education.

Borger & Kruglianskas[3] provided the study results that sharing values and activities about corporate social responsibility with employees has a positive impact on employee's innovative behavior. Schwab[26] also presented the empirical evidence that when the company actively engage in CSR activities, innovative behavior of employees increased[33]. The above research findings lead to the following hypothesis for this study:

Hypothesis 1; Frontline employee's awareness about CSR has a positive effect on innovative behavior.

Recent research evidence shows that corporate charitable behavior is viewed more favorable by women than men[29,27] argued that life long learning is an important condition to facilitate the activities of the corporate social responsibility. Education level is considered as another significant factor to affect employee's acceptance of corporate social responsibility[30]. Based on these researches, this study designed hypothsis 2,3,4 and in addition, this study adds to test one more demographic variable of employment type. In these backdrop, the present study suggests hypothesis as followings:

Hypothesis 2; Awareness of corporate social responsibility depends on gender.
Hypothesis 3; Awareness of corporate social responsibility depends on age.
Hypothesis 4; Awareness of corporate social responsibility depends on the level of education.
Hypothesis 5; Awareness of corporate social responsibility depends on the employment type.

Some previous studies tested how different innovation climate is according to employee's gender, age and education level. Almost of researchers[e.g., 25,2,29] noted there were no any differences or very weak relationships between innovative climate and demographic characteristics of gender, age and education level. On those academic ground, this study builds the following hypothesis:

Hypothesis 6; Innovative behavior depends on

gender.

Hypothesis 7; Innovative behavior depends on age.

Hypothesis 8; Innovative behavior depends on education level.

Hypothesis 9; Innovative behavior depends on employment type.

Measurement Tools

The questionnaire was adopted based on the literature in which measurement scales were already empirically tested. Responses to all scale items were rated on a 7-point scale (1=strongly disagree to 5=strongly agree). Awareness of corporate social responsibility was measured using 3 items developed by[18]. In order to measure innovative behavior, items were adapted from[10] using a five-items scale.

Demographic characteristics were asked with 3 questions. Participants were asked to answer questions on gender which was coded as a binary variable(1. male 2. female). Age was coded a three-point scale(1. 20-29, 2. 30-39, 3. over 40). Education level was coded a three-point scale too(1. collage graduate, 2. university graduate, 3. graduate school graduate). Employment type was coded a two-point scale (1. irregular, 2. regular(full-time)).

The Sample and Analyzing Methods

To comply with objectives and test research hypotheses, data for this study were obtained from frontline employees(rooms division, F&B division) working in five-star hotels located in Seoul, Busan and Daejeon in Korea. The data collection was carried out between Sep, 1 and Sep, 30, 2015. Before the survey was administered, its academic purpose was explained to the human resource managers in every hotel. The questionnaires were then distributed to employees with a full explanation of the goals of the study. A total of 300 self-administrated questionnaires were distributed. After discarding unusable responses, 281 useful responses were coded for analysis.

In order to analyze data, frequency analysis, factor analysis, reliability analysis, *t*-test, ANOVA and regression analysis were undertaken using SPSS(18.0) software program.

RESULTS

Sample Characteristics

The demographic profile of the respondents was presented in Table 1 as follows;

Testing Validity and Reliability

Exploratory factor analysis using SPSS's principle component analysis with varimax rotation was utilized to check the dimensionality[12] of the employee's awareness of CSR and innovative behavior. The analysis revealed each construct was found to be as a single factor with eigenvalues greater than 1.0. In particular, all items with loading over than 0.5 and reliability Cronbach's alpha scores for all factors are over 0,90, above the minimum threshold of acceptance 0.70 as suggested by[9]. Therefore, construct validity and reliability of measurement items were verified.

Table 1. Characteristics of the respondents (N=277)

Variables	Frequency	%	Variables	Frequency	%
Gender			Education		
Male	149	53	Collage graduate	98	34.9
Female	132	47	University graduate	167	59.4
			Graduate school graduate	16	5.7
Age			Employment type		
20~29	135	48.0	Irregular	72	25.6
30~39	96	34.2	Regular	209	74.4
Over 40	50	17.8			
Total	281	100	Total	281	100

Table 2. Scale items and exploratory factor analysis results

Construct	Items	Factor loading	Variance (%)	Eigen value	Reliability (Alpha)
Employee's awareness about CSR	I think that 1. For executives, company's impact on society is a primary concern.	0.894	83.465	2.504	0.900
	2. Management encourages employees to be involved in company's social responsibility.	0.920			
	3. Managers at company fully embrace social responsibility.	0.927			
	KMO(Kaiser-Meyer-Olkin measure of sampling adequacy)=0.745, Bartlett's test of sphericity : 531.106, p=.000 (df=3)				
Innovative behavior	1. At work, I come up with innovative and creative service.	0.883	74.357	3.718	0.913
	2. At work. I try to propose my own creative ideas and convince to others.	0.856			
	3. At work, I seek new service techniques and methods.	0.883			
	4. At work, I provide a suitable plan for developing new ides.	0.863			
	5. Over all, I consider myself a creative member of my team.	0.825			
	KMO(Kaiser-Meyer-Olkin measure of sampling adequacy)=0.866, Bartlett's test of sphericity : 962.852, p=.000 (df=10)				

Test Results for the Hypotheses

To test hypothesis 1 which stated an positive effect of employee's awareness about CSR on innovative behavior, simple regression analysis was fulfilled. The result showed that the direct effect of employee's awareness about CSR on innovative behavior was significantly positive (β=0.480 / p<0.001). This supports H1. It is presented in Table 3.

In order to test hypotheses 2, 3, 4, and 5, t-test and ANOVA were performed to verify differences depends on gender, age, education level and employment type. Results in Table 4 indicates that employee's awareness about CSR is varied by only education level. Therefore, hypothesis 2,3 and 5 was rejected and only hypothesis 4 was supported.

In order to test hypotheses 6, 7, 8, and 9, t-test and ANOVA were performed to verify differences depends on gender, age, education level and employment type. Results in Table 5 indicates that innovative behavior depends on gender, age, education level and employment type. These results supports hypothesis 6,7,8, and 9 which is presented in Table 5.

DISCUSSION AND IMPLICATIONS

In today's global and strict competitive environment, the aim of the hospitality industry is to create and retain profitable customers. In order to accomplish this goal, the role of frontline employees who do the direct service to customers is of great importance in the hotel industry[14]. In this point of

Table 3. Predictor from employee's awareness about CSR to innovative behavior

Variables entered	Regression coefficients				Sig.
	B	Std. error	β	t	
Constant	2.490	0.232		10.741	0.000
Employee's awareness about CSR	0.434	0.047	0.480	9.145	0.000
R^2=0.231, Adjusted R^2= 0.228, F=83.626***					

Notes : ** p<0.001.

Table 4. Differences of awareness about CSR according to demographic characteristics

Gender	N	Mean	Standard deviation	*p*-value
Male	149	4.758	1.436	0.416
Female	132	4.629	1.208	
Age	N	Mean	Standard deviation	*p*-value
20~29	135	4.516	1.299	
30~39	96	4.816	1.395	0.073
Over 40	50	4.960	1.248	
Education level	N	Mean	Standard deviation	*p*-value
Collage graduate	98	4.350	1.234	
University graduate	167	4.838	1.369	0.002
Graduate school graduate	16	5.354	1.015	
Employment type	N	Mean	Standard deviation	*p*-value
Irregular	72	4.565	1.223	0.328
Regular	209	4.743	1.367	

view, the sample of the current study consisted of frontline employees working in the five-star hotels in Korea. Sampling with hotel frontline employees, the purpose of this study is to test the impact of employee's awareness about corporate social responsibility on innovative behavior. In addition, the present study seeks to demonstrate whether employees awareness about corporate social responsi-

Table 5. Differences of innovative behavior according to demographic characteristics

Gender	N	Mean	Standard deviation	*p*-value
Male	149	4.784	1.260	0.000
Female	132	4.242	1.072	
Age	N	Mean	Standard deviation	*p*-value
20~29	135	4.253	1.167	
30~39	96	4.706	1.275	0.001
Over 40	50	4.936	0.984	
Education level	N	Mean	Standard deviation	*p*-value
Collage graduate	98	4.188	1.093	
University graduate	167	4.675	1.240	0.001
Graduate school graduate	16	5.100	0.979	
Employment type	N	Mean	Standard deviation	*p*-value
Irregular	72	4.244	1.032	0.020
Regular	209	4.628	1.245	

bility and innovative behavior varies on gender, age, education level and employment type.

The study results showed that gender, age and employment type were not significant factors to generate differences on the level of awareness about corporate social responsibility. But the results provided the fact that the higher educated employee perceived corporate social responsibility better than the lower educated one. Employee's innovative behavior varied on all of demographic variables such as gender, age, education level and employment type. In other words, employee who is male, in the older age group, the higher educated person and at the regular(full-time) position showed more innovative behavior.

The empirical investigation of this study provides some useful guidelines for managerial action. First, frontline employee's awareness about corporate social responsibility is investigated as a significant predictor of innovative behavior. This result is consistent with the previous research studied by Allen & Husted[1]. That means, when frontline employes get more informations and participate more in CSR activities, they report more innovative behaviors. This positive link between employee's awareness about corporate social responsibility and innovative behavior makes managers realize that CSR is not only a long-term market strategy, but also one way to improve employee's performance such as innovative behavior. With this realization, the hotel management needs to share the idea how important CSR is with employees as much as possible. And the company should seek further attempt to engage employees in CSR activities. For example, at the time of training for new recruits, introducing CSR activities done by the company can make employees understand well about CSR. And when a company holds CSR activities, it can encourage employees to participate CSR activities so that they can have strong feelings of participation and mission. Through such participation, employees could gain more recognition about CSR in their work life. These efforts will let employees become more conscious about the CSR and they will also make employees' innovative behavior enhance.

Second, gender, age and employment type are not significant factors to generate differences on

awareness about corporate social responsibility. But the higher educated employee is likely to perceive corporate social responsibility better than the lower educated one. Employee's innovative behavior depends on all of demographic variables like gender, age, education level and employment type. The employee who is male, in the older group, the higher educated and on the regular position tends to try more innovative behavior.

Hence, the management should pay more attention to ensure all employees to understand CSR information better despite of the different educational levels. In addition, the managers need to know that women, the younger, the lower educational, and the irregular workers do the less innovative behavior than men, the older, the higher educational and the regular employees. Previous studies[e.g.,16] noted that innovative behavior done by employees is an crucial factor to achieve successful innovation. In this point of view, managers should make further efforts to find out the better way to promote innovative behavior of the employee who is woman, younger age, in the lower educational level and in the temporary position of the hotel industry.

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