
Understanding the Sustainable Development of Tourism

6

Corporate Social Responsibility in Tourism

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Corporate Social Responsibility in Tourism

Camelia Tepelus

Rationale

This chapter addresses the development of corporate social responsibility (CSR) as a paradigm supporting sustainable tourism development. It aims to provide students with an understanding of the theoretical fundamentals of the CSR concept, its evolution and applications to the tourism sector. After describing CSR origins and typologies, the chapter presents aspects of CSR integration in the enterprise's core operations, and reviews the manner in which CSR has been reflected in tourism development in recent decades.

The questions analysed in this chapter concern the boundaries between a tourism enterprise's legal responsibilities and the CSR commitments it may consider assuming voluntarily. Is it in a company's interest to go beyond legal requirements and obligations stemming from collective agreements in addressing other societal needs? If not, should the company address such needs as part of its operations anyway?

Learning outcomes

Upon completing this chapter, the student should be able to:

- ◆ Explain the meaning of CSR and in particular as it applies to sustainable tourism development
- ◆ Describe different theories supporting the introduction of CSR in business
- ◆ Discuss the roles of stakeholders in tourism CSR, and critically identify potential conflicts of interest
- ◆ Explain the role of CSR and its potential from a tourism marketing perspective
- ◆ Identify stakeholders who can drive CSR towards sustainable tourism development.

Conceptualisation

CSR, also called corporate citizenship, has recently become the umbrella term describing the contribution of the business sector to sustainable development. Corporate social responsibility is the concept 'whereby companies integrate social and environmental concerns in their business operations and in their interactions with their stakeholders on a voluntary basis' (European Commission, 2006).

Two of the defining characteristics of CSR are:

- 1 Comprehensive scope – linking economic performance of the enterprise with non-economic (social and environmental) concerns of its stakeholders
- 2 Voluntary nature – motivating the enterprise to voluntarily assume responsibilities moving beyond its strictly legal obligations.

CSR requires enterprises to act as good citizens within the communities they operate. Tourism CSR is concerned with tourism enterprises' practices supporting sustainable tourism development, assumed on a voluntary basis and going beyond legal obligations. CSR should not be seen as a substitute for regulation. CSR is merely the conceptual framework concerned specifically with the responsibility of the private sector in advancing sustainable tourism separately and complementing the responsibilities of other tourism stakeholders (tourists, governments and tourism authorities, destinations, etc.).

CSR origins and typologies

An early definition of CSR was provided by H.R. Bowen (1953) as the obligation of businessmen to pursue those politics, to make those decisions, or follow those lines of action which are desirable in terms of the objectives and values of the society. This definition raises the major question of what is desirable for the society. A potential answer to this question emerged with the expansion of the sustainable development framework in the 1990s. According to Zadek (2001), the articulation of the CSR paradigm developed initially as a reaction to business practices which abuse or violate human rights; inconsistent application of legal principles by trans-national corporations; contribute to environmental offences; downgrade labour standards; and entice host-governments to act for self-interested purposes and market favours. Garriga and Melé (2004) map out CSR theories under four categories: instrumental, political, integrative and ethical. Instrumental CSR theories focus on the economic return to the firm. Social investments are supported only to the extent they would provide returns to the firm. Political theories build on the acceptance of a social contract by the enterprise, making it use its power in society responsibly. Integrative CSR theories apply when an enterprise integrates societal demands into its strategies. Finally, ethical theories apply when managers place social impacts above all other CSR considerations.

Common dimensions these theories encompass are: ethical values, profits, social demands and community performance. These elements appear very similar to the values of mutuality, knowledge, ethics and professionalism identified by the Tourism Education Futures Initiative to ensure that underlying responsible stewardship and tourism leadership are incorporated.

As illustrated in Figure 6.1, Carroll (1991) sees CSR classifiable by the nature of responsibilities into four groups: economic (be profitable for shareholders, provide good jobs for employees, produce quality products for customers); legal (comply with laws and play by the rules of the game); ethical (conduct business morally, doing what is right, just and fair, and avoiding harm), and fourth, philanthropic responsibilities (make voluntary contributions to society, giving time and money to good works).

Conclusion

As a large, diverse and complex organisation, BA has an enormous task just to manage its core business. Problems with suppliers, unions and high levels of staff sick leave are illustrative of the challenges. However, climate change in particular has become central to the future success of the airline. BA will need considerable technological advances to be able to meet its stated targets, and then it will need to develop an argument to justify its targets being short of those that others will face. Much may depend on the extent to which mechanisms such as emissions trading are adopted internationally and allow airlines to purchase emissions from sectors of the economy where the cost of abatement is cheaper. Issues previously listed under the heading of corporate responsibility will shift to become issues to demonstrate corporate relevance in the face of the necessary transition to a green economy.

Sources: BA Corporate Responsibility Reports 1992-2009; Personal communication: Dr Hugh Somerville, former Head of Sustainable Business Unit, BA.

Useful websites

Accor Group, Sustainable Development:

<http://www.accor.com/en/sustainable-development.html>

Air France – KLM, Sustainable Development:

<http://corporate.airfrance.com/en/sustainable-development/headline/>

Carlson Wagonlit Travel, Corporate Social Responsibility:

http://www.carlsonwagonlit.com/en/global/our_company/corporate_social_responsibility

Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism: www.thecode.org

UN Global Compact: <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples>

UN Millennium Development Goals: <http://www.un.org/millenniumgoals/>

UN World Tourism Organization Global Code of Ethics for Tourism:

http://www.unwto.org/code_ethics/eng/global.htm

UN World Tourism Organization Sustainable Tourism – Eliminating Poverty:

<http://www.unwto.org/step/index.php>

UN World Tourism Organization Task Force on the Protection of Children in Tourism:

http://www.unwto.org/protect_children/index.php?op=0

Voluntary Initiatives for Sustainable Tourism: <http://www.visit21.net/>

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