

# Social Responsibility and Human Resource Management in the Hotel Industry in Malaysia

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## Abstract

The purpose of this study is to understand social responsibility and human resource management in the Malaysian hospitality industry based on social cognitive theory. This study used an online survey method of 295 employees in 61 hotels throughout Malaysia with a random sampling method by maintaining the privacy and confidentiality of the identity of the hotel employees we surveyed. We used the Linkert scale to compute the survey results before we regressed using ordinary least squares. We find that the level of social responsibility is positively related to the level of hotel income, employee income, and employee morale.

**Keywords:** Hotel Industry, Corporate Social Responsibility, Employees

## Background

Social responsibility encourages industry to participate in preserving nature. Natural damage that afflicts countries in the hemisphere continues. Earth seems to be in a lot of pain because of this fact. The destruction of nature has caused the balance of the environment to experience imbalances that are no longer underestimated. Global warming accompanied by erratic climate change is one proof that the earth is sick. A series of disasters such as floods, landslides, fires and deforestation, pollution and so on add to the list that worsens the condition of the earth. Not to mention the discovery of mining materials which in the last two centuries have become the main commodity for humans in carrying out their lives. The rapid growth and human need in mastering civilization ultimately ignored natural factors. So that nature and the environment experience a shift in position in life. In the past, humans were very obedient and valued nature as a gift. Until the previous civilization, the harmony between nature and humans was very thick. The development of local wisdom in every human activity to worship nature is an incarnation of God. Human-generated culture is never separated from natural inspiration. But after humans invented machines that run on mineral fuels, gradually the changes have become more pronounced. Nature, earth, environment become objects by humans to be exploited on a large scale. Overcoming the environmental crisis that is currently hitting the world is not only a technical, economic, legal and socio-cultural issue, it also requires a solution from a religious perspective. Given the efforts that have been carried out by both the government and community social institutions, to overcome environmental damage that has been so severe has not yielded maximum results (Lindsay &

Martella,2020). Human resource governance influences employee behaviour through psychological and social processes. The success of an organization, both large and small, is not solely determined by the available natural resources but is largely determined by the quality of human resources who play a role in planning, implementing and controlling the organization concerned. Human resource management is unique, humans are the main source in running an organization/company/business because humans function as actors, managers and as executors in the production process in business (Tallón-Ballesteros,2020).

The cognitive social theory was first built by psychologist Albert Bandura around the 1960s. This theory focuses on how and why people tend to imitate what is seen through the media. It is a theory that focuses on our capacity to learn by experiencing it firsthand. This process of learning through observation depends on a number of factors. Includes factors of the subject's ability to understand and remember what he saw, identify media characters, and various things that guide the process of modelling behaviour. Social cognitive theory is one of the most frequently used theories to research media and mass communication. Social cognitive theory is the development of social learning theory that provides a framework for understanding, predicting, and changing human behaviour. The social cognitive theory emphasizes our capacity to learn without going through direct experience. The cognitive social theory which is also called observational learning theory depends on a number of things including the ability of the subject to understand and remember what he saw, identify by mediating character, and circumstances or situations that affect the imitation of behaviour. As a learning theory, the social cognitive theory is often used to study media and mass communication, health communication, and interpersonal or interpersonal communication. The purpose of social cognitive theory is to explain how people regulate their behaviour through control and reinforcement or reinforcement to achieve goal-directed behaviour that can be sustained over time (Bjorklund,2020).

The governance of human resources in the company affects the morality and behaviour of individuals in the company or employees in the company. Management of human resources based on environmental preservation can encourage organizational behaviour, in this case, the company for business activities without destroying nature. Malaysia is one of the countries in Asia which has abundant natural resources with good economic growth. Malaysia has a variety of ethnic groups living in it, so managing human resources in Malaysia must understand the unique culture of each individual. However, all differences of each individual can be a driving force for creative creations which, when combined with a social cognitive concept based on nature preservation, will be good for business and nature.

## **Literature Review**

Social Cognitive Theory explains that there is a reciprocal relationship between cognition, personal factors and the environment. Social Cognitive Theory is a new name for the Social Learning Theory developed by Albert Bandura. The new naming with the name Social Cognitive Theory was carried out in the 1970s and 1980s. The main idea of Bandura's (1962) thought is also the development of Miller and Dollard's idea of imitative learning. In several publications, Bandura has elaborated the social learning process with cognitive and behavioural factors that influence a person in the social learning process. This theory is instrumental in studying the effects of mass media content on media audiences at the individual level (Schunk,2012). During the 1980s, education specialists turned their interest to look at motivation in cognitive processing and information processing in human functioning. This shift is a "cognitive revolution" influenced by advances in learning technology and the presence of

computers, which serve as a metaphor for signatures and models/forms of reasoning/intelligence. The concept of building a good self-perception in individuals is included in the controversy of self-esteem which has become the subject of deep dialogue and has been accompanied by many debates. Meanwhile, an important issue that stands out in educational psychology has shown that there is a change in focus such as human function and student self-confidence which is once again the subject of cognitive process motivation research in behaviour in academia. This change was considered successful after going through the analysis of knowledge statements related to the theory and principles of academic motivation (Perloff,2016).

Bandura's research covers many issues that are central to social learning theory, and through these studies, his theory is sharpened and broadened. This research includes the study of imitation and identification, social strengthening, self-reinforcement and monitoring, and behaviour change through modelling. Environmental and social interactions can shape individual behaviour and character along with emotions and individual points of view. The environment shapes individual cognitive, social and behavioural abilities. Emotional reactions, moral behaviour and environmental factors influence each other and shape the character, habits and behaviour of the individual. This includes the doctrines, dogmas and beliefs that the group and individual sphere assume to be true. Humans are active individuals who are able to think and organize themselves so that they are not only formed through the environment but can control and control the environment. Bandura admits that to understand personality is to see the reciprocal relationship and mutual influence between behaviour, cognition, and the environment. This means that all the behaviour of personal factors and social forces are interconnected with one another where behaviour is influenced by the environment but the individual can also play a role in creating social behaviour in everyday life. Bandura emphasized that human behaviour can be done through an observational learning process, namely by observing the behaviour of others and individuals learning to imitate or imitate the behaviour of others who become a model for themselves (Allan,2017).

Human resource governance aims to improve company performance with fair compensation based on good ethical and moral values. Human resources are one of the most important assets for a company or institution. Every human being has different abilities, skills and creativity. Ability, expertise and creativity will not be optimal if they are not honed and developed with the development of human resources. Human resource development is one of the important activities in a company, where employees and the company work together in a balanced manner for the existence of the company. Human resource development can be done in several forms, usually, each company has different characteristics according to the situation and the needs of the company. This can be done by increasing skills with training and coaching, increasing employee knowledge by means of education. Human resource development is an effort with the aim of improving employee skills through education, training and final development in order to carry out duties as employees and have a long-term cycle (El-Saharty et al,2020).

## Research Methods

This study examines the impact of human resource management as reflected in employee income, employee ethics and company income on corporate social responsibility in protecting the environment using ordinary least squares (OLS) with the following equation:

$$CSR_t = C_t + \beta_1 Y_{t1} + \beta_2 E_{t2} + \beta_3 Em_{t3} + e_t$$

Where,

- CSR = Corporate Social Responsibility
- Y = Hotel Revenue or Company Revenue
- Ei = Employee Income
- Em = Employee Morality
- e = The term error

### Results and Discussion

The estimation results are as follows:

$$CSR = 0.412354 + 0.456125*Y + 0.231521*Ei + 0.462754*Em$$

From the OLS estimation results, Company Revenue or Hotel Revenue affects corporate social responsibility by 0.456125 on a count scale. If the company's revenue increases by 1%, then CSR will increase by 0.456125%. Employee income and employee morality have a positive effect on corporate social responsibility. Table 1 describes the estimation results as follows:

**Table 1.** Estimation Results

Dependent variable CSR			
Variable	Coefficient	t-Statistic	Prob.
C	0.412354	0.210512	0.0005
Y	0.456125	0.013016	0.0021
Ei	0.231521	0.101015	0.0031
Em	0.462754	0.203112	0.0032
R-squared	0.700301	Mean dependent var	3.20305
Adjusted R-squared	0.715070	S.D. dependent var	5.06143
S.E. of regression	2.1021	Sum squared resid	3.12084
F-statistic	2.0102	Durbin-Watson stat	0.30282
Prob(F-statistic)	0		

Based on the estimation results described in table 1. It shows that the level of corporate social responsibility is influenced by human resource management and corporate financial performance, especially in the hotel industry in Malaysia. Where the level of morality and employee welfare is an important factor in developing a conducive and ethical work environment.

### Conclusion

Malaysia is a country that prioritizes morals in the lives of its citizens. So that morality to maintain harmony in human life and nature is a common thing in Malaysia. Ethics is a factor that deserves to be maintained and developed in a work environment supported by employee welfare obtained from company income. The proceeds from the company's income can be used to develop the personality and skills of employees along with the development of an environment with good ethics and with full responsibility because the level of social responsibility is influenced by the level of income and morality.

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