
Building employee loyalty through trust: The Internal CSR role in Hospitality and Tourism context

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Abstract

Purpose: This paper critically investigates how Internal Corporate Social Responsibility (I-CSR) influences the Employee-Employer Relationship (EER), employee trust, and loyalty in hospitality and tourism (H&T) context.

Design/Methodology/Approach: Extensive secondary research was conducted in generic Corporate Social Responsibility (CSR) and Social Sustainability studies from a Human Resources Management perspective, as well as studies focused on CSR, EER, Trust and Loyalty applied in H&T industry context.

Findings: The paper provides insights into the mechanism through which employee trust is created and maintained in H&T organisations. It is suggested that the adoption of I-CSR practices in H&T organisations has a profound impact on the EER. It is argued that a strong EER is built on trust, viewed as a key component of creating an inclusive and positive work environment. This, in turn, increases job satisfaction and contributes to employee loyalty and eventually retention.

Originality of the research: This in-depth literature review is the first of its kind in the context of the Hospitality and Tourism industry, providing valuable insights into the importance of I-CSR on the EER and the creation of employee loyalty through trust.

Keywords: Internal Corporate Social Responsibility; Employee-Employer Relationship; Employee Trust; Employee Loyalty; Hospitality and Tourism Industry.

Paper type: Review Article

INTRODUCTION

Due to increasing awareness within modern society about the devastating impact of human behaviour on the planet, there has been a continuously growing demand for people to create a sustainable society and for organisations to act socially responsible (Carroll, 2016). Consequently, Corporate Social Responsibility (CSR) and Sustainability are now considered by many to be key contemporary issues, growing in importance and significance among stakeholders (Rodriguez et al., 2021). Responding to this growth, an increasing volume of CSR literature has been produced. However, as a concept, CSR is not new and has been widely researched from a variety of perspectives across multiple disciplines, resulting in a wealth of available literature (Liu et al., 2020). Within this, a significant portion has focused on identifying the positive effects of adopting and implementing CSR in organisations (Adu-Gyamfi et al., 2021). Several scholars (i.e., Bohdanowicz & Zientara, 2008; Kim & Kim, 2016; Lee, 2022; Okumus et al., 2020; Stojanovic et al., 2020) suggest that CSR enables organisations to create competitive advantage, add value to the value chain and improve financial stability by reducing expenses, maximising productivity and generating increased appeal among stakeholders. However, it is difficult to define and conceptualise CSR due to its complex and “multifaceted” nature (Sheehy, 2015, p.626). As a result of this uncertainty, there is evidence of a growing belief that, to better understand CSR, it first needs to be deconstructed and conceptualised across four dimensions individually (Cultural, Economic, Environmental and Social) whilst exploring both Internal and External elements (Rhou & Singha, 2020). Therefore, it can be proposed that further research should be undertaken despite the abundance of current CSR literature.

Within Hospitality and Tourism (H&T) Industries specifically, CSR has grown in importance, with many organisations incorporating it into their business model to generate value and reduce the negative effects of their operations in society (Okumus et al., 2020). Despite its popularity in the industry (Kim & Kim, 2016), CSR has only recently drawn the attention of scholars and researchers (Rhou & Singha, 2020). To date, the majority of CSR literature refers to *External* CSR (Rhou & Singha, 2020), resulting in the *Internal* element being overlooked until recently (Sanchez-Hernandez et al., 2021). Moreover, among the four CSR dimensions, the majority of recent H&T

literature appears to focus on the Environmental dimension. Therefore, in comparison, the other dimensions are arguably under-conceptualised. Thus, any further research would be beneficial.

In an effort to contribute and expand the current knowledge of CSR in H&T context, this paper focuses on its *Social* dimension. More specifically, it explores the Internal CSR (I-CSR) element, which is less conceptually developed with little research conducted in any context (Lee, 2022). An overview of the of CSR in H&T context is followed by the investigation of the relationship between social sustainability and Internal CSR. Within the internal Social dimension, this paper focuses specifically on exploring the Employee-Employer Relationship (EER), as relationships are argued to be the foundations of Social Sustainability (Roca-Puig, 2019). The paper also investigates the creation of employee Trust within H&T organisations, as a means to achieve loyalty and from a wider perspective contribute to social sustainability and the I-CSR function.

1. CORPORATE SOCIAL RESPONSIBILITY IN HOSPITALITY & TOURISM

CSR has become an integral component of Hospitality and Tourism (H&T) operations and is therefore expected by both internal and external stakeholders (Islam et al., 2015). The H&T industry, and particularly the international hotel and restaurant chains, integrate CSR into their core business model and openly promote their CSR programmes and activities to balance giving back and adding value whilst reducing the negative impacts (Gentinetta, 2020; Gürlek & Tuna, 2019; Rodriguez et al., 2021). Consequently, research undertaken in H&T context continues to be popular; surprisingly despite its growth predictions, fewer research efforts appear to be conducted in the luxury sector (Fortune Business Insights, 2021; Harmer, 2019).

As the foundation of any H&T business is built around meeting and exceeding its stakeholders' needs, they adopt both External and Internal CSR as a management tool to maintain financial stability and growth whilst operating sustainably (Okumus et al., 2020). Kim et al. (2021) argue that External and Internal CSR operate through different mediating mechanisms. External CSR (E-CSR) can be defined as the "*social and environmental activities that are performed outside the organisation to satisfy the social and environmental interests of external stakeholders*" (Sanusi & Johl, 2020, p.2441) and is often perceived as the core of CSR operations. In addition, the Environmental dimension of E-CSR has received significant attention, predominantly due to society's growing awareness regarding the ever-increasing risks of climate change and global warming (Islam et al., 2015; UNWTO, 2021). As such, many H&T organisations, irrespective of sector or business type, are investing in green practices to reduce their environmental footprint (Abdou et al., 2020), while scholars continue to research topics including food waste, water and waste management, biodiversity, renewable power and air and noise pollution (i.e., Gürlek & Tuna, 2019; Roco-Puig, 2019; Rhou & Singal, 2020) and the impact of these on service quality, loyalty and business reputation. Contrastingly, Internal Corporate Social Responsibility (I-CSR) comprises the "*CSR activities which are directly related to the physical and psychological working*

environment of employees” (Turker, 2009 cited in Low, 2016, p.67). A number of scholars (i.e., Mory et al., 2016; Sanchez-Hernandez et al., 2021; Sanusi and Johl, 2020) argue that I-CSR as a concept and research area lacks definition and conceptualisation. On the other hand, it is argued that the growing interest in this concept in industries like the H&T, contributes to the body of knowledge that will eventually lead to a commonly accepted I-CSR typology.

Based on the existing literature in H&T context (i.e., Bibi et al., 2021; Gürlek & Tuna, 2019; Islam et al., 2015, Stojanovic et al., 2020), the following areas can be suggested to fall within the I-CSR (Figure 1): quality of working life; stakeholders’ commitment; citizenship for employees, customers and businesses; trust among stakeholders; organisation and employee performance; stakeholder satisfaction; employee intention to leave; business and employee identity; workplace culture, recruitment and retention; and business attractiveness. Moreover, I-CSR appears to be heavily reliant on the *Social* dimension. Therefore, it can be suggested that I-CSR has a more immediate and direct influence on organisations than the E-CSR. It is also argued that I-CSR directly affects employees who control the quality of service delivered and significantly influences customer satisfaction (Kurdi et al., 2020), yet employees are costly and time-consuming for organisations to replace (Hall, 2019).

Despite the use of mainstream definitions not specific to H&T (Rhou & Singha, 2020), adopting both forms of CSR (internal and external) helps H&T organisations to achieve the following: add value to the value chain (Okumus et al., 2020); create competitive advantage (Bohdanowicz & Zientara, 2008; Kim & Kim, 2016); increases appeal and profits through performance (Islam et al., 2015); create a more diverse, equal and inclusive workplace culture (Okumus et al., 2020) and increase organisational productivity, efficiency and thereby attractiveness and brand image (Lee, 2022; Stojanovic et al., 2020).

As an area of H&T research, CSR has recently grown significantly (Font & Lynes, 2018). It is argued, nevertheless, that the majority of CSR studies in H&T context appears to focus on exploring perceived benefits and prospective outcomes from the customers’, managers’ and, in some cases government’s perspective (Hu et al., 2019; Islam et al., 2015; Lee et al., 2013b). Although in keeping with findings from literature outside of H&T, due to the apparent lack of studies exploring the effects of not adopting CSR (Islam et al., 2015), together with minimal research based on the collective Stakeholder Theory (Gürlek & Tuna, 2019; Ko et al., 2019) there are still gaps to explore, particularly from the perspectives of suppliers and employees. Franco et al. (2020) found that organisations can improve their overall performance and economic outcome by investing in strengthening stakeholder relations. Therefore, it is important to understand who controls this process and its influence on employees. The critical discussion section explores the employment of I-CSR at work and its close relation to social sustainability, EER, employee loyalty and trust.

Figure 1: **I-CSR areas in Hospitality and Tourism industry**



2. INTERNAL CSR AND SOCIAL SUSTAINABILITY

The Human Resource Management (HRM) function controls the internal social element and is responsible for managing an organisation's human resources (CIPD, 2021a). Therefore, the responsibility to create a socially sustainable and responsible work environment falls on the HRM function.

As an integral component of everyday operations, the interdependent relationship between HRM and Social Sustainability has been widely accepted, acknowledged and researched from both conceptual and empirical perspectives in literature (Aggerholm, 2011; Ehnert et al., 2016; Kramer, 2014; Roca-Puig, 2019). Social Sustainability is often viewed as a set of intangible ethical standards or principles used by the HRM function—in addition to legislation—to assist in making decisions, evaluating development, aiding interconnectivity and fostering strong relationships with stakeholders (Ajmal et al., 2018; Arciniega et al., 2017; Gürlek & Tuna, 2019). As a concept, Social Sustainability is entrenched in human behaviour and influenced by ever-changing social needs, values, beliefs and expectations (Boström, 2012). Roca-Puig (2019), for example, suggests the guiding principles of Social Sustainability include equality, commitment, trust and loyalty. On the other hand, it is argued that the role of Social Sustainability within an organisation is widely debated, mainly due to the lack of a universally accepted definition (Ajmal et al., 2018; Gürlek & Tuna, 2019; Roca-Puig, 2019).

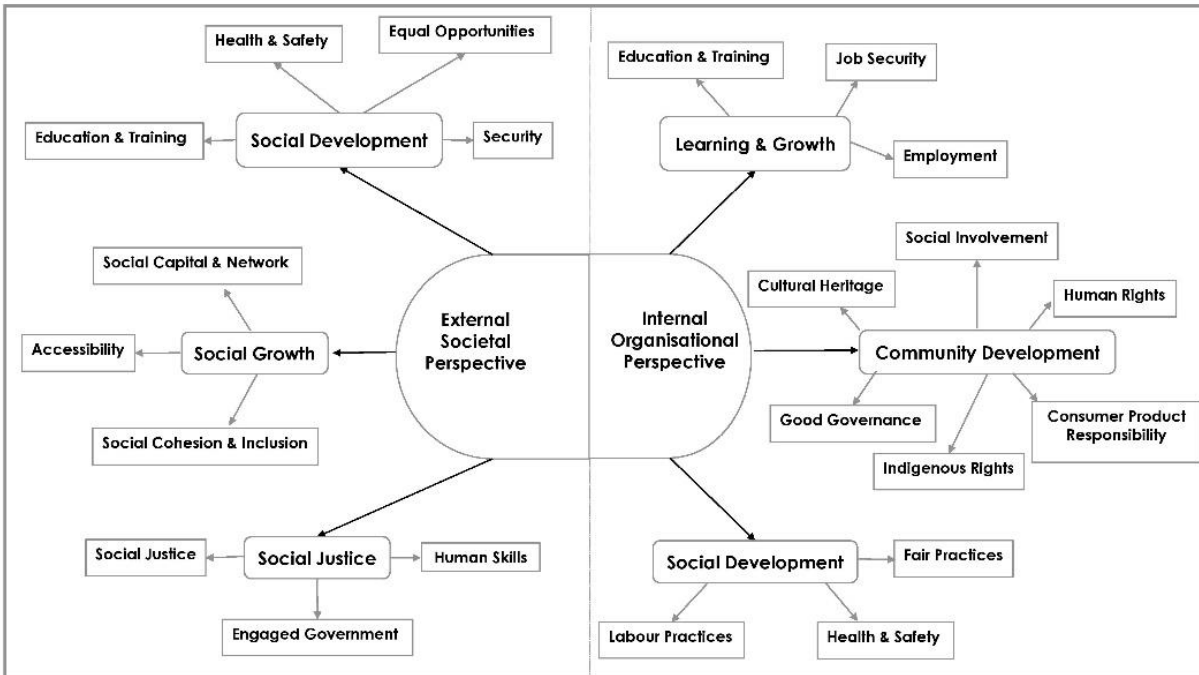
Boström (2012) suggests Social Sustainability is centred around supporting basic human needs (i.e., nourishment, health, shelter and employment) along with extended needs (i.e., fair treatment, equality, diversity and self-realisation). Therefore, to evaluate Social Sustainability, these elements should be assessed. Kramer's (2014) model of Sustainable HRM reinforces the relationship between HRM and sustainability, partially supporting both Boström (2012) and Roca-Puig (2019). Kramer (2014) argues, however, that in order to accurately assess Sustainable HRM, the organisational, social, individual and ecological outcomes should be assessed independently. Alternatively, Ajmal et al. (2018) suggest that there are two perspectives Social Sustainability should be measured from; Societal and Organisational. The Societal Perspective encompasses the external environment, whereas the Organisational Perspective encompasses the internal aspects of any organisation (Ajmal et al., 2018). Therefore, each of the factors/areas highlighted in Figure 2 are key indicators influencing Social Sustainability and impact Internal and External Social Stability. Although authors such as Boström (2012), Kramer (2014), Ajmal et al. (2018) and Roca-Puig (2019) followed a different approach when investigating the role of Social Sustainability in organisations, they highlight shared commonalities including: Accessibility, Accountability, Culture and Diversity, Education and Training, Employment/Labour Rights, Equality, Health and Safety, Human Rights, Identity, Improving Social and Community Capital, Inclusion/Involvement, Responsibility, Security, Social Legitimacy and Justice, Quality of Life, Quality of Working Life and Wellbeing. These can be viewed as the main HR activities and/or practices, organisations use to build Social Sustainability among internal stakeholders.

More recent CSR literature suggests that HR's Socially Sustainable activities, particularly towards its employees, can be perceived as part of the I-CSR approach (Low, 2016; Sanchez-Hernandez et al., 2021; Sanusi & Johl, 2020). Lee (2022) supports these findings and argues the main five I-CSR elements are (although they have not been empirically proven): diversity within employees; enhancing employee skills through training; creating a balance between personal and work life; ensuring stability, security and fostering a positive, safe work environment. Nonetheless, these commonalities reinforce the overlap between CSR, Social Sustainability and HRM (Roca-Puig, 2019). In addition, it can be suggested that the above-described factors play a strategic role in any organisation based on their contribution to the creation of strong and stable relations, and, consequently, employee satisfaction.

Irrespective of approach and perspective, most studies exploring Social Sustainability or I-CSR acknowledge that social interactions and, consequently, relationships are a direct result of mutually beneficial exchanges between individuals, a theory known as Social Exchange and founded on the social concept of reciprocity (Glaveli 2021; Gonzalez et al. 2020; Roca-Puig 2019). Yu et al. (2018) support this but also suggest that the quality of the EER is a direct reflection of the quality of interaction or social exchange between a business and its employees, a view supported by Lee (2022). Therefore, to maintain an organisation's internal Social Sustainability, HR departments must foster strong relationships with its employees, which might suggest why HRM predominantly

focuses on I-CSR rather than E-CSR (Lee 2022). To do this effectively, it is important to understand how the EER is constructed, including its basic foundations and employee expectations.

Figure 2: **Internal and External Social Sustainability Indicators**



Source: adapted from Ajmal et al. (2018), p.333

3. INTERNAL CSR AND THE EMPLOYEE-EMPLOYER RELATIONSHIP

Current literature has long emphasised the importance of the mutual relationship between an organisation and its stakeholders, particularly the relationship with their customers in maintaining long-term customer loyalty (Ma & Qu, 2011), as relationships are believed to be the foundations on which every society is built (Roca-Puig, 2019). However, establishing and maintaining a strong EER is equally important, as poor EER directly impacts business profits, reputation, and overall development (Bohdanowicz & Zientara, 2008; Rodriguez et al., 2021). Therefore, maintaining a strong EER is vital to ensuring business success. In 2021, maintaining EER is arguably more important than ever as the global H&T industry is facing unprecedented levels of unemployment, redundancies and changes to working hours because of Covid-19 (Big Hospitality, 2021; Thomas, 2020). However, investing in I-CSR activities could reduce this impact, as CSR activities have been found to directly impact intention to leave and employee turnover (Kim et al., 2021; Rodriguez et al., 2021; Stojanovic et al., 2020).

Yu et al. (2018) claim EER is a longstanding relationship, which can be both casual and formal, and is centred around reciprocal commitment and emotional investment; this view is also supported by Gill (2008) and Rodriguez et al. (2021), although the latter further suggest EER has a psychological connection too. Lee (2022) argues that the EER does not have to be one or the other, but instead, a combination of both emotional and psychological commitment. The existing literature (i.e., Gill, 2008; Lee, 2022; Stojanovic et al., 2020; Yu et al., 2018) suggests that, employees expect to be rewarded in exchange for their time, energy, innovative contribution, loyalty and commitment. It is also argued that employee satisfaction and EER varies, depending on their position within an organisation along with the type of relationship an organisation wants to build (Kim et al., 2020; Rodriguez et al., 2021). This implies permanent, or full-time employees may have access to more opportunities (i.e., training and development) than temporary employees, including those undertaking an internship or placement. In addition, an employee's seniority can also affect loyalty, due to increased dedication over the years within the organisation. Yu et al. (2018) further suggest that the type of role directly affects the quality of EER provided and, thereby on, the outcomes of the reciprocal relationship. For example, organisations desiring short-term relationships tend to provide little to no rewards or investment (low-quality EER), resulting in minimal employee engagement, trust and loyalty, whereas businesses desiring long-term relations often provide a wide variety of rewards and incentives (high-quality EER) helping generate strong, stable relations and thereby consistent beneficial returns for both the business and its employees. This demonstrates a direct correlation between the Social and Economic elements of business operations and supports Roca-Puig (2019), who suggests HRM policies and procedures are focused on employee support and participation; this also suggests that organisations are reliant on employee support and participation, implying it is the employees who hold power in Social EER.

It is important to note that the EER and the exchange between employees/employers is a continuous process, not a one-stop solution (Lee, 2022). Therefore, organisations should constantly be aiming to meet the needs and expectations of current and prospective employees. Given people spend most of their life at work, selecting an organisation to work for is just as much of a strategic choice for the employee as it is for the employer. Employees today, particularly millennials, are no longer driven solely by monetary rewards; instead, they feel greater self-fulfilment when working for a socially and/or environmentally responsible organisation (Filimonau and Mika, 2019). The younger generations' different work ethics and approach require a fresh perspective on research exploring the link between CSR and EER. To fully understand this link, businesses need to understand employees' expectations and how these influence businesses to ensure they gain a strategic competitive advantage (Kim & Kim, 2016). Lin & Lui (2017) found that being treated and managed in an ethically responsible manner paired with CSR activities can influence employee motivation, and engagement and reduce employee burnout. More specifically, the existing research (i.e., Glaveli, 2021; Gonzalez et al., 2020; Kim & Kim, 2016; Rodriguez et

al., 2021; Yu et al., 2018) suggests that employees want to be treated with respect, integrity, honesty and transparency, and expect to receive equal and fair treatment in all aspects of their work life. Roca-Puig's (2019) study found that in an equal society, employees are more likely to trust while inequality reduces stability and security, leading to increased anxiety among stakeholders creating negative attitudes, relations and reduced profits (Zhang et al., 2018). This suggests that employees expect organisations with a moral obligation to behave responsibly (Lin & Liu, 2017). However, as a consequence of witnessing/experiencing unethical behaviour, employees mistrust organisations resulting in doubt, lack of legitimacy and reduction in loyalty, causing a domino effect of disengagement and lack of motivation (Lin & Liu, 2017; Liu et al., 2020). Nevertheless, it is argued that, given that most of these studies were conducted in the Western context, the employee expectations stated above cannot be considered representative for other parts of the world or in different cultural contexts.

Current literature also suggests that employees want safe and decent working conditions (i.e., Kim et al., 2020; Rodriguez et al., 2021; Tsourvakas & Yfantidou, 2017), and enjoy job security and want to be protected at work (Yu et al., 2018). These studies were also conducted in the Western context, meaning they may not be applicable in different cultural contexts. Despite the above arguments, the specific requirements to achieve the aforementioned have not yet been identified or agreed upon universally. On the other hand, the existing literature suggests that employees want organisations to demonstrate accountability and legitimacy (Rodriguez et al., 2021); show cooperation and flexibility (Tsourvakas & Yfantidou, 2017); demonstrate they care about employee welfare (Yu et al., 2018) and trust employees who are loyal to them (Roca-Puig, 2019). This reinforces the ethical values of honesty, integrity and transparency, suggesting that to achieve strong and high-quality EER, employees desire an empathetic, emotional relationship, not one driven solely by financial reward. This theory is reinforced by all the above, which have been found to have a direct influence on making employees feel more supported, trusting and satisfied (Kim & Kim, 2016) and demonstrate a clear desire by employees to be acknowledged, recognised and rewarded for their own loyalty and dedication. This desire has been acknowledged by the H&T industry, particularly the hotel sector, as demonstrated by the incentives currently offered to employees, including pension contributions and career progression (Yu et al., 2018). There is, however, a lack of research exploring which is the most important, what employees expect and what they desire. Furthermore, a number of studies (i.e., Gonzalez et al., 2020; Parish et al., 2008; Stojanovic et al., 2020) found that when employees are treated fairly, and their efforts are recognised, they are more willing to commit, contribute and help the business in times of crisis. This suggests employees could be more willing to engage, thereby helping the organisation improve performance and grow.

As a result of investing in and developing a strong and stable EER by using I-CSR and Social Sustainability, businesses should start seeing a return on investment. Satisfied employees lead to desirable employee behaviour, including decreasing absences and intention to resign, a rise in employee creativity and innovative behaviour, improved communication both internally and externally, helping to enhance business attractiveness, a more positive organisational identity and

a greater level of employee empowerment (Barczak et al., 2010; Bibi et al., 2021; Bohdanowicz & Zientara, 2008; Glaveli, 2021; Gonzalez et al., 2020; Lee, 2022; Liu et al., 2020; Rodriguez et al., 2021; Tsourvakas & Yfantidou, 2017). Generating positive employee attitudes and behaviour fosters an atmosphere of trust, increasing employee loyalty, engagement and motivation (Gill, 2008; Glaveli, 2021; Lee et al., 2013b; Liu et al., 2020; Yu et al., 2018). The creation of a positive work environment results in multiple benefits from both the employees' and employers' perspectives: it reduces employees' resistance to change and enables businesses to be more flexible (Gonzalez et al., 2020; Yu et al., 2018); helps increase performance (Yu et al., 2018); aid in sustainable development (Kim & Kim, 2016) and improve overall employee and employer citizenship (Yu et al., 2018).

Moreover, when it is known I-CSR activities are being addressed, employees are more likely to engage in voluntary E-CSR activities as they feel proud, motivated, engaged and involved in continuing the cycle of reciprocity (Bohdanowicz & Zientara, 2008; Kang & Sung, 2017; Lee, 2022). It can therefore be suggested that creating employee job satisfaction is a key part of developing the EER and should be the main business objective because reduced satisfaction only has negative implications, including rising expenses and damaging the business's reputation, both of which have a direct correlation with profit (Gill, 2008). It is important to note that each employee reacts differently depending on whether I-CSR activities are intrinsic (truthful effort to encourage value) or extrinsic (effort to benefit personally from exchange) (Stojanovic et al., 2020). Understanding and catering to all employees' individual needs is impossible; therefore, understanding the main activities, values and beliefs accepted by most employees would be a viable approach. However, given that most of these outcomes rely on a foundation of trust between the Employee and Employer, it can be argued that trust is the most important value businesses should aim to achieve. This is supported by Fatma et al. (2016) and Glaveli (2021), who argue that employee-organisation trust directly links to establishing credible relations that last.

4. THE RELATIONSHIP BETWEEN INTERNAL CSR, EMPLOYEE TRUST AND LOYALTY

Previous literature has highlighted the importance of employee trust and loyalty for business success, including reducing expenses and increasing profits; however, like CSR and Social Sustainability, no universal definition of trust has been developed yet. Trust is people's willingness to rely on another person (Liu et al., 2020), which can be formed by building 'reliability and integrity' (Glaveli, 2021, p.371) and is therefore integral to social exchange (Kim & Kim, 2016). Given CSR, like many other relationships, is built on trust between stakeholders, CSR related activities have a direct, positive impact on trust for customers and employees (Choi & La, 2013; Glaveli, 2021; Gonzalez et al., 2020; Martinez & Bosque, 2013).

The importance and influence of trust is widely acknowledged in the literature as the principal factor influencing social exchange (Investors in People, n.d.); it is the glue that binds together social interactions, and without a form of trust, social interaction would not be possible (Molm et al., 2007). Yu et al. (2018) support this and argue that trust is an integral component in fostering strong, high-quality EER and individual relationships both directly and indirectly, which, in business, aids interpersonal activities such as negotiation. Stojanovic et al. (2020) further suggest that once employees' trust has been gained, their perceptions surrounding the external and internal environment change. They become bolder and are less driven by perceived threats. This supports the argument that trust helps reduce hostility among employees (i.e., Gill, 2008; Gonzalez et al., 2020; Yu et al., 2018). Furthermore, trust fosters a more inclusive business culture (Jabbour & Santos, 2008) which in turn creates a more comfortable and relaxed work environment, with employees being more willing to engage, contribute and interact (Gonzalez et al., 2020; Liu et al., 2020; Roca-Puig, 2019; Stojanovic et al., 2020). As a result, trust is a mediating mechanism between EER and multiple performance outcomes (Hom et al., 2009; Yu et al., 2018). Glaveli (2021) supports this argument but further suggests it is a key variable in securing employee loyalty.

Although there is uncertainty if trust is developed sequentially (Glaveli, 2021), trust appears to materialise in many forms, the main two being *Authentic* and *Initial*. Although both require more research and further conceptualisation, Solomon & Flores (2003) argue that Authentic Trust is the true representation of employees' feelings and behaviour and is the key form of trust in relationships. This form appears to be built up slowly over time through meeting expectations and is a key component of social exchange (Yu et al., 2018). It is also argued that this is a more reliable form of trust, built on actual personal experiences. On the other hand, the Initial Trust concept is formed during the first stages of an interaction when information has been exchanged or received from an employer or external environment (McKnight et al., 1998). However, because it is based on information received before employees begin their employment, it relies heavily on employee perceptions, beliefs, expectations and desires rather than real personal experiences and can therefore be biased and manipulated (CIPD, 2021b).

A key factor contributing to the creation and maintenance of the Initial Trust is the concept of Psychological Contract; this can be briefly described as the mutual agreement between employers and employees, unsupported by any legal foundation (Armstrong and Taylor, 2020). The Psychological Contract covers the following HRM related areas: job security; training, development and career opportunities; value and contribution to society; fair pay and organisational support. CIPD (2021b) suggests the Psychological Contract is more influential than a legally binding (written) one, despite being intangible and unenforceable. As a concept, it can be applied to both employers and employees. However, most research has been conducted from the employees' perspective. Denise et al. (2016) found that the Psychological Contract has been identified as a vital tool managers use to control EER and gain employee trust. As it assumes the employers' side will honour agreements made, the Psychological Contract is heavily influenced by trust, equality and justice (Atkinson, 2007), reinforcing the importance and influence of employee values. More recent studies (i.e., Glaveli, 2021; Lee, 2022; Liu et al., 2020) further

support this argument, but they also suggest that perceptions and trust are influenced by an organisation's sensitivity to empathy, honesty regarding ethics, values and morals and the ability to follow through. Nevertheless, irrespective of the form, trust is perceived as a direct indication of strong EER (Yu et al., 2018). This, in turn, supports the argument that understanding how trust influences the EER and employee loyalty is pivotal, and the use of Psychological Contracts plays a vital role in this process.

Furthermore, Martinez & Bosque (2013) have acknowledged the importance and influence of trust in predicting employee loyalty. However, it is often described as a direct outcome of an emotional response (Rodriguez et al., 2021). As such, it can be suggested that trust is the predictor of loyalty, and loyalty is the result. Therefore, to build loyalty, organisations need to connect with employees' emotions alongside meeting basic needs. For example, when organisations and employees share values, they inadvertently defend each other's interests, rewarding one another with goodwill and loyalty (Rodriguez et al., 2021). This view is also supported by Kim & Kim (2016), who further suggest that perceived values, legitimacy, social versatility, and transparency significantly influence loyalty. This approach is key to increasing both employee retention and loyalty (Gill, 2008; Lee et al., 2013a). Stojanovic et al. (2020) support this but also suggest that greater awareness will eventually lead to stronger employee loyalty. Figure 3 below describes how employee loyalty is built through the cultivation of employee trust in H&T organisations; at the same time employee trust is contributing to the achievement of key I-CSR outcomes.

Figure 3: Building Employee Loyalty through Trust



Adhering to beliefs, needs and expectations, particularly of those directly related to employee Social Responsibility, helps create legitimacy (Deephouse & Suchman, 2008); this, in turn, enriches social relations and thereby influences EER, loyalty and support from internal and external stakeholders (Gonzalez et al., 2020). Achieving legitimacy is vital as people cannot fully commit to an organisation if this is surrounded by negativity and doubt. Similarly, Rodriguez et al. (2021) suggest that employees trust and support organisations and their sustainable actions, only when they act legitimately. On the other hand, if undertaken illegitimately, employees lose

interest, and the organisation's credibility drops. This indicates an interdependency between trust and legitimacy, directly impacting employee loyalty (Kim & Kim, 2016). In addition, scholars such as Gill (2008), Roca-Puig (2019) and Rodriguez et al. (2021) argue that employees are more loyal to organisations committed to the betterment of society as a whole. This suggests CSR (and, to a great extent, I-CSR) is a mediating mechanism through which personal and organisational outcomes can be achieved (Lee, 2022). It acts as a conduit enabling employees to find meaning and achieve value, reinforcing Glaveli's (2021) argument that the link between employee loyalty and CSR is indirect.

6. CONCLUSION

This paper has critically reviewed the importance of I-CSR in relation to the EER and creating employee loyalty through trust. According to the extant literature the cultivation of employee Trust in H&T organisations can contribute to the employee loyalty and commitment, enhance social sustainability, and help the I-CSR function achieve higher levels of employee satisfaction and eventually employee retention. The following sub-sections summarise the theoretical implications through the identification of the research gaps, the managerial implications as well as recommendations for future research.

6.1. Theoretical Implications and the Research Gaps

Although the concept of CSR has been widely researched across multiple disciplines and industries, we identified a number of gaps in this topic area that need further investigation. Firstly, scholars argue that CSR research in hospitality and tourism is new, with areas such as the luxury sector being overlooked (Harmer, 2019). There is, therefore, scope for additional research in these areas. Secondly, in CSR literature, the Social Dimension is argued to be less conceptually developed (Lee, 2022; Roca-Puig, 2019), with most literature focusing on Social Sustainability. This is reflected in the lack of conceptualisation surrounding I-CSR and how this influences organisational success. Therefore, research into I-CSR would be beneficial as an emerging field of study. Thirdly, despite the significant range and diversity in employees' expectations and desires, it is currently unclear which factors are the most important and why. It is therefore hard to determine which I-CSR values, attitudes, practices, policies and rewards organisations should adopt as current literature fails to differentiate between what employees expect and what they desire. Due to this gap, there is a lack of understanding about how these ICSR attitudes, behaviours, benefits and values affect the EER, including Employee Trust and Loyalty, despite the vital role trust and loyalty play in developing Social Sustainability, strong EER and positive organisational outcomes (Glaveli, 2021; Gonzalez et al., 2020). Finally, given that employees are key stakeholders and integral to organisational success, paired with the lack of evidence of I-CSR research from the employees' perspective, further research is required to understand the impact

and influence of I-CSR on employees (Gürlek & Tuna, 2019; Islam et al., 2015; Kim et al., 2020; Rhou & Singal, 2020; Rodriguez et al., 2021).

6.2. Managerial Implications

The findings suggest EER, employee trust and loyalty are formed through the actions of meeting H&T employee expectations. The existing studies (i.e. Lee, 2020; Stojanovic et al. 2020; Rodriguez et al., 2021) agree that employees expect something in exchange for their loyalty and good performance, however these expectations clearly vary. This further reinforces the diversity in employee expectations, reemphasising the subjectivity and ambiguity behind employee motivation and infers it is the combination of multiple factors that form employee perceptions of the EER. It is therefore imperative for H&T managers to develop a deeper understanding of their employees' basic and desired expectations. Basic expectations at the "taken for granted assumptions" held by employees regarding the EER; these assumptions are directly linked to the psychological contract. On the other hand, the desired expectations are the "extras" that will lead to employee satisfaction and eventually loyalty and retention.

Given that trust appears to be a psychological construct formulated uniquely by each individual, it can be argued that failure to communicate clearly and follow through on promises during the early stages of the EER (Initial Trust), has a significant psychological impact on the employee's ability to trust the organisation because the prospective employee lacks evidence to substantiate their own theoretical reasoning. This can have a long-term impact on the H&T organisation since Authentic Trust cannot be achieved. Contrastingly, if employee expectations are continuously met, the stronger the EER becomes and the longer it could take for employee trust and loyalty to be eroded.

6.3 Recommendations for future research

Due to the lack of conceptualisation and universal definitions for CSR and I-CSR, it is recommended that further research is needed before its influence on EER can be empirically proven. Furthermore, additional research into the effects of I-CSR on the EER should be undertaken focused in different H&T sub-sectors i.e. luxury hotels, restaurants and cruise-ships. Finally, the importance and influence of I-CSR, attitudes, behaviours and incentives may vary in non-western cultural contexts. Therefore, it is hoped that future empirical and conceptual studies will address the above-mentioned research gaps and provide a more holistic and in-depth understanding of the I-CSR effects on the EER in H&T context.

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