ANALYSIS OF THE CORPORATE SOCIAL RESPONSIBILITY PRACTICE IN THE TOURISM SECTOR: A CASE STUDY

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1. INTRODUCTION

Corporate social responsibility (CSR) has gained increasing attention over the past two decades (Margolis and Walsh, 2003; De Bakker, Groenewegen and Den Hond, 2005). However, while increasing attention has being paid to CSR, it is a phenomenon not yet widely accepted, either in concept or in practice (Truscott, Tywoniak and Bartlett, 2009). Confusion about CSR is minored in the broadly scattered literature on diverse CSR practices (Matten and Moon, 2004), although different typologies have been proposed (Garriga and Melé, 2004; Matten and Moon, 2004; Bartlett, 2008). In this sense, companies looking to address their social responsibilities are forced to identify what practices are relevant contextualizing them correctly in the organization. Based on these ideas, this paper provides a study in the tourism industry, providing a framework for the definition of CSR practice in this particular sector. Similarly, it is provided a general classification of socially responsible actions based on both the sustainable development theory and the stakeholder theory, two of the most widely accepted approaches in the literature (Freeman, 1984; Clarkson, 1995; Elkingtong, 1998; Linnanen and Panapanaan, 2002; Kakabadse, Rozuel and Lee-Davies, 2005; Panwar, Rinne, Hansen and Juslin, 2006; González, 2007).

2. LITERATURE REVIEW AND RESERCH QUESTIONS

The CSR field presents a landscape of theories and approaches which are controversial and unclear (Garriga y Melé, 2004; Alvarado, Bigné y Currás, 2011). There has been a change in the traditional paradigm as currently the final purpose of any company is not focused exclusively on economic performance, but it has come to a triple goal -Triple Bottom Line- including social and environmental issues. Since the beginning of the study of this phenomenon many definitions have emerged. However, there is not a universal

definition of this concept. Recent definitions state that CSR refers to the business activities and corporate commitments to society or individuals with an active participation in the activities of the organization. In this line, and as research has progressed, many new theories and perspectives of CSR have emerged (Garriga y Melé, 2004; Alvarado, Bigné y Currás, 2011). Whit regard to this, one of the theoretical perspectives which has received wider acceptance in the field of tourism is the sustainable development theory (World Commission on Environment and Development, 1987; Gladwin and Kennelly, 1995; Wheeler, Colbertand Freeman, 2003; Kakabadse, Rozuel and Lee-Davies, 2005; Henderson, 2007). The dimensions of CSR can be identified from the conceptual framework provided by the theoretical models proposed by Linnanen and Panapanaan (2002) and Panwar, Rinne, Hansen and Juslin (2006). These authors conceptualize CSR based on sustainable development establishing that corporate responsibility is a multidimensional construct consisting of economic, social, and environmental dimensions. Several authors support this approach, particularly in relation to tourism (Kakabadse, Rozuel and Lee-Davies, 2005; Henderson, 2007). Consequently, it is expected that:

> *RQ1: Corporate social responsibility in tourism companies is a multidimensional construct consisting of economic, social and environmental dimensions.*

On the other hand, the notion of CSR from the perspective of sustainable development emphasizes the importance of all stakeholders, beyond owners, investors and shareholders (Schmidhein, Chase and De Simone, 1997). Therefore, the sustainability-oriented company understands its long-term action considering all stakeholders (Freeman, 2000; Wheeler, Colbertand Freeman, 2003). So that, companies have to set up an efficient system to manage its stakeholders enabling them to identify and determine the needs and obligations that organizations must assume to each group (Maigman, Ferrell and Ferrell, 2005). Thus, it is relevant to know what stakeholders are identified by tourism businesses:

> *RQ2: Activities of tourism companies are not focused only on the owners and shareholders of the company, but on a larger number of stakeholders.*

3. RESEARCH METHODOLOGY

In this exploratory research we use a qualitative methodology based on case studies. This methodology allows us to achieve an in dept understanding of the process by which CSR phenomenon occurs (Rialp, 1998). Since the goal of this paper is to describe the current situation around CSR in the tourism sector and explore the research questions, the qualitative methodology enables these objectives and provides a comprehensive approach to this study. In order to select the cases a non-probability sampling procedure was chosen to ensure greater representation of the data (Trespalacios, Vazquez and Bello, 2005). The data collected was qualitative —opinions and ratings about CSR— through in depth interviews conducted in 2010 during the months of June, July and August, and quantitative —CSR reports, annual reports, corporate Web pages, news and press—. For data analysis we used a content analysis (Berg, 2001). Finally, before

proceeding to the analysis of the results it was analyzed the validity and reliability of the case studies.

4. RESULTS

A first interesting result is the fact that tourism companies adopt the sustainable development theory when designing and implementing their CSR policies. Managers understand that companies have responsibilities towards society and the natural environment where they conduct their business. So that, corporate practice of CSR coincides with the most current theoretical approaches in the tourism sector. Analyzing our case studies, it is possible to show that there are no differences in the scope of action regarding CSR according to the hotel category. However, it is shown an uneven application of socially responsible practices depending on the type of establishment. Hotels belonging to international chains present a better integration of CSR activities in their business strategy.

Regarding the second research question, it is evident that all the hotel establishments carry out their activities toward a sustainable development taking into account various stakeholders. In this sense, the relationship between sustainable development and the stakeholders of tourism companies is obvious since the majority of socially responsible actions benefit all these groups and not the shareholders in particular. Therefore, this study confirms the complementary nature of sustainable development approach and stakeholder theory, supporting a business model that places value creation at its core accepting concepts of CSR, sustainability and the stakeholder approach to find their natural homes, whether at a strategic or a managerial level (Wheeler, Colbert and Freeman, 2003).

5. CONCLUSIONS AND FUTURE LINES OF RESEARCH

First at all, it has been demonstrated the validity of the sustainable development theory and the Triple Bottom Line perspective as approaches to delineate the responsibilities of tourism enterprises towards society. Second, it is suggested that respondents used the management of its stakeholders as practical articulation of their CSR policy. That is, through the sustainable development theory companies specify their responsibilities, but through to the stakeholder theory companies know to whom they are responsible responding to the claims that these groups pose. Similarly, it is revealed that CSR is a vital aspect of the business sector, but with a very uneven application among the analyzed hotels. In fact, there are important differences among the chosen hotel establishments. The main implications for the management of CSR in the tourism sector are set out below. First, it is set a framework for the definition of CSR in business hotels, so managers have clear dimensions on which to focus its CSR policy.

Similarly, companies could make a greater effort to identify issues of concern of their stakeholders to subsequently implement CSR initiatives. It would also be interesting for companies to create a mechanism to collect responses of their target audiences in order to assess their performance. New lines of research could include studies on the CSR practice. Similarly, an exhaustive study on the identification of stakeholders in a leader company in the tourism sector (including the identification of relevant issues for each group and

their significance on the RSC) could to help other companies in this sector to implement a successful model of CSR.