

## PERSPECTIVES AND PRACTICES OF CSR IN THE HOSPITALITY INDUSTRY: ANALYZING A CASE STUDY

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*This paper aims to offer a preliminary case study of CSR issues being addressed in the hospitality sector in order to disseminate best practice. By employing a qualitative research findings reveal that Meliá Hotels International has its own approach to CSR by incorporating a new cultural dimension to this notion. Moreover, findings illustrate how MHI define its CSR policy according to the stakeholder approach, being the main beneficiaries from these activities consumers and local communities. This study also provides evidence that strength of CSR commitment varies by topic, and that value creation for MHI can be uncertain since many CSR initiatives do not cause a reduction in costs.*

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**Keywords:** *Corporate social responsibility, cultural dimension, stakeholders, local communities, hospitality sector*

JEL Classification: *L83, M1, O1*

### INTRODUCTION

Over the last decades a number of stakeholders have been demonstrating a growing awareness of the social and environmental consequences of business operations. Therefore, the notion of corporate social responsibility (CSR) has gained popularity. Along with the general trend of attention to CSR, the tourist industry and the hospitality sector have indicated an ever increasing interest in this topic (Henderson, 2007; McGehee et al., 2009; Khairat & Maher, 2012). In fact, a growing number of companies declare their devotion to ethical and socially responsible values (Nergiz et al., 2011; Martínez et al., 2013a), qualifying themselves



as CSR-driven companies and showing their CSR reports together with their annual reports (Font et al., 2012).

It is hardly surprising then that the notion of CSR has received little attention within the context of tourism in academic literature (Bohdanowicz & Zientara, 2009; McGehee et al., 2009). Although a number of researchers and professionals in the hospitality industry agree that CSR has become a necessary business function, much of this research has focused on the link between CSR and financial performance (Lee & Park, 2009), being devoted less attention to clarify how this term is characterized, what role plays in hospitality companies and how it should be implemented in this sector (Bohdanowicz & Zientara, 2009; Chung & Parker, 2010; Tsai et al., 2010; Martínez et al., 2013b). Moreover, CSR actions reported in the literature are limited to environmental issues, most of which have a positive business efficiency impact (Ayuso, 2006; Kasim, 2007; Jovicic, 2011). Actually, although the hospitality industry is taking steps towards stepping up their CSR efforts, the sector still lags behind other industries (McGehee et al., 2009). Given the contextual nature that is recognized in the practice of CSR (Whitehouse, 2006; Martínez et al., 2013c) the academic literature has recognized that the tourism industry would seem to have particular and identifiable obligations outside of the business arena due to its very close relationship with destination environments and societies which are facets of its products (Henderson, 2007; McGehee et al., 2009).

As a reduced number of studies have investigated the range of CSR practices implemented by hotels companies, this study offers a preliminary exploration of the CSR issues being addressed by Meliá Hotels International (MHI), leading hotel company with presence in 27 countries. The existing studies on CSR in the hotel industry are mostly limited to environmental issues glossing over social and cultural aspects (Ayuso, 2006; Bohdanowicz & Zientara, 2009; Jovicic, 2011). Additionally, none of them explore the CSR approaches used to establish CSR policies or the potential stakeholders who benefit from these activities. The current study aims to address these knowledge gaps in the academic literature by presenting the case of an international hospitality company undertaking CSR activities and, consequently, disseminating best practice. Specifically, the objectives of this study are to: (1) Define the view of MHI regarding CSR, (2) elucidate MHI's social responsibility initiatives and (3) define the possible beneficiaries of these initiatives. To get these objectives, this study is structured as follows. First at all, this article will review the literature on CSR and its application in hospitality industry. The next section will describe the methodology section

including the proposed method to collect the data. Finally, it will be presented the findings of the study and some concluding remarks will be presented.

## REVIEW OF THE CORPORATE SOCIAL RESPONSIBILITY LITERATURE

Although CSR is one of the most prominent themes in the academic literature, it is difficult to provide a precise definition of the term. In fact, it is a concept that has no universal definition. One of the main reasons given is that the meaning of CSR varies depending on the business sector under study (Whitehouse, 2006; Martínez et al., 2013c). To complicate this situation, some researchers understand CSR as synonymous with different concepts such as philanthropy, sustainability, triple bottom line or business ethics (Carroll, 1998; van Marrewijk, 2003; McGehee et al., 2009).

Several authors have referred to a sequence of approaches, each including and transcending one other, trying to show responses to the question to whom an organization has a responsibility (Freeman, 1984; Göbbels, 2002). In the early 60s the *shareholder approach* represented the classical view on CSR. Friedman (1962) stated that the sole objective of companies was the profit maximization for shareholders. However, today it is quite accepted that shareholder value maximization is not incompatible with satisfying certain stakeholders' interests. In the 80s the approach based on the *stakeholders theory* (Freeman, 1984) gained attention. According to this proposal, companies are not responsible to the global society as a whole, but aim to respond to different constituencies (Freeman, 1984). According to this approach careful attention to externalities and their impact on stakeholders is crucial to the company's future success.

Those stakeholders to whom companies respond will inform us about the main reasons to implement CSR initiatives. Companies driven by competitiveness reasons will focus on investors and shareholders. On the other hand, those companies driven by legitimization will respond to a broader range of stakeholders such as employees, consumers or public administrations (Garay & Font, 2011). Finally, according to the *societal approach* (Göbbels, 2002; van Marrewijk, 2003) companies are responsible to society as a whole of which they are an integral part. Companies must operate by public consent in order to serve the needs of society in a constructive way (van Marrewijk, 2003).

A pragmatic proposal within this societal approach is to extend the traditional bottom line accounting to a “Triple Bottom Line” that would include economic, social and environmental aspects (Elkington, 1997). This approach is closely linked with the concept of sustainability (van Marrewijk, 2003). Within the societal approach, CSR principles have much in common with those of sustainability, and both terms are used interchangeably (Henderson, 2007; van Marrewijk & Werre, 2003).

In this sense, one of the most broadly accepted definitions of CSR is proposed by the World Business Council for Sustainable Development (WBCSD) stating that “*CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society at large*” (WBCSD, 1999). The WBCSD states that CSR is an integral part of sustainability and divided CSR into the same three categories accepted as the main dimensions of sustainability: economy, society and environment. Sustainability, however, is considered the ultimate goal of organizations, meeting the needs of the present generations without compromising the ability of future generations to meet their own needs (World Commission of Environment and Development, 1987). Therefore, CSR is understood as an intermediate stage where companies try to balance the triple bottom line performance (van Marrewijk, 2003).

Although a number of frameworks for CSR have been developed, there is no agreement as to which should be used while evaluating CSR implementation. One of the main reasons given is that the meaning and approach of CSR vary depending on the business sector under study (Whitehouse, 2006; Martínez et al., 2013c). CSR has strong contextual characteristics. These features refer to the specific geographic, social, cultural and economic policies of the places in which companies operate. These features play an important role in determining the responsibilities of businesses and, consequently, in their responses to CSR issues (European Commission, 2002). Furthermore, the social, cultural and environmental aspects that companies choose to address vary depending on the sector in which companies operate (Whitehouse, 2006). That is the reason why recent researchers define CSR as a custom-made process, so that, each company should choose which concept and definition is the best option, matching the companies’ aims and intentions and aligned them with the company’s strategy, as a response to the specific circumstances in which it operates (van Marrewijk & Werre, 2003).

## **Hospitality industry and corporate social responsibility**

The hospitality industry is frequently viewed as a source of economic, environmental, social and cultural benefits through its support of job creation, improvements to infrastructures and cultural understanding (Bohdanowicz & Zientara, 2009; Cuccia & Rizzo, 2011; Jovicic, 2011; Liu & Lin, 2011). However, the hospitality industry also imposes a large number of negative impacts on the economic, natural and social environments, including air and noise pollution, biodiversity loss or waste generation (Chan, 2011; Khairat & Maher, 2012). Likewise, hospitality companies consume water, energy, food, paper, linen, laundry, consumables, stationery cleaning materials and other resources, and generates air, water, soil and noise pollution (Chan, 2011), impacting on local communities through their occupation of space, use of infrastructures, and relationships with local business, communities and government (Chung & Parker, 2010).

As a result, stakeholders show a progressive demand not only in terms of higher quality of hotel services and infrastructures in general, but also about further initiatives that the companies take to protect the personality and cultural identity of destinations, along with their natural, human and patrimonial resources (Bigné et al., 2000). In this sense, since this industry offers activities that constantly interact with these systems, companies have a great capacity to initiate significant changes in the economic, natural, social and cultural environment (Bohdanowicz & Zientara, 2009; Chan, 2011). In addition, international tourism associations are becoming increasingly active in responsible and sustainable issues (Khairat & Maher, 2012). The implementation of Agenda 21 launched the emphasis of CSR issues in the tourist industry. This initiative, promoted by the World Travel and Tourism Council, the World Tourism Organization and the Earth Council, set international guidelines relative to sustainable and responsible tourism. In the European sphere, the Initiative for Improving CSR in the Hospitality Sector has been established. Regarding this initiative, the European Federation of Food and Agriculture and Tourism Trade Unions and Hotels, Restaurants and Cafés in Europe 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. Other initiatives, such as that of Green Hotels, focus on policies that are designed to save water and energy, and reduce solid waste (Green Hotels Association, 2005).

## METHODOLOGY

In this study, a qualitative research is undertaken in order to gain a better understanding of how MHI defines its approach regarding CSR, discusses the CSR initiatives implemented by the company, and elucidates the main beneficiaries from these actions. Our intention is to show MHI’s achievements in these areas and disseminate best practice. An exploratory research is employed. More precisely, a case study based on in-depth personal interviews with CSR managers of MHI is designed. This method is one of the most employed tools in the qualitative research methodology (Yin, 1989) and has been widely applied to the study of CSR (Whitehouse, 2006; Truñó i Gual & Rialp, 2008; Martínez et al., 2013a-b). A single case study was considered to represent the best means of acquiring a deep and contextual insight to generate and build theory (Yin, 1989). The main characteristics of the research are displayed in the Table 1.

**Table 1** Research technical record

<b>Methodology</b>	Case study
<b>Case</b>	Meliá Hotels International
<b>Information</b>	Qualitative – Top managers’ CSR, sustainability and organizational identity perceptions, attitudes and ratings
	Quantitative – CSR and sustainability practices
<b>Data collection</b>	Primary data: 14 in-depth interviews with CSR and organizational identity managers of the institution
	Secondary information (CSR reports, stock market indices, corporate communications, media publications, academic participations)
<b>Data Analysis</b>	Content analysis
<b>Statistical software</b>	ATLAS.ti v.5

### Data collection method

MHI case study was selected by means of a theoretical sampling, non-statistical (Truñó i Gual & Rialp, 2008; Martínez et al., 2013a), trying to choose the case that would provide greater opportunity for learning. MHI was selected because it represents, at the discretion of the researchers, special characteristics that make it especially interesting for the study. This study asked open-ended (qualitative) questions to create a more in-depth understanding of CSR into the hospitality industry. To collect the primary data for this study, fourteen in depth interviews were

conducted with the staff and administrators responsible for the CSR project of MHI. The interviewees are displayed in Table 2.

**Table 2** MHI’s managers interviewed for the qualitative study

Non-Executive Vice Chairman	Institutional Office and Corporate Diplomacy Senior Vice President (SVP)
Strategic Planning Group Vice-President	Marketing Strategy & Loyalty Director
Tryp Brand Guest Experience & Marketing Director	Meliá & Inhouse Brand SVP
Sustainable Development Director	Environmental Executive Manager
Sol Brand Activities & Quality Director	Design & Development Director
Leisure Real State Director	General Manager of Meliá Palas Atenea Hotel
General Manager of Gran Meliá Hotel	

The semi-structured interviews lasted an average of one hour and were undertaken by the researchers. All were recorded on to audio tapes and fully transcribed before being subject to analysis. Finally, a content analysis of the data was carried out. Qualitative content analyses are focused on capturing definitions, process, meanings and type (Altheide, 1996). Authors used the statistical program ATLAS.ti v.5, a software designed to assist qualitative research.

**Table 3** Reliability and validity of the study

Concept	Theoretical proposal	Meliá Hotels International case study
<b>Validity of the model</b>	Development of operation measures that sidestep the subjective bias of researchers in data gathering	Data triangulation through the use of multiple information sources (personal surveys, internal documentation, public reports and records, symposia and conferences)
<b>Internal validity</b>	Objectivity of the research: the case study must reflect and explain the real situation being analyzed	Data triangulation (fourteen in-depth interviews)
<b>External validity</b>	Capacity of generalizing the conclusions from the case study	- - - (Illustrative case study)
<b>Reliability</b>	Verification that the operations of one study and the procedures of data gathering can be repeated with the same results	Information gathering protocol for the case study: personal surveys scripts Database creation—transcription of surveys and work documents— and systematization in ATLAS.ti

Source: Yin (1989)

The analysis process started identifying codes that were assigned systematically to the information and quotations found in the texts. These codes were generated through both a previous literature review and a spontaneous identification of focus of interest as authors were analyzing the contributions. The analysis resulted in a total of seventy-eight codes. All these codes were further analyzed and five mayor categories related to the core category of CSR and sustainability in MHI were identified. Finally, to complete the primary data obtained for this study, diverse published and non-published institutional publications were taken into account as secondary information including internet pages, internal policy reports, marketing brochures and newspaper reports of the organization. To conclude, authors analyze the reliability and validity of the study in order to confirm the robustness of the results shown in this paper. To this end, authors study the reliability, internal and external validity of the research (Yin, 1989) (Table 3).

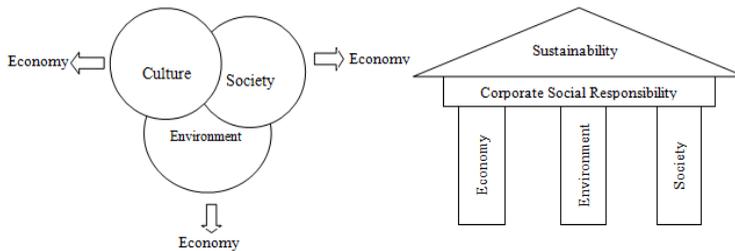
## RESULTS

### Views of MHI regarding CSR

For MHI, the concept of CSR is synonymous with sustainability. However, to emphasize endurance over time and a concern for future generations, the company prefers to use the term “sustainability” rather than “CSR”. For MHI, the definition of sustainability is fully consistent with that of the United Nations World Commission on Environment and Development (1987). However, regarding the dimensions forming this notion, there is a clear discrepancy between theoretical proposals and MHI’s vision. For MHI, the notion of sustainability is made up of three dimensions that do not completely agree with the notion of CSR described by the “Triple Botton Line” approach, in which CSR includes economic, social and environmental aspects exclusively (Elkington, 1997; WBCSD, 1999; van Marrewijk, 2003) (Figure 1). As pointed out by one of the interviewees: *“For MHI, sustainability ranges over the triple sphere: environment, society and culture”* (MHI Non-Executive Vice Chairman). The economic dimension does not appear explicitly in this definition because: *“The economic dimension is a priority, but it is not part of the work done on sustainability [...] for us is a consequence, by working in a sustainable manner we will be economically sustainable”* (Institutional Office and Corporate Diplomacy Senior Vice President). A remarkable fact is that the cultural dimension is of great importance for the company. In fact, as stated by one of the managers: *“The cultural*

*dimension is vital in tourism. It often explains why a customer chooses one tourist destination or another” (Tryp Brand Guest Experience & Marketing Director).*

**Figure 1** Differences between MHI CSR model and the “Triple Bottom Line”



### Socially responsible initiatives of MHI

As argued by one of the managers “MHI focuses its CSR policy in a proactive, collaborative and strategic way with the goal of creating value for both the company and its stakeholders” (Strategic Planning Group Vice-President). Socially responsible initiatives developed by the organization can be analyzed according to three basic dimensions: (1) environment, (2) society and (3) culture. The environmental dimension of CSR is of vital importance. Some managers of the company recognize that the environmental dimension is the domain in which the company has worked on most. Among the reasons argued, interviewers highlight the “important cost savings” related to these activities (Table 4). The savings activities and energy efficiency strategies are incorporated into the SAVE Project. The overall guidelines are determined by the relevance of the different types of environmental impacts related to the hotel industry, leading to the prioritization of four major areas: (1) Energy and emissions: mitigation of the effects of climate change, mainly through savings and efficiency in energy use and the control and reduction of the emission of pollutants to the atmosphere, (2) water: reduction in the consumption of water and control of the disposal of waste water, (3) biodiversity: protection and conservation of environmentally valuable habitats to preserve biodiversity and (4) use of resources and waste management: minimization of the environmental impact generated by the consumption of resources and the creation of waste products. Table 4

summarizes the company efforts to reduce these impacts and some of the financial savings achieved.

**Table 4** Environmental dimension: Key Figures

<b>Energy and emissions</b>	<b>Water</b>	<b>Biodiversity</b>	<b>Use of resources management</b>
Reduction in CO <sub>2</sub> emissions: 3,663 tonnes	Water saved: 266,797 m <sup>3</sup>	Protected areas: 1,012,228 m <sup>2</sup>	Paper and cardboard sent for recycling: 12,200 kg
Reduction of 4.3% in kg CO <sub>2</sub> per stay	Purified water: 1,662,053 m <sup>3</sup>	960 guests involved in activities to protect biodiversity	Electrical and electronic waste collected: 1,900 kg.
Reduction of consumption of diesel oil: 486,374 litres	Reduction of 8.4% per m <sup>3</sup> of water consumed per stay	More than 10,000 people involved in the activities organized for the Biodiversity Day 2010	Energy light bulbs collected: 5,612 kg Vegetable oil collected: 44,087 kg.
*Financial savings from energy saving and efficiency measures: 492,676 €	Volume of water reused in own purification systems: 831,356 m <sup>3</sup>	*Cost of separate collection of waste, bacteriological analysis of water and environmental certifications: 708,680 €.	*Costs of sewage charges, rubbish collection and water supply: 4,949,736 €.

In the social arena, commitment to children is core to the social positioning of the company. MHI has pledged its commitment to this social cause because compared to others such as education or disability it “*makes more sense*” in a family business due to the “*legacy effect for future generations*”. In this way, a strategic partnership with UNICEF was signed to raise awareness and fight for child protection and the prevention of child sexual exploitation. Thus, company brands are provided with general guidelines for action to avoid child labor and sexual exploitation. Nowadays, the company’s social projects are focusing on the following lines of action: (1) education for children (under the slogan “All for them”), (2) people with disabilities and (3) collaborations among hotels and their local communities. In MHI support for social causes, is mainly conducted through partnerships with well-known charity organizations (e.g. UNICEF, Red Cross or Save the Children). At one of the managers stated “*we believe that cooperating with other organizations is the best way to find solutions to the different*

*needs in societies in which we operate*” (Institutional Office and Corporate Diplomacy Senior Vice President). Support offered by the company is typically financial, but increasingly the employees are encouraged to volunteer their time to CSR initiatives.

**Table 5** Social dimension: Key figures

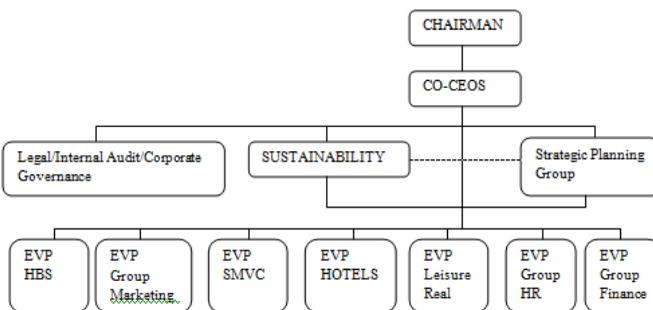
Donation of resources: 385,292€	49,520 people involved in Solidarity Day	1,190 cooperation activities with social organizations
Participation of employee volunteers: 1,164	880 social projects	342 NGO’s and foundations

With respect to the cultural sphere, MHI integrates cultural, gastronomic and artistic elements in their hotels and respects and defends the historical heritage of regions. Thus, company’s hotels integrate cultural aspects of destinations through the following channels: (1) promotion of local customs and cuisine, (2) integration of local architecture, art and crafts, (3) integration of elements of local culture in entertainment (e.g., music, stories, creative expressions and traditional sports or games), (4) provision of information to customers relating to cultural tourism (e.g., monuments, museums, cultural landscapes and shows or traditional celebrations), and (5) promotion of cultural resources of destinations through the provision of open spaces for cultural exchange (e.g., handicrafts, music, performance halls or sites for artistic expression).

With the goal of providing “*coherence and credibility to the corporate policy*”, the company chose to obtain a certification scheme at the global level. Thus, the company has obtained the Biosphere Hotel Company Certification. Two of the points that confers greater credibility and transparency on the activities carried out by the company is that this certification is awarded by an independent third party: the Responsible Tourism Institute (RTI), supported by UNESCO, and that this certification ensures compliance with not only environmental standards but also social and cultural standards, for both corporate and hotel units. Besides, when implementing CSR activities, the principle of “Think globally, act locally” is respected. Overall guidelines come from the corporate level leaving a certain level of flexibility for action at the local level. Thus, hotel managers can propose diverse activities to develop at the request of local stakeholders, with the condition of maintaining the global positioning of the company. To obtain this flexibility, MHI opted for the integration of the “Sustainability Strategic Line” as a “crosscutting” component of the processes already existing within the

company. Sustainability line depends on the Department of Sustainable Development, which was specifically created to manage all of the strategic and operational aspects of CSR and sustainability within the organization. In turn, this department reports to the Strategic Planning Group, which is in charge of developing and managing the company's strategic plan (Figure 2).

**Figure 2** MHI's organization chart



### **Possible beneficiaries of MHI's social responsibility initiatives**

As reported by the interviewees, three primary parties appear to be positively impacted by CSR initiatives developed by the company: (1) the local community, (2) customers who have taken part in these initiatives, and (3) the own the company. Interviewees reported that the residents of the local communities in which the company operates “*have been benefited greatly from this type of activities as a result of the improvement in their standard of living*” (General Manager of Meliá Palas Atenea Hotel). MHI helps local communities through different social projects mainly conducted through partnerships with well known charity organizations. We highlight other projects such as the recruitment of employees with disabilities, purchases from special employment centers, purchases of raw materials from local suppliers, celebrations of seminars and forums to raise awareness among residents, training of women at risk of social exclusion and victims of gender-based violence, or donation of resources to diverse social causes (Tables 5 and 6).

**Table 6** MHI impact on local communities

Percentage of purchases from local suppliers: > 80% in all the countries	Purchases from special employment centres: 3,243,650.32 € (in Spain)	Integration of the disabled: 2.2% (through direct contracting and other measures)
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The benefits for customers who have taken part in CSR initiatives can be considered since they will develop a critical approach in evaluating the responsible behavior of companies in relation to socially responsible aspects. It is expected that consumers will gain a better understanding of CSR notion, have a better appreciation for their rights and responsibilities as citizens, and have a greater sense of their role and place in their own society. One of the best examples to exemplify these benefits is the Solidarity Day project. This initiative is held one day each week in 30 company resort hotels in the summer months. The main objective of the project is to raise awareness among MHI guests about the principles of sustainability, local culture, environmental protection, solidarity and cooperation. Thus, it is hoped that customers will acquire knowledge (which in many cases may represent their initial awareness) relating to these ideas and that natural and cultural resources will become respected, generating a more critical sense in terms of the role that people must play in current society.

Finally, interviewees maintain that the communication of socially responsible initiatives will lead to (1) an increased motivation of the company employees, which, in turn, is likely to translate into greater work effort and high-quality service and, by implication, increased customer satisfaction, and (2) a motivation of customers to choose MHI hotel services, which is critical to the performance of any hospitality company. As one of the interviewees reported: *“the employees feel much more proud of the company in which they work and it makes them feel better”* (Marketing Strategy & Loyalty Director). Besides, according to the company “Customer Satisfaction Survey”, 40% of customers have taken into account the company’s sustainability policy when choosing their hotel (although managers do not trust completely on this figure since respondents belong to MHI’s loyalty club, so there could be certain bias in their responses). Additionally, due to the *“reduction of opportunism and skepticism”* in the long term one of the results of these activities for MHI may be the formation of a positive corporate image among stakeholders, which will lead to a more favorable corporate reputation. Actually, as one of the managers stated: *“those customers who have come*

*to our hotels perceive our company as a responsible and sustainable brand”* (General Manager of Meliá Palas Atenea Hotel). To finish, an additional benefit for the company would be related to the investment in eco-friendly technologies that in the long run will translate into significant savings.

## **CONCLUDING REMARKS**

Findings suggest that the focus of CSR was largely outward looking since MHI possesses great regard for impacts on the destinations. While this research presents an illustrative case study and the generalizability of findings is limited, certain inferences may still be drawn. Findings provide a context for understanding how CSR is viewed in the hospitality industry and allow us to contemplate and recommend possible areas of further research.

One of the main conclusions is the conceptual demarcation of CSR in the company which identifies the cultural arena as a new dimension of the CSR policy in the hospitality sector. In the hospitality sector, the special relevance that the cultural dimension holds may be caused since in many cases the appeal of tourist destinations is based on cultural aspects. Actually, previous studies highlight that culture and tourism are strictly complementary activities and that the improvements in the cultural sector would generate positive externalities on the tourism sector (Liu & Lin, 2011; Cuccia & Rizzo, 2011). Thus, one of the objectives of the company is to strength this cultural dimension in its CSR policy. For MHI, CSR is formed by social, cultural and environmental aspects, with an assumed economic dimension. This idea does not completely agree with the notion of CSR described by the “Triple Botton Line” approach, one of the most widely accepted perspectives, where this concept includes economic, social and environmental aspects exclusively (Elkington, 1997; WBCSD, 1999; van Marrewijk, 2003). These results highlight the idea that there is no a standard formula for CSR (van Marrewijk & Were, 2003).

As a second conclusion, findings illustrate how MHI define the concept according to the stakeholder approach (Freeman, 1984), not to the social approach (Göbbels, 2002; van Marrewijk, 2003), despite being this latter proposal the broader view on CSR in the academic literature. MHI understands that has responsibilities not only towards society but towards a whole range of stakeholders that can affect or be affected by its activity. Among these collectives, customers and local communities are of special interest for the firm. Both collectives benefit from the company’s activities. Responsibilities towards these groups are not only based on

philanthropy and corporate donations. However, there is a broader range of environmental, social and cultural duties that hospitality companies should carry out, due to the specific contextual features of this sector. These results suggest that one of the perspectives more appropriate to manage effectively CSR policies is precisely through the stakeholder theory.

Furthermore, this study has provided evidence that strength of CSR commitment varies by topic. There was a strong emphasis on environmental issues. Environmental aspects are also an area where cost savings can be gained. CSR practices implemented coincide with previous studies, with cutting operating costs and minimizing resource consumption being the most common initiatives (Ayuso, 2006; Kasim, 2007). But, as a new contribution, this research has shown that there are other meaningful practices implemented across the “Triple Bottom Line” beyond these environmental initiatives, implementing relevant social and cultural practices. This is relevant because most literature has focused on environmental issues (Kasim, 2007; Garay & Font, 2011). Moreover, environmental practices appear to be directly motivated by competitiveness reasons for the purpose of gaining competitive advantage by reducing costs (Garay & Font, 2011). However social and cultural practices cannot be explained by economic reasons, but legitimization and altruism. However, since social and cultural initiatives do not cause a reduction in costs, but an important investment, it can be stated that value creation for the company may be uncertain. Several authors argue that not all CSR programs create value for the firm, since, in many cases CSR projects increase costs (Tsai et al., 2010).

Finally, another important insight from the study is that certification schemes can bring credibility and transparency to CSR activities in the hospitality sector. We highlight this point as we believe that the existence of these systems could help reduce existing skepticism about CSR activities undertaken by many hotel companies. This challenge can be addressed with third party certification schemes (e.g. the Responsible Tourism Institute, supported by UNESCO, and the Biosphere Hotel Company Certification) which grant corporate credibility and transparency. Several previous studies have shown how important certification schemes are since they act as external audits being used to reduce public scrutiny (Font et al., 2012).

The research design, being exploratory in nature and due to the chosen sample, results in a number of important research limitations. Results presented in this research cannot be generalized to the global hospitality sector. Specifically, the data do not necessarily represent the

full diversity of CSR actions undertaken in the global industry that can be important in explaining differences in their stakeholder relationships. However, the authors are satisfied that this design was necessary, given the lack of previous research in the hospitality sector, and was worthwhile in terms of generating a preliminary case study exploration of the CSR issues being addressed by one of the leaders companies in the hospitality sector.

Future research directions include further research into CSR definition, conceptualization and practices in the hospitality and tourism sector. Given the priorities of CSR and the importance of the role of stakeholders and local communities in cities where companies operate, a potential area to explore is the effects on a community and further the extent to which companies may still feel responsibility to that community. Moreover, it would be interesting to analyze how companies create value through CSR aspects. Finally, CSR in these industries, while clearly a business priority, may be distinctive. Is this because the business model is different in the hospitality sector, or could it be that CSR is changing in other subsectors (e.g. transportation...) as well? This study has opened the door to more questions pertaining to CSR, justifying that this issue continues to grow, evolve and necessitate additional examination.

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*SUBMITTED: DEC 2012*

*REVISION SUBMITTED: MAR 2013*

*ACCEPTED: APR 2013*

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