



CORPORATE SOCIAL RESPONSIBILITY

Worth-Creating Activities

Juan L. Nicolau

University of Alicante, Spain

Abstract: Making the world a better place to live is an idea that is spreading over the four quarters of the globe; and the business realm is no exception. Firms are expected to have ethical responsibilities and go beyond their profit-oriented activities and boost the wellbeing of the community. This situation becomes more evident when an industry has a very close relationship with environments and societies which, in turn, are facets of its own products. This study shows that socially oriented activities carried out by tourism firms bring about benefits for society both directly (inherent to the purpose of such activities) and indirectly (via their commercial performance). The fact that getting actively involved in duties outside of the business arena has a positive influence on a firm's outcome implies that these initiatives help increase the social force of tourism through non-economic as well as economic mechanisms. **Keywords:** social responsibility, market value, performance. © 2008 Elsevier Ltd. All rights reserved.

INTRODUCTION

A recent business trend emphasizes that firms are expected to go beyond their profit-oriented activities and boost the wellbeing of the community, making the world a better place (Robins 2005). It means that the business sector should develop a marked non-economic function in society rather than only producing goods and making profits, by developing society-driven actions. In fact, Falck and Hebich (2007) suggest that if a company's aim is to survive and prosper, the best way is to take a long-term view and understand that if it treats society well, society will return the favor. Post, Preston and Sachs (2002) go even further and assert that the corporation "cannot and should not survive if it does not take responsibility for the welfare of all its constituents, and for the wellbeing of the larger society within which it operates". Therefore, firms have ethical responsibilities that include a range of societal norms or standards (Carroll 2000), and this seems particularly true for businesses in a consumer-oriented industry such as tourism. Even though Yaman and Gurel (2006) find that, depending on cultural aspects, differences exist in the way marketers look at moral philosophies, this industry has particular and clearly defined duties outside

Juan L. Nicolau (PhD) is Assistant Professor of Tourism Marketing, Faculty of Economics, University of Alicante (Dpt. of Economía Financiera, Contabilidad y Marketing, Ap. Correos 99, E-03080 Alicante, Spain. E-mail: <JL.Nicolau@ua.es.>) His main research interests are the analysis of tourist decision-making through probabilistic choice models and the assessment of firms' market value.

of the business realm on account of its close relationship with destination environments and societies which are components of its products (Henderson 2007).

According to the World Bank, “corporate social responsibility (CSR) is a term describing a company’s obligations to be accountable to all of its stakeholders in all its operations and activities. Socially responsible companies consider the full scope of their impact on communities and the environment when making decisions, balancing the needs of stakeholders with their need to make a profit”. In fact, the evolution of the notions of “sustainable development” and “sustainable tourism” made the World Bank consider a wider range of tourism dimensions to be included in new projects to justify the sustainability of investments for environmental and cultural preservation (Hawkins and Mann 2007). In this regard, Henderson (2007) suggests that the characteristics of tourism add an extra dimension to CSR: society is part of the product and companies have acute duty responsibilities regarding the places they are selling at. This trait is likely to make them more sensitive to the adoption of CSR, even more considering that such a tendency has been supported by consumer tastes, the environmental movement and public bodies’ demands for better tourism management.

At this point, a critical issue arises: although the positive effect of CSR actions on society is unquestionable, the relationship between CSR and a firm’s performance is debatable, a conspicuous result being that a positive relationship between CSR and a firm’s performance would imply a twofold effect on society: one, social initiatives are inherently designed to enhance the wellbeing of society and therefore, their implementation should obviously have benefits for it; and two, benefits for society would also derive from the increase in the firm’s profits obtained by carrying out CSR activities, or as usually stated, by developing and carrying out “best practices” (Cone 2002; Dodds and Joppe 2005; Bansa 2006; Gond, Palazzo and Basu 2007). In this regard, as tourism contributes to the wellbeing of society, if the companies within this industry augment their performance, their positive effect on society will also increase. This study attempts to see whether social initiatives proposed by companies bring about social benefits for society via commercial mechanisms. According to Tilt (1997), the CSR-performance relationship is likely to be deeper in consumer oriented firms, since their social reputation has a greater potential effect on sales. Clearly, these issues of social reputation and image are long-term-related, and Falck and Hebich (2007) state that strategic practice of CSR involves a long-term shareholder value approach, which implies a long-term view of profit maximization as well. However, to date no empirical application in tourism research has related CSR to any forward-looking performance. In fact, Berens, Van Riel and Van Bruggen (2005) energetically call for research efforts that directly link CSR to stock market performance, as it has the advantage over any other measure that it hinges on growth prospects and sustainability of profits (Rust, Lemon and Zeithaml 2004). Given that this measure shows the expected performance in the future, it appropriately reflects the long-term outcome of CSR strategies. Consequently, this article examines the relationship

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات