Social Responsibility in Tourism and Sustainable Development

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Abstract
An increasing number of agents involved in tourism activities are aware of the effects of tourism development and of the impact of these activities on the population and the environment. In recent years, there has been a focus on a well-observed development of tourism according to standards that guarantee the preservation of ecological balance and avoid the overuse of resources, pollution and other negative environmental effects.

A sustainable community must adopt a three-direction approach that has in view economic, environmental and cultural resources. Communities must take into account not only short-term, but also long-term needs.

Sustainable tourism development requires the reconciliation of opposing interests and objectives, favoring partnership and cooperation between decision-makers, processors and consumers promoting long-term public interest. In order to achieve these goals, codes of good practice in tourism must be respected and implemented. These codes must be socially responsible at all levels (national, regional, and local) and based on already recognized international standards.

This paper aims to assess the involvement of the principles of sustainable development in the sector of tourism through the implementation of the methodologies of the Corporate Social Responsibility (CSR).

Key-Words: Business, Corporate social responsibility (CSR), Environment, Globalization, Management, Sustainable development, Tourism, Sustainability

1. Dimensions and Challenges of Social Responsibility

In the contemporary highly competitive world, countries are seeking to create a positive image of their country in order to attract business, investment, tourism, students, events etc. and to brand themselves. There is a wide range of factors involved in this process, such as the environment, people, tourism, business, governance, politics and others. Corporate Social Responsibility (CSR) is one of these factors, which some countries are implementing but not considering as a part of a country’s branding strategy. CSR concerns the social responsibility of companies for the workforce, society and environment.

Given the scope of this paper, we will present only a few most relevant definitions out of the great variety of definitions of this concept.

BSR (Business for Social Responsibility) defines CSR as related to a type of “business decision-making linked to ethical values, compliance with legal requirements and respect for people, communities and the environment, in a manner that meets or exceeds the ethical, legal, commercial and public expectations that society has of business” (www.bsr.org).

According to a different definition, CSR has become a permanent responsibility of companies “for the environment around them, for the best working practices, for their engagement in their local communities and for their recognition that brand names depend not only on quality, price and uniqueness but on how, cumulatively, they interact with companies workforce, community and environment” (Brown 2006 cited in Amaeshi et al, 2006).
According to Aamir Sohail, „corporate social responsibility is a business contribution to sustainable development and helps the corporations for their long term success and as well as good for society” (Aamir Sohail, 2008).

Social responsibility is the obligation that businesses assume towards society. Being socially responsible means maximizing the positive effects and minimizing the negative effects on society (customers, owners, employees, community, suppliers, government). There are four kinds of social responsibility: legal, ethical, economic and philanthropic.

The legal dimension of Corporate Social Responsibility (CSR) relates to the compliance with laws and regulations established by authorities, which set standards for responsible behavior – the codification of what society thinks is right or wrong. The legal regulation of businesses leadership is necessary because society - including consumers, interest groups, competitors and legislators - has no guarantee that businesses do what is right in a particular field, such as consumer or environment protection. Thus, laws set rules for responsible businesses activities. These laws can be divided into laws that regulate competition, consumer protection laws, environmental laws and laws that promote safety and fairness.

The ethical dimension of CSR refers to behaviors and activities that are approved or prohibited by organization members, community, society, even if they are not codified by law.

Milton Friedman said that “the basic mission of any business [is] thus to produce goods and services at a profit, and in doing this, business [is] making its maximum contribution to society and, in fact, being socially responsible” (Friedman cited in Ferrell & Fraedrich & Ferrell, 2008: 36).

Social Responsibility cannot be just a response to problems when they arise. Only if a company addresses ethical concerns from its very foundation and includes ethics in business strategy, can social responsibility as a concept be integrated into daily decision making.

Business strategy determines the way in which a company will use human and financial resources to achieve its objectives. The value system of the corporation and stakeholders has a profound effect on corporate strategy implementation. A few notable postulates in this respect are:

– business strategy must reflect the understanding of organization members and stakeholders value;
– business strategy must reflect the understanding of the ethical nature of strategic choices;
– business strategy should take into account important stakeholders.

When these postulates are observed, ethics becomes a central concern in business strategy.

The economic dimension of CSR refers to the way in which resources for the production of goods and services are distributed within the social system.

In relation to the economy, Social Responsibility encompasses many aspects regarding the way in which companies – from the perspective of competition, consumers, employees, community and environment - affect the economy. For example, the economy is affected by the economic power of companies in relation to resources and the control of products supply.

The relationship between the environment and the corporations also affects the economy. Major environmental concerns relate to air pollution, water and soil.

Large corporations are encouraged to establish mechanisms for the control of pollution and other environmentally friendly policies. If such concerns are not observed, these companies might deplete resources and harm society by focusing only on their own economic interest.

Consumers and employees also influence the economy. If a company does not target consumers, profitability and the ability to compete may be significantly affected.

Steven Covey, the author of The 7 Habits of Highly Effective People, shows that companies rated with low confidence have internal conflicts, lower quality products or services, loss of customers, etc.

From the employees’ point of view, the effects of businesses on the economy is
significant. The major concerns in this sense are related to equal employment opportunities, health and safety at work, job diversity, employee privacy, etc.

Management compensation is another important issue regarding ethics and accountability in relation to the economy.

The philanthropic dimension of CSR refers to the companies' contribution to the local community or to society. It offers four benefits to society.

Firstly, the philanthropic dimension improves the quality of life. It helps the community to become an environment suitable for doing business and raising children that attract customers and employees. Secondly, it reduces the size of government involvement in charity, offering help to people with legitimate needs. Thirdly, it increases the staff leadership ability. Fourthly, the philanthropic dimension builds the staff’s moral principles. Volunteer employees have generally better opinions about themselves, their company and community.

One of the requirements of Social Responsibility is that management decisions take into account the social impact of the organization. This involves:

A. The social impact assessment of strategies, policies and actions of organizations, companies or public institutions.

B. The social audit: assessing the social impact by a third party, an assessment agency independent and objective not only in relation to the assessed organization but also to groups potentially affected by it.

C. Compliance: risk assessment or social impact and social audit in accordance with a set of management standards or methodologies and evaluation indicators generally accepted.

D. Transparency and reporting: the publication of significant results of the audit office, informing interested groups on the social impact, or social and environmental risk generated by the organization, offering information in the manner and through the appropriate and accessible channels, so that organizations ensure that their partners know and understand the social impact caused by them and are therefore able to defend their rights and make informed decisions.

E. Dialogue among stakeholders and the stakeholders’ involvement in decision-making: in parallel with evaluation and social reporting, organizations should build tools and channels of communication with interested groups in order to encourage their feedback.

Transparency in communication can lead to an active, educated and loyal public; social expectations generate social innovation, social innovation generates technological innovation, and technological innovation generates loyalty, reputation, competitiveness and market share.

The organizations must recognize that informing the interested groups and involving them in those decisions concerning their interests and expectations may be beneficial for the long-term development of companies.

A certain degree of transparency leads to the cultivation of an educated, active and loyal public. Also, public involvement leads to more efficient quality management, products and services better tailored to market needs and consumers’ expectations. Finally, dialogue with interested groups can generate innovation and increase competitiveness. Generally, social expectations and consumer requirements can become marketing opportunities and community needs can turn into business opportunities.

In 2009, policies and Corporate Social Responsibility programs were confronted with three main challenges: continuity, pragmatism, and the assessment of the resulting social impact. Socially responsible leaders should find answers to some problems that investors, the board of directors, or communities and social partners pose. Among these questions are:

1. To what extent will the expenditure limitations affect social responsibility budgets?

2. What areas of social responsibility will be affected (environment, career development programs, retention and inclusion in workplace, education programs, humanitarian programs and social assistance, social integration and information programs, civic programs, corporate health programs)?

3. What types of programs will be
maintained: the programs or projects for the funding of programs initiated by the social partners, NGOs, etc.? What will be the obvious benefits of quality programs, loyalty partners, human resources, branding, sponsorship or philanthropic actions with greater visibility in the media?

4. How and to what extent will the budget limitations of CSR affect employees, communities, consumers?

In those companies where social responsibility programs target long-term real needs and social effects (environmental, social integration, research and innovation, human resources, education, health), leaders must persuade their managers that such programs generate social benefits that can be converted into market opportunities and long-term profits. To this end, CSR managers must find pragmatic tools for social and environmental management projects, such as:

a. evaluation indicators for monitoring and evaluating social and environmental performance
b. models of sustainability, for the adoption and implementation of social programs by the community.

These resources can come from: partnerships with companies in the production chain, public-private partnerships, access to structural funds or research grants, partnerships with universities or NGOs.

The modern concept of Social Responsibility, seen as a key concept of business ethics, is a moral concept which coagulates both the idea of private virtues involved in this sphere of life (fairness, reciprocity, mutual interest, utility) and the idea that there are social and moral skills and availabilities in the corporation itself.

In this context, Richard T. De George distinguishes between the micro and macro-moral issues, and considers that, generally, business ethics issues, taken in a given and reported system (the current capitalism) can be divided into six categories:

− The determination of the correct distribution of resources, action for the foundation of distributive justice (the allocation of resources and revenues made according to merit, need, effort, ability, etc.).
− The second set of problems concerns the principle of justice clearly circumscribed to particular cases. This means that some “difficult moral cases” can be resolved through debate and discussion.
− The third moral issue in business refers to the conflict between different values (freedom, justice, equality, welfare, personal security, productivity, efficiency, etc.).
− The fourth type of moral problems occurs due to the development of moral intuitions and to the obligation to implement them in practice as previously anticipated. Segregation and discrimination in employment based on gender or race are now deemed unethical practices, but, not long ago, they were not evaluated in this way.
− The fifth category of moral issues is created by the consequences of the emergence of new technological products, including information society techniques and genetic manipulation. Today it is possible to destroy the human race and the environment so that it can no longer provide support for future generations. Also in business there can be finished non-renewable natural resources.
− The sixth category of micro and macro-moral issues includes the application of accepted moral values and refers to the prohibitions imposed on business management. In this category, notable examples are lying and stealing, bribery and other behaviors judged as immoral acts.

The same author points out that “this does not mean that everywhere in business we encounter only moral acts, and that where ethics is not self-imposed, it must be imposed from outside by appropriate penalties to protect the general good” (De George, 1982: 272).

Ethical responsibility requires that business people and firms do everything that is just, fair and equitable, even if these attitudes are not covered within a legal framework. Because of globalization, businesses suffered and are suffering rapid change as regards new social responsibilities and ethical obligations of companies. We can say that because of these rapid changes, business ethics and responsibility are very important in the globalization process, considering the multiculturalism that exists and operates across various international
markets.

Economic activities undertaken by different companies on the market of other states must comply with the statutory and legal aspect of the state. Therefore, it is natural that business ethics and responsibility begin where the law ends and ethical principles are applied without being under government control. Ethical and moral standards should be defined in the business strategy, and the companies must respect the environment (emission of toxic gases in the atmosphere), culture, customs, thus ensuring the sustainable development of these elements.

“Corporate social responsibility (CSR) has become a buzzword in mainstream tourism. It stands for a whole range of concepts travel companies embrace to make tourism sustainable and fit for the future” (Heinz Fuchs, 2009). However, a lot remains to be done. The actions undertaken by companies are often incoherent and their CSR programmes are frequently convoluted and non-transparent. In this regard, the tourism industry is lagging behind.

By definition, CSR goes beyond merely fulfilling legal obligation. The idea is that a company must answer to social and environmental challenges voluntarily. CSR means different things to different travel companies: some engage in raising the cultural awareness of tourists, others introduce labour standards for employees and yet others set up not-for-profit foundations or social projects for children, families or other categories of population.

For the individual tourist, responsibility may consist in:
- travelling less often;
- travelling less by air;
- spending more time at a specific destination;
- insisting that tour operators provide transparent information about the environmental and social background of their products.

Travel companies need to recover the cost of CSR programmes. In other words, this means that tourists have an impact on the industry’s performance to the extent that they are willing to pay for social and environmental efforts.

„Travel educates people, thus broadening their horizons and resulting in lasting memories. These benefits need to be weighed against environmental costs and possible social shortcomings. The chance for tourism lies in respect for nature, environmental sustainability and social standards. None of this necessarily means less comfort – to the contrary: concern and respect for a foreign culture enhances travel experiences. What ultimately matters is the attitude of the individual traveller” (Heinz Fuchs, 2009).

2. Sustainable Development and Tourism Activity

„Sustainable development is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development aims and seeks to find a stable theoretical framework for decision-making in any situation where a person/environment relation can be found, whether environmental, economic or social.” (World Commission on Environment and Development (WCED) Brundt Report, 1987: 24).

A truly sustainable community must adopt a three-direction approach that has in view economic resources, the environment and the cultural resources. Communities must take into account not only short-term, but also the long-term needs.

According to Robert Gilman, the President of the Context Institute, „sustainability refers to the ability of a society, ecosystem, or any such ongoing system to continue functioning into the indefinite future without being forced into decline through exhaustion of key resources” (Gilman, 1996: online). In order to achieve this objective “it is necessary to have an economic growth to promote social progress and respect the environment, social policy to stimulate the economy and environmental policy to be effective and economical” (Gilman, 1996: online).

The European Union Strategy for Sustainable Development, Goteborg (2001), had the stated goal of achieving reconciliation between economic development, social cohesion and environmental protection.

Also, the Action Plan adopted at the
Johannesburg Summit (2002) refers primarily to collective social responsibility towards the environmental and social impact of businesses, government and consumers decisions, highlighting the companies’ important role in providing sustainable development as regards poverty eradication as well as the sustainable management of natural resources. The social, the environmental and the economic should be integrated in all stages of the product life cycle. This involves the implementation of strategies aimed at improving efficiency and resource management, product development and technology to ensure environment protection, and the placement of greater emphasis on opportunities for renewable and recyclable resources. At the same time, however, CSR requires behavioral changes and reorientation by means of products and services less destructive to the environment both in production and consumption, and improves resource efficiency and competitiveness as well as a more active process of innovation.

The integration of social and environmental concerns in the economic activity of enterprises – this is actually the most widely accepted definition of corporate social responsibility. This responsible attitude acts as an engine for sustainable development.

It is clear that social responsibility is perceived as the micro-economic dimension of the macroeconomic concept of sustainable development. In another interpretation, the CSR is seen as part of the sustainable development concept, of a business contribution for achieving sustainable development.

Premises favoring adoption and development of the Corporate Social Responsibility attitudes are: the global trend to reduce the role of the state in the economy, as a result of factors known as globalization; the liberalization of international trade and financial transactions; the consolidation of companies within global corporations and transnational information flows; the growth through the development of new technologies; the reduction of the state's role in the achievement of the expectations of its citizens; the guaranteeing of social and environmental protection

The principle of reconciliation of economic activities with social and environmental requirements, in the context of sustainability, is known in literature as the “Triple P” - Profit, People, Planet. The term was used in 1997 by John Elkington and posits that an organization is sustainable (in the long term), if the organization is properly funded while minimizing negative environmental impact and taking into account social expectations.

Examples of best practices in the CSR reveal that a viable solution is to shift the prevailing economic model of business to a much broader socioeconomic business, moving the emphasis from production, exploitation, individual interests and little interest in government – business as a closed system – toward the quality of live, resource conservation, the interests of society – business as an open system.

The sustainable development and social responsibility provide the basis for a new logic in the economical and social development. We can consider Corporate Social Responsibility (CSR) as a world profitable business strategy that brings benefits to society, the initiating organizations, the environment, etc. Success consists in finding a balance between the awareness of the society’s problems, the needs of the different target groups and the organizations’ management.

Increasing the role of social responsibility is essential for the positive development of the economies. The consumers must be educated continuously in this direction. The companies, respecting the moral principles without decreasing the intrinsic economic reason of the buying act, have to satisfy their major objective, that is, to create loyal consumers. „The corporate social responsibility offers the organizations the chance to contribute to the improvement of the society’s problems” (Micu Adrian, 2010).

3. Social Responsibility in Tourism – A Factor of Sustainable Development

„Tourism is a powerful tool for economic development in least developed countries. Gross revenues from tourism in LDCs are increasing by 9.5% per annum. It is the only service industry where there is a growing
positive balance of trade flowing from the developed countries to the poorest nations, with 41 of the 50 poorest countries now earning over 10% of their exports from tourism” (RRMiller, 2010). A country can begin to recover its tourism economy by tapping into the “Social and Environmental Responsibility Economy (SERE).” Tapping SERE has many benefits for a fledgling economy because it leverages the power of the marketplace, captures the rising interest in social entrepreneurialism, and taps new cutting-edge sources of venture philanthropic capital.

National tourism strategic planning should be focused on preserving primary tourism attractions and creating viable tourism development clusters of services and infrastructure around the country (RRMiller, 2010).

Malloy and Fennell [1998], Cleek and Leonard [1998] and Stevens [2001] all point to the increasing prevalence of codes of ethics employed by the tourism industry as a tool for providing guidance to employees when making decisions. The World Tourism Organization, which in 1999 approved the Global Code of Ethics for Tourism, had an important contribution in this area by consolidating and reinforcing previous recommendations and declarations on sustainable tourism. The Code aims to protect the world’s natural resources and cultural heritage against disruptive tourist activities and to ensure a fair and equitable sharing of benefits that arise out of tourism with the residents of tourism destinations (Constanța Enea, 2007).

The application of the principles of sustainable development in the sector of tourism requires the implementation of „Cleaner Production” and „Corporate Social Responsibility”.

The concept of „Cleaner production” involves the company's environmental assessment, evaluation and optimization of the material flow, the improvement of energy efficiency, the purchase of 'green'', waste management and the recycling and monitoring of environmental indicators.

The introduction of „Social Responsibility” methodologies ensures sustainable tourism development as well as the integrative conjunction with a more efficient management of human and material resources.

There are many benefits arising from the implementation of a program that is based on principles of Social Responsibility and sustainable development for tourist units, such as:

1. The increase in operational performance through:
   a. the focus on new market segments, new target groups of customers
   b. increased use of resources in the area where is the unit located
   c. implementation of innovative solutions in the management of the touristic unit

2. The reduction of operational costs through:
   a. the optimization of the operation and material flow processes
   b. the improvement of energy efficiency and the reduction of consumption
   c. the improvement of waste and chemical management

3. The improvement of the public image and increased awareness through:
   a. the improvement in the communication process with stakeholders (authorities, neighbors, partners)
   b. the increase in customer satisfaction
   c. promotion through mass-media

4. The increase in staff training and employees' satisfaction
   a. the increase in personnel competence
   b. the increase in satisfaction through greater acces to training and the improvement of internal communication

5. The reduction of the environmental impact through:
   a. the reduction of pollution
   b. the reduction of energy, water and materials consumption from primary resources
   c. the reduction of the amount of waste generated.

CSR discussions often occur at a rather general level and have a tendency to focus on the positive contributions that are made by corporations. For example, the WTTC publication “Corporate Social Leadership in Travel and Tourism” places emphasis upon
the aspects of the economic contribution of T&T in raising living standards tied to the corporation delivering sustainable value to its various stakeholders. In addition, while mentioning the potential for negative impacts, it stresses a positive environmental contribution regarding the protection of ecosystems. Finally, the WTTC discusses bringing people together via T&T to build international understanding and bridges of peace.

Despite these promising claims, however, as Stipanuk justly points out, "much of T&T is based on a wage structure that can hardly be considered to be fair and equitable. Not only does this wage structure exist at the 'base of the pyramid' in the hourly wages of room attendants and foodservice workers but even at the managerial levels where the salaries of college graduates entering the field from hospitality business programs is below that of graduates of undergraduate business programs. In addition, many hospitality workers do not receive benefits (insurance, vacation, etc.) further degrading the potential contribution of T&T to raising their living standards" (David M. Stipanuk, 2009).

The achievement of a sustainable tourism must be subordinated to national and regional plans for economic and social development. Actions may cover for economic (income growth, diversification and integration of activities, controlling, stimulation and development zoning), social (poverty and improving income distribution inequality, indigenous social and cultural heritage protection, participation and involving local communities), cultural (to ensure cultural integrity and social cohesion in the community) or environmental purposes (ecotourism protection, conservation and sustainable use of biodiversity). Some experts prefer to speak about sustainable tourism development rather than about a sustainable tourism in an attempt to count for all aspects of development rather than only for particular ones.

The implementation of tourism policies and plans is a responsibility both for the government and for the private sector. Sustainable tourism means the ability of a specific touristic area to remain competitive regardless of the problems it confronts itself with, to attract visitors and to ensure their sustained loyalty, to remain unique from the cultural point of view, and to be always in balance with the environment.

According to the World Tourism Organization publication Tourism 2010, the twenty-first century faces two major problems:

1. A great responsibility and a profound respect for a touristic area's host populations and their culture.
2. A major responsibility of those traveling that reflects new ways of consumption and an increased attention paid by tourists to education.

Therefore, sustainable tourism reflects three important aspects:

a. quality – sustainable tourism provides a valuable experience for visitors, while improving the quality of life of the host communities and protecting their environment;

b. continuity – sustainable tourism ensures the continuity of the host community's culture and its natural resources while providing rewarding experiences to visitors;

c. balance – sustainable tourism ensures a balance between the needs of the tourism industry, the environment, and the local community supporters.

The same publication specifies that: „Sustainable Tourism seeks to meet the needs of current tourists and of the tourism industry and, at the same time, to protect the environment and the opportunities for the future. It has to meet all the economical, social, aesthetical, etc. needs of the tourism actors, maintaining cultural and environmental integrity, biological diversity and all life supporting systems” (Meghan Conolly, 2010).

4. Conclusions

Sustainable tourism development requires the reconciliation of opposing interests and objectives, favoring partnership and cooperation between decision-makers, processors and consumers promoting long-term public interest. In order to achieve these goals, codes of good practice in tourism must be respected and implemented. These codes
must be socially responsible at all levels (national, regional, and local) and based on already recognized international standards.

Prior to the state’s intervention in tourism and tourism development, local communities, and land and natural resource planners and managers were frequently adversely affected by the activities of tourism operators. The inadequately organized and controlled activities they undertook at times led to the pollution of the environment and to the depletion of resources. Notwithstanding its benefits, corporate social responsibility is thus not sufficient for sustainable tourism development. For this reason, government intervention of some kind is essential to ensuring sustainability in tourism.

Applying a strategy of sustainable development will allow tourism units to obtain a competitive advantage in an area where the natural environment, local resources, innovative services and reasonable costs represent incentives for guests to return.

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