A Reconceptualisation of Destination Tourism Management: Focussing on Sustainability and Corporate Social Responsibility

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Robert Mitchell
Email: rmitchell@business.otago.ac.nz

Introduction
This research proposal is in an early stage of development.

Investigating the linkages between corporate social responsibility (CSR) and the business strategies of tourism destination businesses offers the prospect of new perspectives on the management of sustainable tourism. Previous tourism management discussion has been dominated by research into tourist perceptions and joint government and industry planning processes for addressing physical and social impacts of tourism. And although there has been some discussion of the ethical and CSR aspects of tourism there has been a notable lack of empirical research.

Sustainable management of tourism operations seeks a balance of economic, social and environmental considerations. And even with widespread concern about social and environmental impacts, economic business drivers continue to dominate management thinking. The tensions caused by differing perceptions of sustainability and expectations of sustainable the industry stakeholders in the face of steady growth in tourist numbers, indicates the need for further research. The application of a CSR lens could provide useful insights in this domain.

The conflicting perceptions of sustainability are held by business strategists, economists, planners and ecologists invite investigation. The conceptualisation of sustainable business embraces continuing and sustainable business performance, while the concept of sustainable development supports development which generates long term and equitable social and environmental and economic outcomes which outweigh any negative factors. Sustainable tourism is generally conceived as an industry objective rather that a strictly defined concept and it is seen to be broadly in accord with the concept of sustainable development. Tourism management literature indicates that effective resolution of the conflicting objectives of destination stakeholders requires constructive long term cooperation between tourism operators, government and local communities. Adding the requirement of sustainability to the formula produces a range of new demands. Although there has also been considerable research into the cooperation between tourism groups, government and communities, relatively few examine the challenge of balancing business management philosophies and practices with the objective of achieving sustainable tourism. A special problem in sustainable tourism is the challenge of long term management of visitor activity in protected natural areas (PNAs) or national parks.

Hoped for outcomes from this research are: An extended understanding of how stakeholders cooperate, or fail to cooperate, in the management of common pool resources in the form of PNAs. An understanding of the ethical bases for
management strategies could provide new insights in the sustainable management of tourism destinations.

**Background to the Research Problem**

With the objective of delimiting the research focus, it is proposed to briefly discuss literature on business ethics, corporate social responsibility (CSR), stakeholder theory, sustainable business strategies tourism in a New Zealand context before defining the research problem.

**Business Ethics**

Historically, government elites have set societal values. More recently business has played a more important social role, positioned between government and consumer, and arguably has lower priorities for social and ecological responsibilities. But the development of democratic processes and globalisation have allowed an increasing role for civil society to influence business and government - and contributed to the rise of corporate social responsibility theory (van Marrewijk, 2003). In the late 1970s and 1980s, changing perceptions of the corporation emerged. Academics reasoned that firms should have consciences and be as morally responsible as individuals. This expectation is founded on the perception that corporations operate under a form of social contract by which a firm’s activities are permitted as long as they are for the wider benefit of society (Beauchamp & Bowie, 1993; Goodpaster & Matthews, 1982). More recent empirical research shows market stakeholders have increasingly felt that corporate strategies should comply with more than minimum legal and social standards. Responding to developing community and political demands for better levels of corporate governance, and recognising potentially damaging market reactions to illegal or improper commercial activities, businesses are gradually adopting more ethical behaviour (Reichert, Webb, & Thomas, 2000).

Conventional tourism theory suggests that the marketing-led transformation of a host community with unique natural assets into a tourism destination will diminish the value of original assets. Contrasting this view are the supporters of sustainable tourism, who argue that higher levels of business performance are more likely when there companies are acutely attuned to social and ecological conditions, in addition to successfully addressing basic market pressures (Fennell, 2006; M. Wheeler, 1995). Achieving and maintaining this theoretical state is difficult, given the economic and political imperatives that drive tourism development.

Rising public sensitivities about the social and environmental impacts of tourism have stimulated the development of industry codes of practice and an industry focussed code of ethics (WTO, 2003). But there is a telling lack of consensus on the value of such industry codes (Fennell, 1999). An alternative approach has been to promote a more holistic ethics platform for tourism management (Holden, 2003). This is supported by other academics who see an ethics foundation for tourism management could help address industry dysfunction and contribute to more sustainable destination management (Fennell, 2006; J. McBeth, 2005). It is argued that the rise of the CSR paradigm in organisational theory is an extension of ethical management. Outside these academic conceptualisations of ethics based management, there has been limited empirical research into the application of ethics or CSR in tourism management. This indicates that further research and the development of ethics-based industry practices may inform sustainable destination planning and practices.
Corporate Social Responsibility

Cooperative destination marketing requires shared effort to manage tourism destination resources and generate sustainable business returns. Cooperative marketing also requires consideration of allied social and non market issues, or CSR as part of corporate strategy for sustainable development (Mahon & Wartick, 2003). This has produced a paradigmatic shift in business objectives from the maximisation of shareholder value as espoused by Milton Friedman and Kenneth Goodpaster, to the maximisation of stakeholder value which also incorporates factors of social responsibility. By definition CSR utilises varying degrees of power, legitimacy and urgency to uphold or pursue principle-based management norms (Mitchell, Agle, & Wood, 1997). This more holistic approach to business strategy (embracing social and environmental as well as economic objectives) has been stimulated by an increased recognition of the broad responsibilities of business executives (Barnard, 1938). This has been public and government concern over the failure by business to exhibit socially acceptable standards of behaviour for example; Union Carbide management of its Bhopal chemical plant, Exxon’s tanker poor fleet management standards highlighted by the wreck of the Exxon Valdez and the fraudulent financial activities of Enron management. Commercial malfeasance is also evidenced in the tourism industry, through the abuse of planning and operational requirements by small and medium sized businesses operating on publicly owned lands or PNAs (ODT, 2006a, 2006b). This has been accompanied by a deeper understanding of shortcomings as well as the benefits of globalisation and business liberalisation; the increased influence of Non Governmental Organisations (NGOs) and research groups representing civil society, and the rise of ethics as a key tenet in business management (Donaldson & Preston, 1995). Market pressures have stimulated the introduction of increased government regulation to limit private sector malfeasance. New normative measures proposed to improve corporate social responsibility include the development of World Bank guidelines on how the public sector can strengthen the application of CSR (Fox, Ward, & Howard, 2002) and the development of a global ethical code of conduct in the tourism industry (WTO, 2003), a draft Norms on the Responsibilities of Trans-national Corporations by the United Nations and a Green Paper on CSR proposing a voluntary code of compliance for companies operating in the European Union.

Successful corporate social responsibility strategies require executive leadership arising from an awareness of their strategic, and instrumental benefits. CSR is increasingly seen by business as a competitive driver of business strategy supported by a commitment of appropriate business resources. As such, CSR is an important support for conventional marketing strategies; as a n initiative as a market leader, as a necessary response to first mover initiatives by market competitors, as a response to stakeholder concerns or as a response to government regulation or impending regulation. From a stakeholder perspective, firms are also challenged to balance their business objectives with the often competing claims in pursuit of establishing CSR legitimacy with different stakeholders (Haigh & Jones, 2006; Mahon, Pursey, Heugens, & Lamertz, 2004).

How destination tourism firms address these societal and governmental pressures on businesses to improve their CSR, and in the process, gain long term commercial and social benefits, invites empirical investigation.
Stakeholder Theory

Academic literature underlines the importance of stakeholders in framing a company’s corporate social responsibilities and its related business strategies (Harrison and Freeman 1999). Managers of businesses are seen to have competing responsibilities. Firstly, there is the firm’s profit maximising responsibilities to shareholders. But responsible stakeholder strategies involve more than meeting the expectations of financial stakeholders. It is also desirable that firms foster fiduciary, or morally based, duties of care to meet the market and non market expectations of a multiplicity of stakeholder groups. More recently academics have recognised the importance of the linkage between CSR, sustainability and stakeholder values (Kalisch, 2002; J. McBeth, 2006; D. Wheeler, Colbert, & Freeman, 2003).

Extensive research recognises the value of stakeholder theory in analysing destination management and tourism development (Jamal & Getz, 1995; Reed, 1995; Ryan, 2002; Sheehan & Ritchie, 2005). A stakeholder approach contributes to the generation of consensus through interaction between tourism firms, government agencies, non-government organisations, and the general community (Stafford, Polonsky, & Hartman, 2000; Williams, 2002). Differing perspectives of destination interactions may be utilised; closer relationships with business representatives, customers, cooperative industry groups, government agencies and political actors, special interest groups and NGOs and the wider community increases stakeholder support and enhances the long term economic performance of tourism businesses.

Tourism Management and Sustainability

Sustainable development is variously described by critics as an oxymoron, a soothing palliative (Milne, 2004); or a compromise between the proponents of economic development and sustainability for whom the scale of economic activity is relative to ecological life support systems (Daly, 1992). Supporters see sustainability as important to human society as other high minded concepts such as democracy, freedom and human rights - and no less than an “ethical code for human survival and progress.” (Sharma & Ruud, 2003). Extensive debate on the meaning and implications of economic, social and ecological sustainability provide clear indicators that sustainability and sustainable development have evolved from a predominantly environmental management problem to a concept which is pervading all aspects of business, social and environmental planning. Indeed it can be seen as a “socio-political movement for beneficial social and economic change” (Farrell & Twining-Ward, 2004) p275. An interpretation favoured in tourism study is that sustainability is a process which aims “to improve and sustain human wellbeing indefinitely without impairing the life support systems on which it depends” (Farrell & Twining-Ward, 2004) p275. But to construct a workable model of tourism sustainability the researcher must consider, distil and blend the concepts of planning, economics, business management, sociology and ecological science. There must also be a comprehensive examination of existing practices, areas of success, areas of weakness and the potential for improvement in a given area using practical and theoretical knowledge. (Milne, 2004; Sharma & Ruud, 2003).

Positively managed, tourism has the potential to contribute to sustainable growth in destination communities. But without careful management, a diminishing of recreational and tourism values could significantly affect destination attractiveness.
and long term viability (Stankey, Cole, Lucas, Petersen, & Frissell, 1985). Politically, tourism sustainability may be seen as balancing or reconciling the tensions between host areas and their habitats, tourists, political strategies and the economic, often expansionist - objectives of the tourism industry (B. Lane, 1994; Williams, 2002).

Although the concept of sustainability has been widely accepted at governmental level in policy development including tourism policy development, the literature indicates that successful application of the concept has been elusive. Initially it was developed as a management concept to guide the responsible development of tourism (Butler, 1980) and more recently sustainable tourism has become an adaptive management paradigm (Hunter, 1997) and particularly important in the management of environmentally responsible tourism (Hassan, 2000).

However, critics argue that the current concept of sustainability is too tourism-centred to adequately address public concerns about adverse industry impacts. (Vernon, Essex, Pinder, & Curry, 2005). A sampler of international research in this field indicates the international interest in sustainable tourism; Canada:(Ritchie, 1999); US;(Stankey, Cole, Lucas, Petersen, & Frissell, 1985) Australia: (Graefe, 1993) and New Zealand: (G. W. Kearsley & O’Neill, 1994); (Cessford, 1999; Cessford & Dingwell, 1997; S. J. Dymond, 1997; J. Higham & Carr, 2002; J. E. S. Higham & Carr, 2001; Patterson & McDonald, 2004). Much of this literature reveals extensive concerns about; sustainable industry practices, rapid development, overcrowding, degradation of tourist attractions and conflicts between tourists and other users of destination areas, particularly publicly owned attractions such as national parks and other Protected Natural Areas. In short the industry commitment to tourism sustainability is under question..

An area of significant concern to researchers is the activities of tourism firms operating in PNAs or common pool resources. Increasing visitor numbers pose significant management problems for both the providers of tourism services and for the managers of the resources. Increasing visitor numbers in sensitive natural and cultural heritage areas risk asset despoliation and potential market alienation because of the reduced appeal of these attractions. For protected area managers, there is the risk of both short term and long term damage to the flora and fauna of sensitive environments, plus the negative economic and social and environmental impacts on other user groups and local human communities(Ormsby, Moscardo, Pearce, & Foxlee, 2004). Indeed public ownership of valuable resources (such as fish or forestry) is seen by some theorists and researchers as a precursor to uncontrolled depletion of these resources. One solution proposed for the depletion of common pool resources by inadequate management controls is privatisation (Hardin, 1968). Another approach seeks to manage the recreational or tourism carrying capacity of sensitive environments however establishing agreed parameters has been difficult to achieve. Cooperative management of protected natural areas utilising inputs from interested stakeholders has potential as pragmatic tool for the sustainable management (M. Lane, 2001), however this will always be subject to the influence of the various interest groups or stakeholders.

Given that there has been more than two decades of theoretical discussion of sustainable tourism, there is comparatively little empirical research on the ethical practices of tourism operators in areas under environmental and social pressure from
tourism visitation. There is therefore potential to examine destination tourism as an adaptive, model, using an accumulation of ethics and social learning to investigate, how destination stakeholders approach the sustainable management of environmentally sensitive areas (Farrell & Twining-Ward, 2004; Halme, 2001; Hunter, 1997).

**The NZ Context**

The New Zealand government places a high value on the contribution of tourism to the economy, but the growth of tourism numbers is affecting the amenity values and the sustainability of these values in National Parks and other iconic Protected Natural Areas (Tourism-NZ., 2005).

To date, no tourism destination studies have been found which apply ethics and CSR to tourism business management. The preliminary search did however, produce useful references to sustainable tourism management for example; the significance of environmental impacts of small and medium enterprises (Lawrence, Collins, Pavlovich, & Arunachalam, 2006), concern about the need for improved environmental management, strategies for industry sustainability (S. J. Dymond, 1997; J. Higham, 1998; G. Kearsley & Croy, 2001) customer criticism of industry marketing related to the environment and environmental business standards (J. Higham, Carr, & Gale, 2001), support from local government for applying international standards of tourism sustainability (S. Dymond, 1996), the application of the Resource Management Act to sustainable tourism (Page & Thorn, 2002) a management approach for the sustainable use of natural assets used for tourism (Hughey et al., 2004) and empirical evidence of cooperative environmental management amongst destination stakeholders (Pavlovich, 2001).

Given the high reliance of the New Zealand economy on nature based tourism, there is a need for continuing research to ensure that the country utilises the best sustainable tourism management to maintain the nature based attractions to continue to attract millions of overseas visitors each year. Supporting the need for further in-depth study of sustainable tourism management in New Zealand, a 1999 study of tourism industry perceptions of sustainability found that 66% of respondents believed sustainability was a major issue or the top priority for the tourism industry in New Zealand. Half believed it was important for profit and business survival; 61 percent believed social sustainability was a major issue and 63% saw a priority in managing environmental sustainability. The review also confirmed that tourism contributes to an increase in user conflicts, congestion, aircraft noise, pollution and adverse social impacts such as crime. Constructively, a majority of surveyed businesses believe that they should participate in strengthening respect for natural areas and historic places. This objective was also supported by a majority of the general population who believe that New Zealand tourism needs to be carefully managed for it to be sustainable (G. W. Kearsley, Mitchell, & Croy, 1999).

**Research Proposition, and Hypotheses**

Critical literature findings support the need to reconceptualise sustainability and sustainable development in relation to tourism (Farrell & Twining-Ward, 2004; Milne, 2004).
Because the literature search reveals limited empirical evidence of the application of ethics and CSR in tourism management, it shows potential for case study research into tourism activities involving common pool resources, i.e. national parks and other protected natural areas. Careful consideration suggests that analysis of tourism firm operations in a prescribed environments such as PNAs, will offer a more focussed lens for studying the ethical and socially responsible practices of tourism businesses in connection with sustainable management.

It is therefore proposed to investigate this research question:

How do the socially responsible management and marketing practices of tourism businesses contribute to the sustainable management of Protected Natural Areas?

As part of this research, it is proposed to investigate the following supporting hypotheses:

1. That community stakeholders and customers expect high standards of corporate social responsibility from tourism firms operating in Protected Natural Areas.
2. The application of socially responsible management policies and practices by tourism firms contributes to the sustainable management of tourism in Protected Natural Areas.
3. That socially responsible interaction of tourist firms with their stakeholders is a critical factor in developing and maintaining firms’ sustainable management strategies for tourism in Protected Natural Areas.
4. That Corporate Social Responsibility strategies based on sustainable ecological, social and economic management of tourism firms enhance long term economic performance of the companies.

**Research Methodology**

Development of the methodology is still in an embryonic stage and will be defined in detail at a later stage. The initial proposal is to investigate the views of destination tourism management in relation to the Dominant, Technological and Ecological Social Development paradigms. Within this theoretical framework, it is proposed to examine: The ethics and CSR policies and sustainability practices in the tourism industry utilising both industry and stakeholder perspectives.

**Conclusion**

There has been little empirical research into the ethical philosophies and related Corporate Social Responsibility strategies of tourism destination firms. By focussing on these areas of management practice, in the precisely defined contexts of managing sustainable tourism in PNAs, it is expected that the research will bridge a perceived gap in empirical research. It is anticipated that the study outcomes contribute to organisational and management theory through a better understanding of the philosophies, attitudes and practices of businesses and key tourism stakeholders in the management protected area natural resources. This in turn will assist in the further development of sustainable tourism management practices.

**References**


