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## REVIEW ARTICLE

# Advancing the Sustainable Tourism Agenda Through Strategic CSR Perspectives

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**ABSTRACT** *This paper links the corporate social responsibility (CSR) paradigms to the sustainability agenda. The objective is to sharpen the strategic base of responsible behaviour in tourism enterprises. The design follows a comprehensive literature review about sustainable tourism from a hospitality industry perspective. Theoretical underpinnings suggest that the tourism and hospitality industries are continuously witnessing changing attitudes on the part of both the consumers and the enterprises. This contribution provides some details about the sustainability agenda as it explains how it emerged following Brundtland's report. Afterwards, it identifies key contributors who raised the issue of sustainable tourism as well as CSR policies, including inter-governmental committees and non-governmental organisations. It is believed that synergistic and shared value approaches are relatively straightforward and uncomplicated. Therefore, such notions are more easily taken up by academics or by tourism and hospitality stakeholders. There is continuous discourse in many international fora, conferences, seminars and colloquia about sustainable tourism, responsible behaviour and the related subjects. However, the discussions are usually characterised by presentation of theories which define the concepts, rather than being practical workshops which identify the business case and how to trigger active participation in the tourism industry. Relevant literature indicates that value-driven approaches focus on improving tourism and hospitality business performance through effective and efficient practices in their workplace environments. This contribution suggests that long-term sustainability can be reached if industry practitioners successfully address their societal and community deficits.*

## Introduction

Although there is an extensive list of publications which are reporting about relevant corporate social responsibility (CSR) practices among tourism enterprises (e.g. Dodds & Kuehnelt, 2010; Graci, 2009; Graci & Dodds, 2008, 2009; Holcomb, Upchurch, & Okumus, 2007) it may appear that this area of study still remains relatively under-researched, particularly when considering research which links hospitality enterprises and strategic CSR. Of course, there are different opinions and perceptions about what should be the locus of interest in tourism management. Moreover, it transpires that the small accommodation

establishments might have failed to capture the collective attention of tourism academics as other fields of study (Shaw & Williams, 2010; Thomas, Shaw, & Page, 2011). The impact of previous research on small- and medium-sized (SMEs) hospitality firms in tourism has only been marginal to say the least, than mainstream studies of other businesses. This means that there is potential for further understanding of such organisations. This paper reviews pertinent literature on tourism and hospitality industry organisations and their commitment to raise the agenda for responsible behaviour. It suggests that there are laudable practices among tourism enterprises, which are more likely to yield reward than others. Nonetheless, it is widely recognised that stakeholder networks as in other industries will also play vital roles in the lives of owner-managers of tourism and hospitality enterprises. The growing tourism industry and the global context of the hospitality sector justify the necessity of CSR and sustainability practices that are, however, often not sufficiently channelled at the international level. This contribution suggests that there is a need for globally accepted guidelines that equally emphasise on both environmental and socio-cultural issues. From the outset, it is the intention of this paper to indicate that the hospitality businesses themselves may stand to gain from socially and environmentally responsible behaviour.

### **The Tourism Industry Setting**

Tourism is an economic activity capable of generating economic growth and employment while contributing to sustainable economic development and social integration. “With some 1.8 million tourism businesses, primarily SMEs, employing approximately 5.2% of the total workforce (approximately 9.7 million jobs, with a significant proportion of young people), the European tourism industry generates over 5% of EU GDP” (EU, 2010). In recent years, employment growth within the tourism industry has been significantly higher than other sectors in the economy. Arguably, the tourism industry is particularly important when it comes to offering career opportunities to young people, who represent twice as much of the labour force than in other areas of the economy. There are positive indications that tourism in the EU and in the global economy is more than likely to continue to increase in the coming years. It is envisaged that in the coming years there will be an annual growth of tourism demand above 3% in the EU alone (EU, 2010). Notwithstanding, the tourism industry is a main source of foreign exchange earnings for many EU countries. The tourism industry has the capacity to sustain positive economic growth as this activity can generate significant employment opportunities. In addition, tourism may be responsible for triggering infrastructural developments, such as airports, parks, roads and rails. Definitely, it is in the tourism industry’s own interest to help preserve the local environment and to provide well-being to the local community. On the other hand, there are contentious issues which are often associated to the tourism industry. The hospitality sector in particular, may not always provide adequate working conditions. Generally, this sector is characterised by low wages and seasonal employment. The jobs are considered relatively unstable and low status. Moreover, at times, the tourism industry may be blamed for its negative influences on environmental degradation, displacement of local people, inflation, crime and the dilution of culture (Cooper, Fletcher, Gilbert, & Wanhill, 2008; Hall, 2007). Undoubtedly, there are challenging opportunities to harness the positive benefits from tourism (McCabe, Joldersma, & Li, 2010). Yet, at the same time it is important to mitigate the harmful effects of unmanaged growth and development. Governments are urged to step in and monitor the tourism industry’s practices (Cooper et al., 2008; Leiper, 2008). Evidently, the hospitality businesses are also responsible to play their part in exercising good governance (Guillet & Mattila, 2010; Holcomb et al., 2007).

**Regulatory Guidelines for Sustainable Tourism**

Governments and regulatory bodies have been drawn into the debate over CSR and sustainability (World Travel and Tourism Council [WTTC], 2002, 2011). Generally, many countries’ governments have used the sustainability or CSR concepts as they considered them as important instruments for the delivery of some of their own policy goals (EU, 2011). Academic research has also started to look deeply into the potential of CSR as a policy tool (see Albareda, Lozano, & Ysa, 2007; Moon & Vogel, 2008). Yet, the beginnings of sustainable development as we know it today have stemmed from the United Nations Conference of the Human Environment which took place in 1972. Since then, there was reasonable progress in the field of sustainability. The issue of sustainability was boosted following the concerns which were expressed during the UN General Assemblies, which were held in the 1980s. The UN had established a commission to investigate the worldwide population and its resources. Subsequently, it made relevant recommendations on how to achieve long-term sustainable development. The Brundtland Commission presented its report entitled, “Our Common Future” in 1987. The report adopted the definition of sustainable development which described it as “... meeting the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987). The year 1992 was also a particularly significant and a momentous one for sustainability of the environment. It seemed that there was a surprising trend in the hospitality and tourism industry which was shifting the focus on environmental concerns, the use of technology, as well as the efficient use of energy (Kalisch, 2002). By the start of the twenty-first century, the concept of sustainable tourism became familiar among the tourism industry practitioners and academics alike. The United Nations Environment Programme (UNEP) introduced its initiative for sustainable tourism, and this was followed by a UN declaration to designate 2002 as the international year of ecotourism. In the same year there were two summits. One of the summits was held in Johannesburg, and it was about sustainable tourism. Interestingly, during this summit the term sustainability was linked to the tourism industry. The other summit was held in Quebec, and it was about ecotourism. Holloway and Taylor (2006) reproduced the World Travel and Tourism Council’s (WTTC) guidelines for sustainable tourism. The authors noted that more weight was being devoted to environmental concerns rather than to socio-cultural issues. Table 1 presents the WTTC’s priority areas for sustainable tourism as follows.

Other organisations with closer links within the industry, such as the United Nations World Tourism Organisation (UNWTO) and the WTTC, have pledged their support towards the principles of sustainable development. These organisations were specific in their recommendations. For instance they referred to the use of local building material

**Table 1.** Priority areas for sustainable tourism

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1. Waste minimisation, reuse and recycling
2. Energy efficiency, conservation and management
3. Management of freshwater resources
4. Wastewater treatment
5. Hazardous substances
6. Transport
7. Land-use planning and management
8. Involving staff, customers and communities in environmental issues
9. Design for sustainability
10. Partnerships for sustainability

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Source: WTTC (2002).

for tourist sites, the recycling of waste, water conservation, the recruitment of the locals for jobs in tourism, etc. This emphasis has further escalated to an international dimension through the implementation of Agenda 21. Agenda 21 (1992) was heralded by the WTTC, the UNWTO and the Earth Council. Those institutions set international guidelines which addressed sustainable tourism. The WTO established the Global Code of Ethics for Tourism. Essentially, the global code of ethics was a “comprehensive set of ten principles whose purpose was to guide stakeholders in tourism development” (UNWTO, 2005). These 10 principles were never meant to be legally binding, but they served as guiding principles to governments, local communities, tourism operators and tourists, concerning preservation of the environment. The European Union (EU, 2007) has also raised awareness about sustainable tourism policies. It encouraged the business actors to respect its set of principles for a sustainable and competitive European tourism. The latest summit about sustainable development was held last June 2012, in the Brazilian city of Rio de Janeiro. This summit has yielded a non-binding declaration, committing the world’s politicians to modest goals. Regrettably, the ambitious proposals which were set out at its inception such as providing universal energy access and doubling renewables by 2030 have been completely left out. Generally, countries have committed to pay more attention to climate change and increase aid for development. They also agreed to eventually develop long-term goals for sustainable development; global targets for both the environment and for eradicating global poverty, with no concrete action in this regard.

In the European arena there are two prominent tourism organisations namely the “Institute of Hospitality” (which was formerly known as Hotel Catering and International Management Association) and the “European Council on Hotel, Restaurant and Institutional Education” (which is well known as EuroChrie) who have set initiatives for the improvement of CSR. Interestingly, the “European Federation of Food and Agriculture and Tourism Trade Unions” (EFFAT) and “Hotels, Restaurants and Cafés in Europe” (HOTREC) have also followed suit. Various organisations drafted compliance parameters concerning equal opportunity, non-discrimination, working conditions, fair pay, vocational training and life-long learning, health and safety and the relationship between employers and employees at all levels. There was a proactive stance from the hospitality industry which was evidenced in unified actions aimed at promoting the socially responsible behaviour. Other similar initiatives have been widely recognised by the community at large. For instance, “Green Hotels” was a successful initiative which focused on environmental issues. In practice the associated hotels were providing other hospitality businesses with environmental consultancy and innovative sustainable solutions; such as water and energy conservation, waste minimisation and the like. Their programmes also featured some innovative ideas such as towel rack hangers and sheet-changing cards (Green Hotels Association, 2011). The “International Tourism Partnership” publishes the *Green Hotelier* magazine whose readership is very environmentally and socially conscious. This publication promotes and disseminates relevant material about responsible hotel behaviour, including sustainable travel and tourism development (Green Hotels Association, 2011). The *Green Hotelier* publication has been instrumental in the promotion of the “International Hotels Environment Initiative” (IHEI) in 1992. The IHEI was an initiative which was first launched by 12 multinational hotel companies who have joined forces to promote the continuous improvement in environmental performance. In the same year, the British charitable pressure group “Tourism Concern” set out its own guidelines and began lobbying the private sector to take account of sustainable planning.

Apparently, the non-governmental organisations (NGOs) offered a series of guidelines to their members. For example, the “Association of Independent Tour Operators” (AITO) has been at the forefront, in encouraging its members to embrace the concept of responsible

tourism. AITO's recommendations for sustainable tourism covered "the protection of the environment; the respect for local cultures; economic and social benefits for local communities and the conservation of natural resources". AITO has even presented propositions for pollution minimisation procedures. In a similar vein, the "Federation of Tour Operators" manages a voluntary sustainability scheme entitled "Travelife". The scheme is aimed at recognising the accommodation establishments with good sustainability actions by awarding eco-certification labels. Many eco-certified businesses, including hotels strive to maintain their annual progress reports on environmental issues. When they satisfy and comply with all the relevant environmental criteria, they are rewarded with the gold level of Travelife (Association of British Travel Agents, 2010). The WWF (World Wildlife Fund) together with the Rainforest Alliance, UNEP, UNWTO and the United Nations Foundation have set up the Tourism Sustainability Council (TSC) to develop a programme to accredit certification schemes for sustainable tourism. The TSC considered the eco-certification as one of the most successful tools for responsible environmental practices. Undoubtedly, such certification schemes for sustainable tourism are raising the profile of hotels among international consumers. Basically the aim of the "eco-certification" is to create cross-border standards and recognition in the field of sustainable tourism, similar to what WWF have done with FSC (Forest Stewardship Council), which is today an industry standard.

### **Academic Contributions in Sustainable Tourism**

During the latter years of the twentieth century, the tourism market had witnessed changing attitudes on the part of both consumers and suppliers. Many commentators were increasingly referring to the notion of sustainable tourism development (Cooper et al., 2008; Erkus-Ozturk & Eraydin, 2010). The negative impacts of tourism on the host environments and societies have resulted in alternative forms of tourism development (Timur & Getz, 2009). Generally, there was a reorientation away from "mass" tourism to "responsible" tourism (see Frey and George, 2010; Goodwin, 2011). Surprisingly, these latest developments were customer driven. The underlying assumption was that mass tourism strategies may have inadvertently caused many of the problems in sustainable development. Denman and Denman (1990) demonstrated through their documented examples, how tourism was moving from mass tourism to a more responsible model. At the same time, an increasing number of industry bodies (such as the WTTC) and the public agencies were drawing up guidelines for tourism sustainability. At one point, Wheeler (1991) noticed that at the time there was no adequate definition of "responsible" tourism. Some academic contributors argued that responsible tourism referred specifically to a small-scale tourism development rather than to mass tourism (Cooper et al., 2008; Frey & George, 2010). Other authors indicated that they preferred small rather than large-scale accommodation establishments. Moreover, they proposed that a tourism strategy should be set at the local community level rather than at a national or an international level (Tao & Wall, 2009). Wheeler (1990) recognised that it was relatively easier for the advanced economies to afford such luxuries. As anticipated, the least developed countries could not afford to lose foreign exchange earnings from mass tourism. Edwards and Banks (1990) held that responsible tourism was a useful approach to ensure that the tourism industry remains responsible to the host environments and societies. Cooper et al. (2008) argued that responsible tourism can never be an alternative to mass tourism. Nonetheless, the authors maintained that the tourism industry and the customers will gain from the sustainable goals of responsible tourism. Tourist boards, tourism regulatory authorities and other official bodies tend to refer to the successful cases of responsible tourism. Such cases may involve sensible



planning and consideration of sustainable practices which mitigate the negative effects of tourism development (Cooper et al., 2008). Krippendorf (1987) was one of the early academic contributors of the term “responsible tourism”. Subsequently, Wheeler (1991) came up with practical examples about how the tourism development can be sustainable; by making good use of local resources and materials, renovating derelict redundant buildings and so on. Interestingly, Wheeler (1991) drew his attention to the conspicuous differences between the micro and macro tourism planning mechanisms. Cooper and Ozdil (1992) held that there is more to tourism than its positive economic effects. Unfortunately, tourism can possibly harm the socio-cultural structures and the natural environment of a country (Cooper et al., 2008). Mathieson and Wall (1982) argued that tourism is dependent on the destination’s characteristics. Of course, every destination possesses its own distinct physical features; its economic and social structures may inevitably effect tourism development as well as the tourists’ segments. On a similar note, Cohen (1984) discussed about the socio-economic classification of tourists, the level of use of the destination, tourists’ length of stay, their type of tourist activity, their satisfaction levels and the like. Arguably, mass tourism can bring many social and environmental problems to a destination. It transpired that the concept of responsible tourism grew in importance as a reaction to mass tourism (McCabe et al., 2010; Wheeler, 1991).

### *The CSR Language*

Academic literature about corporate responsibility is proliferating. Yet, it seems that there is a gap in the literature about the adoption of “international accounting standards” by global firms (Jamali, 2010). Apparently, the so-called accountability standards were assisting businesses in taking into account their stakeholders’ interests (see Rasche, Baur, Van Huijstee, Ladek, & Naidu, 2008). The accountability standards represent voluntary predefined norms and procedures for organisational behaviour with regard to social and/or environmental issues and are often valid on a global level (Rasche, 2010). However, past research in the field of tourism has been a mere reflection of the debates over sustainability not of CSR itself (see Pender & Sharpley, 2005). Nonetheless, in tourism there has already been a willingness to address the sustainability issues, particularly by the larger businesses. The WTTC composed of the leaders of the world’s largest 100 travel and tourism businesses has subsequently endorsed CSR. They commended companies who sought innovative ways to create value for society, while creating value for their own business (Cooper et al., 2008; WTTC, 2002). WTTC interpreted CSR as the need to adopt business practices that have an ethical basis. Weeden (2002) suggested that this can be achieved by ensuring that practices are transparent and can be viewed by all stakeholders, shareholders, employees and communities (Wheeler, 1990, 1991). Significant research has emerged about CSR behaviour and ethics among tourism and hospitality enterprises (see Ayuso, 2006, 2007; Bohdanowicz, Simanic, & Martinac, 2005; Dodds & Kuehnel, 2010; Kasim, 2006; Merwe & Wöcke, 2007, among others). Inevitably, there were questions which are still relatively unanswered; whether the tourism sector differs from other industries over CSR and its implementation. Apparently, there was considerable stakeholder pressure coming from the EU institutions, national governments and NGOs, as there was frequent encouragement for businesses to improve their responsible activities (EU, 2007, 2010). The intermediate benefits to be gained from CSR engagement have not been fully investigated and may even surprise the tourism industry itself. “Ultimately, CSR is about delivering sustainable value to society at large, as well as to shareholders for the long term benefit of both” (WTTC, 2002). Many authors often referred to the notion of CSR as businesses’ voluntary engagement in social and environmental dimensions along with

their economic operations and activities, with the underlying aim of achieving sustainable development (Kalisch, 2002). The World Business Council for Sustainable Development defined CSR as a business commitment which contributes to sustainable economic development for the benefit of the employees, their families, the local community and society at large (see Kotler & Lee, 2005, p. 3).

According to the World Business Council for Sustainable Development (1999) the CSR concept is driven by issues as “human rights, employee rights, environmental protection, community involvement, supplier relations, stakeholder rights and monitoring”. While the businesses’ very own codes of conduct tend to be designed primarily for internal use and scrutiny (Koerber, 2010), there are international standards and guidelines which focus on social or environmental issues (Elkington, 1998). Baddeley and Font (2011) argue that sustainability systems are being challenged by organisational habit and perceptions rather than analytical decision-making, with respect to the relationship between health and safety, quality and sustainability. It transpires that environmental indicators are identified as the most conflictive. These authors suggest that most challenges require a change in human behaviour rather than technical solutions.

Many NGOs are providing certifications for compliance with proposed rules and guidelines as they incorporate their own independent monitoring systems (see Berkhout, Hertin, Wagner, & Tyteca, 2008). Nowadays, several standards span in more than one company or industry. The process-oriented standards are applied in particular industries. While other performance-oriented standards are more generic in their approach as they focus on specific areas such as human rights, labour standards, environmental protection and the like (see Jamali, Safieddine, & Rabbath, 2008). Camilleri (2012) provides some examples of the most popular standards and reporting instruments in a global context.

### **Strategic CSR and Sustainability**

Kirk (1995) argued that there was insufficient research of CSR activities and their impacts on financial performance. Kirk (1995) investigated the hotel environmental policies and their activities in the UK context. He concluded that the hotel industry was reactive to environmental issues only for direct financial rewards (e.g. energy and waste management) and governmental compliance. Kirk’s (1995) study was limited to the environmental issues. Evidently, he did not relate the hotels’ environmental activities to their financial performance. Similarly, Knowles, Macmillan, Palmer, Grabowski, and Hashimoto (1999) explored the environmental practices of London hotels. They concluded that there was limited implementation of such practices at the time. Álvarez Gil, Burgos Jiménez, and Céspedes Lorente (2001) remarked that many companies were focused on short-term objectives such as profit maximisation, rather than on the long-term goal of corporate sustainable development. Following their study of the Spanish hotels’ environmentally responsible practices, they found that the majority of the hotels were hesitant to adopt environmental practices, if they did not yield immediate financial returns. Interestingly, Ayuso (2006), who had carried out her study on Spanish hotels, argued that the main drivers for CSR were personal awareness, pressure from customers and cost savings. Roner (2006) suggested that many hotels had limited resources. He held that international hotels incurred significant operational costs; therefore, they cannot afford to carry out CSR programmes. In this regard, Davidson, Michael, and Ying (2010) noted that because of high staff turnover rates there was an increasing pressure for ongoing training in order to maintain the high levels of service.

Many authors including Dubois and Ceron (2006) argued that the tourism companies such as international hotels were considered as environmentally responsible only if they



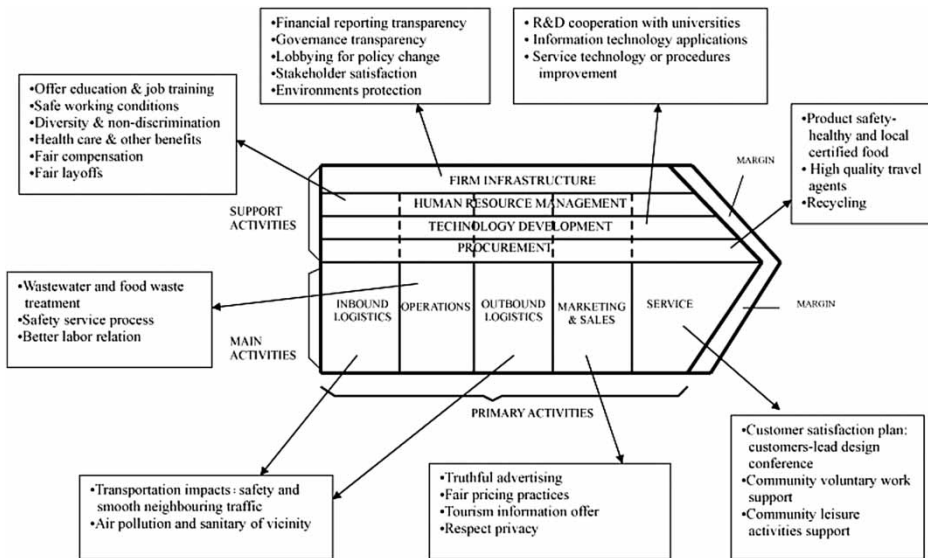
drafted and implemented sound policies which aid sustainable development. Of course, it is in the hotel enterprises' interest to communicate and raise awareness of their activities and procedures with their stakeholders. Kasim (2006) alleged that the large tourism corporations needed to strengthen their ties with the community. The author reiterated that tourism firms should engage in social and environmental issues as she indicated a strong relationship between tourism companies and the physical and social environmental setting in which they operate. Henderson (2007) asserted that the tourism industry exhibited a closer relationship with the environment and society. The author implied that the tourism businesses had their own characteristics, which was typified by a different sort of CSR behaviour. Her research has shown that CSR can contribute to make sustainable tourism industries. Manaktola and Jauhari (2007) investigated the green practices among Indian hotels. However, their study was limited and restrictive, as they explored the consumers' willingness to pay that little extra to enjoy "the green hotel experience". Evidently, the authors did not consider all the elements of CSR. Merwe and Wöcke (2007) have carried out their investigation of responsible tourism practices among South African hotels. They found that there was a lack of awareness and limited uptake. Similarly, Frey and George (2010) reported that the South African hospitality businesses were not investing sufficient time and money into changing management practices. Interestingly, Claver-Cortés, Molina-Azorín, Pereira-Moliner, and López-Gamero (2007) also linked the hotels' environmental strategies to their impact on performance. Undoubtedly, the hotels are meeting increasing pressures which are placed upon them from their environmentally conscious consumers.

Many authors have found that hospitality firms' CSR activities have a positive relationship with their financial performance (Lee & Heo, 2009; Lee & Park, 2009; Rodriguez & Delmar Armas-Cruz, 2007). Garcia and Armas (2007) found a positive relationship between hotels' CSR activities and the return on assets. Their data collection was essentially based on managerial perceptions and opinions.

Nicolau (2008) carried out a longitudinal study on two Spanish hotels between 1996 and 2006. The author investigated the abnormal returns vis-à-vis CSR activities. The study indicated that there was a positive correlation between the abnormal returns and CSR. Therefore, this study had empirically proven that CSR practices add value to the hotel firms.

Lee and Park (2009) investigated the impacts of CSR activities on hotels and casinos in terms of profitability and firm value (average market value). Curiously, Lee and Park found a positive relationship between CSR activities and profitability (and firm value) for hotel companies. Yet, they did not establish any relationship between the casino companies' CSR and profitability. Inoue and Lee (2011) explored the relationship between certain dimensions of CSR and corporate financial performance in tourism-related industries. The authors concluded that CSR activities would improve the tourism enterprises' financial performance. Garay and Font (2012) maintained that businesses that take sustainability actions for eco-savings reasons perform best financially. On the other hand, the authors contended that the businesses that take sustainability actions for moral reasons are happy with their financial performance. Yet, they do not perform as well as the first group. The authors suggested that those businesses who take the least sustainability actions tend to achieve lower financial results.

Recently, Font, Walmsley, Cogotti, McCombes and Häusler (2012) investigated the CSR policies and practices of 10 international hotel groups. Surprisingly, their study indicated that the hotels' corporate systems were not necessarily reflective of their actual operations. The authors noticed that the larger hotel groups had more comprehensive policies, but also greater gaps in implementation. According to Font et al. (2012), the smaller hotel groups were more successful in focusing their energies on environmental management and they were delivering in this



**Figure 1.** Porter's value chain.

Source: Porter (1985), reproduced in Tsai et al. (2010).

regard. Generally, responsible organisational behaviour in small hotels led to better financial performance and market standing through effective human resources management, cost reduction and operational efficiencies (Camilleri, 2012). Moreover, the broad view of strategic CSR enables hospitality firms to enhance their competitive advantage and create win-win relationships with stakeholders (Goodwin, Font, & Aldrigui, 2012).

Porter and Kramer (2006) generalised that businesses that set an affirmative CSR agenda can produce maximum social benefits and gains for the business itself. They referred to Porter's (1986) value chain as an appropriate tool to chart all the social consequences of business activities. For instance, the inside-out linkages which are depicted in Figure 1 may range from hiring and layoff policies to greenhouse gas emissions. There is no reason why this social and environmental mapping of the value chain does not apply among tourism firms. In fact, Tsai, Hsu, Chen, Lin, and Chen (2010) reproduced Porter's value chain model to present the operational issues in international tourist hotels. The value chain illustrates all the activities a company engages in while doing business. It can be used as a framework to identify the positive and negative social impacts of those activities.

Porter and Kramer (2006) advocated that through strategic CSR the company will make a significant impact in the community and will also reap the greatest business benefits. Strategic CSR goes beyond best practice. The company may be triggered to doing things differently from competitors, in a way that lowers its costs. Porter and Kramer (2006, 2011) went on to say that strategic CSR involves both inside-out and outside-in dimensions, working in tandem. Interestingly, the authors indicate that there are opportunities for "shared value" through strategic CSR. The authors held that the success of the company and of the community may become mutually reinforcing. They maintained that the more closely tied a social issue is to the companies' business, the greater the opportunity to leverage the firms' resources and capabilities and benefit society.

## Creating Shared Value

The concept of creating business value is not new to academia. Wheeler, Colbert, and Freeman (2003) came up with a simple framework for the creation of value. They reconciled the concepts of CSR and sustainable development (or sustainability) with a stakeholder approach. They held that the reputational and brand value were good examples of intangible value. However, they failed to relate them to economic value over the long term. Nonetheless they came up with a business model in their value creation approach, which embraced the concepts of CSR, sustainability and the stakeholder theory (Wheeler et al., 2003). Porter and Kramer (2006) claimed that the solution for strategic CSR lies in the principle of “shared value”. According to Porter and Kramer (2011), the businesses realised that they may be in a better position to understand the true bases of company productivity and the ability to collaborate across profit and non-profit boundaries as they appreciate societal needs. The efficient processes are aimed at adding value to the firm itself as featured in Figure 2.

Creating shared value (CSV) is about embedding sustainability and CSR into a brand’s portfolio. All business processes in the value chain (Porter, 1986) operate in an environmental setting within their wider community context. Porter and Kramer (2011) held that this new approach sets out new business opportunities as it creates new markets; it improves profitability and strengthens the competitive positioning. Crane and Matten (Crane and Matten blog, 2011) admitted that Porter and Kramer (2011) have once again managed to draw the corporate responsibility issues into the corporate boardrooms. Crane and Matten (Crane and Matten blog, 2011) had words of praise for the “shared value” approach as they described the term as compelling and endearingly positive. Recently, Elkington (2012) argued that sustainability should not be consigned to history by shared value. The author recognised that Porter and Kramer’s shared value proposition is undeniably a key step forward in corporate strategy. Yet he maintained that shared value can play a key role in destroying key resources, reducing the planet’s biodiversity and destabilising the climate. Then he went on to say that Porter reduced corporate sustainability to resource efficiency. Elkington reiterated that sustainability focused on the idea of intergenerational



**Figure 2.** The connection between competitive advantage and social issues.

*Source:* Porter and Kramer (2011).

equity as he suggested that; “if properly addressed, sustainability could be the ultimate form of Shared Value” (Elkington, 2012). Eventually, Kramer (2012) responded to Elkington’s blog. The Harvard academic argued that it was not his intention to sweep aside sustainability. He maintained that shared value and sustainability are complementary and overlapping concepts that give rise to mutually reinforcing but different agendas for action. He clarified that the shared value focuses on the scale of impact and degree of innovation that companies can bring to society’s needs where traditional NGOs and governments have often lacked. He implied that the shared value framework is rooted in identifying the specific issues that improve businesses’ own performance and create large-scale social benefits. He held that wise businesses should also embrace the long-term view of the sustainability’s mandate. Kramer (2012) reiterated that “shared value” is focused on corporate strategy and the decisions individual companies make in pursuit of organisational performance and profit.

The Intercontinental Hotel Group (IHG) is a descriptive case study of a multinational hotel which is conveying its commitment towards responsible practices by adopting Porter and Kramer’s (2011) very own “shared value” perspective. Their url site features a business model which features how the group is successful at “CSV” through corporate responsibility (IHG, 2012). In their corporate website, the group affirms that they have identified innovative collaboration opportunities within the environment and the community. The hotel chain claims that it is envisaging a reduction in energy consumption of up to 10% over the next three years. The Hotel Group stated that they were going to achieve this target by using an online sustainability tool named “Green Engage”. It seems that this tool has helped them in measuring and monitoring energy, water and waste management. Apparently, the IHG Group were aligning their corporate responsibility report with the Global Reporting Initiative Scorecard (see Global Reporting Initiative, 2009).

## Conclusion

This paper described various aspects of the tourism industry, with a particular emphasis on the link between CSR and sustainable tourism. It has given some details about sustainability and how this issue emerged following Brundtland’s report. Afterwards, this paper has identified the key contributors who raised the issue of sustainable tourism, including the UNEP, the United Nations World Travel Organisation, the Earth Council and the EU Commission among others. In the European arena, there were several NGOs who were actively promoting the sustainable tourism agenda. The European Committee on Hotel, Restaurant and Institutional Education (EuroChrie), the European Federation of Food and Agriculture, the AITO and the British charitable pressure group, “Tourism Concern”, were among the most prominent tourism organisations that have been responsible for setting initiatives in the sustainable tourism agenda. The literature review in this area suggests that the tourism industry had witnessed changing attitudes on the part of both the consumers and the suppliers. Evidently, the tourism destinations were moving away from their focus on mass tourism to a more responsible tourism strategy. This paper reported some academic contributions which are revolving around sustainable tourism and CSR. Apparently, there is continuous discourse in many international fora, conferences, seminars and colloquia about sustainable tourism, responsible behaviour and the related subjects. However, the discussions are usually characterised by presentation of theories which define the concepts, rather than being practical workshops (involving the businesses themselves) which identify the business case and how to trigger active participation in the hotel industry. This contribution suggests that the strategic CSR and the related notions which feature the business case of responsible behaviour (see Goodwin et al., 2012) unlock synergistic

value, as the business and the community become mutually reinforcing. The value creation arguments focus on exploiting opportunities that reconcile differing stakeholder demands. The literature review has yielded a full range of strategic and financial benefits of social and environmentally responsible behaviours. This paper posits that laudable investments in strategic CSR brought sustainable value opportunities for business and society, which led to optimal financial performance in the long run. The most recent value creation propositions include “CSV” (EU, 2011; Porter & Kramer, 2011); “Value in Business” (Lindgreen, Grant, Hingley, & Morgan, 2012); “Value Creation through Social Strategy” (Camilleri, 2012; Husted, Allen, & Kock, 2012) and “The Stakeholder Approach to Maximizing Business and Social Value” (Bhattacharya, Sen, & Korschun, 2012). The fundamental motivation of such approaches is the view that creating connections between stakeholders will open up unseen opportunities for value creation.

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