

Catrina Papaleo
School of Sport, Tourism and Hospitality Management
La Trobe University
Victoria 3086
Australia
cspapaleo@students.latrobe.edu.au

Sue Beeton, PhD
Director of Research
School of Sport, Tourism and Hospitality Management
La Trobe University
Victoria 3086
Australia
s.beeton@latrobe.edu.au

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Think Tank VI
*Corporate Social Responsibility for Sustainable Tourism***

Abstract:

**Testing Clarkson's Typical Corporate and Stakeholder
Issues Model with Corporate Social Responsibility in
Tourism: the Case of Lonely Planet**

In an economy of abundance, the responsibilities of businesses extend beyond the profit motive, not only serving that business but also the goals of society (Lazer, 1996). It is now recognised that an organisation's responsibilities must extend well beyond the notion of profit making to social responsibility (Carroll, 1999). Corporate social responsibility (CSR) is defined as including 'the openness or transparency of companies as well as taking into consideration the will and expectations of their stakeholders' (Juholin, 2004, p.22). Juholin's definition of CSR suggests that the relationship between companies and their stakeholders is critical for business success.

There is a range of theories associated with the term CSR, which include profit maximisation theory, ethical theory, political theory, and stakeholder theory. Of these four theories, stakeholder theory as outlined by Clarkson (1995) is the primary focus of this paper which considers it within the framework of CSR. This theory holds that organisations have a responsibility that extends beyond their shareholders, as they must also be accountable to any group in society who has an interest in the organisation (Quazi, 2003).

This is particularly pertinent to the tourism industry, which is reliant on its stakeholders, not only to support it, but to provide the actual tourism product and/or service. However, research has yet to prove this assumption within the broader CSR concept (Wheeler, 1995).

Aim

The purpose of this paper is to test the effectiveness of Clarkson's (1995) Typical Corporate and Stakeholder Issues model to establish the link between CSR and tourism, which is explored through a case study. The original model is shown in Figure 1.

Figure 1: Clarkson's Typical Corporate and Stakeholder Issues Model

- 1 Company**
 - 1.1 Company history
 - 1.2 Industry background
 - 1.3 Organisation structure
 - 1.4 Economic performance
 - 1.5 Competitive environment
 - 1.6 Mission or purpose
 - 1.7 Corporate codes
 - 1.8 Stakeholder and social issues management systems

- 2 Employees**
 - 2.1 General policy
 - 2.2 Benefits
 - 2.3 Compensation and rewards
 - 2.4 Training and development
 - 2.5 Career planning
 - 2.6 Employee assistance program
 - 2.7 Health promotion
 - 2.8 Absenteeism and turnover
 - 2.9 Leaves of absence
 - 2.10 Relationships with unions
 - 2.11 Dismissal and appeal
 - 2.12 Termination, layoff, and redundancy
 - 2.13 Retirement and termination counselling
 - 2.14 Employment equity and discrimination
 - 2.15 Women in management and on the board
 - 2.16 Day care and family accommodation
 - 2.17 Employee communication
 - 2.18 Occupational health and safety
 - 2.19 Part-time, temporary, or contract employees
 - 2.20 Other employee or human resource issues

- 3 Shareholders**
 - 3.1 General policy
 - 3.2 Shareholder communications and complaints
 - 3.3 Shareholder advocacy
 - 3.4 Shareholder rights
 - 3.5 Other shareholder issues

- 4 Customers**
 - 4.1 General policy
 - 4.2 Customer communications
 - 4.3 Product safety
 - 4.4 Customer complaints
 - 4.5 Special customer services
 - 4.6 Other customer issues

- 5 Suppliers**
 - 5.1 General policy
 - 5.2 Relative power
 - 5.3 Other supplier issues

- 6 Public Shareholders**
 - 6.1 Public health, safety, and protection
 - 6.2 Conservation of energy and materials
 - 6.3 Environmental assessment of capital projects
 - 6.4 Other environmental issues
 - 6.5 Public policy involvement
 - 6.6 Community relations
 - 6.7 Social investment and donations

Source: Clarkson (1995, p.101)

The study investigates whether stakeholder theory in terms of corporate social responsibility is a viable notion to deploy in an organisation offering a tourism-related product reliant on multiple stakeholders, such as the publisher, Lonely Planet.

Lonely Planet is one of the world's most recognised travel brands across both print and digital media, and brand choice for millions of independent travellers on their journeys world over (Lonely Planet Publications, 2004). The company was selected as the case for this paper due to its stated aims to behave in an ethical and socially responsible manner (Lonely Planet Online, 2005).

Further work has been undertaken on applying CSR to tourism by considering why and for what purposes CSR is useful for Lonely Planet, as well as the stakeholders' perceptions of CSR at Lonely Planet. However, it is the application of the theoretical model that is the focus here.

Method

Stakeholder theory, in the form of Clarkson's (1995) Typical Corporate and Stakeholder Issues model is applied to the case organisation as a conceptual vehicle for analysis. A qualitative approach was employed, drawing on a combination of interviews and document analysis to outline reasons, motives and management principles for CSR, and to also determine the nature and role of CSR in Lonely Planet.

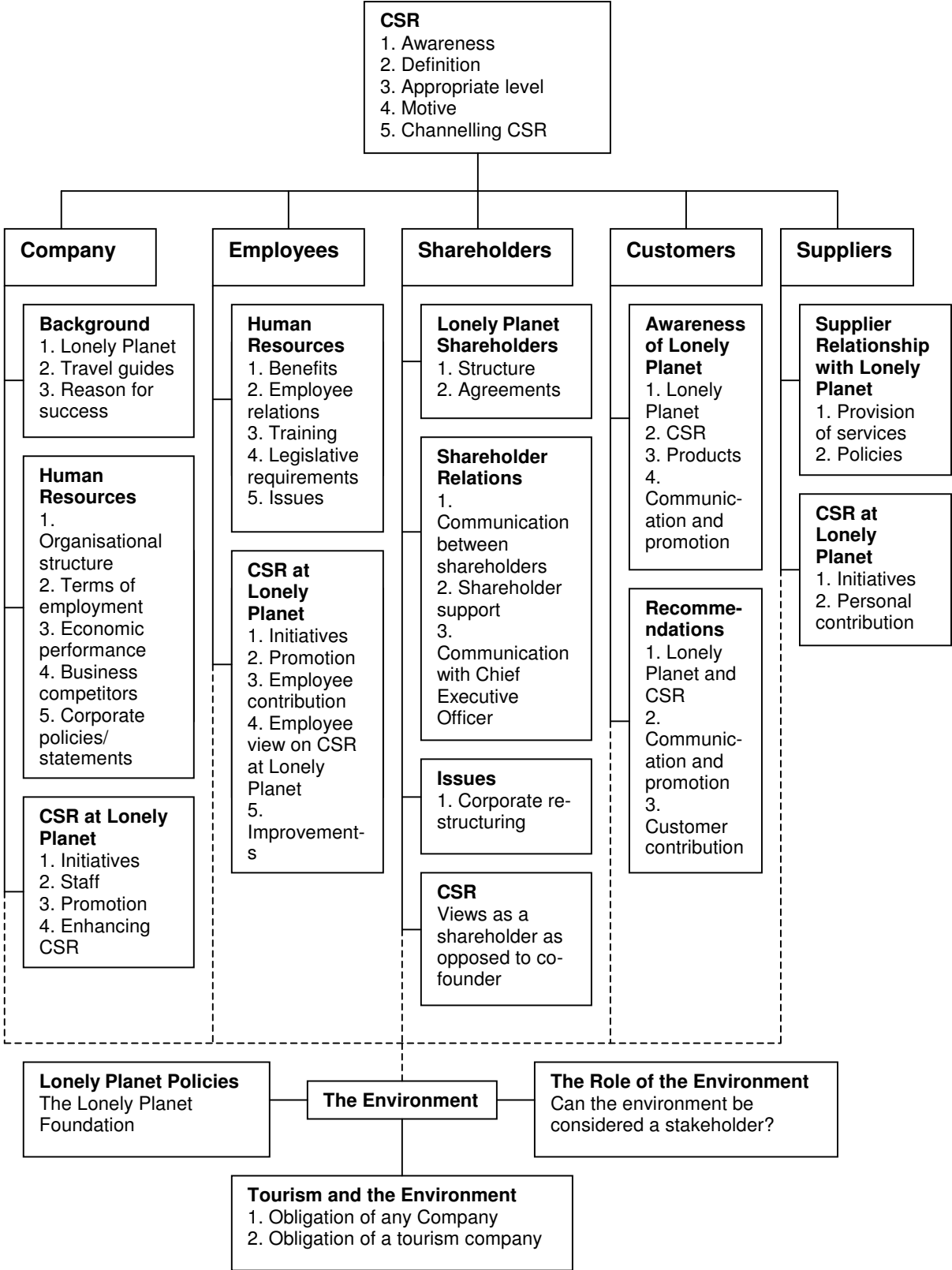
Clarkson's model outlines six stakeholder categories: company, employees, shareholders, customers, suppliers and public shareholders. These categories informed the choice of respondents, as it was decided to conduct in-depth interviews with representatives of each stakeholder group. However, the category, 'public shareholders' was excluded due to the fact that Lonely Planet is not a publicly listed company. Instead, 'the natural environment' was added due to its interrelationship with tourism. Whether it can be seen as a 'stakeholder' is open to debate, however the environment is not static or passive, and exerts its influence on tourism activities, and vice versa.

While the research was primarily exploratory, the interviews provided a rich source of information, showing that Lonely Planet was ideal case organisation for analysis, as they offer tourism-related products and give back financial and physical resources to the communities to which they send their travellers. Stakeholder theory, the conceptual framework of this study, has demonstrated that it can be used to examine CSR as it provides a way of adapting new approaches to the theory (Black & Hartel, 2004; Maignon & Ralston, 2002; Schiebel & Pochtrager, 2003). In this instance, stakeholder theory in the form of Clarkson's model has been used to interpret the nature of the relationship between CSR in tourism.

Findings

The use of stakeholder theory as the conceptual framework for this study matches the research aim, as the stakeholder categories outlined by Clarkson (1995) corresponded clearly with Lonely Planet's current stakeholders. Moreover, the issues outlined in Clarkson's (1995) Typical Corporate and Stakeholder Issues model provide a lucid way to approach the research design element of the study. However, throughout the research process, it became increasingly evident that Clarkson's model was predominately based on human resource issues. The results demonstrate that there is a much wider range of issues covered when exploring CSR in a tourism context such as then environment. Therefore, Clarkson's (1995) Typical Corporate and Stakeholder Issues model has been modified to acknowledge the more specific range of issues identified in the data relevant to tourism (see Figure 2).

Figure 2: CSR Framework for Lonely Planet



Conclusion

While Lonely Planet's socially responsible travel objectives could be likened to all of the CSR perspectives, its application to stakeholder theory relates most closely to CSR. Stakeholder theory is about taking into account society at large, and Lonely Planet prides itself on giving back financial and physical resources worldwide for the benefit of directly related communities, the environment and also their travellers.

The use of a stakeholder theory to ascertain the perceptions of Lonely Planet's stakeholders was a successful approach to take. It is these perceptions that informed the choices for the CSR framework developed for Lonely Planet.

Although this research project has recognised the significance of the relationship between stakeholder theory, CSR and tourism, the research opportunities relating to CSR and tourism are numerous. This area is still an underdeveloped research topic, and there is much potential for CSR and tourism to become a prominent subject in CSR and stakeholder theory literature. Applying other CSR theories such as profit maximisation theory and ethical theory in and through tourism creates many possibilities for future studies.

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